

# DEVELOPMENT COOPERATION REPORT

2024/25



**Government of Nepal**  
**MINISTRY OF FINANCE**

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2024/25



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MINISTRY OF FINANCE

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Hon'ble Deputy Prime Minister and  
Finance Minister

## Government of Nepal MINISTRY OF FINANCE

SINGHADURBAR  
KATHMANDU, NEPAL



# FOREWORD

Nepal stands at a critical juncture in its development journey. As we prepare to graduate from Least Developed Country (LDC) status in 2026 and transition toward middle-income status by 2030, development cooperation remains a vital pillar for advancing our national priorities. This Development Cooperation Report (DCR) for FY 2024/25 provides a timely assessment of the trends and issues shaping our external finance landscape, reaffirming the Government's commitment to transparency and evidence-based policy dialogue.

During FY 2024/25, external development finance showed signs of recovery, with Official Development Assistance (ODA) disbursements reaching approximately USD 1.6 billion. Multilateral partners continue to lead these efforts, complemented by bilateral partners and the United Nations. These resources have bolstered key sectors—including transport, agriculture, education, and public safety—directly contributing to improved infrastructure and service delivery.

However, the report highlights significant structural shifts. Nepal's external finance is gradually transitioning from grants to loans. While our current debt remains sustainable, prudent management of external borrowing is essential to safeguard long-term fiscal stability. The report also underscores the need to strengthen coordination and reduce aid fragmentation.

As global dynamics and donor priorities shift, the Government of Nepal is committed to broadening its financing strategy. Through the Integrated National Financing Strategy, we aim to enhance domestic resource mobilization, foster private sector engagement, and utilize innovative instruments such as blended and climate finance.

Furthermore, our efforts to modernize development finance information management systems have progressed. Improved data and reporting platforms are enhancing transparency and enabling more informed decision-making. I extend my sincere appreciation to our development partners and stakeholders for their continued support, and I commend the International Economic Relations Division (IERD) of the Ministry of Finance for preparing this report.

I trust this publication will serve as a valuable reference as we work toward our shared goal of sustainable, inclusive, and resilient development for the people of Nepal.

**Rameshore Prasad Khanal**  
Finance Minister





Government of Nepal  
**MINISTRY OF FINANCE**

SINGHADURBAR  
KATHMANDU, NEPAL



## PREFACE

The Development Cooperation Report (DCR) for FY 2024/25 provides a comprehensive analysis of the trends, composition, and sectoral distribution of external finance mobilized for Nepal's national priorities. Prepared by the International Economic Relations Division (IERD), this report serves as a vital resource for policymakers, development partners, and stakeholders engaged in Nepal's development landscape.

External development finance remains a critical complement to national efforts, supporting infrastructure, social sectors, climate resilience, and institutional strengthening. In FY 2024/25, Official Development Assistance (ODA) disbursements totaled approximately USD 1.6 billion. Multilateral partners contributed the largest share, followed by bilateral partners and the United Nations. These resources were primarily directed toward transport, agriculture, education, and public safety—sectors essential for economic growth and service delivery.

The report also highlights key structural shifts, notably the gradual transition from grants to concessional loans. While this shift enables large-scale investment, it necessitates prudent debt management and rigorous project prioritization. Furthermore, the continued fragmentation across projects underscores the urgent need for stronger coordination between government institutions and development partners.

Nepal is at a transformative stage. Our graduation from LDC status in 2026 and our goal to reach middle-income status by 2030 will fundamentally reshape our financing landscape. These milestones require strategic planning to align external cooperation with national priorities while simultaneously enhancing domestic resource mobilization and exploring alternative financing instruments.

The Government of Nepal continues to prioritize effectiveness and transparency. The Development Finance Information Management System (DFIMS) has significantly improved the quality and accessibility of aid data, fostering more informed policy dialogue. Moving forward, strengthening national systems and enhancing project readiness will be essential to maximizing the impact of every dollar received.

I extend my sincere appreciation to our development partners for their steadfast support. I also commend the officials of the IERD and all contributing institutions for their dedication in preparing this report.

I trust that these insights will foster coordinated and impactful cooperation as we work toward a resilient and inclusive future for Nepal.

**Ghanshyam Upadhyaya, Ph.D.**  
Finance Secretary





Government of Nepal  
**MINISTRY OF FINANCE**

SINGHADURBAR  
KATHMANDU, NEPAL



## ACKNOWLEDGEMENT

The International Economic Relations Division (IERD) of the Ministry of Finance is honored to present the 15th edition of the Development Cooperation Report (DCR) for FY 2024/25. This publication reflects the collective commitment of government institutions, development partners, and implementing agencies to enhance transparency, mutual accountability, and aid effectiveness in Nepal.

The DCR 2024/25 provides a comprehensive overview of the status and trends of external development finance, including an analysis of Official Development Assistance (ODA) commitments, disbursements, and sectoral allocations. By highlighting emerging patterns, the report aims to facilitate evidence-based policy making and improve the strategic coordination of development cooperation.

The preparation of this report was made possible through the extensive cooperation of numerous institutions. I extend my gratitude to our bilateral and multilateral development partners, United Nations agencies, and international financial institutions for their continued collaboration. Their commitment to providing timely and detailed information through the Development Finance Information Management System (DFIMS) has significantly strengthened the quality and reliability of this analysis.

I also acknowledge the vital support of various ministries, departments, and agencies of the Government of Nepal. Their active engagement in reporting project information and coordinating with the IERD remains essential for maintaining data integrity and effective cooperation management.

I especially applaud the IERD colleagues and the Effective Financing for Development (EFD) Project for the successful migration from the previous AIMS to the new DFIMS. In particular, I recognize Mr. Om Prakash Bhattarai for his effective leadership and coordination; Dr. Narayan Dhakal and Mr. Bishesh Pradhan for their technical expertise in compiling and delivering this report; and Mr. Ajaya Hamal for his logistical support.

The UNDP's partnership with the EFD Project has been instrumental in reinforcing our commitment to data-driven policy and enhanced aid effectiveness. Finally, I express my sincere thanks to the senior leadership of the Ministry of Finance for their continuous guidance throughout this process.

I trust this report will serve as a valuable reference for policymakers, researchers, and practitioners working to maximize the impact of development cooperation in Nepal.

**Dhaniram Sharma, Ph.D.**

Joint Secretary

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# ACRONYMS AND ABBREVIATIONS

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|       |   |
|-------|---|
| ADB   | Asian Development Bank                                    |
| DFIMS | Development Finance Information Management System         |
| AMP   | Aid Management Platform                                   |
| CARES | COVID-19 Active Response and Expenditure Support          |
| CRB   | Country Report Brief                                      |
| DCR   | Development Cooperation Report                            |
| DFA   | Development Finance Assessment                            |
| DFMIS | Development Finance Information Management System         |
| EU    | European Union  |
| FDI   | Foreign Direct Investment                                 |
| FMIS  | Finance Management Information System                     |
| FY    | Fiscal Year   |
| GDP   | Gross Domestic Product                                    |
| GPEDC | Global Partnership for Effective Development Co-operation |
| IATI  | International Aid Transparency Initiative                 |
| IERD  | International Economic Relations Division                 |
| IFAD  | International Fund for Agriculture Development            |
| IMF   | International Monetary Fund                               |
| INGO  | International Non-Governmental Organisation               |

|        |  |
|--------|--|
| LDC    | Least Developed Country                                |
| LMBIS  | Line Ministry Budget Information System                |
| MoALD  | Ministry of Agriculture and Livestock Development      |
| MoCIT  | Ministry of Communications and Information Technology  |
| MoCTCA | Ministry of Culture, Tourism and Civil Aviation        |
| MoEST  | Ministry of Education, Science and Technology          |
| MoEWRI | Ministry of Energy, Water Resource and Irrigation      |
| MoF    | Ministry of Finance                                    |
| MoFAGA | Ministry of Federal Affairs & General Administration   |
| MoFE   | Ministry of Forests and Environment                    |
| MoHA   | Ministry of Home Affairs                               |
| MoHP   | Ministry of Health and Population                      |
| MoICS  | Ministry of Industry, Commerce and Supplies            |
| MoLESS | Ministry of Labour, Employment and Social Security     |
| MoLJPA | Ministry of Law, Justice and Parliamentary Affairs     |
| MoPIT  | Ministry of Physical Infrastructure and Transportation |
| MoUD   | Ministry of Urban Development                          |
| MoWCS  | Ministry of Women, Children and Senior Citizen         |
| MoWS   | Ministry of Water Supply                               |
| MTEF   | Medium Term Expenditure Framework                      |
| NDP    | National Development Plan                              |
| NDC    | Nationally Determined Contribution                     |
| NPC    | National Planning Commission                           |
| NRP    | National Relief Program                                |

|       |  |
|-------|--|
| NSO   | National Statistics Office                             |
| ODA   | Official Development Assistance                        |
| OECD  | Organisation for Economic Co-operation and Development |
| OFID  | OPEC Fund for International Development                |
| OPEC  | Organisation of Petroleum Exporting Countries          |
| OPMCM | Office of the Prime Minister and Council of Ministers  |
| SAARC | South Asian Association for Regional Cooperation       |
| SDG   | Sustainable Development Goal                           |
| SWAp  | Sector Wide Approach                                   |
| TA    | Technical Assistance                                   |
| UK    | United Kingdom   |
| UNCT  | United Nations Country Team                            |
| UNGA  | United Nations General Assembly                        |
| USAD  | United States Agency for International Development     |
| USD   | United States Dollar                                   |
| WB    | The World Bank   |
| WFP   | World Food Programme                                   |



# EXECUTIVE SUMMARY

1. **The ODA disbursement in FY 2024/25 reached USD 1.60 billion**, representing a rebound and recovery with a 15.5 percent increase from USD 1.39 billion in FY 2023/24. The disbursement level for the fiscal year is significantly higher than the ten-year average, reflecting a normalization of development finance flows.
2. **The Government of Nepal signed 33 ODA agreements with 12 DPs covering a total value of USD 1.98 billion during FY 2024/25.** The financial portfolio included debt-based financing totaling USD 1.57 billion, which made up 79.1 percent, and grants representing the remaining 20.9 percent (USD 413.1 million) of the agreement value.
3. **Loans were the dominant assistance type in FY 2024/25, reaching USD 1.07 billion (66.9 percent) of total ODA disbursements.** Grant disbursements accounted for USD 344.4 million (21.4 percent), and technical assistance totaled USD 187.2 million (11.6 percent).
4. **The World Bank provided the highest amount among multilateral DPs, with disbursements reaching USD 541.0 million.** This was followed by the Asian Development Bank (USD 443.2 million), the International Monetary Fund (USD 41.8 million), the European Union (USD 37.7 million), and the Green Climate Fund (USD 15.8 million). The UN system mobilized USD 64.5 million during the period.
5. **India disbursed the highest amount among bilateral DPs, reaching USD 107.8 million in FY 2024/25.** The United Kingdom followed with USD 84.2 million, USAID with USD 67.1 million, Japan with USD 58.3 million, Switzerland with USD 30.1 million, and Norway with USD 26.6 million.
6. **Multilateral DPs disbursed USD 1.09 billion in FY 2024/25, occupying 68.1 percent of total disbursements.** Bilateral partners occupied 27.9 percent with USD 448.4 million, and the UN system accounted for 4.0 percent with USD 64.5 million. The top five multilateral partners provided the majority of the total multilateral disbursements.
7. **The top 10 DPs occupied approximately 92.3 percent of the total disbursement in FY 2024/25.** Combining multilateral, bilateral, and the UN system, the top 10 disbursing DPs in descending order were the World Bank (USD 541.0 million), the Asian Development Bank (USD 443.2 million), India (USD 107.8 million), the United Kingdom (USD 84.2 million), USAID (USD 67.1 million), the UN system (USD 64.5 million), Japan (USD 58.3 million), the International Monetary Fund (USD 41.8 million), the European Union (USD 37.7 million), and Switzerland (USD 30.1 million).
8. **On-budget and on-treasury disbursements increased while off-budget support declined,** showing improved alignment with national systems. On-budget disbursement was USD 1.36 billion in FY 2024/25 after a 23.5 percent increase from the previous year. On-treasury disbursements reached USD 847.5 million, reflecting a rise of 63.3 percent. During the same period, off-budget disbursement decreased to USD 242.0 million, a 15.1 percent decline from FY 2023/24.

9. **ODA occupied 14.5 percent of the total national budget in FY 2024/25**, the lowest share recorded in a decade. Total ODA allocation was USD 2.0 billion against a national budget of USD 13.7 billion. The share of ODA in the national budget decreased slightly from 15.0 percent in the previous fiscal year.
10. **The Transport sector maintained the highest disbursement in FY 2024/25, receiving USD 252.8 million (15.7 percent)**. Among the top five recipient sectors, Transport was followed by Economic Affairs (USD 204.5 million, 12.7 percent), Agriculture, Forestry, Fishing and Hunting (USD 188.5 million, 11.7 percent), Education (USD 184.0 million, 11.5 percent), and Public Order and Safety (USD 170.3 million, 10.6 percent).
11. **Fragmentation of ODA continued in FY 2024/25, though the total project count declined**. Twenty-two executing entities implemented a total of 301 ODA-funded projects with support from 22 DPs. On average, each DP managed approximately 13 projects, while each government executing entity coordinated with about 8 DPs.
12. **INGO disbursements showed a divergence in trend during FY 2024/25**, as the volume of funding rose despite a continued decrease in the number of reporting organizations. While the number of reporting INGOs fell to 49, the total contribution increased to USD 90.0 million from the USD 63.1 million recorded in FY 2023/24.

# INTRODUCTION

Strategically positioned as a landlocked nation between the emerging economies of India and China, Nepal has a population of 29.1 million and a per capita GDP of USD 1443 per annum in FY 2024/25 (NSO, 2025). Nepal has been implementing periodic plans prioritising sustainable growth, employment, infrastructure, human development, and resilience. In 2021, the United Nations General Assembly recognised Nepal's development success by approving a proposal to support its graduation from Least Developed Country (LDC) status in 2026<sup>1</sup>. It has been listed as a lower middle income country as per the World Bank's classification.

Nepal's approach to development cooperation management largely aligns with the global principles of aid and development effectiveness, i.e., country ownership, alignment, harmonization, focus on results, transparency and mutual accountability; and local as well as global partnership. Nepal has actively participated in various high-level international conferences and subscribed to global commitments towards initiating and monitoring reforms in the area of aid-governance and management. Major outcome documents dedicated to aid effectiveness and global partnership include, the Paris Declaration on Aid Effectiveness (2005), the Accra Agenda for Actions (2008), the Busan Outcome Documents (2008), and the Geneva Summit Declaration (2022). Besides, Nepal has consistently been engaging in the global development agenda, particularly for shaping new global financing architectures through a series of Financing for Development (FfD) forums.

Nepal has been consistently showing its commitment in achieving ambitious development goals, including impending graduation from LDC status in 2026 and its transition to Middle-Income Country (MIC) status by 2030<sup>2</sup>. Challenges posed by global poly-crises in fulfilling its development agenda, however, contribute to widening Nepal's development finance gap that requires increased access to a diverse source of international development finance.

Disbursement of Official Development Assistance (ODA) reached USD 1.6 billion in FY 2024/25 with about a 15.5 percent increase from the USD 1.4 billion levels recorded during the previous fiscal years. ODA commitments rose to USD 2.2 billion in FY 2024/25, an incline of 46.3 percent from previous year. In 2024, ODA per capita was USD 37.1, which is the lowest level in ten years and lower than the SAARC average of USD 71.3 and the Asian LDC average of USD 79.6. ODA as a share of the national budget reached a decade-low of 14.5 percent in FY 2024/25.

The aid portfolio changed from being grant-heavy to loan-dominant over the last decade. Loans made up 66.9 percent (USD 1.075 billion) of disbursements in FY 2024/25, while grants were 21.4 percent (USD 344.4 million). Technical assistance contributed 11.6 percent (USD 187.2 million) to the assistance mix. External finance, including remittances, ODA, and FDI, comprises 61 percent of the total financing mix as of 2024.

1 "Resolution 76/8." United Nations, Available at: <https://undocs.org/en/A/RES/76/8>

2 "Nepal's Sustainable Development Goals Progress Assessment Report 2016–2019", Government of Nepal National Planning Commission (July 2020)

Inflows of ODA to Nepal have fluctuated in the past five years. Major ups and downs, in part, are due to the reconstruction activities after the 2015 earthquake, the impact of the COVID-19 pandemic, DPs shifting priorities amid complex geopolitics, and Nepal's impending graduation from LDC status.

A proactive approach is essential to mitigate the impact of diminishing external development finance. This may entail diversifying financing sources, unlocking new resources from both domestic and international private sectors, and leveraging past achievements. Additionally, several innovative financing tools and approaches need to be explored. These include mobilizing alternative and innovative financing instruments, enhancing private capital mobilization, utilizing climate finance, prioritising the use of blended finance, enhancing access to digital financial services for rural and marginalised communities, and fostering a deeper understanding of diverse financing strategies deployed by various development stakeholders.

Nepal approved the Integrated National Financing Strategy for Pro-Employment Economic Growth in 2025 to manage these risks. The Integrated National Financing Framework (INFF) approach aligns public and private resources with sustainable development goals. This framework helps the government identify financing gaps and improve planning-budgeting linkages.

### Box 1: An Integrated National Financing Framework (INFF) for Nepal

The INFF is designed to improve the effectiveness and impact of development finance by fostering greater harmonization, ownership, alignment, result orientation, policy coherence, transparency and accountability, and encouraging multi-stakeholder collaboration. It is a country-led framework designed to align public and private financing flows with national sustainable development priorities. First introduced in the Addis Ababa Action Agenda (2015), INFF emerged in response to the recognition that achieving the Sustainable Development Goals (SDGs) would require not only more financing but smarter, more coherent financing. The INFF concept was developed to help countries systematically identify financing gaps, improve planning-budgeting linkages, and sequence policy reforms that enable sustainable and inclusive development. INFFs do not replace national development plans or fiscal frameworks; rather, they provide a structured process for aligning financing decisions across public, private, domestic, and international sources with national development ambitions. Nepal has developed Integrated National Financing Strategies for pro-employment economic growth of Nepal, which is a core building block of the INFF approach and offers a platform to address critical macro-fiscal, investment, and employment challenges through integrated, sequenced, and politically feasible financing reforms.

## 2.1 Development Cooperation Overview

The Development Cooperation Report (DCR) is the Ministry of Finance's annual flagship publication compiled by the International Economic Relations Division (IERD). It provides a systematic analysis of trends, patterns, and emerging issues in the management of development cooperation in Nepal. Beyond presenting data, the report serves as an accountability and policy reference tool for government institutions, development partners, and other stakeholders.

The DCR 2024/25 marks the 15th edition in its series and provides a comprehensive assessment of development cooperation received, allocated, and disbursed across Nepal during FY 2024/25 (16 July 2024 to 15 July 2025). The report analyzes sectoral distribution, financing modalities, development partners engagement and overall resource flows to inform evidence-based decision-making and strengthen policy dialogue.

The analysis is primarily based on data drawn from Nepal's Development Finance Information Management System (DFIMS), the web-based national reporting platform through which development partners periodically report, verify and validate information on ODA provided to Nepal. Unless otherwise indicated, all charts and figures in the report are generated from DFIMS data.

To ensure data integrity and reliability, the IERD conducted a formal verification exercise between August and October 2025. During this period, IERD requested each development partner—both individually and collectively—to review and validate their reported data. Following structured follow-ups and data reconciliation, the dataset was finalized and locked on 28 February 2026, ensuring consistency, accuracy, and readiness for publication.

### Box 2: Nepal’s DFIMS

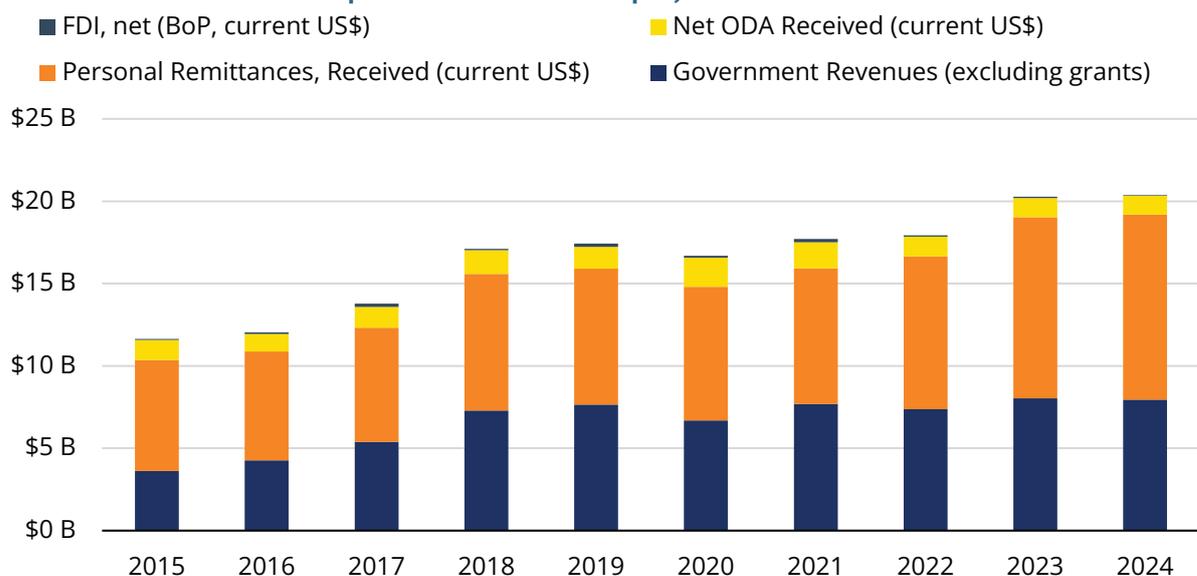
The DFIMS is a modern, integrated online platform designed to transform how development finance is tracked, managed, and monitored in Nepal. It consolidates data, analysis, and visualization within a single system—strengthening transparency, coordination, and informed decision-making. The platform features interactive dashboards, detailed project and development partner profiles, customizable analytical reports, and dynamic maps. Together, these tools provide real-time insights into the flow, allocation, and performance of development finance across sectors and regions, making complex data accessible, transparent, and actionable.

By integrating inputs from development partners (DPs), international non-governmental organizations (INGOs), and government agencies, DFIMS serves as a single, authoritative source of development finance information. Managed by the IERD of the Ministry of Finance, the system supports evidence-based policymaking and enables policymakers, stakeholders, and the public to better understand and engage with Nepal’s development finance landscape.

## 2.2 Role of Development Finance

Figure 2.1 complements the DFIMS data by illustrating Nepal’s development finance inflows from 2015 to 2024. Drawing on datasets from the World Bank, the OECD, and Nepal Rastra Bank, the figure compares key external and domestic financing sources, including government revenue, remittances, ODA, and foreign direct investment (FDI). While Nepal has made notable progress in strengthening domestic revenue mobilization, the economy continues to depend significantly on external inflows—particularly remittances and ODA—to sustain growth and finance development priorities.

**Figure 2.1: Sources of Development Finance to Nepal, 2015 - 2024**



Source: Nepal Rastra Bank, World Bank, World Development Indicators and OECD Data Explorer (Table DAC2A)

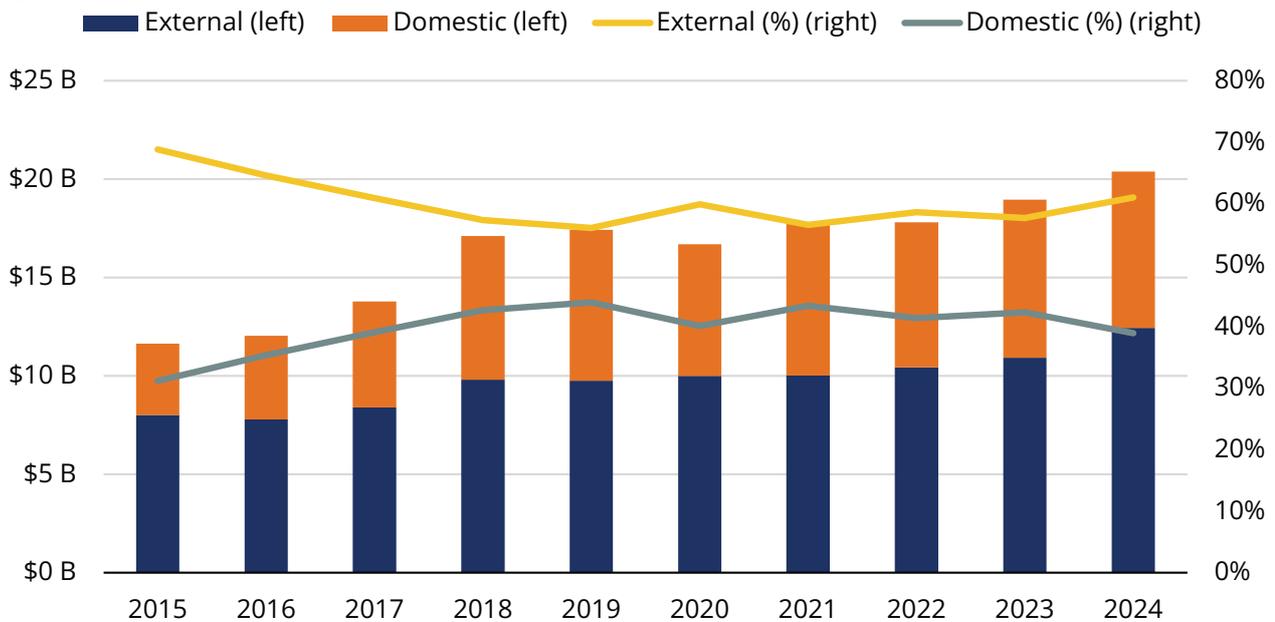
Remittances continue to play a central role in Nepal’s economy, supporting household consumption, strengthening foreign exchange reserves, and enhancing overall economic resilience. Between 2015

and 2024, personal remittances increased significantly—from USD 6.7 billion to USD 11.3 billion. Over the same period, government revenues (excluding grants) also rose substantially, from USD 3.6 billion to USD 7.9 billion, reflecting progress in domestic resource mobilization.

In contrast, ODA declined modestly to USD 1.1 billion in 2024. FDI remained highly volatile, falling to USD 56.9 million in 2024 after peaking at USD 196.3 million in 2021.

Nepal’s continued reliance on external inflows—particularly remittances and ODA—creates structural vulnerabilities to global labor market fluctuations and shifts in donor priorities. Any significant disruption to these flows could adversely affect household livelihoods and constrain financing for critical sectors such as health, education, and infrastructure. In response, Nepal formulated Integrated National Financing Strategy for Pro-Employment Economic Growth in 2025 with a view to integrating public and private and domestic and international financing and streamlining policies, strategies, budgeting and planning. Alongside, Nepal has prioritized strengthening domestic resource mobilization and exploring alternative financing mechanisms to diversify its resource base, enhance resilience to external shocks, and narrow the financing gap.

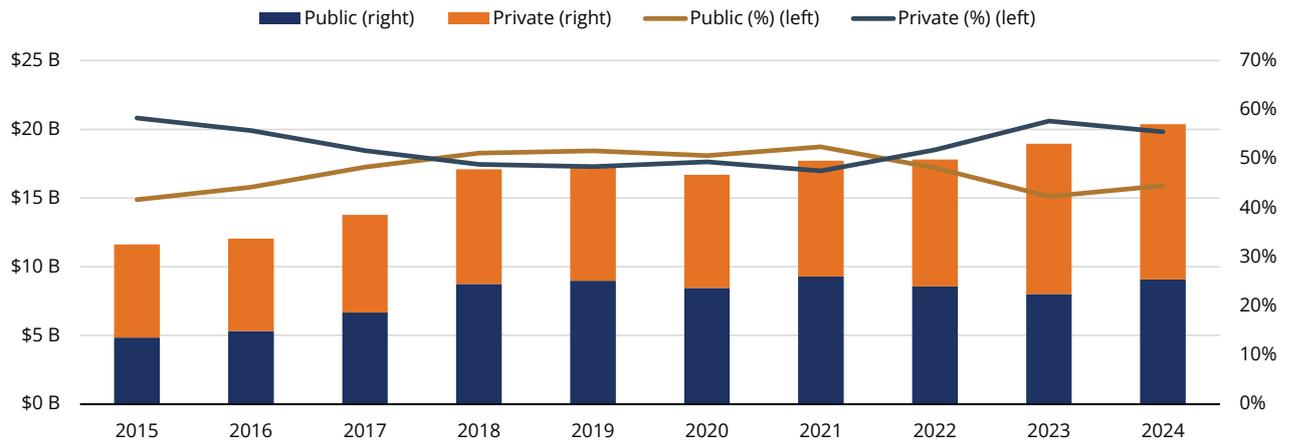
**Figure 2.2: Domestic v External Development Finance to Nepal, 2015 - 2024**



Source: Nepal Rastra Bank, World Bank, World Development Indicators and OECD Data Explorer (Table DAC2A)

Figure 2.2 presents trends in Nepal’s development finance between 2015 and 2024. Domestic finance—measured as government revenue excluding grants—more than doubled, increasing from USD 3.6 billion to USD 7.9 billion. Its share of total development finance remained relatively stable, fluctuating between 31.2 percent and 44 percent, and standing at 39 percent in 2024.

External finance, comprising remittances, ODA, and FDI, grew from USD 8 billion to nearly USD 12.4 billion over the same period, largely driven by rising remittances. However, despite this growth in absolute terms, its share in the overall financing mix declined from 68.8 percent in 2015 to 61 percent in 2024, averaging 60.4 percent over the decade.

**Figure 2.3: Public v Private Development Finance to Nepal, 2015 - 2024**

Source: Nepal Rastra Bank, World Bank, World Development Indicators and OECD Data Explorer (Table DAC2A)

Figure 2.3 depicts shifts in Nepal’s development finance landscape from 2015 to 2024, distinguishing between public and private sources. Public finance—defined as government revenue plus ODA—represents resources managed by the domestic and international public sector. Private development finance comprises personal remittances and FDI, reflecting flows driven by households and international private sectors.

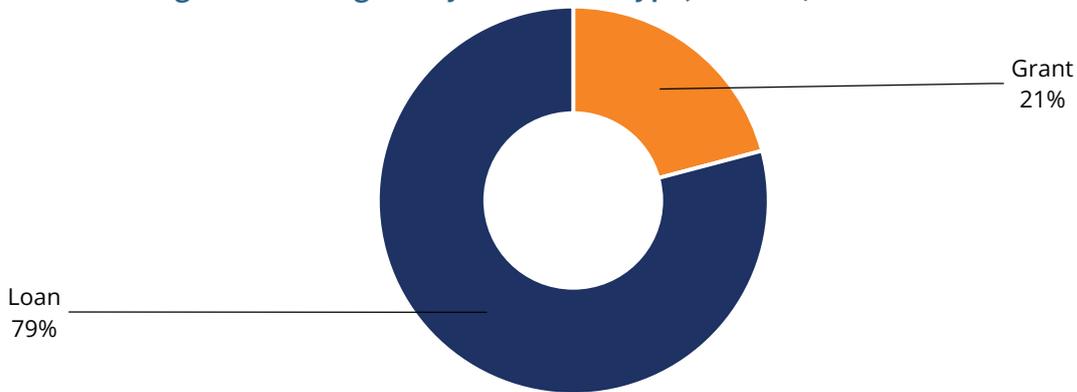
Public development finance, which underpins infrastructure, public services, and social protection, nearly doubled over the decade, increasing from USD 4.8 billion in 2015 to approximately USD 9.1 billion in 2024. This growth underscores its expanding role in supporting economic stability and enabling private sector participation.

Private development finance also grew strongly, rising from USD 6.8 billion to USD 11.3 billion during the same period. Despite fluctuations between 2018 and 2021, the overall trend signals sustained expansion. By 2024, total development finance reached USD 20.4 billion, with private sources accounting for 55.5 percent and public finance 44.5 percent, indicating a gradual shift toward a more private-sector-driven development structure.

# CHAPTER 3 ODA AGREEMENTS IN FY 2024/25

During FY 2024/25, the Government of Nepal signed 33 financial agreements with 12 DPs, totalling around USD 1.98 billion of loans and grants.

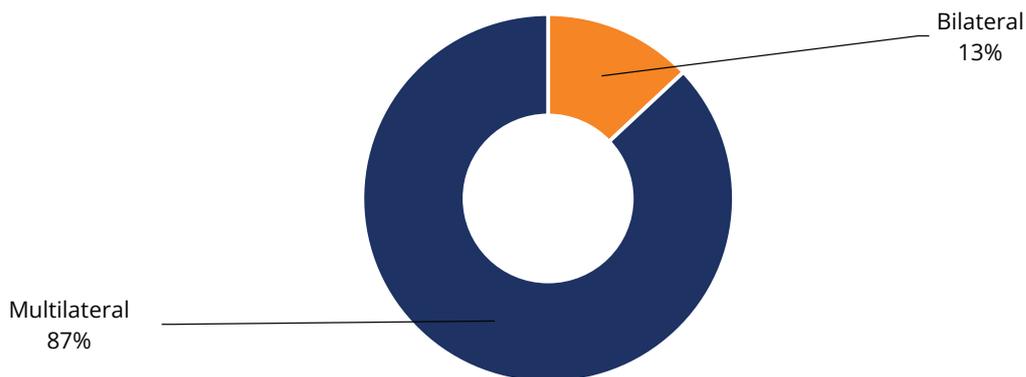
Figure 3.1: Value of Agreements Signed by Assistance Type, FY 2024/25



As shown in Figure 3.1, loans were the most frequent type of assistance, accounting for USD 1.57 billion or 79.1 percent of the total value. Grant-based aid comprised the remaining 20.9 percent, which amounted to USD 413.1 million.

This reliance on debt-based financing is supported by Nepal's low risk of debt distress and its consistent record of repayment. International financial institutions continue to view the country's public debt as manageable within current fiscal limits. However, the government must manage this portfolio carefully to maintain long-term financial stability. These figures also indicate a need for better coordination with development partners to obtain grants for projects where loans are not a viable option.

Figure 3.2: Value of Agreements Signed by Development Partner Type, FY 2024/25



Multilateral institutions provided USD 1.72 billion, which represented 87 percent of the total agreement value in FY 2024/25. Bilateral partners contributed USD 257.1 million, making up the remaining 13 percent. Adding up these figures, the total value of signed agreements becomes USD 1.98 billion for the fiscal year under review. This high multilateral share shows that international organisations are the main sources of development finance for Nepal. Changes in the domestic policies of individual countries often cause a lower bilateral share. This scenario also can be interpreted as dominance of multilateralism in Nepal, where multilateral agencies operate under agreed international rules, standards, and safeguard systems embedding their financing within globally negotiated frameworks, such as debt sustainability, climate finance, SDGs etc. Compared to bilateral donors, multilaterals are generally perceived as less driven by single-country geopolitical interests. A multilateral-heavy ODA portfolio can therefore signal a preference for rule-based, institution-driven cooperation. However, bilateral engagement is critical to meet financing gaps to achieve SDGs-aligned national priority projects through a combination of loans, grants, and technical assistance.

**Figure 3.3: Value of Signed Agreements by DPs and Assistance Type, FY 2024/25**

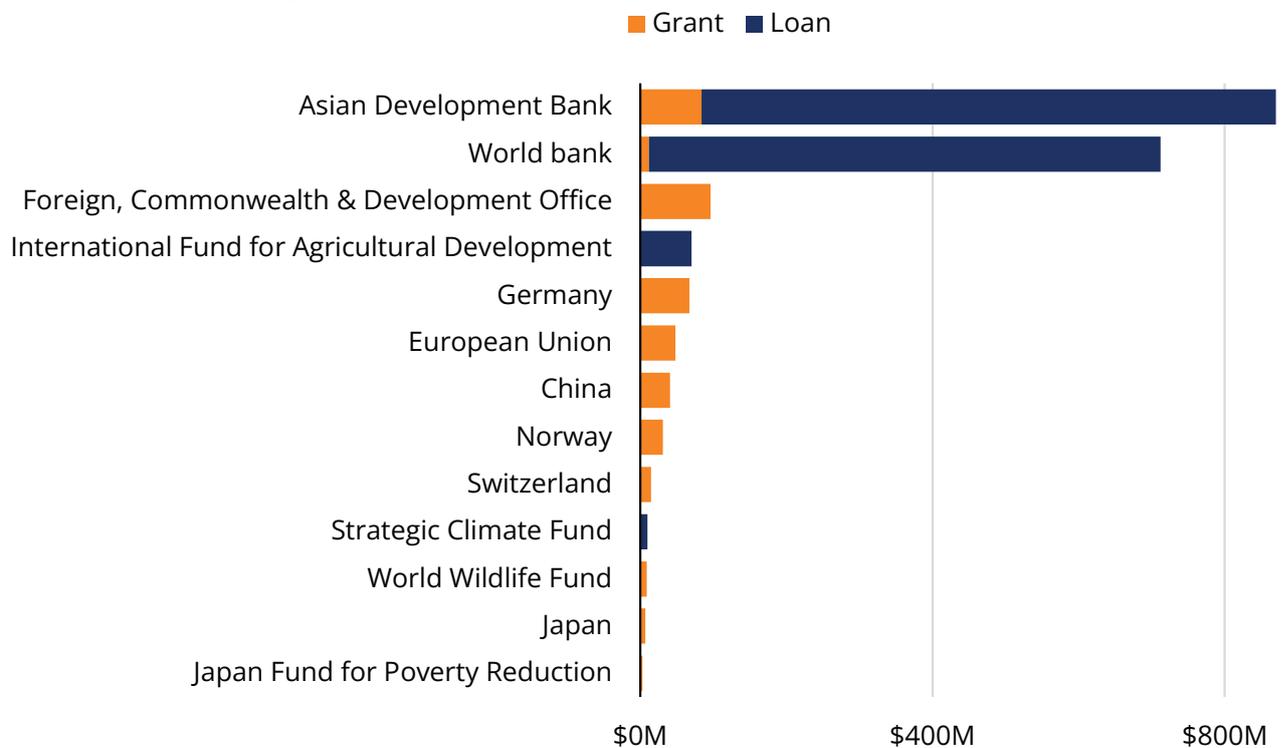


Figure 3.3 presents the value of ODA agreements signed between DPs and the Government of Nepal in FY 2024/25.

As observed in the previous paragraphs, ODA agreements for FY 2024/25 reached a total of USD 1.98 billion. This consists of USD 1.57 billion in loans and USD 413.1 million in grants. The Asian Development Bank (ADB) provided the largest volume of funding, signing agreements worth USD 870 million. The majority of the ADB commitment is debt-based, with USD 786 million in loans (90.3 percent) and USD 84 million in grants (9.7 percent). The World Bank followed with USD 712 million, composed of USD 700 million in loans (98.3 percent) and USD 12 million in grants (1.7 percent).

Other loan-based assistance included USD 70.3 million from the International Fund for Agricultural Development (IFAD) and USD 10 million from the Strategic Climate Fund. Combined, the ADB and the World Bank account for 80.7 percent of the total agreement value for the year.

Bilateral partners and other organizations focused on grant assistance. The United Kingdom (FCDO) signed agreements for USD 96.3 million. Germany committed USD 67.2 million, and the European Union committed USD 48.0 million. Further grant support came from China (USD 41.0 million), Norway (USD 31.0 million), Switzerland (USD 14.7 million), and the World Wildlife Fund (USD 9.0 million). Smaller grant commitments were made by Japan (USD 7.0 million) and the Japan Fund for Poverty Reduction (USD 3.0 million).

**Figure 3.4: Value of Agreements Signed by DPs and Sectors, FY 2024/25**

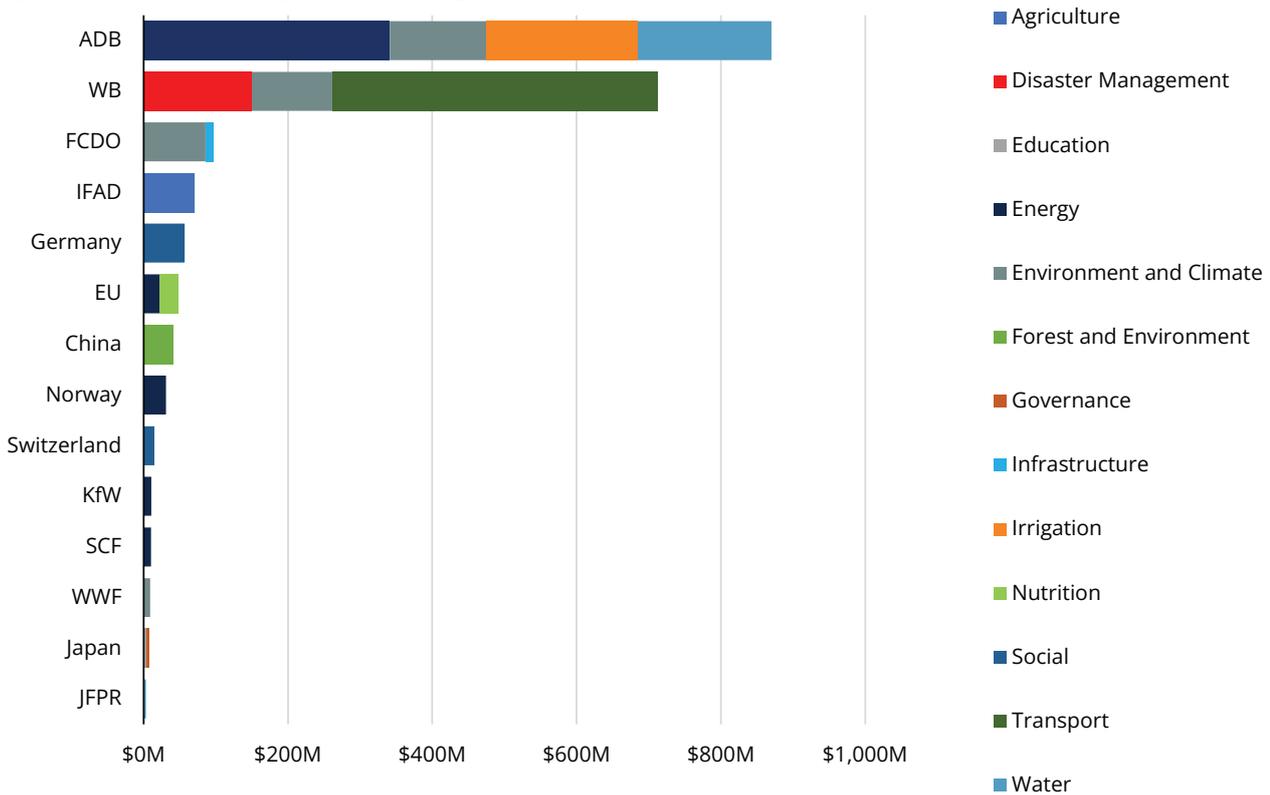


Figure 3.4 shows the value, sectoral allocation, and development partner engagement for the USD 1.98 billion in agreements signed in FY 2024/25. The ADB and the World Bank signed the agreements with the highest total values. Among bilateral partners, the United Kingdom signed the largest agreement, while Germany, China, and Norway also committed funds to various sectors.

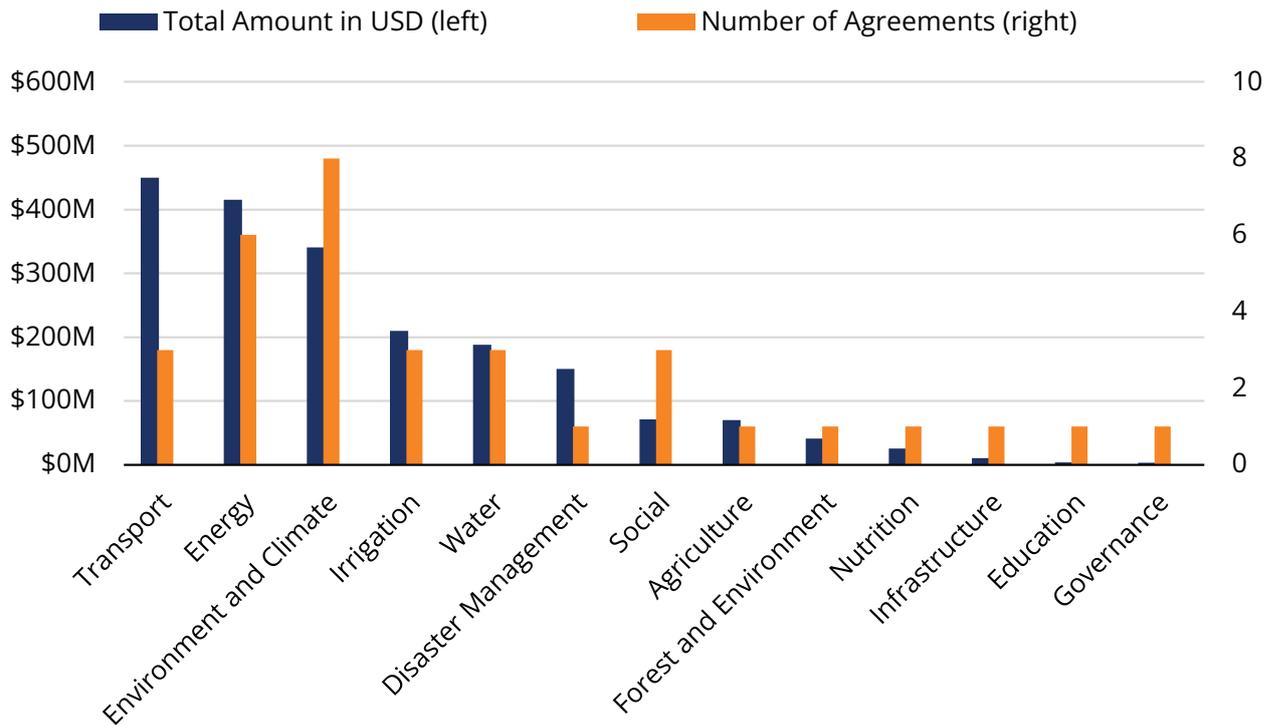
The World Bank directed its largest commitments toward Transport at USD 450 million and Disaster Management at USD 150 million. It also provided USD 112 million for the Environment and Climate sector.

The ADB prioritized Energy with USD 341 million, Irrigation with USD 210 million, and Water with USD 185 million. It also allocated USD 134 million to the Environment and Climate sector.

Bilateral and other multilateral partners supported a range of sectors. The FCDO committed USD 85.8 million to Environment and Climate and USD 10.4 million to Infrastructure. Germany and Switzerland provided USD 56.6 million and USD 14.7 million respectively for the social sector. The European Union funded Nutrition with USD 25.4 million and Energy with USD 22.6 million. Other contributions included USD 70.3 million from IFAD for Agriculture, USD 41.0 million from China for Forest and Environment, and USD 31.0 million from Norway for Energy. Smaller agreements included Japan’s support for Education (USD 3.9 million) and Governance (USD 3.1 million), and a USD 10.0 million commitment from the Strategic Climate Fund for Energy.

The figure highlights a concentration of development partner engagement in the Energy and Environment and Climate sectors. Five partners (ADB, EU, Norway, KfW, and SCF) signed agreements in Energy, while four (ADB, WB, FCDO, and WWF) were active in Environment and Climate. This clustering may contribute to sectoral fragmentation, making effective coordination essential. Strengthened collaboration between development partners and government institutions is therefore critical to improve efficiency, avoid duplication, and ensure that commitments translate into timely disbursements and development results.

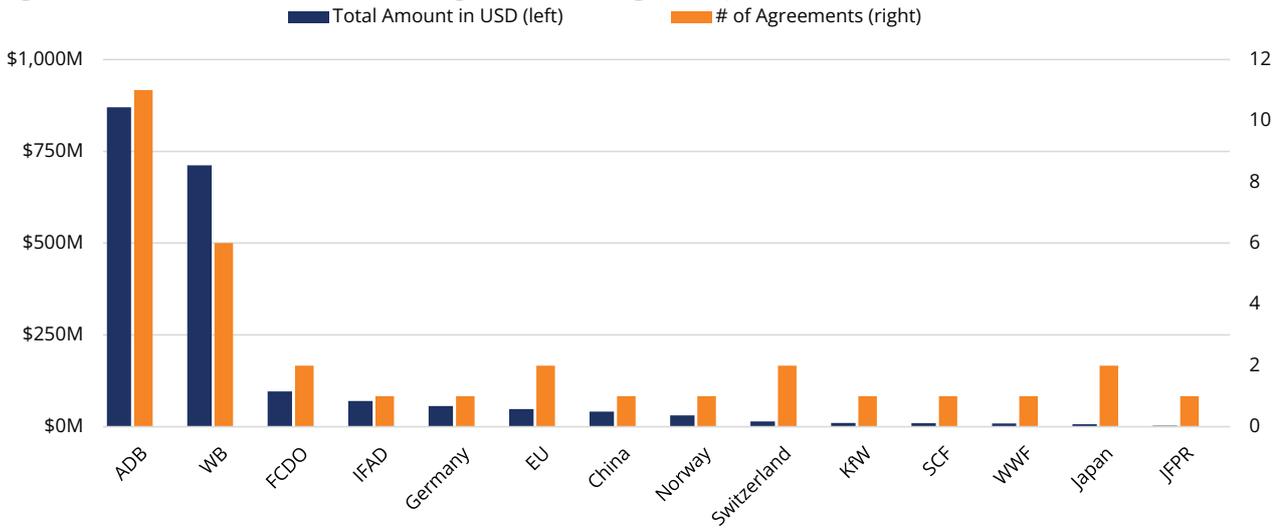
**Figure 3.5: Value and Number of Agreements Signed by Sector, FY 2024/25**



In FY 2024/25, a total of 33 development cooperation agreements were signed across 13 sectors, amounting to USD 1.98 billion in commitments (Figure 3.5). The Transport sector received the largest share of commitments, totaling USD 450 million through three agreements with the World Bank, highlighting the continued prioritization of large-scale connectivity and infrastructure investments. The Energy sector ranked second with USD 415.2 million committed through six agreements with ADB and Germany, reflecting sustained support for Nepal's energy development and transition. The Environment and Climate sector recorded the highest number of agreements (eight), with commitments of USD 340.8 million from Germany, ADB, EU, Norway, and the Strategic Climate Fund, indicating strong development partner engagement in climate resilience and environmental sustainability.

The Irrigation and Water sectors also attracted substantial support, securing USD 210 million and USD 188 million, respectively, each through three agreements, underscoring the strategic importance of water resource management for agricultural productivity and climate adaptation. In addition, the Disaster Management sector received USD 150 million in budget support (loan) from the World Bank through a single agreement under the Nepal Disaster Resilience Development Policy Credit with a Catastrophe Deferred Drawdown Option (CAT-DDO), strengthening the country's financial preparedness for disaster response.

Figure 3.6: Value and Number of Agreements Signed by Development Partner, FY2024/25



The Government of Nepal formalised 33 ODA agreements during FY 2024/25, which reached a total commitment value of USD 1.98 billion. The Asian Development Bank signed the largest number of these arrangements, concluding 11 agreements for a combined value of USD 870.0 million. The World Bank followed as the second-largest partner with six agreements totaling USD 712.0 million. Bilateral and other partners also provided resources, with the United Kingdom signing two agreements worth USD 96.3 million via the Foreign, Commonwealth and Development Office (FCDO) and Germany entering into one agreement for USD 56.6 million. The International Fund for Agricultural Development and the European Union signed agreements valued at USD 70.3 million and USD 48.0 million, respectively. China, Norway, and the Strategic Climate Fund each signed a single arrangement. Japan and Switzerland concluded two agreements each, while KfW, the World Wildlife Fund, and the Japan Fund for Poverty Reduction each signed one agreement.

Figure 3.7: Value of Agreements Signed (DPs within Sectors), FY 2024/25

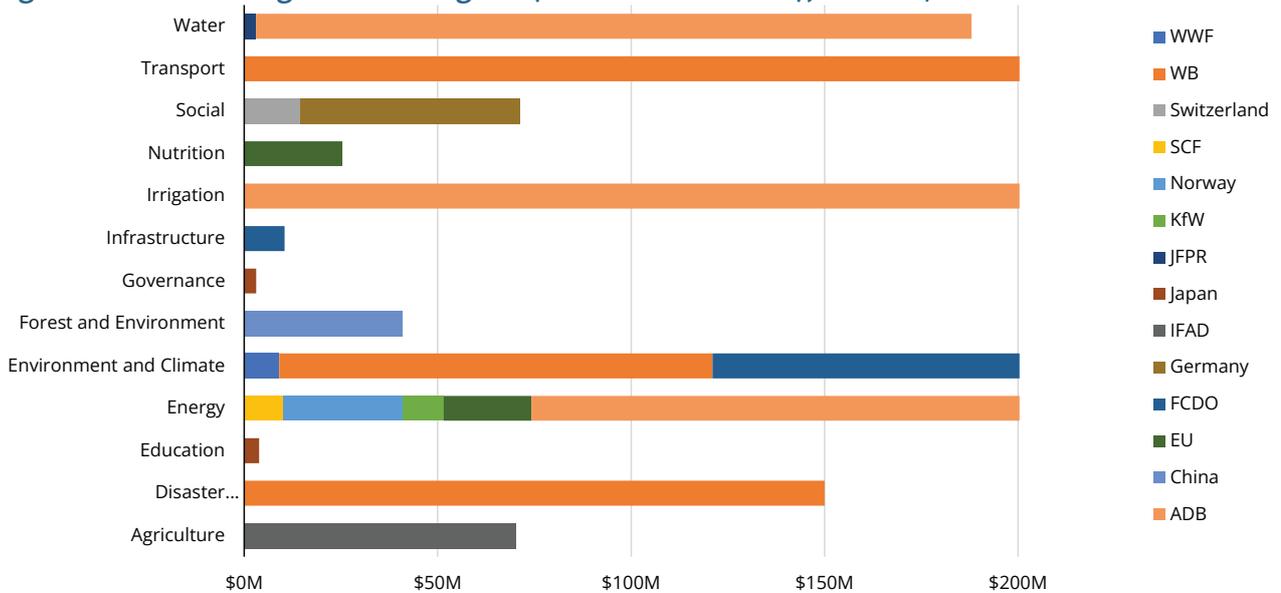


Figure 3.7 details the financial commitments made by development partners through agreements across various sectors during FY 2024/25. The Transport sector received the largest single allocation of USD 450 million, which was provided by the World Bank.

The Energy sector received total commitments of USD 415.2 million from five different DPs.

The Asian Development Bank provided the majority of this funding with USD 341 million. Other contributors to the energy sector included Norway (USD 31 million), the European Union (USD 22.6 million), KfW (USD 10.6 million), and the Strategic Climate Fund (USD 10 million).

Commitments for the Environment and Climate sector totaled USD 340.8 million. Four DPs supported this sector, led by the ADB with USD 134 million and the World Bank with USD 112 million. The United Kingdom (FCDO) provided USD 85.8 million, while the World Wildlife Fund contributed USD 9.0 million.

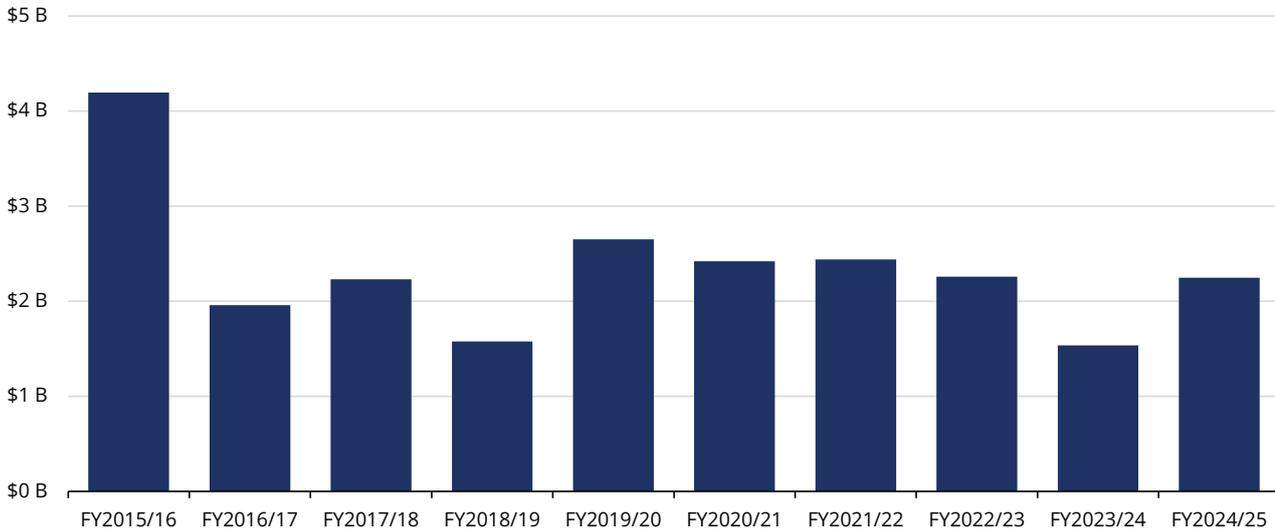
Investment in irrigation and water infrastructure was primarily driven by the ADB, which allocated USD 210 million to irrigation and USD 185 million to water. The Japan Fund for Poverty Reduction added USD 3 million to the water sector.

In other sectors, the World Bank committed USD 150 million to Disaster Management. The social sector received USD 71.3 million, with Germany contributing USD 56.6 million and Switzerland providing USD 14.7 million. The International Fund for Agricultural Development (IFAD) funded agriculture with USD 70.3 million. China signed an agreement for USD 40.9 million in the Forest and Environment sector, and the European Union committed USD 25.4 million to nutrition. Japan provided resources for education (USD 3.9 million) and governance (USD 3.1 million).

# CHAPTER 4 ODA COMMITMENTS

In FY 2023/24, Development Partners (DPs) committed USD 1.5 billion in Official Development Assistance (ODA) to Nepal. To provide a comprehensive view of the external finance landscape, this report captures both on-budget and off-budget support, including direct entries into the DFIMS. Consequently, reported commitment totals may exceed formal agreement values.

**Figure 4.1: Total Development Partner Commitments, FY 2015/16 - 2024/25**



Official Development Assistance commitments to Nepal reached USD 2.2 billion in FY 2024/25. This total is higher than the USD 1.54 billion committed in the previous fiscal year. Aside from a peak of USD 4.20 billion in FY 2015/16 for earthquake recovery assistance, the last ten years have mostly seen commitments stay between USD 1.3 billion and USD 2.7 billion. The recent increase in commitments indicates a renewed momentum in development partner engagement following the decline observed in FY 2022/23. Overall, the trend suggests that ODA commitments are gradually stabilizing within the historical range.

**Figure 4.2: Total Development Partner Commitments, Year-on-Year Change (%), FY 2015/16 - 2024/25**

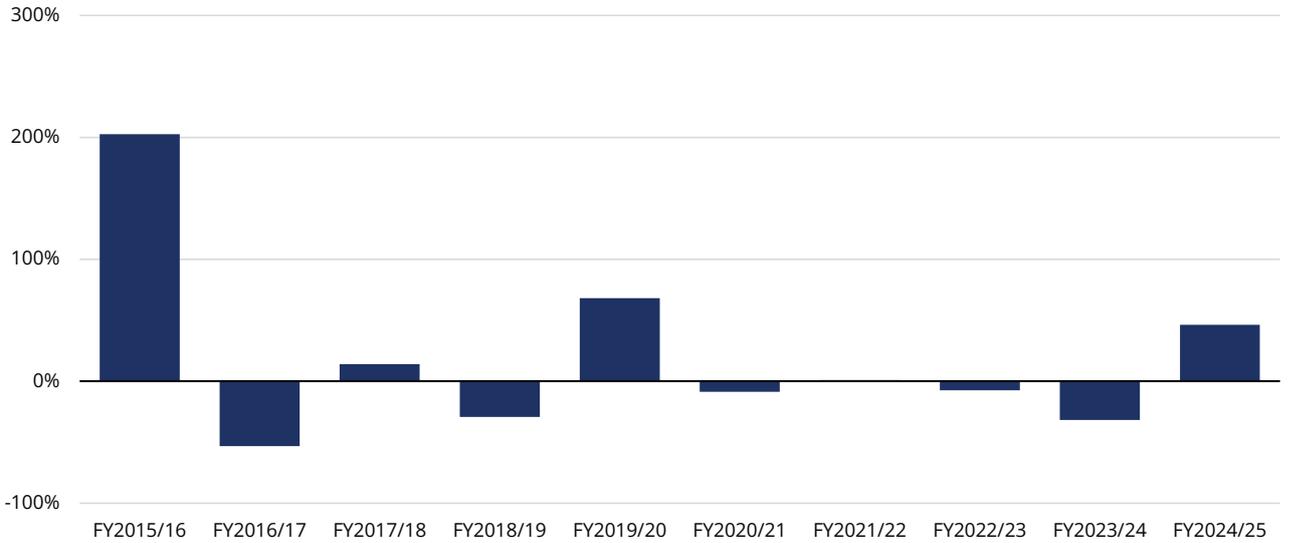
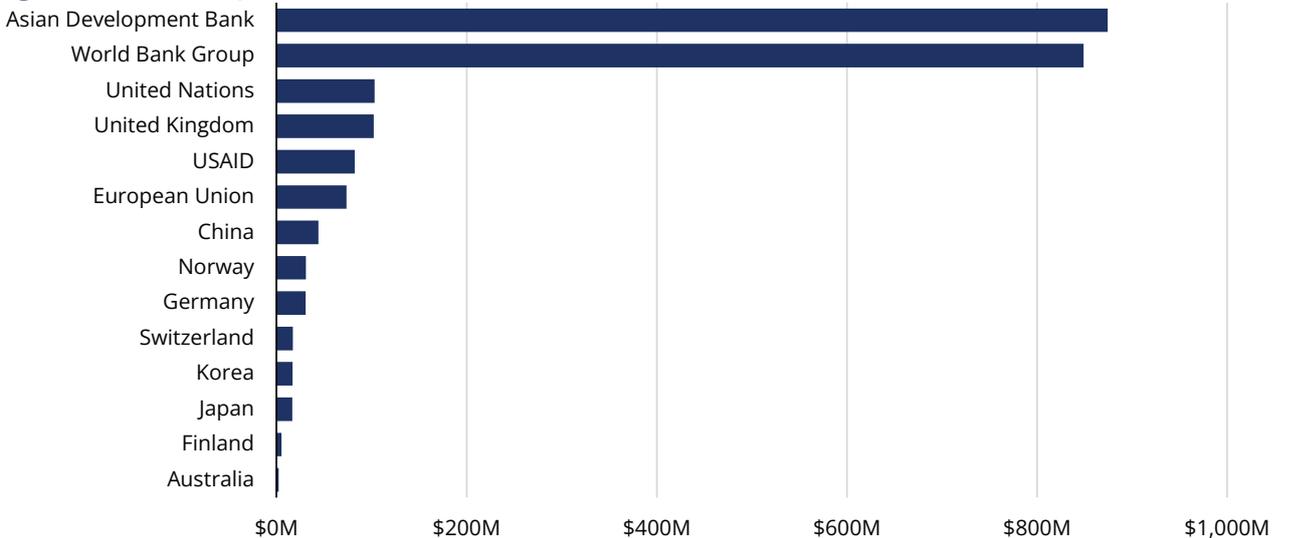


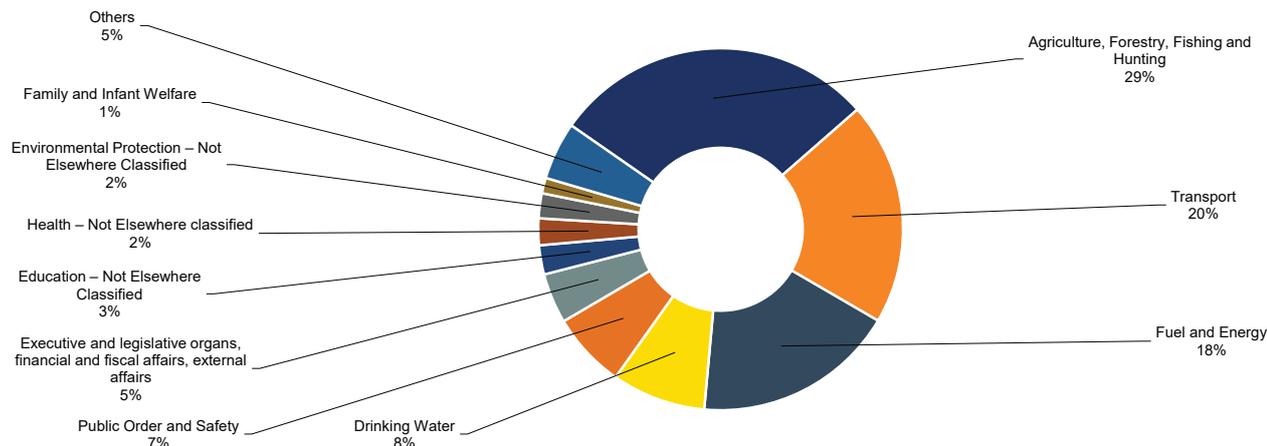
Figure 4.2 tracks the annual percentage changes in ODA commitments to Nepal from FY 2015/16 through FY 2024/25. The data reveals considerable volatility over the decade, characterized by repeated cycles of sharp declines and partial recoveries. The most pronounced increase occurred in FY 2015/16, when commitments surged by 202.6 percent in response to the 2015 earthquake. In contrast, commitments declined by 31.9 percent in FY 2023/24. The latest figures for FY 2024/25 indicate a rebound, with commitments rising by 46.3 percent to reach USD 2.24 billion. However, the frequent fluctuations observed throughout the period suggest the absence of a stable long-term trajectory, highlighting the continued unpredictability of aid flows and the challenges this poses for medium- and long-term development planning.

**Figure 4.3: Development Partner wise Commitments, FY 2024/25**



In FY 2024/25, the World Bank Group and the Asian Development Bank were the main sources of ODA commitments, providing USD 874.3 million and USD 849.0 million, respectively. The United Nations secured USD 103.0 million for mobilization. Major bilateral support came from the United Kingdom (USD 102.2 million) and USAID (USD 82.1 million). Commitments were also made by the European Union (USD 73.6 million), Germany (USD 30.6 million), and Switzerland (USD 17.2 million). These were followed by contributions from Korea (USD 17.0 million), Japan (USD 16.6 million), Finland (USD 5.3 million), and Australia (USD 2.24 million).

**Figure 4.4: ODA Commitments to Nepal by Top 10 Sectors, FY 2024/25**



In FY 2024/25, ODA commitments reached a total of approximately USD 2.24 billion. The funding was directed toward several national priority areas. The agriculture, forestry, fishing and hunting sector received the largest share of support, accounting for 28.8 percent (USD 649.5 million) of the total pledges.

The transport sector followed with commitments of USD 450.0 million (19.9 percent). Fuel and Energy received USD 406.5 Million (18.0 percent), the Drinking Water sector was granted USD 188.0 million, which is 8.3 percent of the total and Public Order and Safety with USD 152 million, which is 6.7 percent of the total. These sectors are the primary areas of investment for development partners during this period.

The remaining USD 411.1 million (18.2 percent) was distributed across several other sectors, including education, health, housing, and environmental protection, as well as projects classified under the residual “others” category. While these figures indicate a concentration of investment in agriculture and transport, the wide range of sectors receiving support also points to a continued fragmentation of aid flows. Such dispersion across numerous categories can complicate efforts to coordinate development assistance effectively and makes it more challenging to monitor and attribute specific development outcomes with precision.

## CHAPTER

## 5

## ODA DISBURSEMENTS

Official Development Assistance (ODA) disbursement refers to the transfer of funds from Development Partners (DPs) to the Government of Nepal, as well as expenditures made directly by DPs on behalf of the government. In the case of DP-implemented projects, funds are disbursed directly to the designated executing or implementing agencies responsible for project delivery. In Nepal, development partners report actual disbursement data in real time through the Development Finance Information Management System (DFIMS). According to the data reported in DFIMS, development partners disbursed approximately USD 1.6 billion in FY 2024/25, reflecting the scale of external financing supporting Nepal's development programs.

**Figure 5.1: Total Disbursements, FY 2015/16 - 2024/25**

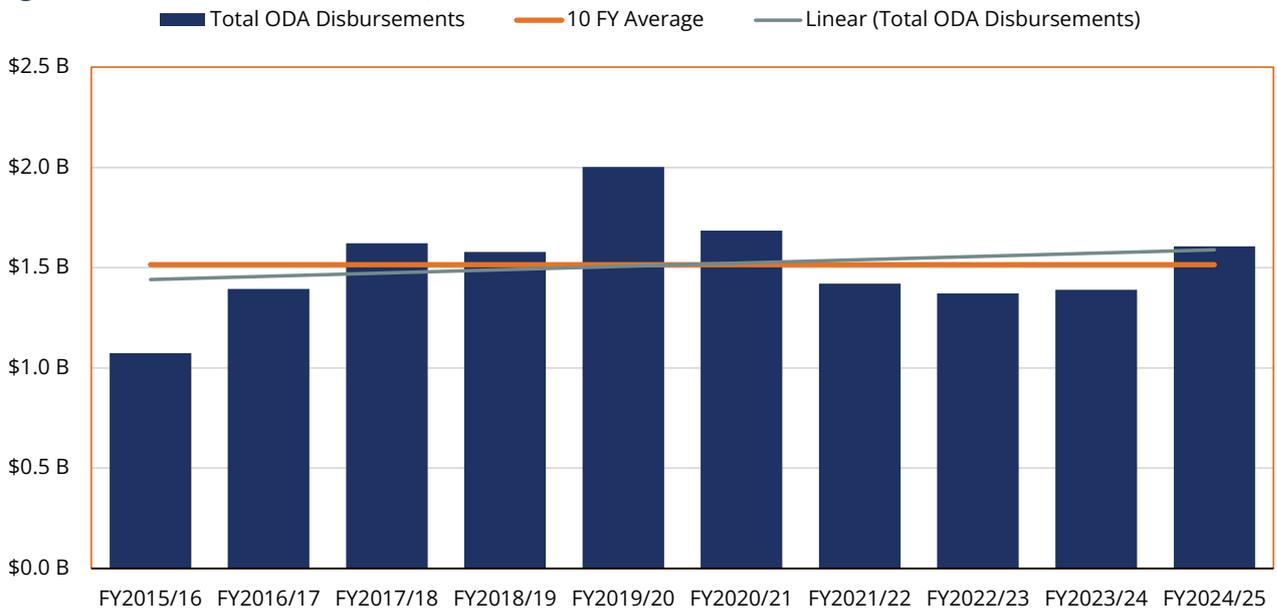


Figure 5.1 illustrates total ODA disbursements to Nepal from FY 2015/16 to FY 2024/25. Disbursements peaked at around USD 2 billion in FY 2019/20, after which they declined steadily, stabilizing at approximately USD 1.4 billion during the three fiscal years from FY 2021/22 to FY 2023/24. In FY 2024/25, however, disbursements rebounded to about USD 1.6 billion—roughly comparable to the levels recorded in FY 2017/18 and FY 2018/19. As noted in previous Development Cooperation Reports, the earlier contraction was partly attributable to the lingering effects of the COVID-19 pandemic, while the recent improvement suggests a gradual normalization of development finance flows as pandemic-related disruptions recede.

Pandemic-induced policy adjustments among development partners, coupled with broader geopolitical instability, created uncertainty in external financing flows during this period. At the same time, domestic fiscal pressures and implementation capacity constraints also influenced the pace of disbursements. In addition, Nepal's impending graduation from least developed country status in 2026 may have affected its access to highly concessional financing. Overall, the observed volatility in ODA disbursements reflects the interaction of multiple factors, including shifts in donor policies, Nepal's evolving development status, global geopolitical disruptions, and the periodic realignment of external resources.

**Figure 5.2: Total ODA Disbursements, Year-on-Year Change, FY 2015/16 - 2024/25**

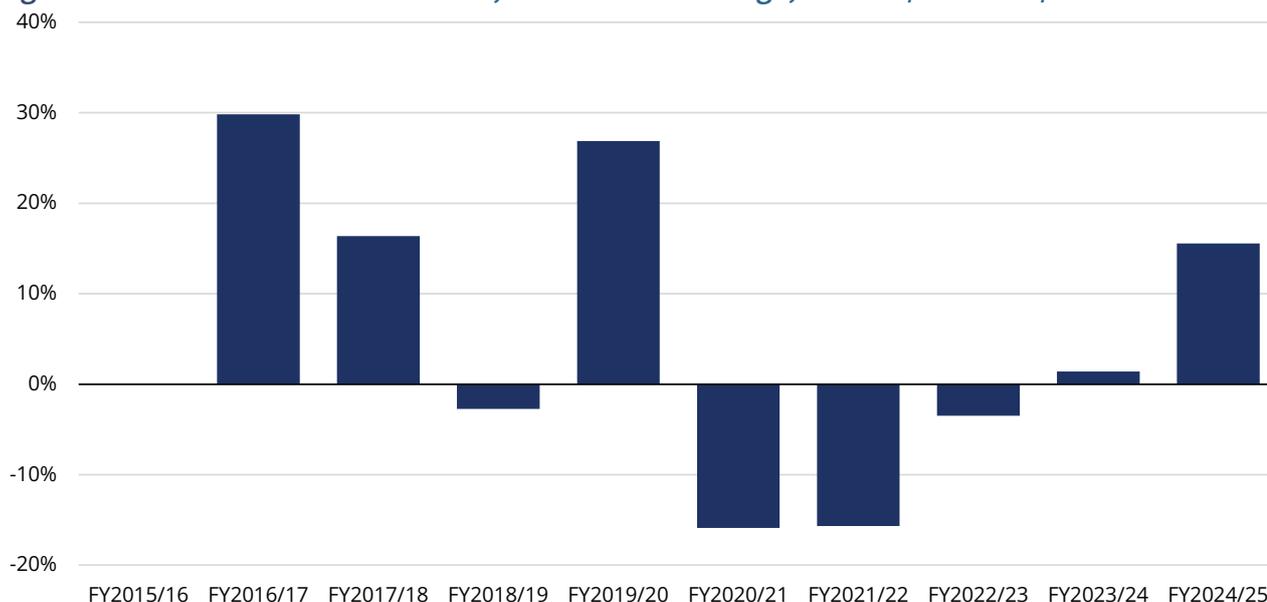
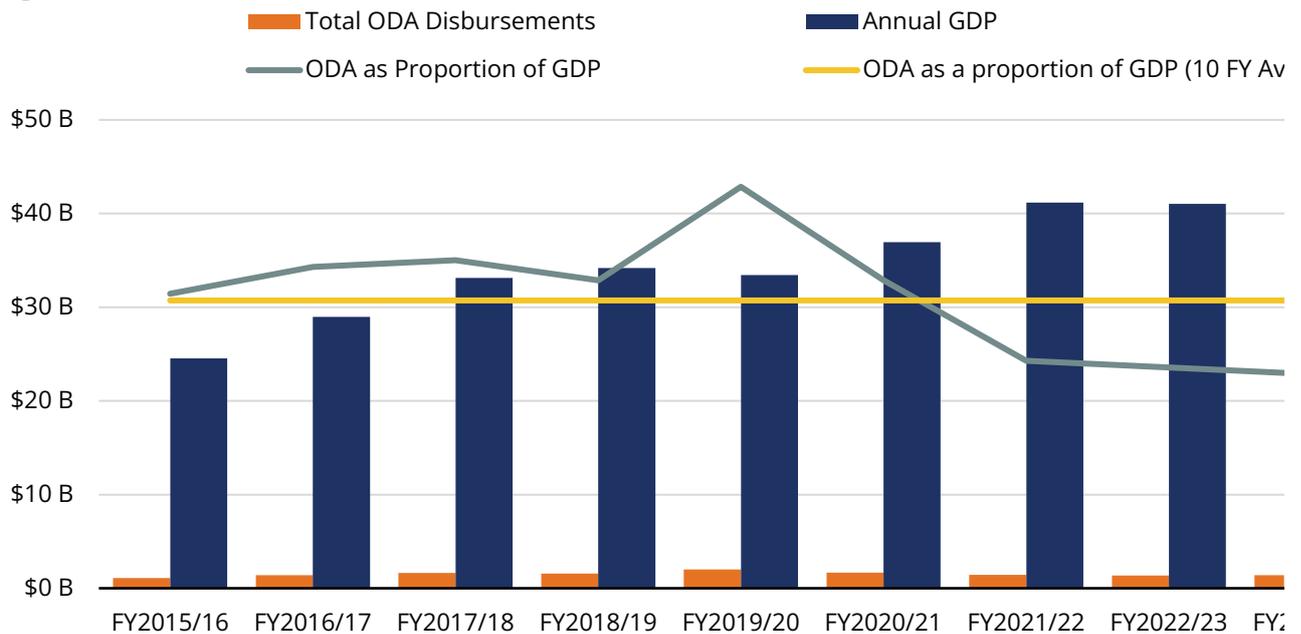


Figure 5.2 presents the annual percentage change in ODA disbursements to Nepal. The most pronounced growth occurred between FY 2015/16 and FY 2016/17, when disbursements increased by 29.8 percent, largely reflecting the inflow of post-earthquake reconstruction assistance.

Since FY 2019/20, however, ODA flows experienced a period of contraction, with disbursements declining by 15.9 percent in FY 2020/21 and a further 15.7 percent in FY 2021/22. The most recent data for FY 2024/25 indicates a recovery, with disbursements increasing by 15.4 percent compared to FY 2023/24.

Overall, the past decade of ODA disbursements has been marked by notable volatility. While disbursements remained relatively stable at around USD 1.4 billion between FY 2021/22 and FY 2023/24, FY 2024/25 recorded a notable rebound to USD 1.6 billion. This pattern reflects the influence of global economic disruptions and evolving donor priorities amid changing geopolitical dynamics. Despite these fluctuations, ODA continues to serve as a critical pillar of Nepal's development finance.

**Figure 5.3: ODA Disbursements Relative to GDP, FY 2015/16 - 2024/25**

Source: Economic Surveys and DCRs, Ministry of Finance, Government of Nepal.

Over the past decade, Nepal has experienced a discernible downward trend in its ODA to GDP ratio. As illustrated in Figure 5.3, this metric has undergone significant volatility since FY 2015/16.

From a baseline of 4.4 percent in FY 2015/16, the ratio saw marked fluctuations, eventually peaking at 6.0 percent in FY 2019/20. This surge largely reflects the influx of international support necessitated by global crises. Following the peak, the ratio entered a period of steady decline, reaching a decade-low of 3.2 percent in FY 2023/24. The trajectory showed a marginal recovery in FY 2024/25, stabilizing at 3.5 percent.

The observed contraction in the ODA-to-GDP ratio is primarily driven by two converging factors:

1. The tapering of emergency international aid as global health and economic conditions stabilized.
2. The consistent growth of Nepal's nominal GDP, which has effectively outpaced the rate of aid mobilization, thereby reducing the relative weight of ODA within the national economy.

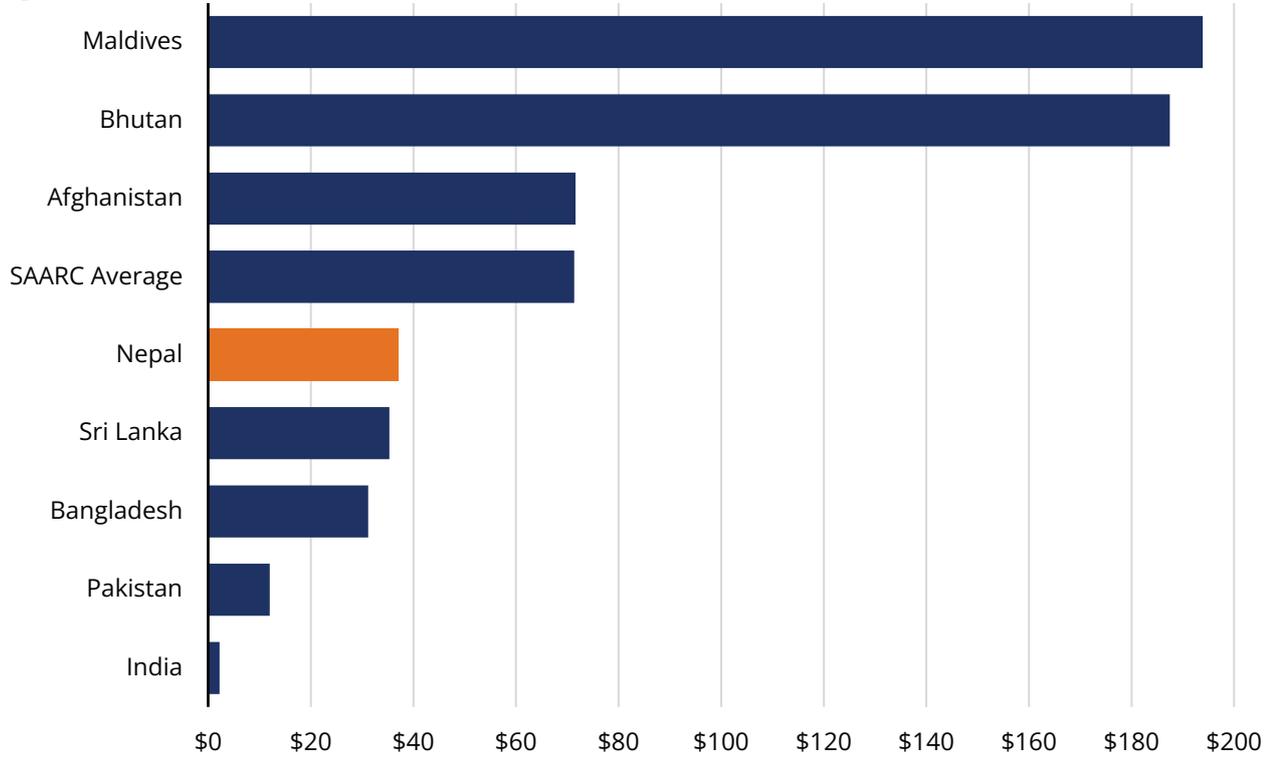
## 5.1 ODA Per-Capita Comparisons

Figures 5.4 through 5.7 examine Nepal's ODA per capita within the broader regional and socioeconomic context, specifically comparing it to fellow members of the South Asian Association for Regional Cooperation (SAARC) and other Asian Least Developed Countries (LDCs).

In 2024, Nepal's ODA mobilization was recorded at USD 37.1 per capita. Despite its significant development needs, this figure places Nepal below the average aid-intensity levels observed among its regional and peer-group counterparts.

The relatively lower per-capita aid mobilization suggests that Nepal receives less external support per person than other nations facing similar structural and economic constraints. This disparity underscores a potential gap in international resource allocation or a shifting donor landscape as Nepal approaches its scheduled LDC graduation in 2026.

Figure 5.4: ODA Received Per-Capita, SAARC Countries, (Current Prices), 2024

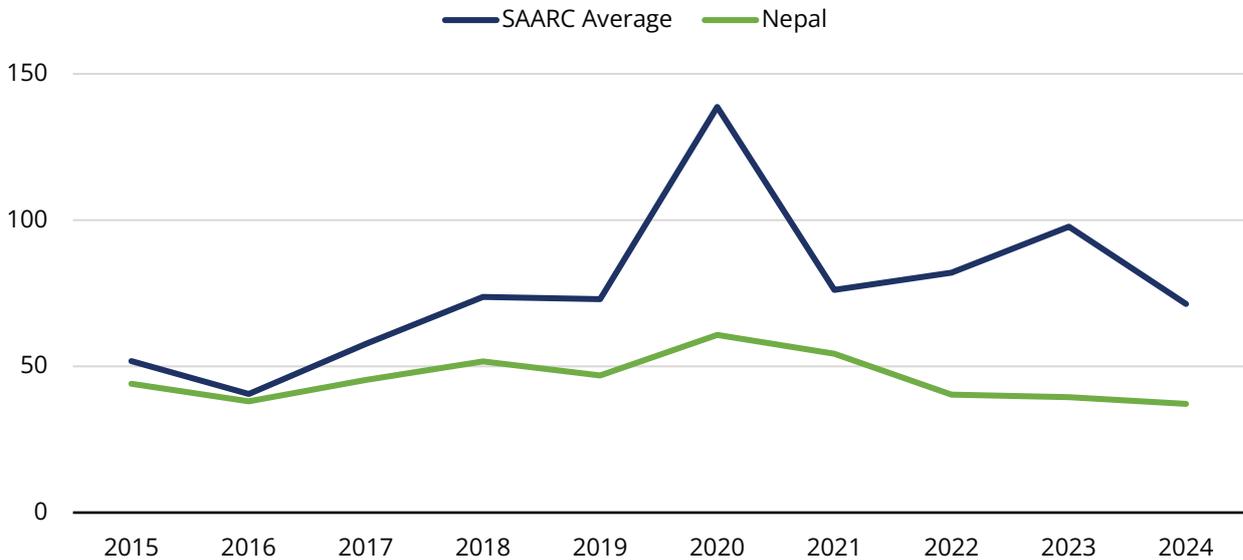


Source: World Bank, World Development Indicators and OECD Data Explorer (Table DAC2A)

Within the SAARC region, ODA distribution remains highly skewed, as evidenced by the significant variance in per capita figures for 2024. Maldives (USD 193.9) and Bhutan (USD 187.5) recorded the highest levels of assistance, substantially outpacing the regional average of USD 71.3. While Nepal’s ODA per capita (USD 37.1) sits below the regional average, it maintains a stronger position compared to the region’s largest economies and those facing unique debt distress.

Per capita aid metrics are rarely a reflection of need alone; they are heavily influenced by population scale, geopolitical strategic importance, and the degree of sovereign reliance on external capital. For Nepal, these figures reveal a critical inflection point. The relatively modest per-capita figures suggest significant “absorptive space,” indicating that Nepal has the structural room to mobilize further ODA without reaching immediate saturation. As Nepal prepares to graduate from LDC status, the traditional aid landscape is expected to shift. This necessitates an urgent transition from a reliance on grants to a more sophisticated, diversified financial portfolio. To sustain its post-graduation development trajectory, Nepal must pivot toward alternative financing instruments. This includes the strategic deployment of blended finance, where concessional and commercial capital combine to de-risk projects. Similarly, green bonds for tapping into global environmental, social and governance markets to fund climate-resilient infrastructure, and private sector engagement through incentivizing foreign direct investment and public-private partnerships (PPPs) to fill the funding gap left by tapering ODA.

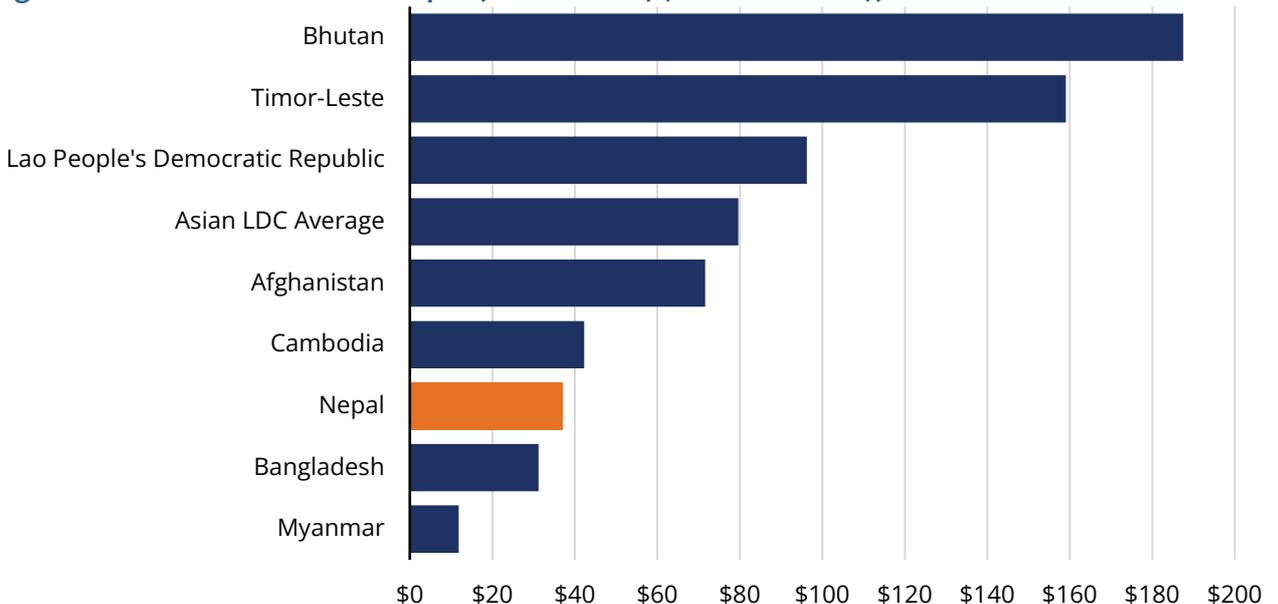
**Figure 5.5: ODA Received Per-Capita, Nepal and SAARC Country Average (Current Prices), 2015-2024**



Source: World Bank, World Development Indicators and OECD Data Explorer (Table DAC2A)

Between 2016 and 2020, Nepal’s ODA per capita followed a clear upward trajectory, increasing from USD 38.08 in 2016 to a peak of USD 60.80 in 2020. This growth reflects the surge in external assistance during this period, particularly the inflow of emergency and recovery-related support in response to the COVID-19 pandemic. The elevated level in 2020 therefore appears to represent an exceptional spike rather than a sustained structural increase in aid flows. In the years that followed, ODA per capita gradually declined, falling to USD 37.10 by 2024—the lowest level recorded in the past decade. This downward trend suggests a normalization of aid flows after the pandemic-related surge, while also indicating a relative moderation in external assistance when measured against Nepal’s growing population and evolving development financing landscape.

**Figure 5.6: ODA Received Per-Capita, Asian LDCs, (Current Prices), FY 2024**



Source: World Bank, World Development Indicators and OECD Data Explorer (Table DAC2A)

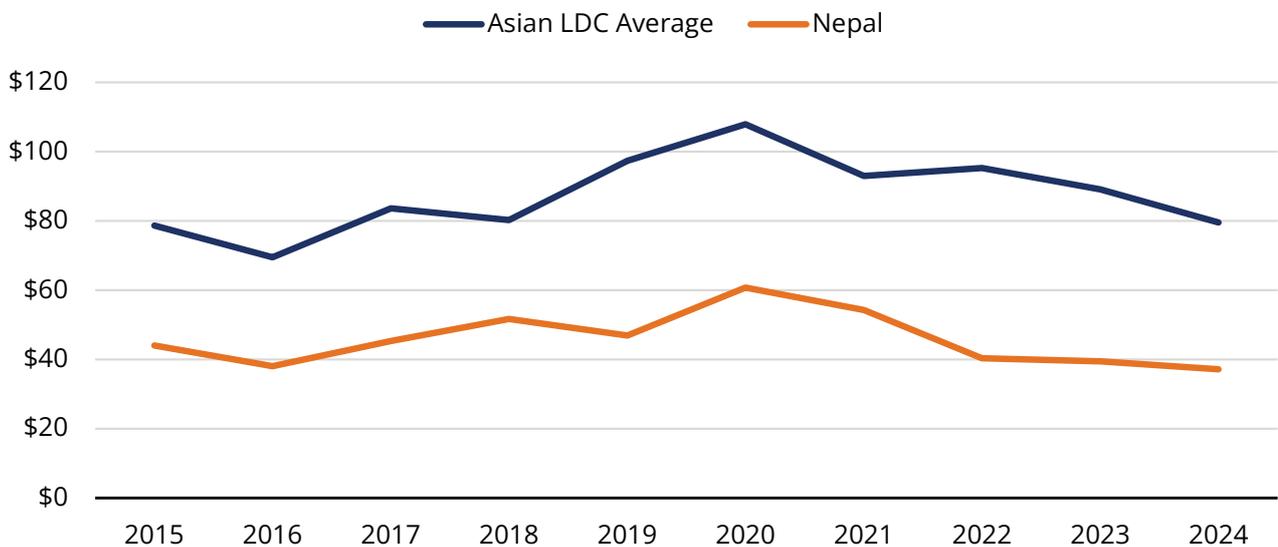
In 2024, Nepal’s ODA per capita stood at USD 37.14, significantly below the regional average of USD

79.59 for Asian Least Developed Countries (LDCs). Although Nepal received more aid per person than Myanmar (USD 11.80) and Bangladesh (USD 31.16), it lagged far behind countries such as Bhutan (USD 187.49), Timor-Leste (USD 159.02), and Lao PDR (USD 96.25).

This disparity indicates that Nepal remains relatively under-aided compared with its regional peers, despite facing substantial development financing needs. The comparatively low per capita aid allocation can be seen in the context of evolving global aid architecture, shifting geopolitics and Nepal’s impending graduation from LDC status in 2026. These contexts pose challenges of reducing access to grants and highly concessional financing, potentially widening the country’s development financing gap. To mitigate this, Nepal must act toward mobilizing alternative resources of development finance going forward.

In this context, Nepal volunteered to accelerate the Integrated National Financing Framework (INFF) approach recommended by the third international conference on financing for development held in Ethiopia in 2015. A comprehensive national integrated national financing strategy for pro-employment economic growth of Nepal intends to advance multi-sectoral reforms to better align public policies, investment planning, and financing instruments. The INFF approach creates a conducive institutional environment to mobilize diverse sources of development finance—spanning public and private, domestic and international flows—while also improving institutional and project-level absorptive capacity. Enhancing the effectiveness of resource utilization will be essential to ensure that limited external assistance continues to support sustainable and resilient economic growth during and after the LDC transition.

**Figure 5.7: ODA Received Per-Capita, Nepal and Asian LDC Country Average, (Current Prices), 2015-2024**



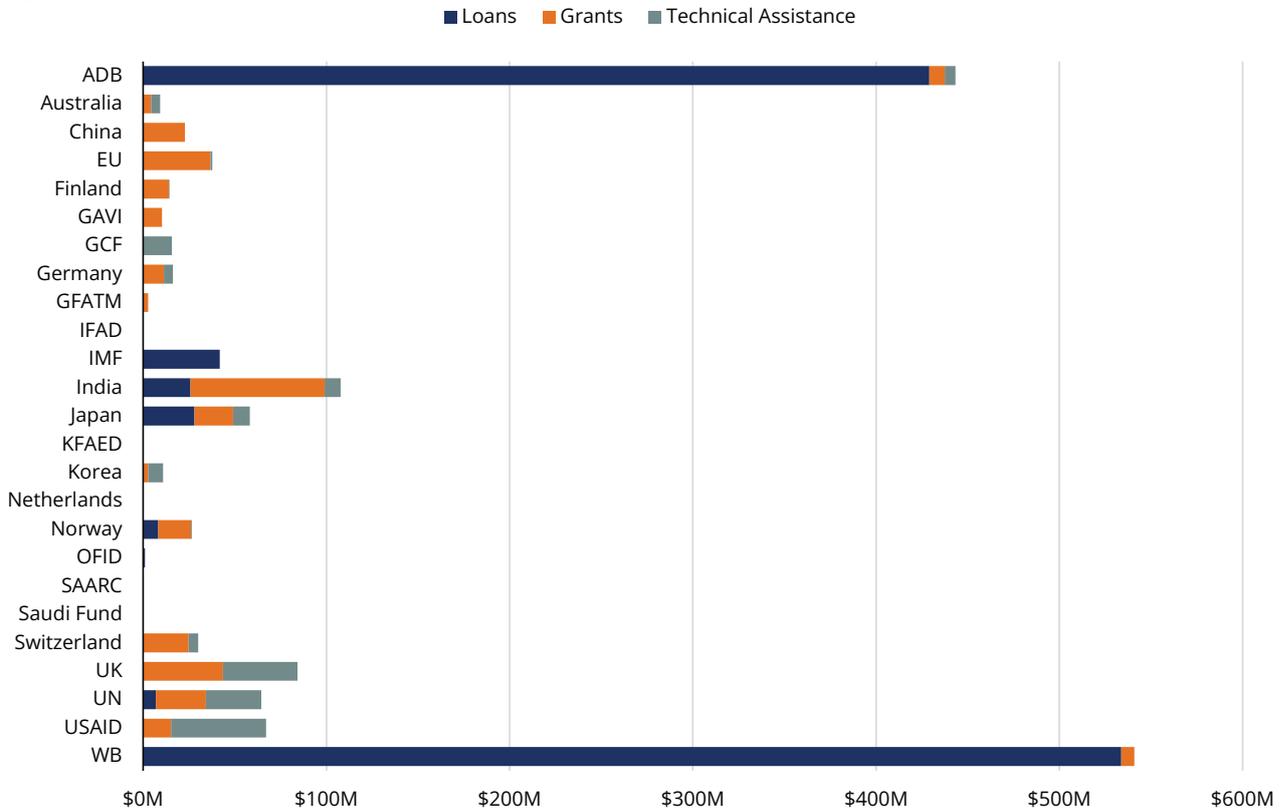
Source: World Bank, World Development Indicators and OECD Data Explorer (Table DAC2A)

Figure 5.7 presents the decade-long trend of ODA received per capita by Nepal in comparison with the average for Asian Least Developed Countries (LDCs). The figure shows that Nepal’s per capita aid has consistently remained below the regional average throughout the past decade, indicating a relatively lower level of external assistance compared with its regional peers. As Nepal approaches its scheduled graduation from LDC status in 2026 and shifting geopolitics pose threat of further reduction in ODA flow to Nepal, the need for structural reforms to mobilize alternative sources of development finance has become increasingly important. Strengthening domestic resource mobilization, attracting private investment, and enhancing the country’s absorptive capacity will be critical not only to compensate for the potential decline in concessional assistance but also to help narrow the widening financing gap for achieving the Sustainable Development Goals.

## 5.2 Assistance Types and Disbursement Modalities

Figures 5.8 and 5.9 present a detailed account of ODA disbursement in Nepal by its development partners in FY 2024/25.

**Figure 5.8: Disbursements Amount by Development Partner and Assistance Type, FY 2024/25**



During FY 2024/25, the World Bank was the largest contributor, with disbursements totaling USD 541.0 million. This amount consisted of USD 533.9 million in loans and USD 7.1 million in grants. The Asian Development Bank followed with a total of USD 443.2 million, which included USD 429.0 million in loans, USD 8.4 million in grants, and USD 5.8 million in technical assistance. India provided USD 107.9 million, consisting of USD 73.3 million in grants, USD 25.8 million in loans, and USD 8.8 million in technical assistance. The United Kingdom disbursed USD 84.2 million, composed of USD 43.6 million in grants and USD 40.6 million in technical assistance. USAID reported disbursements of USD 67.2 million, divided between USD 51.9 million for technical assistance and USD 15.3 million for grants.

The United Nations system mobilized USD 64.5 million, which included USD 30.2 million in technical assistance, USD 27.3 million in grants, and USD 7.0 million in loans. Japan followed with USD 58.3 million, comprising USD 28.0 million in loans, USD 21.1 million in grants, and USD 9.2 million in technical assistance. The International Monetary Fund (IMF) provided USD 41.8 million, extended entirely as loans. The European Union provided USD 37.7 million, with USD 36.7 million as grants and USD 1.0 million as technical assistance. Switzerland disbursed USD 30.1 million, which included USD 24.9 million in grants and USD 5.2 million in technical assistance.

Other partners included Norway with USD 26.6 million (USD 17.9 million in grants, USD 8.2 million in loans, and USD 0.5 million in technical assistance), and China with USD 22.9 million provided as grants. Germany reported USD 16.2 million, consisting of USD 11.4 million in grants and USD 4.8 million in technical assistance. The Green Climate Fund provided USD 15.8 million in technical assistance, while Finland provided USD 14.5 million, mostly through grants (USD 14.1 million). GAVI disbursed USD 10.3 million as grants.

The total ODA disbursement for FY 2024/25 was USD 1,606.6 million. Loans represented the largest portion at USD 1,075.0 million, followed by grants at USD 344.4 million and technical assistance at USD 187.2 million. No in-kind support was recorded by development partners during this period.

**Figure 5.9: Disbursements Percentage by Development Partner and Assistance Type, FY 2024/25**

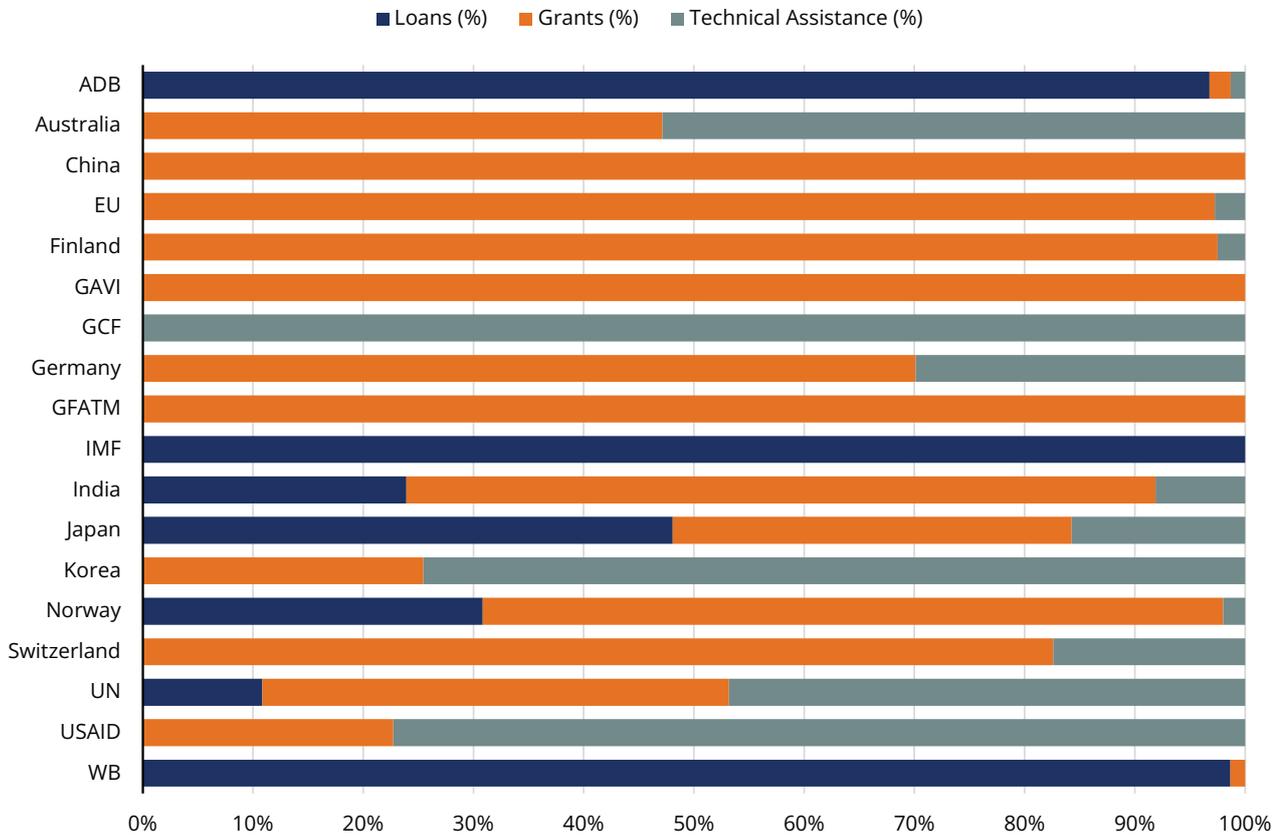
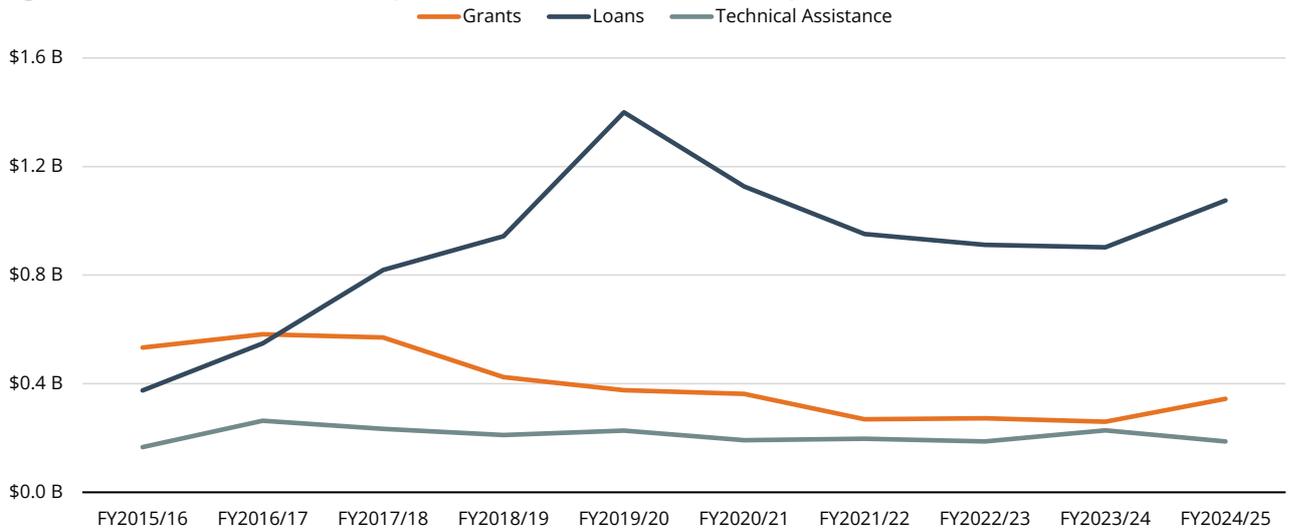


Figure 5.9 illustrates the percentage distribution of ODA by assistance type for each partner. The World Bank and the Asian Development Bank favored loans, which represented 98.7 percent and 96.8 percent of their respective portfolios. The IMF, KFAED, and the OPEC Fund (OFID) provided 100 percent of their assistance through loans. Conversely, China, GAVI, GFATM and the Saudi Fund provided 100 percent of their support as grants. The Financial Comptroller General Office of Nepal recorded grants provided through GAVI, GFATM and WFP as in-kind assistance in FY 2024/25 (Figure 5.17).

USAID and the Green Climate Fund directed a large portion of their resources toward technical assistance, which accounted for 77.2 percent and 100 percent of their contributions, respectively. The United Nations distributed its mobilization across technical assistance (46.8 percent), grants (42.3 percent), and loans (10.9 percent). These figures indicate that multilateral institutions are the primary sources of loan financing, while bilateral partners and the UN focus more on grants and technical expertise.

**Figure 5.10: Disbursements by Fiscal Year and Assistance Type, FY 2015/16 - 2024/25**



ODA disbursements to Nepal showed a general increase in volume between FY 2015/16 and FY 2024/25. Total disbursements rose from USD 1.07 billion at the start of the decade to USD 1.61 billion in the most recent fiscal year. The highest level of funding occurred in FY 2019/20, when disbursements reached USD 2.00 billion. A clear change in the composition of aid is visible over these ten years, as the portfolio moved from being grant-heavy to loan-dominant. In FY 2015/16, grants made up 49.6 percent (USD 533.2 million) of the total, while loans accounted for 34.9 percent (USD 374.8 million). By FY 2024/25, loans represented 66.9 percent (USD 1.075 billion) of all disbursements, whereas the share of grants fell to 21.4 percent (USD 344.4 million). Technical assistance has remained a consistent part of the assistance mix, ending the decade at USD 187.2 million, or 11.6 percent of the total.

**Figure 5.11: ODA Disbursements by Fiscal Year and Assistance Type, Year-on-Year Change (%), FY 2015/16 - 2024/25**

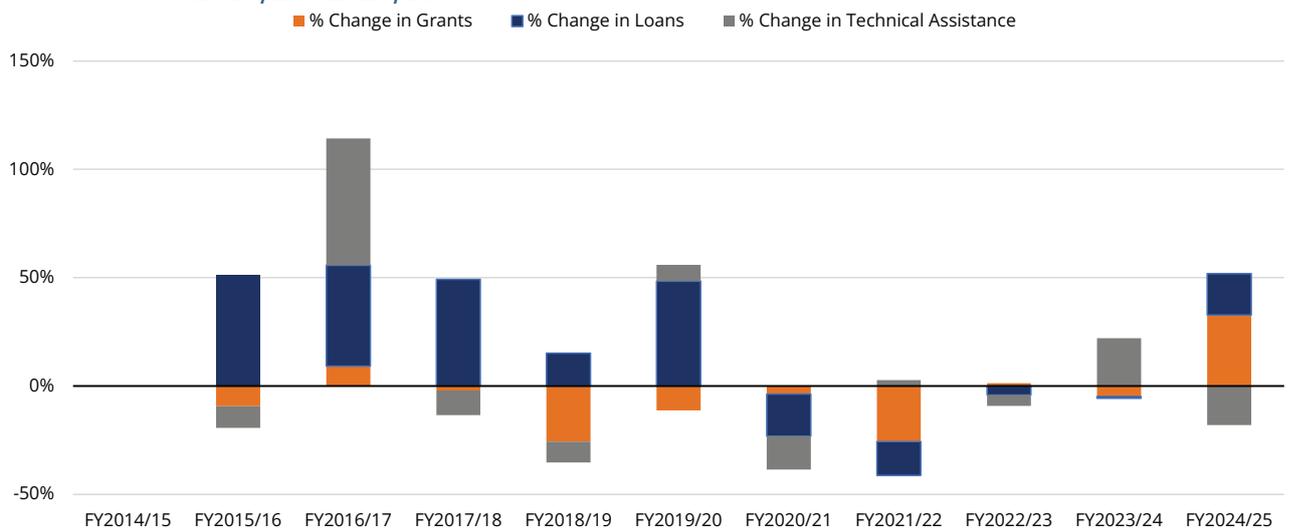


Figure 5.11 details the annual percentage changes in Official Development Assistance (ODA) disbursements for grants, loans, and technical assistance from FY 2015/16 through FY 2024/25. In FY 2024/25, grant disbursements rose by 32.8 percent to USD 344.4 million, while loan disbursements increased by 19.1 percent to reach USD 1.075 billion. These trends contrast with the 2023/24 fiscal year, when both assistance types experienced minor declines.

Technical assistance disbursements decreased by 18.0 percent in FY 2024/25, falling to USD 187.2 million. This reduction follows a 22.0 percent increase in the previous year. Historically, technical assistance saw a significant rise of 58.5 percent in FY 2016/17, a trend linked to recovery efforts after the 2015 earthquake.

In the current period, the World Bank Group, Asian Development Bank, International Monetary Fund, Japan, and India were the largest sources of loan disbursements. Grant funding was primarily provided by India, the United Kingdom, the European Union, the United Nations, Switzerland, China, Japan, Norway, USAID, Finland, Germany, GAVI, the Asian Development Bank, and the World Bank. Technical assistance support came mainly from USAID, the United Kingdom, the United Nations, the Green Climate Fund, Japan, India, Korea, and the Asian Development Bank.

**Figure 5.12: ODA Disbursements by Assistance Type, FY 2022/23 - 2024/25**

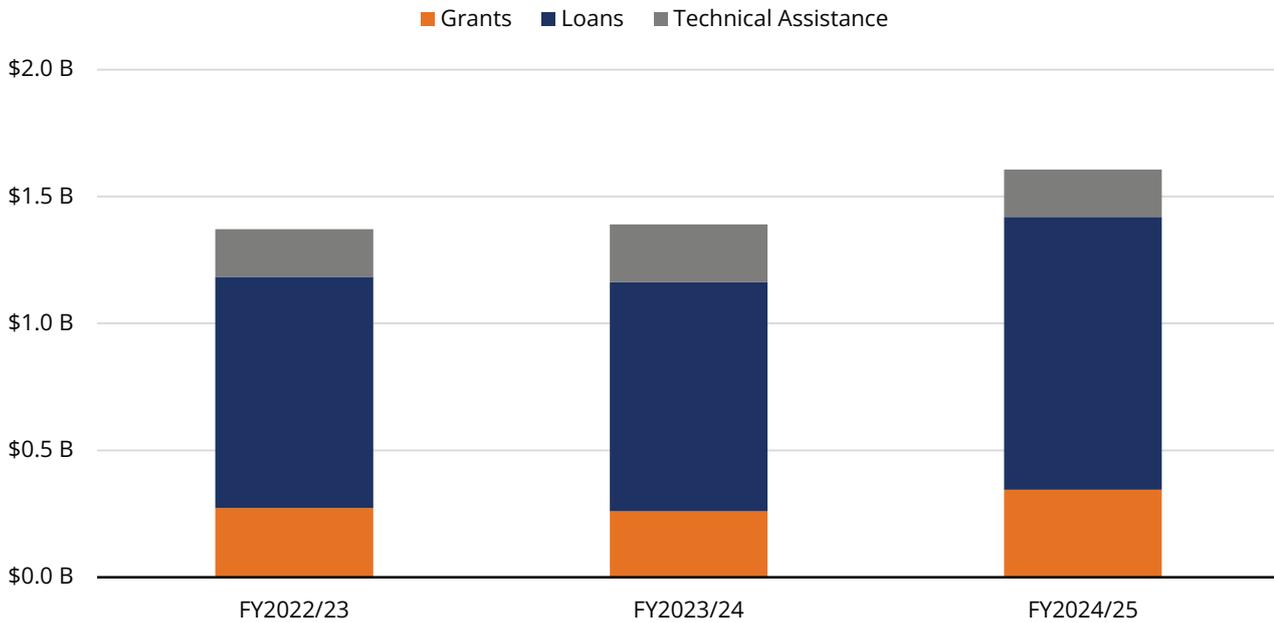


Figure 5.12 presents the actual disbursement volumes in USD for grants, loans, and technical assistance from FY 2022/23 to FY 2024/25. During this period, loan disbursements were the largest share of ODA, rising to USD 1,075.0 million in FY 2024/25 from USD 902.9 million in FY 2023/24 and USD 911.4 million in FY 2022/23. Grant disbursements also increased in the most recent fiscal year, reaching USD 344.4 million in FY 2024/25 compared to USD 259.4 million in FY 2023/24 and USD 272.6 million in FY 2022/23. Technical assistance disbursements were USD 187.2 million in FY 2024/25, following a peak of USD 228.2 million in FY 2023/24 and a level of USD 187.1 million in FY 2022/23. These figures indicate that while debt-based support grew significantly, grants also showed an upward trend in the latest period, reflecting the financial strategies of DPs.

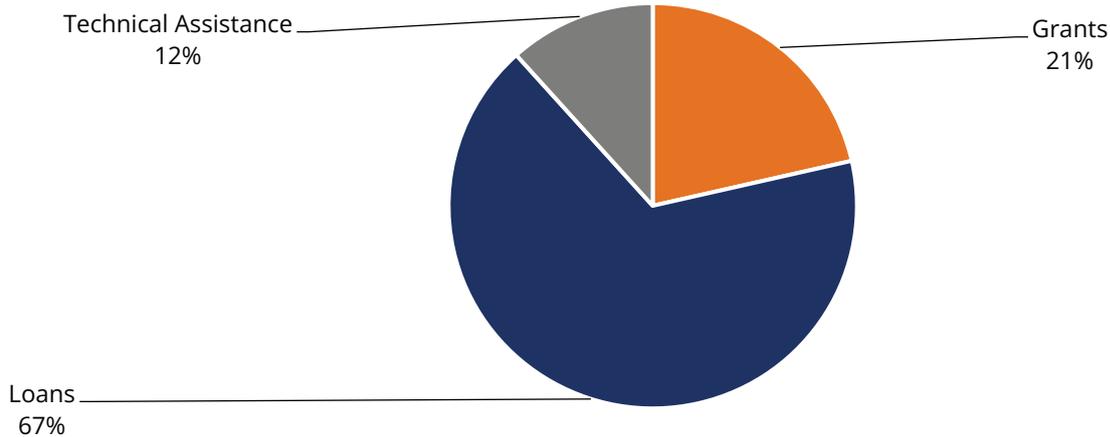
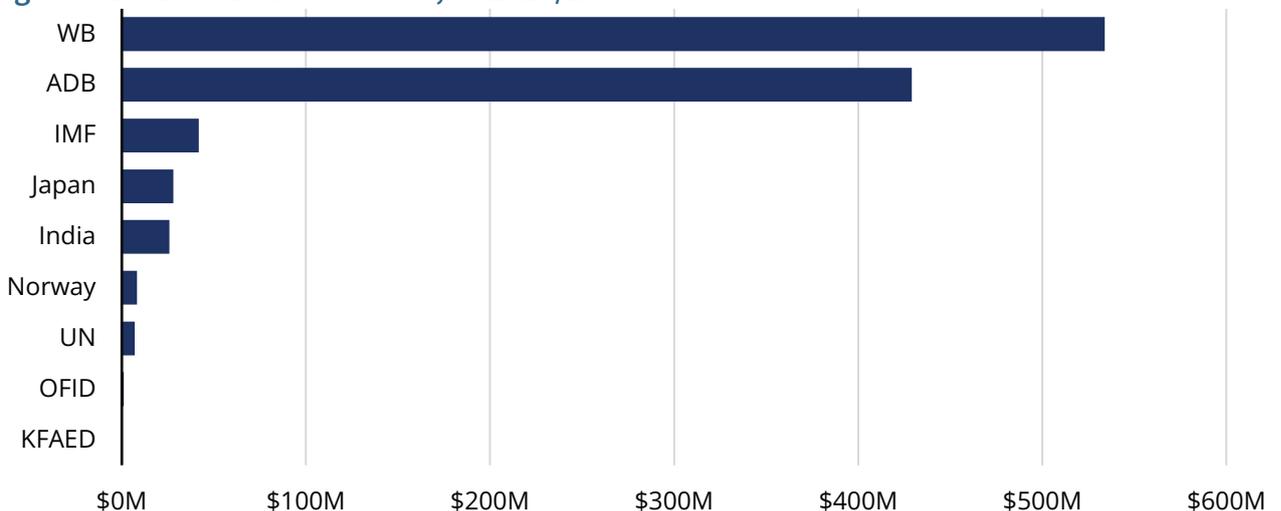
**Figure 5.13: ODA Disbursement by Assistance Type (% of total) FY 2024/25**

Figure 5.13 illustrates the proportional distribution of each assistance modality within the total disbursement for FY 2024/25. Loans constituted the primary component, accounting for 67 percent of the portfolio, followed by grants at 21 percent and technical assistance at 12 percent. This distribution indicates that debt-based financing remains the preferred channel for DPs.

The volume of grant disbursements experienced a recovery during FY 2024/25, rising to USD 344.4 million from USD 259.4 million in FY 2023/24. Loan disbursements also showed renewed growth, reaching USD 1,075.0 million and reversing the downward trend observed in the previous two fiscal years. Conversely, technical assistance disbursements fell to USD 187.2 million, following a temporary increase to USD 228.2 million in the prior year. These shifts reflect the evolving financial engagements of DPs as they balance different types of support for national development goals.

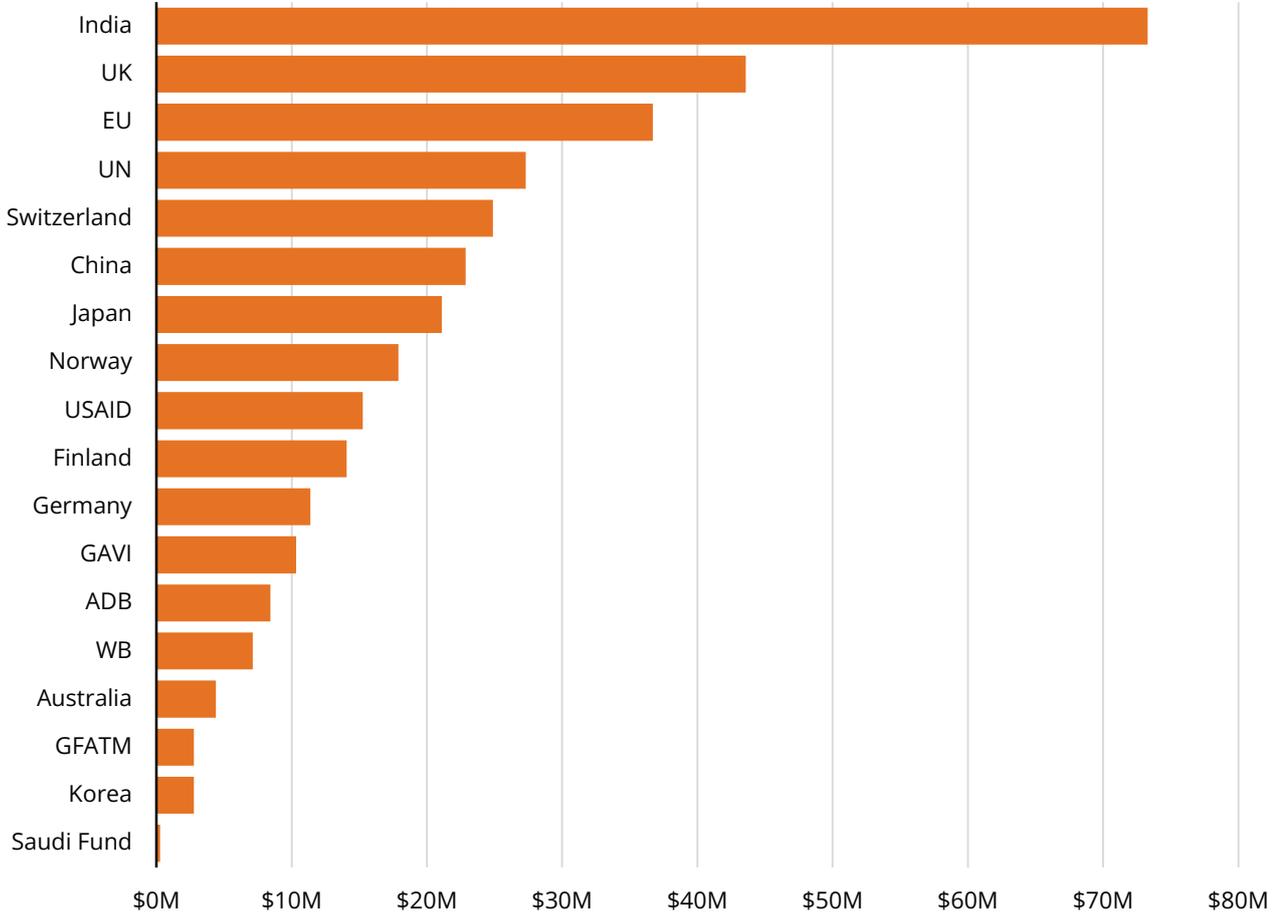
**Figure 5.14: Loan Disbursements, FY 2024/25**

Total loan disbursements in FY 2024/25 amounted to USD 1.075 billion. The World Bank (WB) was the largest provider of debt-based assistance, disbursing USD 533.9 million, which accounts for 49.7 percent of the total loan volume. The Asian Development Bank (ADB) was the second largest source with USD 429.0 million (39.9 percent), while the International Monetary Fund (IMF) provided USD 41.8 million (3.9 percent). Together, these three DPs provided 93.5 percent of the total loans for the period.

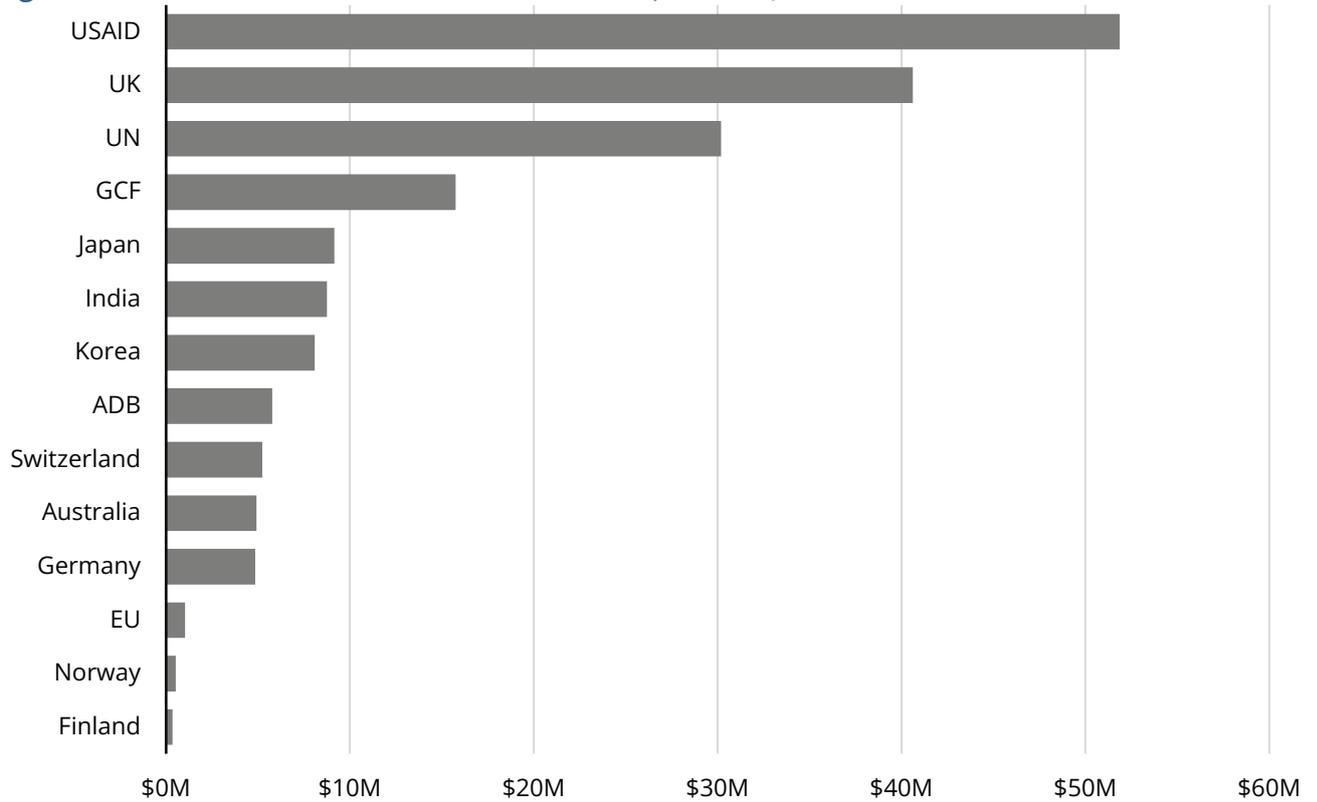
Bilateral and other partners also contributed to the loan portfolio. Japan provided USD 28.0 million (2.6 percent), followed by India with USD 25.8 million (2.4 percent). Other DPs, including Norway (USD 8.2 million), the United Nations (USD 7.0 million), the OPEC Fund for International Development

(USD 1.1 million), and the Kuwait Fund for Arab Economic Development (USD 0.3 million), provided the remaining share. The high concentration of funding among multilateral institutions indicates their role as the primary sources of credit for national development initiatives.

**Figure 5.15: Grant Disbursements, FY 2024/25**



Grant disbursements in FY 2024/25 totaled USD 344.4 million. India was the largest provider of grant assistance, contributing USD 73.3 million. The United Kingdom followed with USD 43.6 million, and the European Union provided USD 36.7 million. The United Nations system mobilized USD 27.3 million in grant resources during this period. Other DPs with significant grant contributions included Switzerland (USD 24.9 million), China (USD 22.9 million), Japan (USD 21.1 million), Norway (USD 17.9 million), and USAID (USD 15.3 million). Grant funding was also delivered by Finland (USD 14.1 million), Germany (USD 11.4 million), GAVI (USD 10.3 million), the Asian Development Bank (USD 8.4 million), and the World Bank (USD 7.1 million). The remaining grant aid came from Australia (USD 4.4 million), the Global Fund (USD 2.8 million), Korea (USD 2.8 million), and the Saudi Fund (USD 0.3 million). Bilateral DPs and UN agencies remain the primary sources of grant-based aid, whereas multilateral banks direct the majority of their support through loans.

**Figure 5.16: Technical Assistance Disbursements, FY 2024/25**

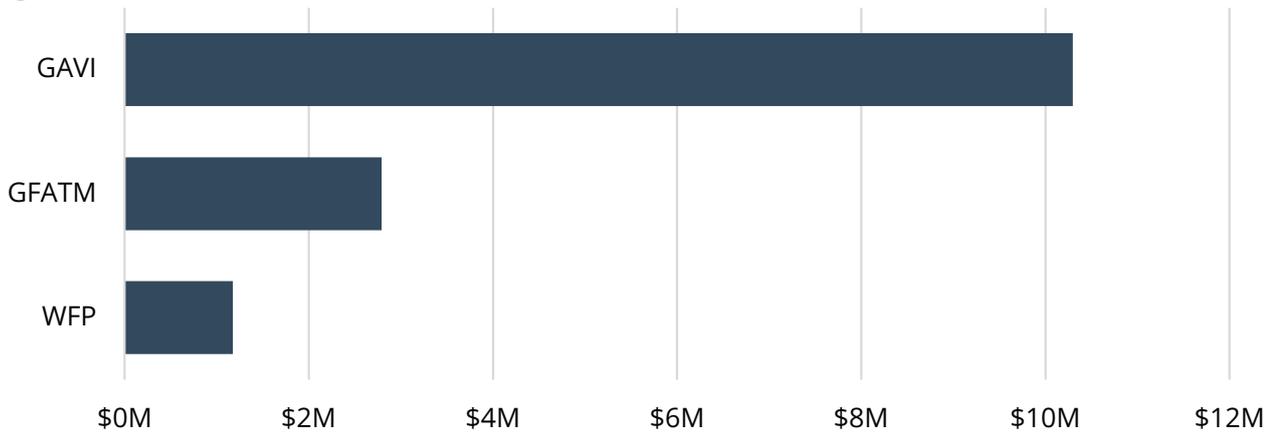
Technical assistance (TA) disbursements in FY 2024/25 reached a total of USD 186.8 million. This category of aid is primarily utilized for capacity development, policy advice, and project preparation within national institutions.

USAID provided the largest volume of technical assistance, with disbursements totaling USD 51.9 million. The United Kingdom followed with USD 40.6 million, while the United Nations system contributed USD 30.2 million. The Green Climate Fund provided USD 15.8 million, and Japan disbursed USD 9.2 million in technical support. India and Korea recorded disbursements of USD 8.8 million and USD 8.1 million, respectively.

Other DPs that provided technical assistance included the Asian Development Bank (USD 5.8 million), Switzerland (USD 5.2 million), Australia (USD 4.9 million), and Germany (USD 4.8 million). The European Union (USD 1.0 million), Norway (USD 0.5 million), and Finland (USD 0.4 million) made smaller contributions. No technical assistance disbursements were reported for the World Bank during this period.

The top three DPs—USAID, the United Kingdom, and the United Nations—accounted for 65.7 percent of the total technical assistance disbursed in FY 2024/25. This concentration indicates that bilateral partners and international organizations remain the primary sources of knowledge-based cooperation for the country.

**Figure 5.17: In-kind Disbursements, FY 2024/25**



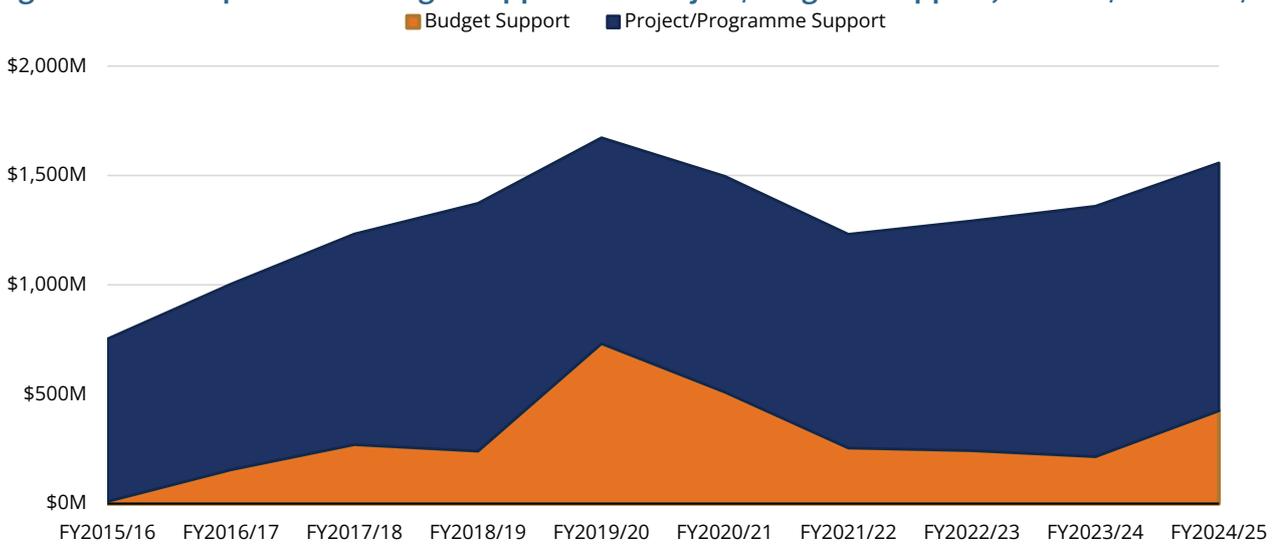
Source: Financial Comptroller General Office, Details of Expenditure, 2023/24.

According to FCGO records for FY 2024/25, reported in-kind support was limited to GAVI, GFATM, and WFP. While other DPs provided substantial in-kind or commodity aid, these contributions were likely either classified as grants within the DFIMS or remained entirely unreported.

GAVI sustained the National Immunization Programme through routine vaccine supplies. GFATM delivered critical commodities, including antiretrovirals (ARVs), anti-TB medications, and insecticidal nets (LLINs) to combat HIV/AIDS, Tuberculosis, and Malaria. WFP provided nutritional security via fortified rice and supplements for “School Meals” and “Mother and Child” programs in the Karnali and Sudurpaschim provinces.

A significant volume of commodity aid remains “off-budget” and unreported due to systemic reporting failures. Some DPs bypassed DFIMS for non-cash contributions. Line ministries often failed to report direct commodity receipts to the FCGO. To ensure fiscal transparency, the Ministry of Finance must strengthen coordination with DPs and line ministries to mandate the comprehensive reporting of all non-monetary assistance.

**Figure 5.18: Comparison of Budget Support and Project/Program Support, FY 2015/16 - 2024/25**



The comparison between budget support and project or program support from FY 2015/16 to FY 2024/25 shows the changing modality of funding. Project-based and program-based assistance are grouped together in this analysis to compare them against direct budget support. Project/program support has been the primary channel for ODA disbursements over the last ten years.

In FY 2024/25, project/programme support reached USD 1,132.3 million. Budget support for the same fiscal year was USD 425.3 million. This amount for budget support represents a large increase from the USD 215.5 million recorded in FY 2023/24. Project/programme support decreased slightly in FY 2024/25 compared to the USD 1,144.6 million disbursed in FY 2023/24.

Looking at historical levels, budget support reached its maximum of USD 731.5 million in FY 2019/20. That increase was associated with funding requirements at the beginning of the COVID-19 pandemic. After that peak, budget support volumes decreased every year until the rise seen in FY 2024/25. Project/programme support has been more consistent, staying above USD 1.1 billion in FY 2018/19, FY 2022/23, FY 2023/24, and FY 2024/25. These patterns show that DPs use project-specific funding for most development activities while using budget support to help with policy changes.

**Figure 5.19: ODA Disbursements by Aid Modality, FY 2015/16 - 2024/25**

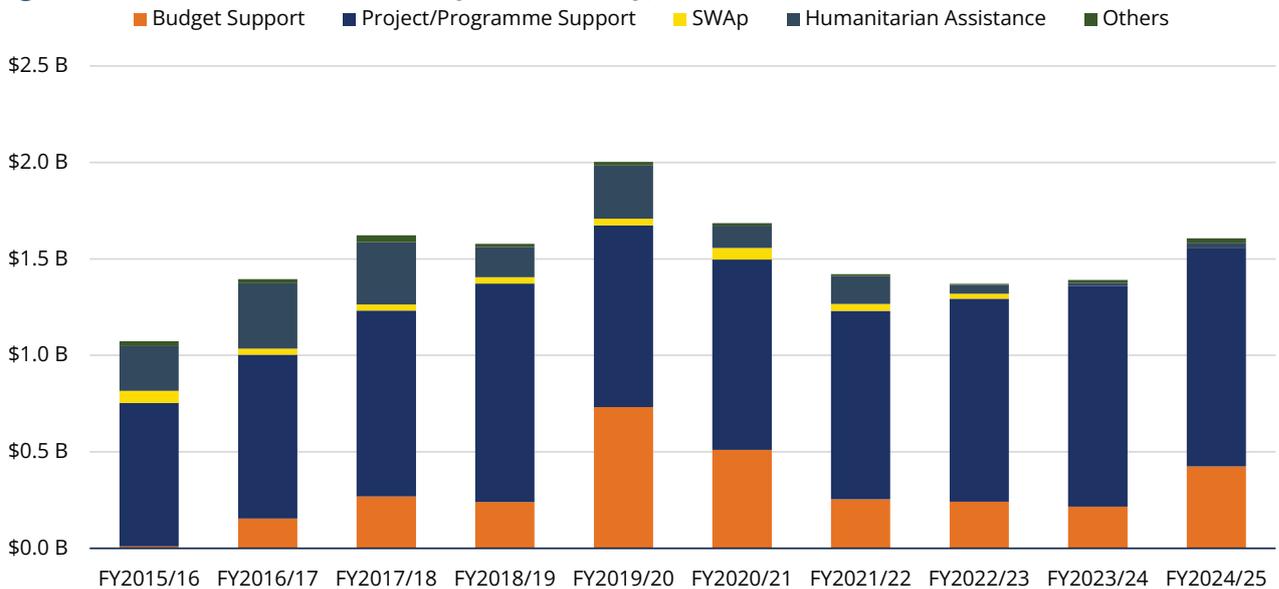


Figure 5.19 details the distribution of ODA disbursements across five primary modalities: Budget Support, Project/Programme Support, SWAp, Humanitarian Assistance, and Others. In FY 2024/25, total disbursements were USD 1.61 billion, representing an increase from the levels observed in the preceding three fiscal years.

Project and programme-based support remained the primary vehicle for ODA delivery, with disbursements totaling USD 1,132.3 million in FY 2024/25. This modality has maintained a volume exceeding USD 1.0 billion for the past three fiscal years, though the current figure represents a marginal decrease from the USD 1,144.6 million disbursed in FY 2023/24.

Budget support reached USD 425.3 million in FY 2024/25, a significant rise from the USD 215.5 million recorded in the previous fiscal year. Although this amount is lower than the decadal maximum of USD 731.5 million in FY 2019/20, the increase suggests a renewed emphasis on utilizing national systems for policy-oriented interventions.

Humanitarian assistance rose to USD 26.2 million in FY 2024/25, compared to USD 16.9 million in FY 2023/24. Disbursements classified under the 'Others' category accounted for USD 22.8 million, up from USD 13.4 million in the previous year. Consistent with the reclassification in the DFIMS, SWAp disbursements were recorded as zero, as these funds are now integrated into the project and programme support category.

The data shows that DPs continue to prioritize project-specific funding for development activities while employing budget support for broader systemic objectives.

**Figure 5.20: Comparison of On/Off-Budget and On-Treasury Support, FY 2021/22 - 2024/25**

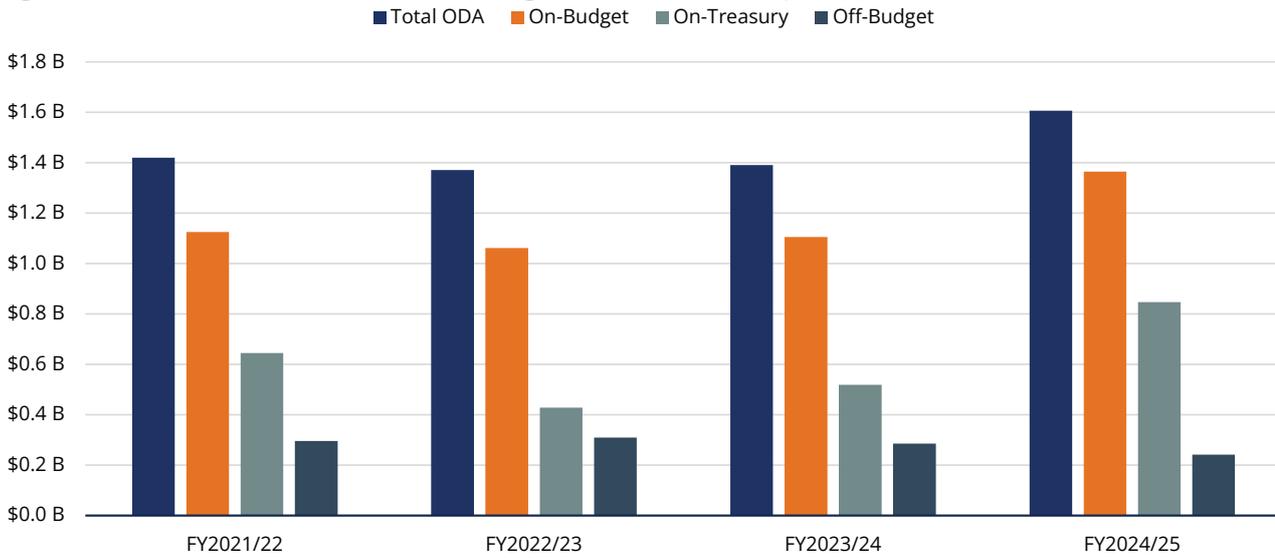


Figure 5.20 compares on-budget, on-treasury, and off-budget support from FY 2021/22 to FY 2024/25 relative to the total ODA for each year. On-budget ODA consists of aid recorded in the national budget, while on-treasury ODA is a subset of that aid fully integrated into and disbursed through national treasury systems. Off-budget support refers to aid managed outside the national budget, often implemented independently of government systems.

In FY 2024/25, Nepal received a total of USD 1.61 billion in ODA. Of this amount, USD 1.36 billion was delivered as on-budget support, while the remaining USD 242.0 million was off-budget. On-budget aid accounted for 84.94 percent of total disbursements, with off-budget aid representing 15.06 percent. Within the on-budget total, USD 847.5 million was channeled through the national treasury system, making up 62.11 percent of all on-budget ODA in the fiscal year.

The volume of on-budget support increased by 23.5 percent in FY 2024/25 compared to the USD 1.11 billion recorded in FY 2023/24. On-treasury disbursements saw a rise of 63.3 percent during the same period. In contrast, off-budget support fell by 15.1 percent from the USD 285.1 million disbursed in FY 2023/24. These figures indicate that the use of the national budget system and treasury system is improving with a larger proportion of development assistance being managed through national systems than in the previous fiscal year.

**Figure 5.21: Comparison of On/Off-Budget and On-Treasury Support, Year-on-Year Change (%), FY 2023/24 - 2024/25**

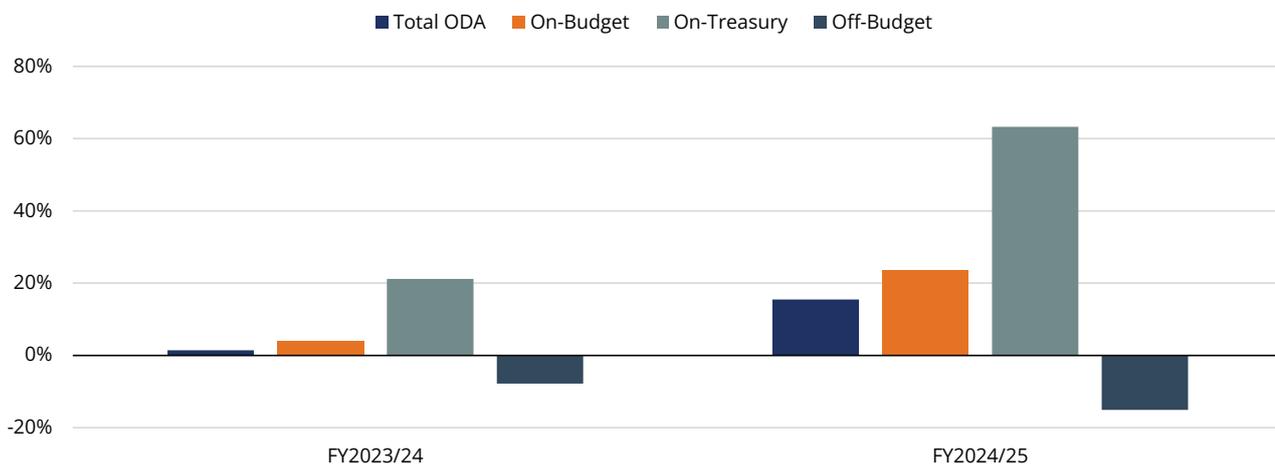


Figure 5.21 presents the annual percentage shifts in total ODA, on-budget, off-budget, and on-treasury support for FY 2023/24 and FY 2024/25. Total ODA disbursements increased by 15.5 percent in FY 2024/25, following a growth of 1.4 percent in FY 2023/24.

The on-budget component experienced a 23.5 percent increase in FY 2024/25, which follows the 4.1 percent rise observed in the previous fiscal year. On-treasury support expanded by 63.3 percent in FY 2024/25 compared to a 21.2 percent increase in FY 2023/24. In contrast, off-budget support declined by 15.1 percent in FY 2024/25 after a 7.8 percent decrease in FY 2023/24. These changes also indicate a move toward using national budget and treasury systems for the delivery of ODA.

**Figure 5.22: Comparison of On/Off-Budget and On-Treasury Support (%), FY 2021/22 - 2024/25**

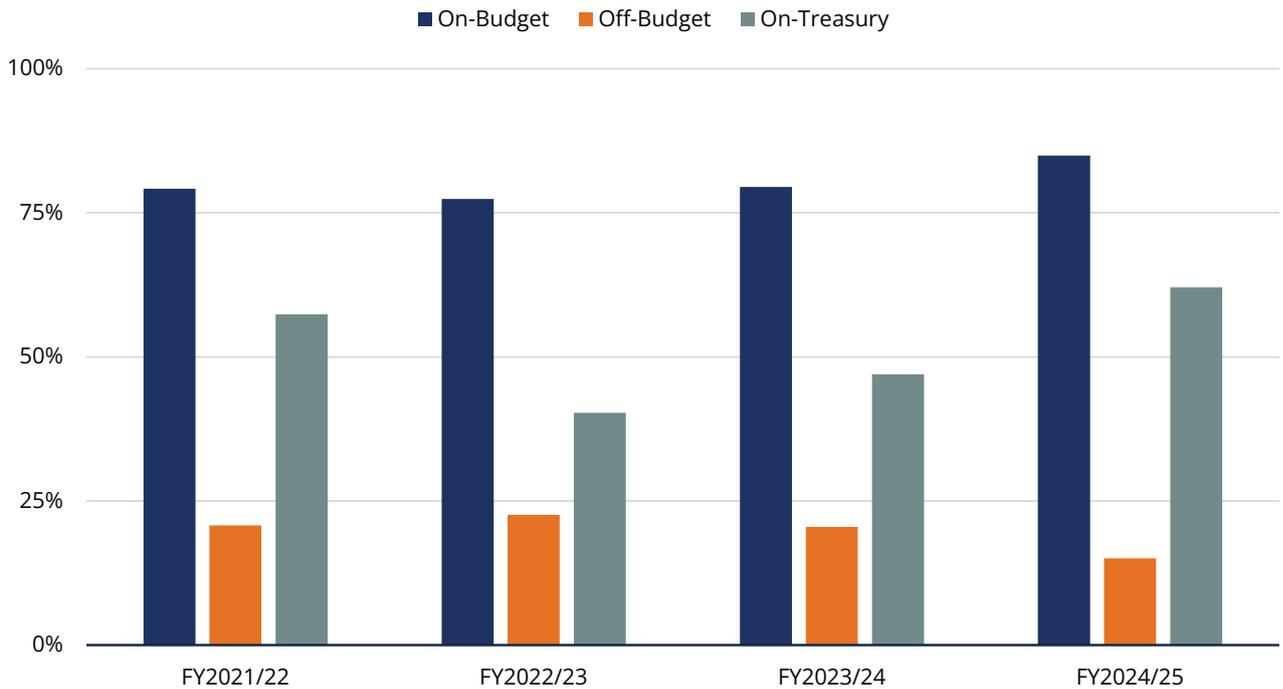


Figure 5.22 illustrates the proportions of on-budget and off-budget support relative to total ODA, alongside the share of on-treasury support within the on-budget category from FY 2021/22 to FY 2024/25. During FY 2024/25, on-budget support accounted for 84.94 percent of total ODA, which represents an increase from the 79.5 percent recorded in FY 2023/24. This upward movement indicates a strengthened alignment with national budgetary frameworks. Correspondingly, the share of off-budget support declined to 15.06 percent in FY 2024/25, compared to 20.5 percent in the preceding fiscal year. On-treasury support, which denotes aid that is both budgeted and channeled through government treasury systems, comprised 62.11 percent of on-budget ODA in FY 2024/25. This signifies a recovery from the 47.0 percent share observed in FY 2023/24 and the 40.3 percent reported in FY 2022/23. The shift towards on-treasury modalities suggests that DPs are increasingly utilizing national financial systems for aid delivery.

Figure 5.23: Comparison of On-Budget and Off-Budget by Development Partner, FY 2024/25

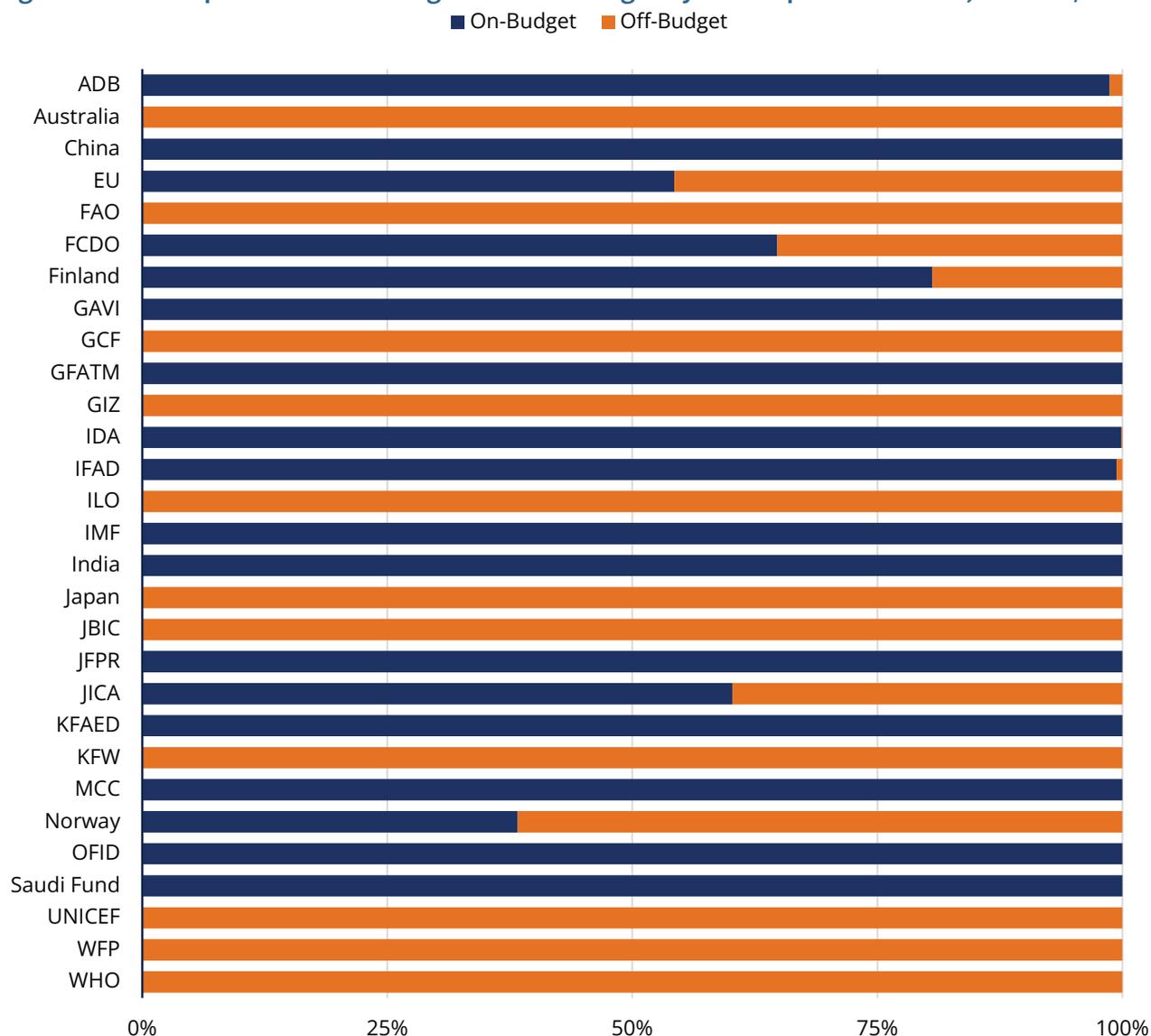


Figure 5.23 presents a comparison of on-budget and off-budget support from different DPs during FY 2024/25. A group of DPs placed their entire financial support within the national budget, led by India, and followed by the IMF, China, GAVI, GFATM, OFID, and the Saudi Fund. High levels of budget alignment were also seen for the World Bank (99.9 percent), the Asian Development Bank (98.7 percent), and KOICA (91.8 percent).

Other DPs utilized a mixture of on-budget and off-budget modalities. This group included the United Kingdom (64.8 percent on-budget), JICA (60.2 percent on-budget), and the European Union (54.3 percent on-budget). The Swiss Agency for Development and Cooperation and Finland utilized the national budget for 80.9 percent and 80.6 percent of their assistance, respectively.

Conversely, some DPs relied more on off-budget channels. Norway directed 61.7 percent of its resources through off-budget systems, while the United Nations also relied on extra-budgetary systems, with UNDP reporting 90.6 percent of its disbursements as off-budget. Support was provided entirely outside the national budget by DPs such as USAID, Japan, the Green Climate Fund, and Australia. Various United Nations agencies, including WFP, UNICEF, UNFPA, and the WHO, also operated completely off-budget, alongside partners like the ILO, GIZ, and KfW.

While the selection of funding modalities is influenced by the objectives of different DPs, the use of extra-budgetary systems differs from the policy priorities and constitutional directives of Nepal. Activities managed off-budget can adversely affect national institutional capacity and the overall management of public finances

### 5.3 Contribution to the National Budget

**Figure 5.24: ODA Allocation as a Share of the National Budget (%), FY 2015/16 - 2024/25<sup>3</sup>**

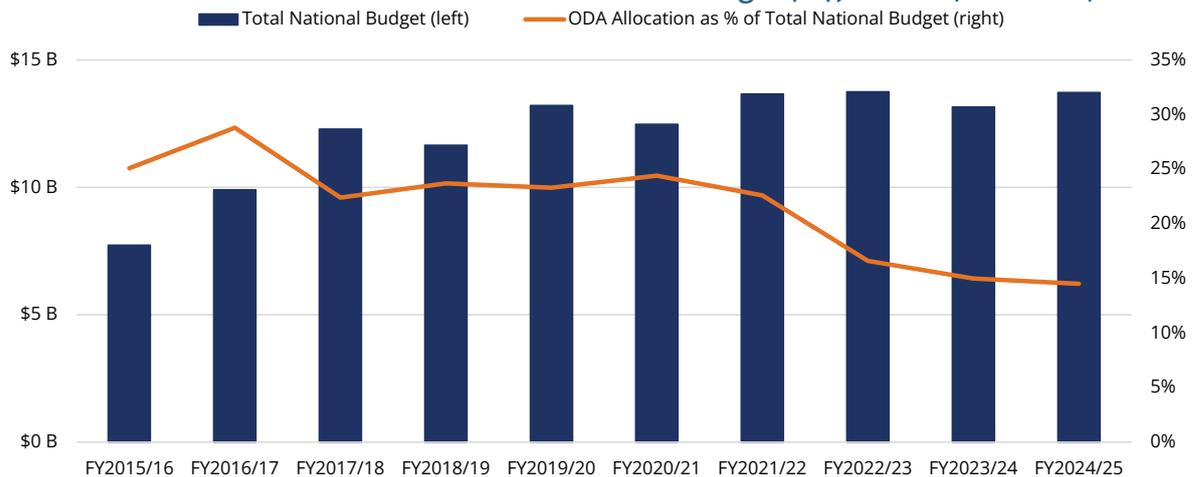
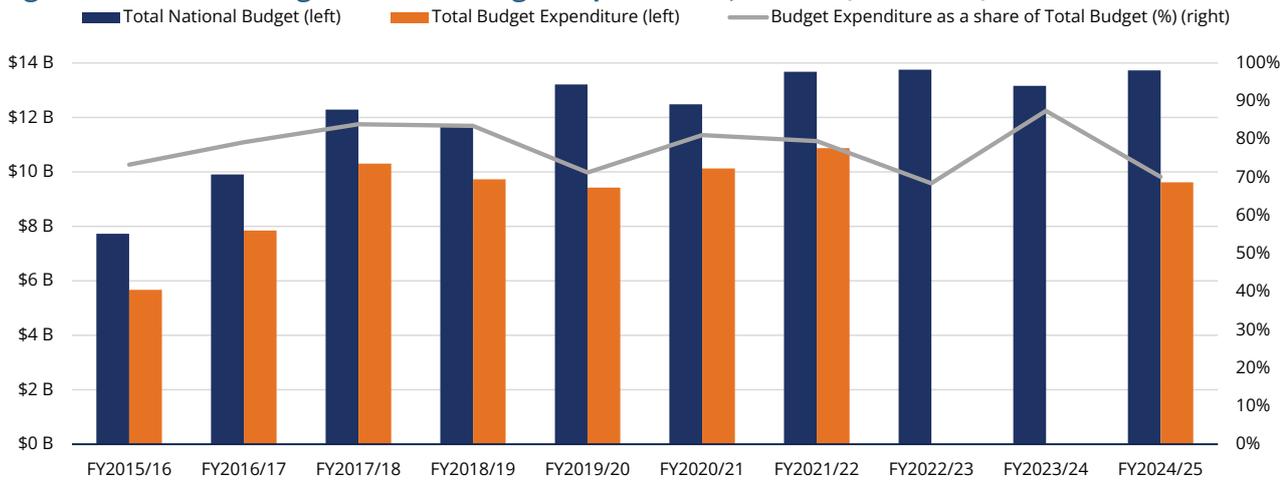


Figure 5.24 illustrates the relationship between ODA allocations and the total national budget from FY 2015/16 to FY 2024/25. In FY 2024/25, ODA allocations amounted to USD 2.0 billion, representing 14.5 percent of the USD 13.7 billion national budget—the lowest share recorded during the decade. This follows a similar decline from 15.0 percent in FY 2023/24, indicating a continued downward trend in the relative contribution of external assistance to the national budget.

The share of ODA in the national budget peaked at 28.8 percent in FY 2016/17, largely reflecting the surge in external assistance mobilised for post-earthquake reconstruction. In the subsequent years, however, the share remained below 25 percent and gradually declined. This trend reflects both evolving development partner financing priorities and Nepal's efforts to strengthen domestic revenue mobilisation. From a broader perspective, the declining share of ODA in the national budget signals a gradual shift toward greater reliance on domestic resources, underscoring the growing importance of strengthening internal resource mobilisation and improving the efficiency of public expenditure as Nepal approaches LDC graduation.

<sup>3</sup> Data sourced from various budget speeches of the Ministry of Finance and are publicly available in the official website and related government publications.

**Figure 5.25: Total Budget vs Total Budget Expenditure, FY 2015/16 - 2024/25<sup>4</sup>**



Over the last ten years, both the planned national budget and actual spending have moved upward. The national budget increased from USD 7.73 billion in FY 2015/16 to USD 13.73 billion in FY 2024/25. During the same period, total budget spending rose from USD 5.67 billion to USD 9.62 billion.

In FY 2024/25, the national budget grew by 4.3 percent compared to the USD 13.16 billion recorded in FY 2023/24. However, actual spending decreased by 16.3 percent, falling from USD 11.50 billion in FY 2023/24 to USD 9.62 billion in FY 2024/25. This shift caused the budget utilization rate to fall to 70.1 percent in FY 2024/25, down from 87.4 percent in the previous fiscal year. These results show a change from the performance in FY 2023/24 when expenditure growth was positive. The reduction in spending suggests a potential slowdown in implementation capacity and the pace of resource utilization during the latest period.

**Figure 5.26: Total Budget Expenditure vs Total ODA Expenditure, FY 2015/16 - 2024/25<sup>5</sup>**

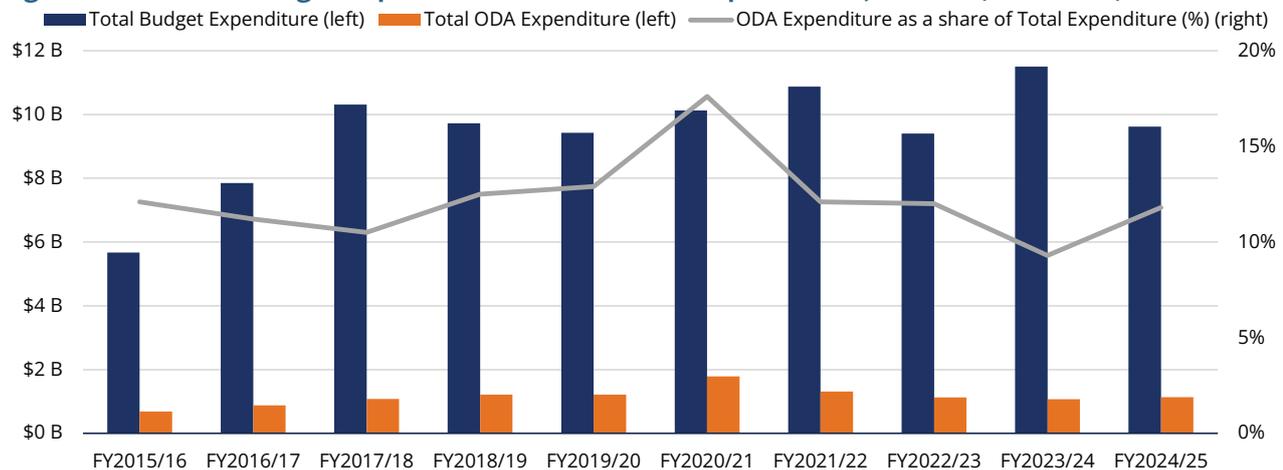


Figure 5.26 presents the comparative trends of the total budget expenditure and ODA expenditure of Nepal from FY 2015/16 to FY 2024/25. In this analysis, total budget expenditure represents the actual spending on all national requirements, whereas ODA expenditure reflects the portion of foreign aid used within each fiscal year. During this ten-year period, the proportion of ODA expenditure relative to the total expenditure varied between 9.3 percent and 17.6 percent.

4 Data sourced from various budget speeches delivered by the Ministry of Finance, Government of Nepal, and from the LBMIS (Line Ministry Budget Management Information System) database.

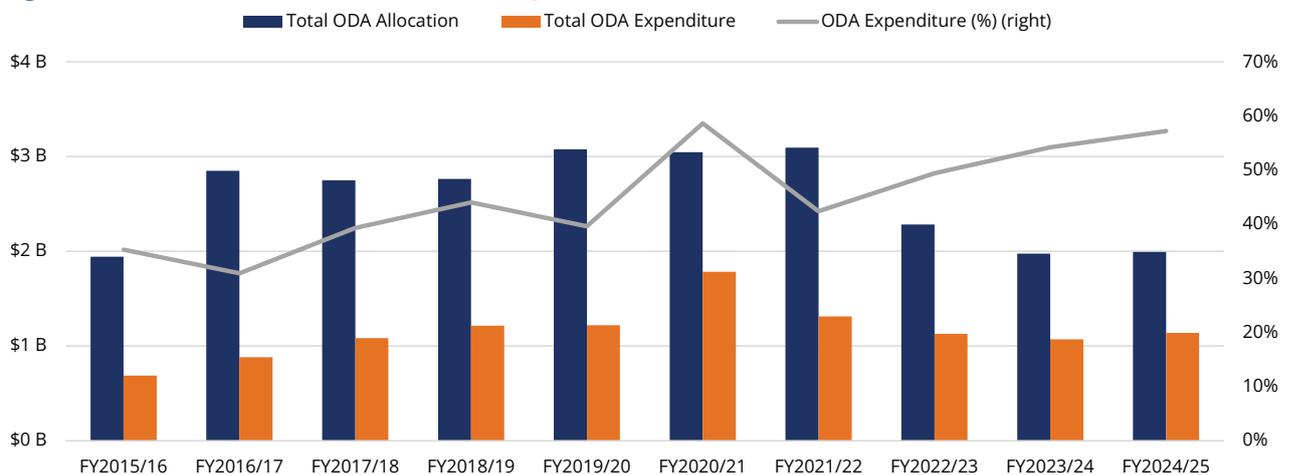
5 National Budget data is sourced from the Budget Speech, while expenditure figures are extracted from the LBMIS database.

The highest share was recorded in FY 2020/21, when ODA expenditure reached USD 1.8 billion, constituting 17.6 percent of the USD 10.1 billion total government spending. This increase was associated with the peak of the COVID-19 pandemic, showing the capacity of the government to use external support during a period of crisis.

In FY 2023/24, total budget expenditure reached approximately USD 11.5 billion, while ODA expenditure was USD 1.1 billion. Consequently, ODA comprised 9.3 percent of the total government expenditure, which was the lowest share recorded in the decade.

In FY 2024/25, total national budget expenditure amounted to USD 9.6 billion. During the same fiscal year, ODA expenditure increased to USD 1.1 billion, raising its share to 11.8 percent of total government spending. This trend indicates that although overall budget expenditure declined in the most recent fiscal year, the utilization of external assistance increased. Consequently, ODA accounted for a larger proportion of actual government expenditure compared to the previous fiscal year, highlighting the relatively stronger role of external financing in supporting public spending during the period.

**Figure 5.27: ODA Allocation and ODA Expenditure, FY 2015/16 - 2024/25<sup>6</sup>**



The relationship between ODA allocation and actual expenditure provides a critical measure of the Government's ability to translate commitments into effective development outcomes, reflecting both absorptive capacity and the complexity of donor requirements.

ODA allocation exhibited a volatile and declining trend, peaking at nearly USD 3.1 billion in FY 2021/22 before falling to USD 2.0 billion in FY 2023/24 and FY 2024/25. This reversal calls for closer assessment of its underlying drivers and implications.

Persistent gaps between allocation and expenditure point to capacity constraints, limited predictability of aid, weaknesses in project readiness, and procedural inefficiencies on both the Government and development partner sides.

Addressing these challenges requires stronger adherence to aid effectiveness principles and global partnership commitments. Reducing off-budget and stand-alone interventions, while prioritizing bankable and demand-driven projects aligned with national capacity, is essential to improve execution and reinforce country ownership.

Although multilateral and some bilateral partners demonstrate better alignment with national systems and budget cycles, significant challenges remain across a broader set of development partners.

<sup>6</sup> ODA Allocation data is sourced from budget speech of various fiscal years and ODA expenditure from LMBIS

## CHAPTER

## 6

**PREDICTABILITY**

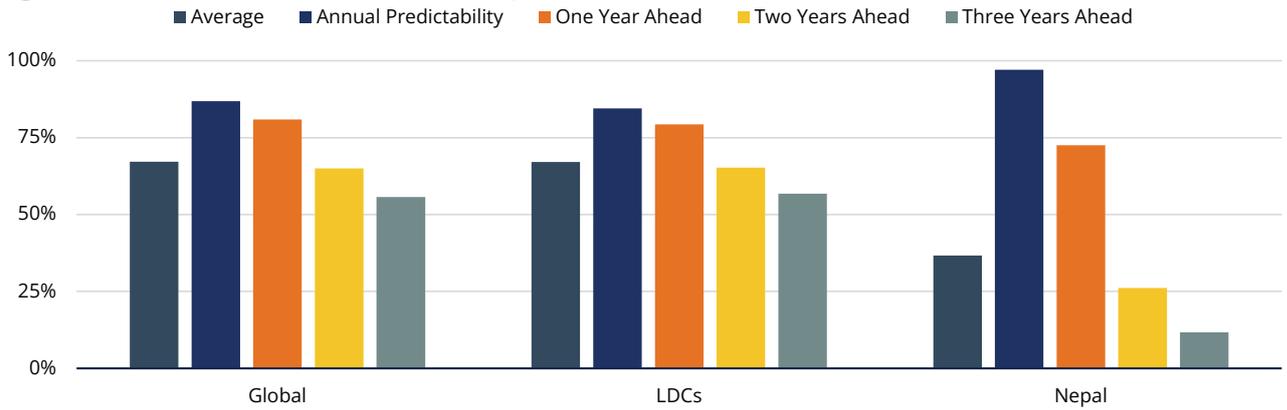
Forward-looking and accurate information on development cooperation is essential for evidence-based budgeting and resource management. For Development Partners, data transparency is a prerequisite for focused aid allocation, reduced fragmentation and the redundancy of projects.

Empirical studies, including those by Celasun and Walliser (2008) and Kodama (2012), demonstrate that significant variances between projected commitments and actual disbursements severely constrain a government's capacity to execute development priorities. Such inconsistencies erode the credibility and stability of national planning frameworks. This unpredictability creates fiscal volatility that stifles public investment and diminishes the long-term growth-enhancing effects of aid. Notably, research suggests that approximately 20 percent of aid value is lost due to these planning inefficiencies, highlighting a critical need for enhanced disbursement predictability to ensure aid effectiveness.

The persistent lack of reliable disbursement forecasts has historically constrained the Government of Nepal's capacity to exercise full ownership and achieve the desired outcomes of its development initiatives. This shortfall underscores the critical role of accurate, forward-looking information in development finance. Since the Medium-Term Expenditure Framework (MTEF)—the cornerstone of budgeting at both federal and provincial levels—depends heavily on multi-year commitment data, any informational gaps directly jeopardize fiscal planning and the sustainability of long-term development goals.

In the absence of comprehensive aid predictability data within the DFMS, this analysis utilizes findings from the third and fourth rounds of the Global Partnership for Effective Development Cooperation (GPEDC) monitoring surveys. These global benchmarks provide the necessary evidence base to evaluate Nepal's performance regarding aid predictability and the alignment of external resources with national budgetary frameworks.

**Figure 6.1: Medium-Term Predictability<sup>7</sup>**

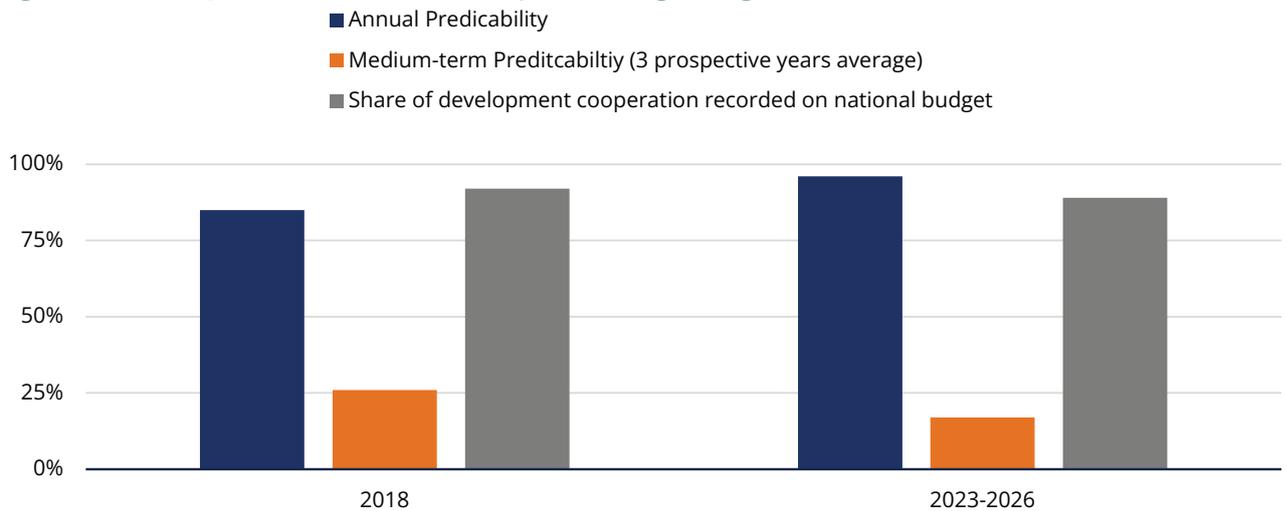


Source: OECD/UNDP (2019)

Based on the 2018 GPEDC monitoring data (Figure 6.1), Nepal demonstrates a bifurcated performance in aid predictability. While annual predictability is exceptionally strong—with 97.1 percent of scheduled funds disbursed within the planned year, surpassing both global (86.9 percent) and LDC (84.5 percent) averages—medium-term predictability reveals a systemic decline. Although information remains moderately accessible one year ahead (72.5 percent), availability collapses to 26.1 percent for year two and a negligible 11.7 percent for year three. These figures trail significantly behind global and LDC benchmarks, which average above 55 percent for the same periods.

Recent findings from the GPEDC 4th Monitoring Round (2023–2026), published in 2024, indicate sustained progress in short-term reliability, with 96 percent of public sector funding disbursed within the fiscal year—a notable improvement from the 85 percent benchmark recorded in 2018. While this annual consistency facilitates immediate resource planning, the persistent lack of multi-year visibility remains a barrier to the close coordination and realistic long-term fiscal planning essential for development effectiveness.

**Figure 6.2: Comparison of Predictability and Budget Alignment (2018 vs. 2025)**



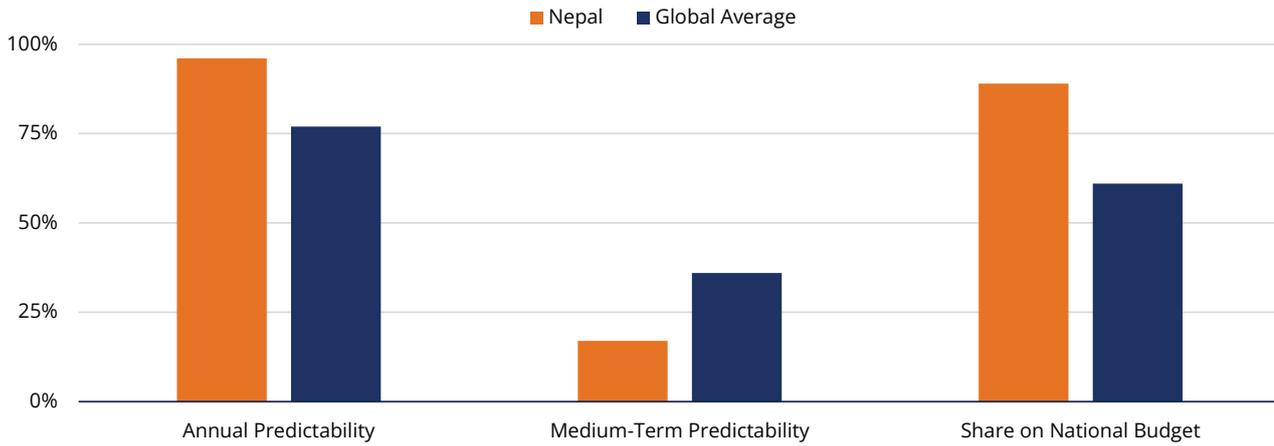
Source: Global Partnership 4th Monitoring Round (2023-2026): Observations from the first half of countries to complete data collection, September 2025.

Comparative data from the GPEDC 4th Monitoring Round (September 2025) reveals a widening gap between short-term execution and long-term planning. Based on a 26-country sample, annual predictability surged to 96 percent, up from the 85 percent recorded in the 2018 cycle. This

<sup>7</sup> OECD/UNDP (2019), Making Development Co-operation More Effective: 2019 Progress Report, OECD Publishing, Paris, <https://doi.org/10.1787/26f2638f-en>

indicates a high degree of reliability in immediate budget execution. Conversely, medium-term predictability—measured as the average visibility across a three-year prospective horizon—suffered a notable decline, falling from 26 percent in 2018 to just 17 percent in the 2023–26 period. This trend underscores a growing ‘planning vacuum’ that threatens the transition from annual budgeting to sustained, multi-year development strategies.

**Figure 6.3: Comparison of Development Cooperation Effectiveness: Nepal vs. Global Average, GPEDC 2023–2026**



Source: Fourth GPEDC Monitoring Round (2023-2026), Second Periodic Results Brief, September 2025.

Comparative data from the GPEDC 4th Monitoring Round (2023–2026), specifically the intermediate results published in September 2025, underscores a significant divergence between Nepal’s fiscal execution and its strategic planning. Nepal’s annual predictability stands at 96 percent, substantially outperforming the global average of 77 percent. This indicates a high level of certainty regarding the disbursement of scheduled funds within the active fiscal year. Furthermore, Nepal demonstrates strong parliamentary oversight potential, with 89 percent of development cooperation recorded in the national budget—well above the global benchmark of 61 percent.

However, medium-term predictability remains a critical weakness. Nepal’s three-year forward-looking visibility is only 17 percent, trailing significantly behind the global average of 36 percent. This persistent unpredictability in the medium term hampers multi-year budget planning and the effectiveness of the Medium-Term Expenditure Framework (MTEF). Such a data vacuum not only impairs the potential growth-enhancing effects of aid but also risks a substantial reduction in the overall value for money of development investments.

## CHAPTER

## 7

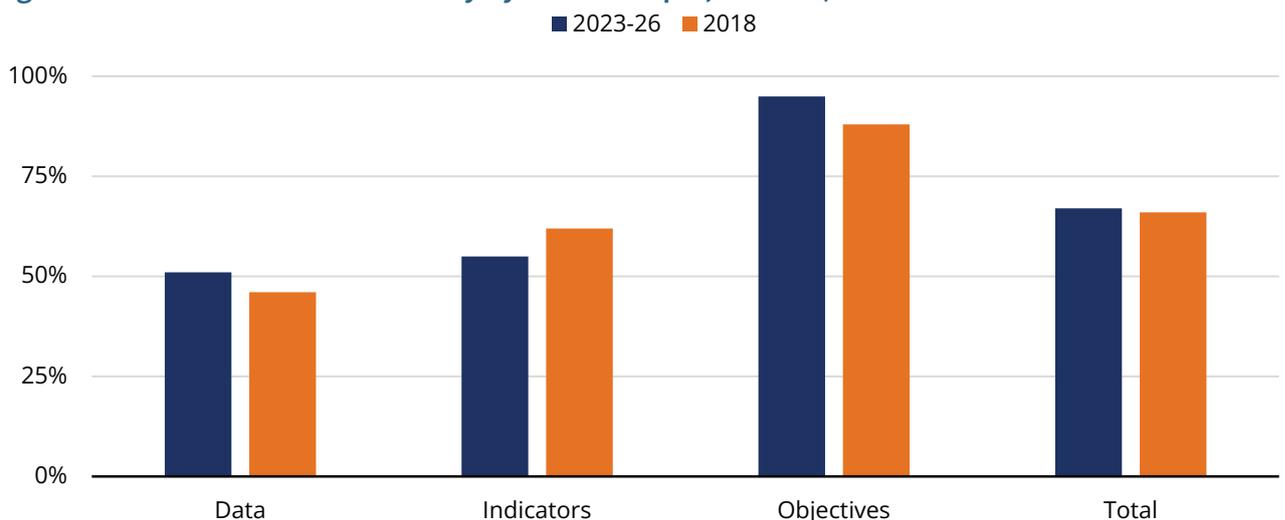
ALIGNMENT AND  
FRAGMENTATION

## 7.1 Alignment

The relationship between ‘alignment’ with national systems and ‘country capacity’ is inherently cyclical: alignment strengthens institutional capacity, which in turn incentivizes further utilization of country systems. As noted by Dhakal and Ueta (2007), this reinforces ‘country ownership’—a core tenet of aid effectiveness. These principles are anchored in a series of global milestones, from the Paris Declaration (2005) and Accra Agenda for Actions (2008) to the Busan Global Partnership Outcome Document (2011), Nairobi (2016), and Geneva (2022) summits. Central to this framework is the commitment to utilizing a partner country’s public financial management systems and existing institutional structures for ODA implementation.

Since the DFIMS does not currently capture annual alignment metrics, this analysis relies on the 4th GPEDC Monitoring Round (2023–2026). Based on the Nepal Country Report Brief (2024), ‘alignment’ is evaluated through three key proxies: the use of country systems, the utilization of PFM frameworks, and the degree to which development partners respect national policy space by adhering to country-owned results frameworks.

Figure 7.1: State and Use of Country System in Nepal, FY 2024/25



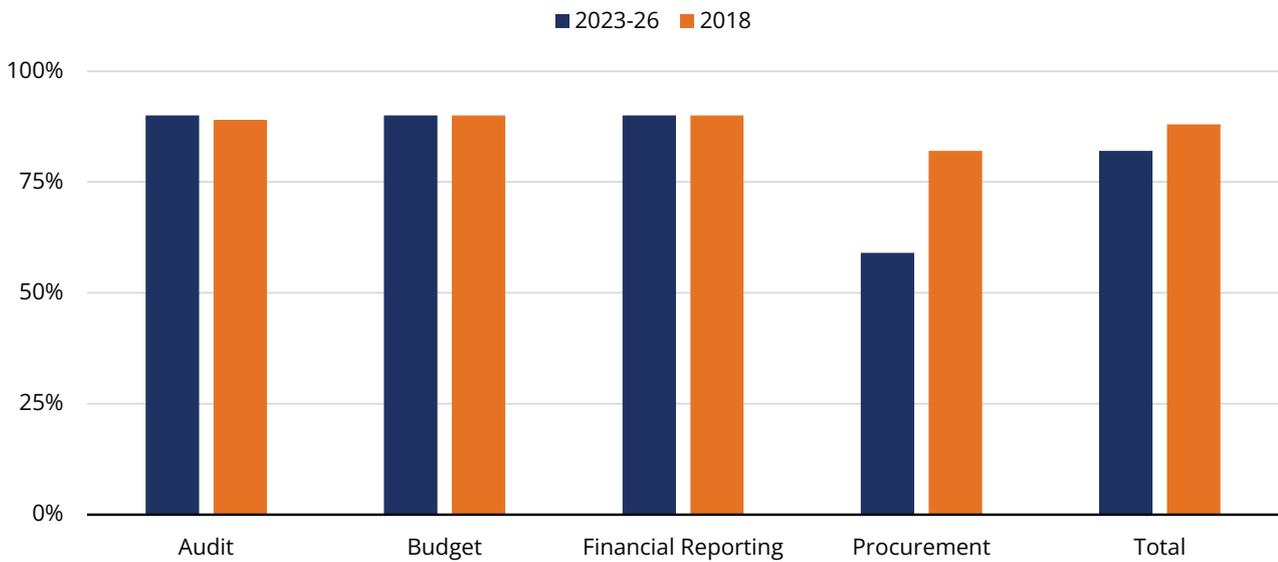
Source: Reproduced from GPEDC Monitoring Round (2023-2026) : Nepal Country Brief, 2024.

According to the 2024 OECD-UNDP monitoring report, the quality of Nepal’s National Development Plan is rated as “very high,” achieving a score of 0.9 out of 1.0. This rating reflects strong performance across key criteria, including accessibility, the inclusiveness of development priorities, and clear linkages to the SDGs and the Medium-Term Expenditure Framework.

Despite this robust planning environment, Figure 7.1 reveals a “medium extent” (67 percent) of utilization of country-owned planning tools by DPs. While a high proportion of new ODA project objectives (95 percent) align with national outcome frameworks, technical integration remains a challenge: only 55 percent of project-level indicators are drawn directly from country-owned frameworks. Just 51 percent of indicators utilize data generated by government monitoring systems and national statistics.

These metrics further evaluate DP alignment with SDG 17.15.1, which measures respect for a country’s policy space. The alignment of ODA with Nepal’s national strategies indicates an international recognition of the government’s leadership in defining the policy trajectories required to implement the 2030 Agenda.

**Figure 7.2: Use of PFM Systems in Nepal (Total and per element), FY 2024/25**



Source: GPEDC Monitoring Round (2023-2026) : Nepal Country Brief, 2024

Figure 7.2 measured “Use of PFM systems” by development partners. Use of local PFM systems allows integration of DPs-funded projects/programmes with countries’ own institutions, structures of budget implementation, reducing duplication, enhancing country’s PFM capacity, ensuring better value for money and the sustainability of activities and results.

A decline in overall quality of the budget system was observed, comparing the two most recent PEFA evaluations- 2015 and 2023 (OECD-UNDP, 2024). In the similar vein, overall use of the PFM systems also declined from 88 percent in 2018 to 82 percent in 2023. Disaggregating across various elements of PFM systems, an improvement was observed in the coverage of internal audit systems, while use of budget and financial reporting systems remained almost the same between two monitoring periods. Notably, use of procurement systems significantly declined from 82 percent in 2018 to 59 percent in 2023 (OECD-UNDP, Nepal CRB, 2024).

## 7.2 Fragmentation

Effective coordination between development partners and government agencies is essential for the efficient implementation of ODA-funded projects and programmes. Strong coordination helps reduce aid fragmentation, minimize duplication of efforts, and promote collective action in priority sectors, thereby enhancing development outcomes. It also lowers transaction costs for both partner governments and DPs by reducing parallel systems and processes (Bigsten and Tengstam, 2015). However, fragmentation in ODA can complicate coordination and increase administrative costs. In FY 2024/25, Nepal had 301 ODA-funded projects implemented by 22 government executing

entities and supported by 22 DPs (including their agencies). On average, each DP managed around 13 projects/programmes, while each government executing entity coordinated with approximately 8 DPs, indicating a relatively complex partnership landscape.

**Figure 7.3: ODA Fragmentation by Executing Government Entity, FY 2024/25**

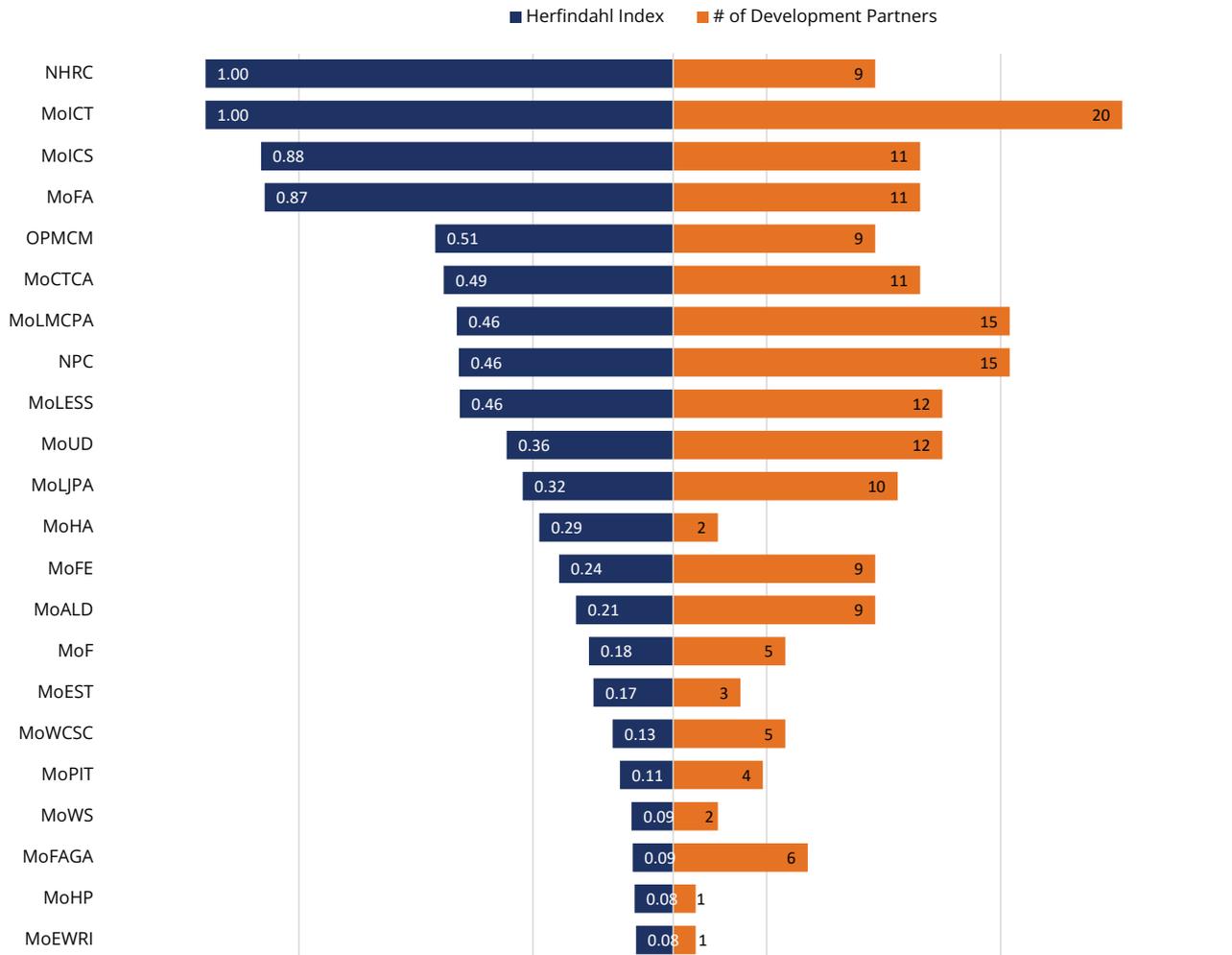


Figure 7.3 illustrates the Herfindahl-Hirschman Index (HHI) for various ministries, measuring the distribution of aid across executing agencies in FY 2024/25. A result approaching 1 indicates a concentrated portfolio, while a value near 0 shows high fragmentation. Analysis of the government executing entities reveals three distinct levels of fragmentation based on these index values. The range of HHI values used in the following paragraphs for classification of entities and DPs are not exhaustive but only for the purpose of analysis in this report.

**Highly Focused (HHI 0.7 to 1):** The National Human Rights Commission (NHRC) and the Ministry of Information and Communication Technology (MoICT) showed the highest concentration with index scores of 1.00, each managing a single project with one development partner. High concentration was also evident at the Ministry of Industry, Commerce and Supplies (MoICS) with an index of 0.88 and the Ministry of Foreign Affairs (MoFA) with 0.87,.

**Moderately fragmented (HHI 0.2 to 0.7):** Several entities exhibited moderate levels of fragmentation, with index values between 0.2 and 0.7. The Office of the Prime Minister and Council of Ministers (OPMCM) recorded an index of 0.51 with 4 partners and 4 projects. This category includes the Ministry of Culture, Tourism and Civil Aviation (MoCTCA) at 0.49, as well as the Ministry of Land Management, Cooperatives and Poverty Alleviation (MoLMCPA), the National Planning Commission (NPC), and the Ministry of Labour, Employment and Social Security (MoLESS), all of which recorded 0.46,. The Ministry of Urban Development (MoUD) (0.36), the Ministry of Law, Justice and Parliamentary Affairs

(MoLJPA) (0.32), and the Ministry of Home Affairs (MoHA) (0.29) also fall within this group. Lower levels of concentration in this bracket were seen at the Ministry of Forests and Environment (MoFE) (0.24) and the Ministry of Agriculture and Livestock Development (MoALD) (0.21).

**Highly fragmented (HHI below 0.2):** The Ministry of Finance (MoF) recorded an index of 0.18, and the Ministry of Education, Science and Technology (MoEST) showed 0.17,. The Ministry of Women, Children and Senior Citizens (MoWCSC) followed with 0.13, while the Ministry of Physical Infrastructure and Transport (MoPIT) stood at 0.11,. The lowest concentration scores of 0.08 were reported for both the Ministry of Health and Population (MoHP) and the Ministry of Energy, Water Resources and Irrigation (MoEWRI),. The MoHP managed the largest number of initiatives with 41 projects from 20 separate partners. The Ministry of Federal Affairs and General Administration (MoFAGA) and the Ministry of Water Supply (MoWS) both recorded values of 0.09.

Figure 7.4: ODA Fragmentation by Development Partner, FY 2024/25

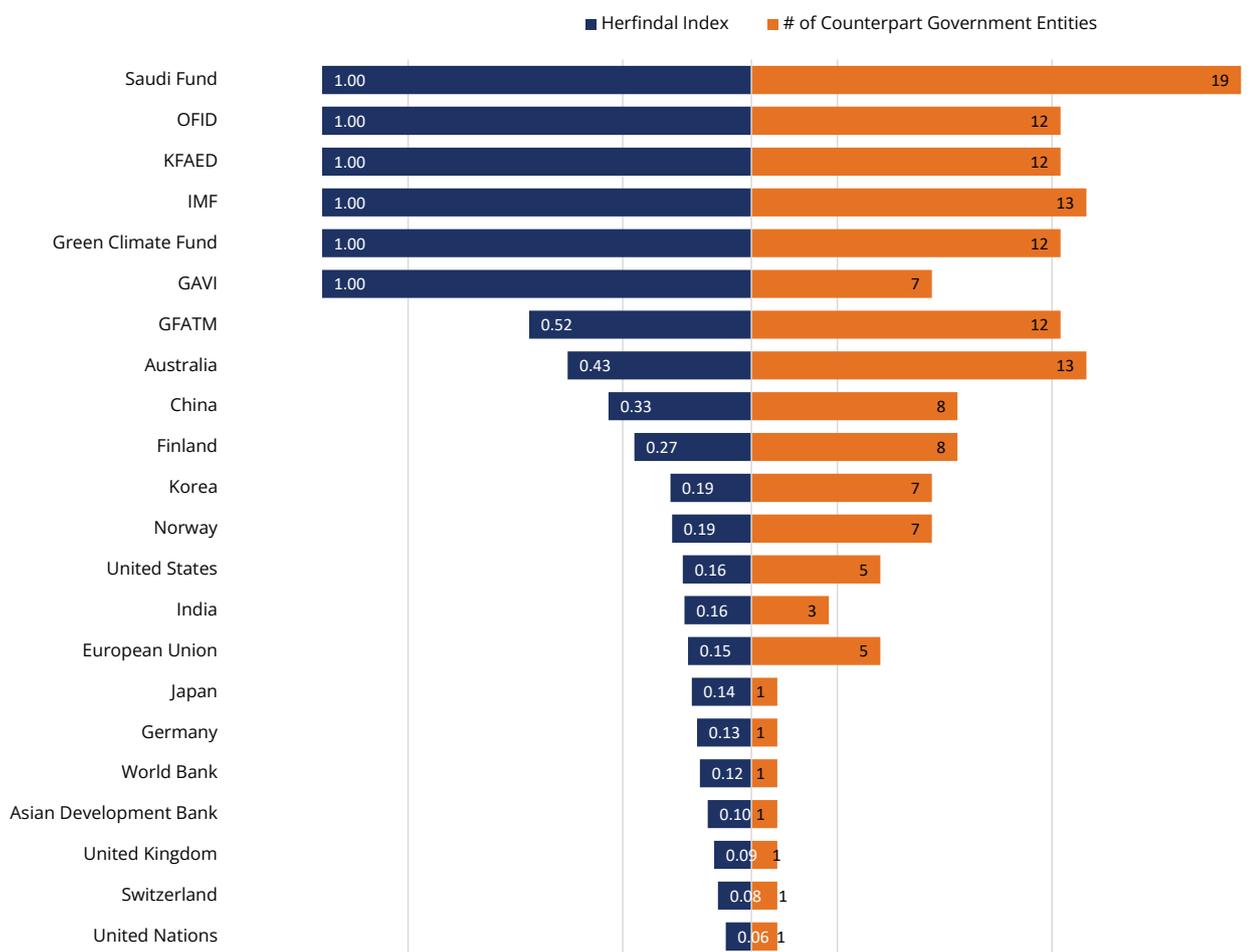


Figure 7.4 analyzes donor fragmentation through a supply-side assessment using the HHI for the reporting period. This index measures the distribution of aid across projects and government counterparts, with a result of 1.00 indicating high concentration and results approaching 0.00 representing high fragmentation. Based on the HHI scores, development partners are categorized into three levels of fragmentation.

**Highly Focused (HHI 0.7 to 1):** Several DPs maintain a concentrated portfolio with an HHI of 1.00. These institutions, listed by descending disbursement, include the International Monetary Fund (USD 41.8 million), the Green Climate Fund (USD 15.8 million), GAVI (USD 10.3 million), the OPEC Fund for International Development (USD 1.1 million), the Saudi Fund (USD 0.28 million), and the Kuwait Fund for Arab Economic Development (USD 0.28 million). Each of these partners manages a single project with a single counterpart government entity.

**Moderately Fragmented (HHI 0.2 to 0.7):** This category includes the Global Fund to Fight AIDS, Tuberculosis and Malaria (USD 2.8 million, 0.52 HHI), Australia (USD 9.3 million, 0.43 HHI), China (USD 22.9 million, 0.33 HHI), and Finland (USD 14.4 million, 0.27 HHI).

**Highly Fragmented (Below HHI 0.2):** The majority of high-volume development partners fall into the highly fragmented category, with HHI values below 0.20. These DPs in descending order of their total disbursement are: World Bank (USD 541.0 million, 0.12 HHI), Asian Development Bank (USD 443.2 million, 0.10 HHI), India (USD 107.8 million, 0.16 HHI), United Kingdom (USD 84.2 million, 0.09 HHI), United States (USD 67.1 million, 0.16 HHI), United Nations (USD 64.5 million, 0.06 HHI), Japan (USD 58.3 million, 0.14 HHI), European Union (USD 37.7 million, 0.15 HHI), Switzerland (USD 30.1 million, 0.08 HHI), Norway (USD 26.6 million, 0.19 HHI), Germany (USD 16.2 million, 0.13 HHI), and Korea (USD 10.9 million, 0.19 HHI).

The United Nations system reports the highest level of fragmentation with an HHI of 0.06, coordinating 68 projects across 19 different government entities. The Asian Development Bank manages the second highest number of projects (49) across 13 government entities, resulting in an index of 0.10. Low HHI scores indicate a broad distribution of aid, which increases the administrative and coordination requirements for both the government and the respective development partners.

**Figure 7.5: Comparison of ODA Fragmentation by Development Partner, FY 2023/24- FY 2024/25**

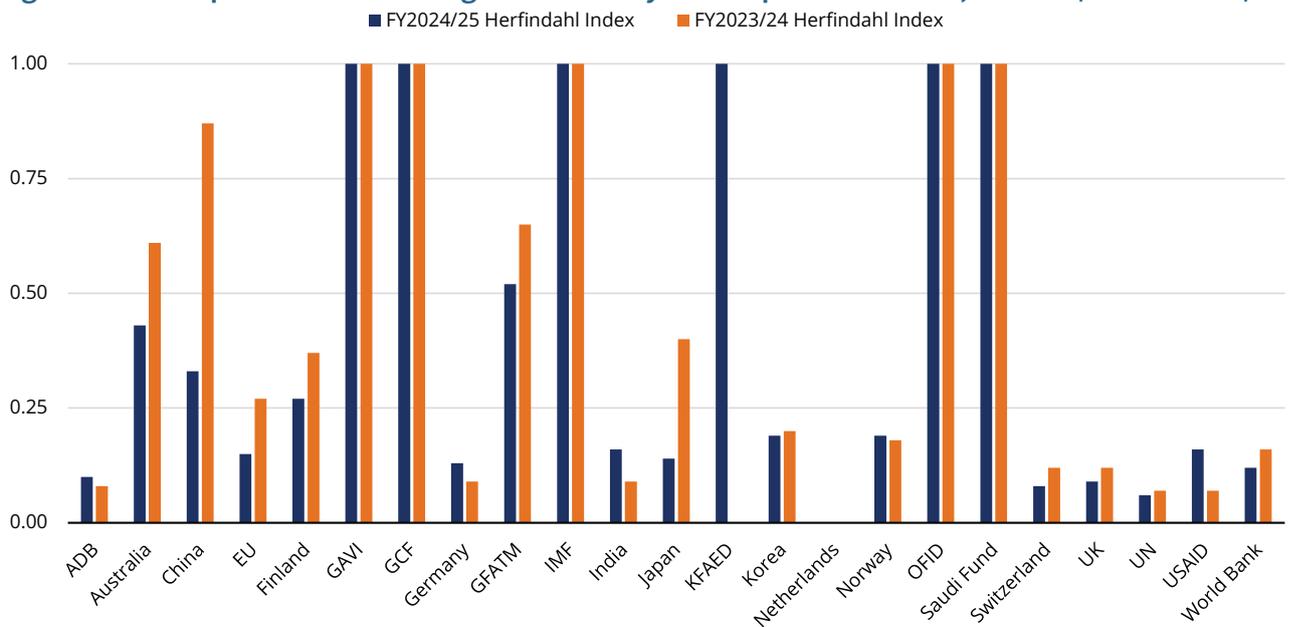


Figure 7.5 provides a comparison of the HHI for development partners across fiscal years 2023/24 and 2024/25. This index assesses the level of aid concentration among projects and government counterparts. A result of 1.00 signifies a highly focused portfolio, while values nearing 0.00 show a broader distribution across executing agencies.

A group of DPs maintained a constant HHI of 1.00 over the two fiscal years. These institutions include the International Monetary Fund (IMF), the Saudi Fund, the OPEC Fund for International Development (OFID), the Green Climate Fund (GCF), and GAVI. This consistency suggests a strategy of directing aid toward specific, individual projects.

Several DPs showed a higher concentration in their aid delivery, as seen in the increase of their HHI values. Kuwait Fund for Arab Economic Development (KFAED) increased to 1.00 in FY 2024/25 from 0.00 in FY 2023/24; Norway reported a value of 0.19 in FY 2024/25, up from 0.18 in FY 2023/24; India reached an HHI of 0.16 in FY 2024/25 from 0.09 in the previous year; USAID reached 0.16 in FY 2024/25 from 0.07 in FY 2023/24; Germany recorded 0.13 in FY 2024/25, rising from 0.09; and Asian Development Bank (ADB) rose to 0.10 in FY 2024/25 from 0.08.

The growth in HHI for these DPs implies an intensification of project focus. DPs with lower HHI scores, signifying a higher level of fragmentation in their assistance in FY 2024/25 include: Global Fund (GFATM) (0.52 from 0.65); Australia (0.43 from 0.61); China (0.33 from 0.87); Finland (0.27 from 0.37); Korea (0.19 from 0.20); European Union (0.15 from 0.27); Japan (0.14 from 0.40); World Bank (0.12 from 0.16); United Kingdom (0.09 from 0.12); Switzerland (0.08 from 0.12); and United Nations (0.06 from 0.07).

The most substantial decreases in concentration occurred for China and Japan, where the index values fell by 0.54 and 0.26 respectively. Such a decline suggests that these partners spread their support across a larger number of implementing agencies or initiatives. High fragmentation levels increase the management and coordination requirements for the government.

## CHAPTER

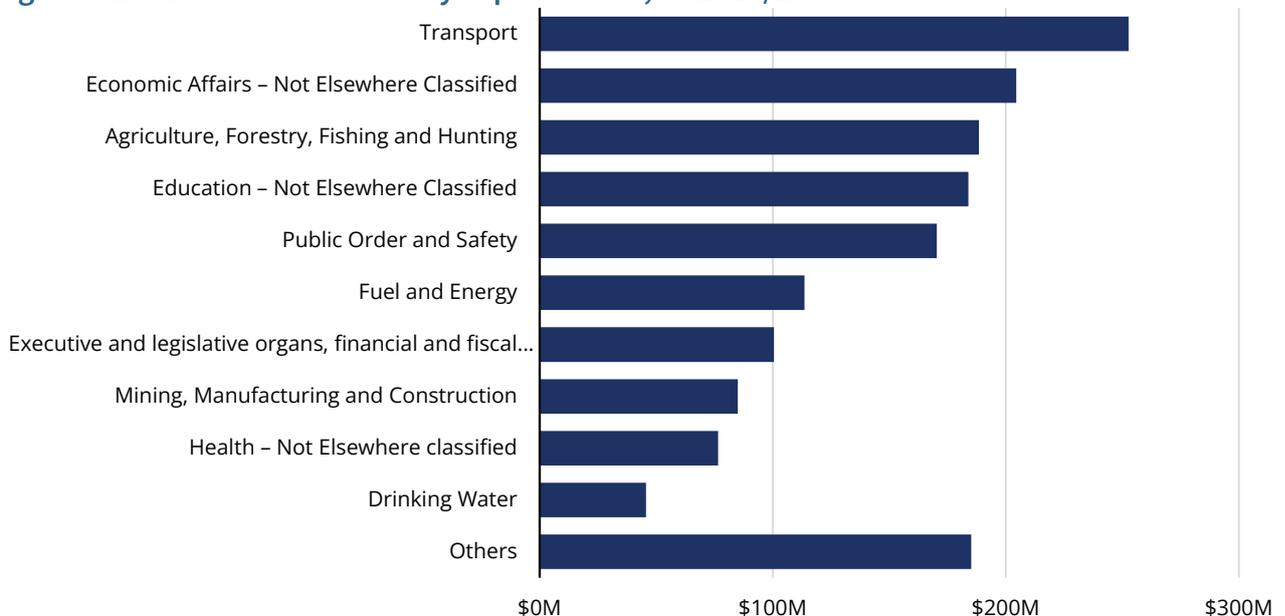
## 8

## SECTOR ANALYSIS

Figure 8.1 presents a sector-wise distribution of ODA, illustrating how development resources are allocated across different sectors. This analysis builds on the preceding discussion of development partner alignment and fragmentation, and aims to highlight the importance of stronger coordination among stakeholders operating within the same sector to enhance the effectiveness of development finance.

In several instances, information on the top ten sectors with the highest ODA disbursements is presented in this section. However, detailed analytical sector profiles are provided only for the five sectors receiving the highest disbursements, i.e. Transport, Economic Affairs, Foreign Economic Aid, Agriculture, Forestry, Fishing and Hunting, and Education, not elsewhere classified in the succeeding sections. These sectors account for a significant proportion of total ODA inflows and therefore warrant closer examination to better understand trends in resource allocation, development partner engagement, and sectoral priorities.

**Figure 8.1: ODA Disbursements by Top 5 Sectors, FY 2024/25**



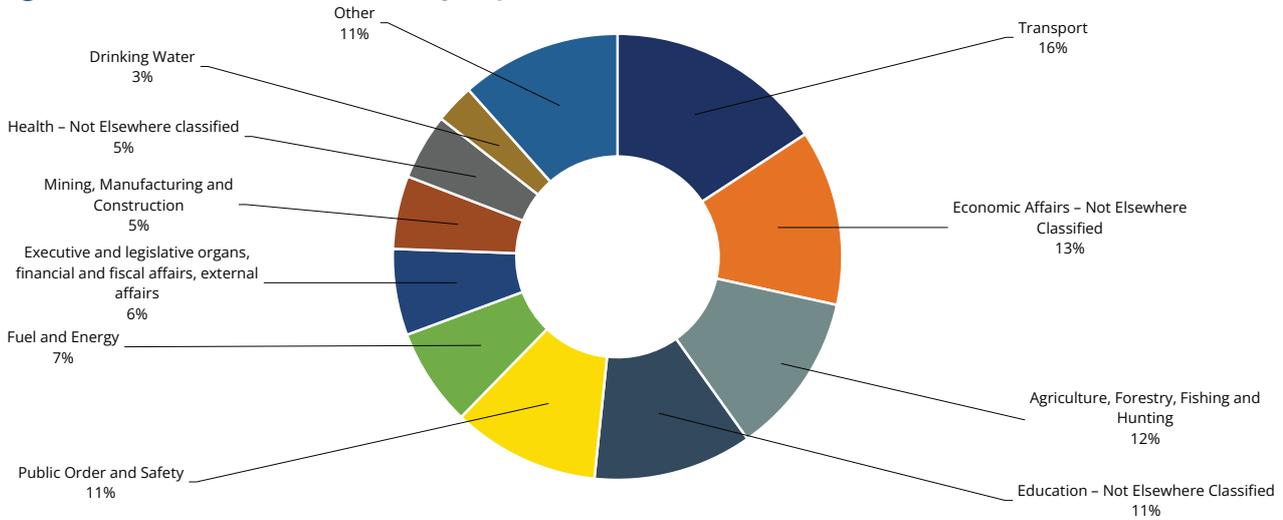
In FY 2024/25, ODA disbursements reached a total of USD 1,606.6 million. The allocation of these resources was primarily concentrated within five sectors, which together received USD 968.2 million, or 60.2 percent of the annual disbursement.

The transport sector was the primary recipient of aid, receiving USD 252.8 million, which accounts for 15.7 percent of the total. Economic Affairs followed as the second-largest sector with a disbursement of USD 204.5 million, representing 12.7 percent of the ODA. The Agriculture, Forestry, Fishing and

Hunting sector received USD 188.5 million, or 11.7 percent of the annual total. Education was allocated USD 184.0 million, accounting for 11.5 percent of disbursements. Public Order and Safety completed the top five sectors with a total of USD 170.3 million, representing 10.6 percent of the fiscal year’s ODA.

The remaining 13.5 percent of ODA, totaling USD 217.1 million, was distributed across a variety of other sectors. Notable allocations within this group include fuel and energy (USD 113.6 million), mining, manufacturing and construction (USD 85.0 million), and health (USD 76.6 million). This distribution indicates that while infrastructure and economic management remain the main recipients of assistance, funding continues to be provided for a broad range of social and industrial development needs.

**Figure 8.2: ODA Disbursements by Top 10 Sectors (%), FY 2024/25**



The distribution of ODA in FY 2024/25 shows that funding was concentrated in five primary sectors. These top five areas account for 60.2 percent of the total ODA volume, which reached USD 1,606.6 million for the period.

The transport sector was the largest recipient, receiving 15.7 percent of total annual disbursements. Economic affairs (not elsewhere classified) followed with a 12.7 percent share of the ODA portfolio. The agriculture, forestry, fishing and hunting sector received 11.7 percent, while the education sector received 11.5 percent of the total aid. Public order and safety rounded out the top five sectors with a share of 10.6 percent.

The remaining 39.8 percent of ODA was distributed across various other sectors. Within this group, fuel and energy accounted for 7.1 percent, and executive and legislative organs received 6.3 percent. The mining, manufacturing and construction sector received 5.3 percent of total disbursements, followed by health (4.8 percent) and drinking water (2.8 percent). The final 13.5 percent of ODA was allocated to a broad range of smaller sectors, including environmental protection and civil defense.

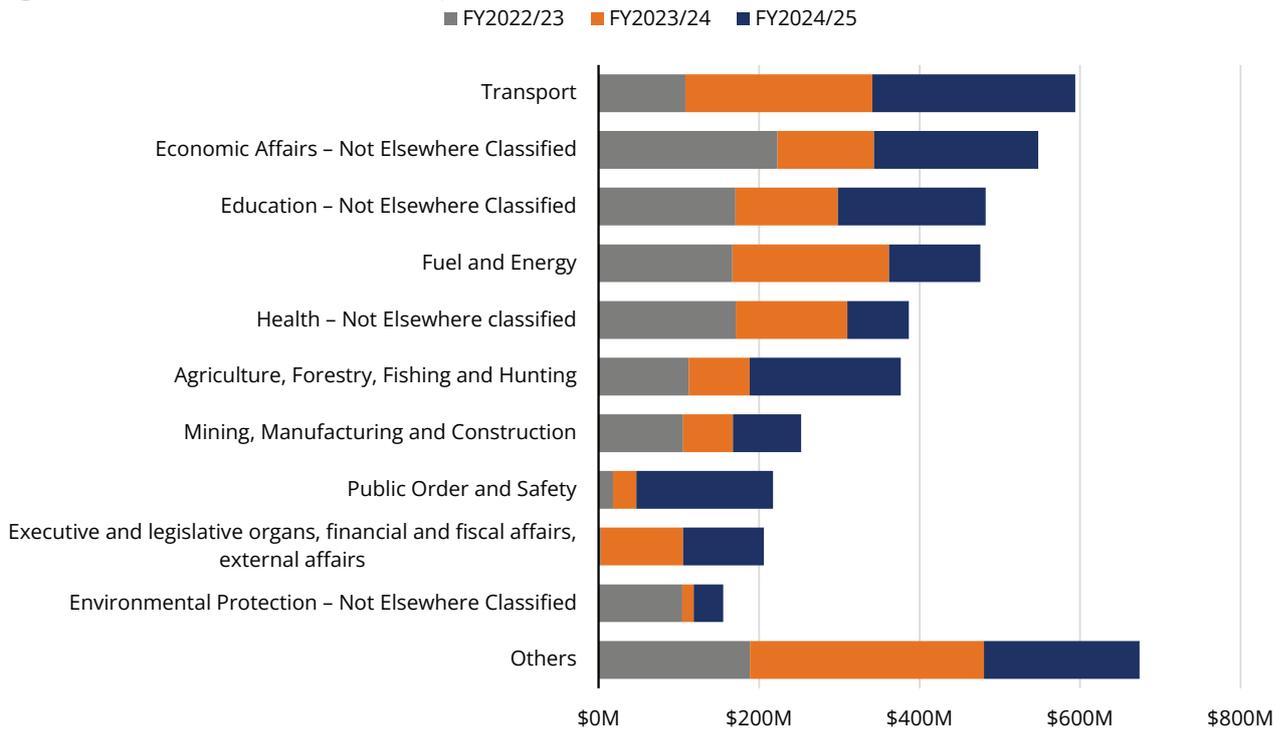
**Figure 8.3: ODA Disbursements by Sectors, FY 2022/23 - 2024/25**

Figure 8.3 shows ODA disbursements for the ten leading sectors from FY 2022/23 through FY 2024/25. The five leading sectors are ranked in descending order based on their cumulative three-year totals in this analysis.

The transport sector is the primary recipient, with a three-year total of USD 593.9 million. Funding for transport increased from USD 108.0 million in FY 2022/23 to USD 252.8 million in FY 2024/25.

Economic Affairs is the second-highest sector with USD 547.9 million over three years. This sector received USD 204.5 million in FY 2024/25, a recovery from the USD 120.3 million recorded in the previous fiscal year.

The education sector ranks third with a total of USD 482.3 million. Disbursements for education grew to USD 184.0 million in FY 2024/25.

The fuel and energy sector is the fourth recipient, totaling USD 475.7 million. Energy disbursements fell from USD 195.3 million in FY 2023/24 to USD 113.6 million in FY 2024/25.

Health is the fifth sector with a total of USD 386.6 million. Health funding declined for two consecutive years, reaching USD 76.6 million in FY 2024/25. This downward trend shows a normalization of aid flows as health requirements related to the pandemic subside.

Agriculture and mining, public order and safety, executive and legislative organs, foreign economic aid, environmental protection collectively received USD 2,414.9 million over the three-year timeframe. The total ODA disbursement for all sectors from FY 2022/23 to FY 2024/25 was USD 4,354.3 million.

**Figure 8.4: ODA Disbursements to Top 5 Sectors of FY 2022/23 across the Decade of FY 2015/16 - 2024/25**

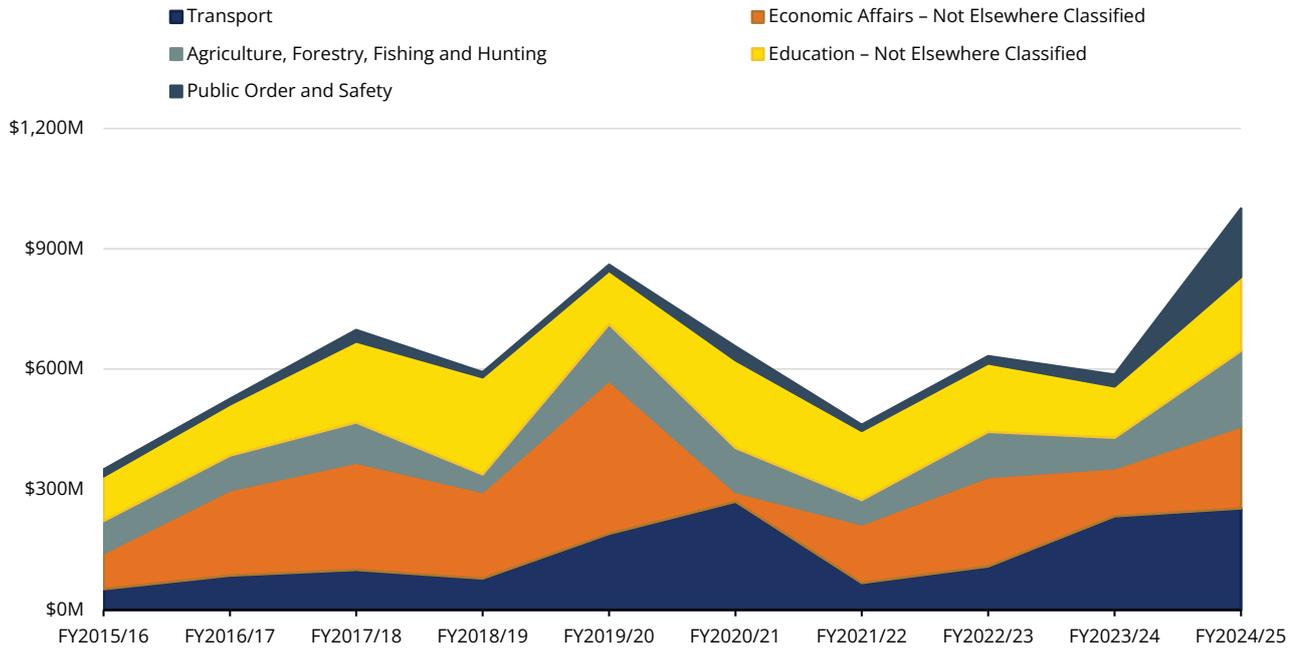


Figure 8.4 provides a retrospective analysis of the disbursement trends for the five leading sectors of FY 2024/25 over the ten-year period from FY 2015/16 to FY 2024/25. These priority sectors include Transport, Economic Affairs, Foreign Economic Aid, Agriculture, Forestry, Fishing and Hunting, and Education.

The transport sector has maintained a general upward trajectory in ODA over the decade, increasing from USD 51.5 million in FY 2015/16 to USD 252.8 million in FY 2024/25. This sector reached its decadal funding peak in FY 2020/21 with disbursements totaling USD 269.4 million. After a contraction to USD 66.9 million in FY 2021/22, funding levels have recovered steadily for three consecutive years.

Disbursements to the Economic Affairs sector have been characterized by high volatility since FY 2015/16. The sector recorded its highest funding level of USD 382.0 million in FY 2019/20, followed by a substantial decline to USD 24.8 million in the subsequent fiscal year. In FY 2024/25, the sector received USD 204.5 million, marking a recovery toward the higher disbursement levels observed in the middle of the decade.

Foreign Economic Aid represents a new addition to the leading sectors in FY 2024/25, with its first recorded disbursement of USD 202.1 million. Datasets from the preceding nine years, from FY 2015/16 to FY 2023/24, show no historical disbursements under this specific sectoral classification.

The Agriculture, Forestry, Fishing and Hunting sector reached a decadal peak in FY 2024/25 with disbursements of USD 188.5 million. This follows a period of inconsistent support that reached a low of USD 43.4 million in FY 2018/19. The sector has demonstrated significant growth from the USD 75.6 million reported in the previous fiscal year.

Education remains a consistent priority in Nepal’s development portfolio, with annual disbursements ranging between USD 111.6 million and USD 242.4 million over the ten-year span. The sector achieved its maximum funding level in FY 2018/19. The FY 2024/25 disbursement of USD 184.0 million indicates a rise from the USD 127.7 million recorded in FY 2023/24.

**Figure 8.5: Cumulative ODA Disbursements by Top 10 Sectors during the Decade of FY 2015/16 - 2024/25**

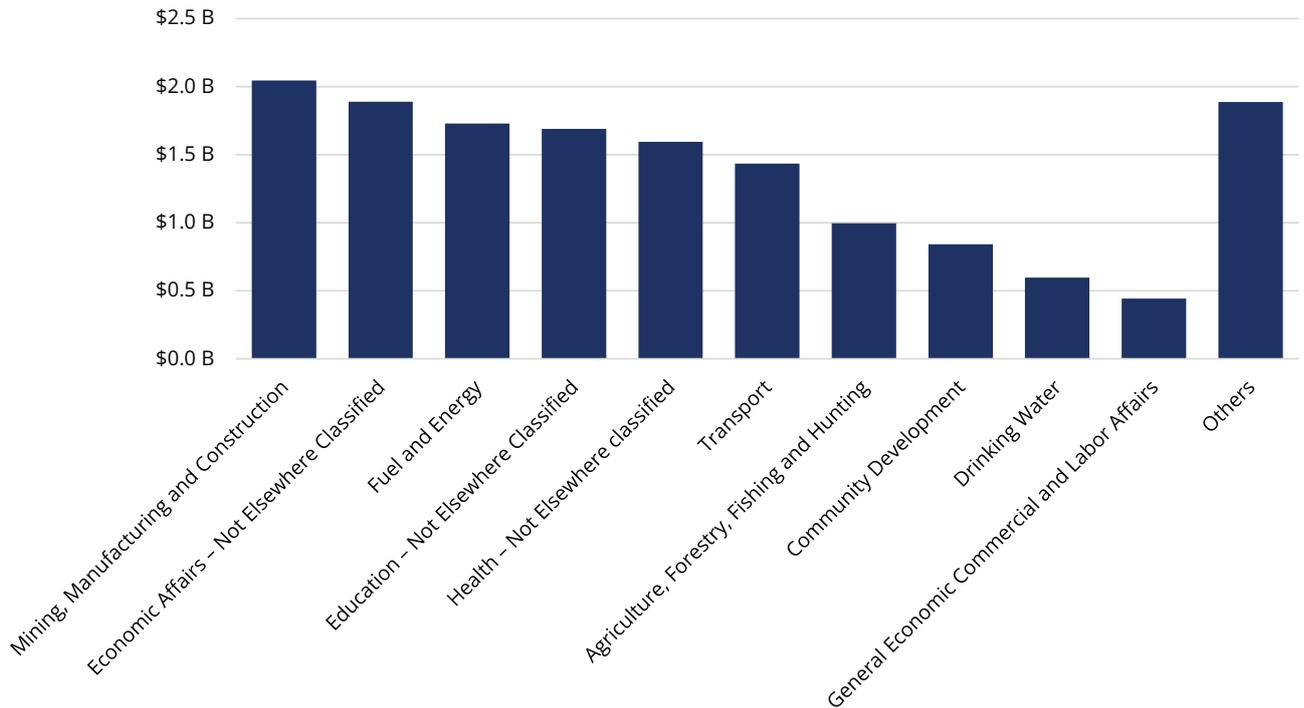


Figure 8.5 presents the cumulative ODA disbursements over the ten-year period from FY 2015/16 to FY 2024/25, identifying the five sectors with the highest aggregate funding. During this decade, the Mining, Manufacturing and Construction sector was the primary recipient of aid, with disbursements totaling USD 2,044.1 million. Economic Affairs the second largest volume of support at USD 1,889.2 million. Assistance to the Fuel and Energy sector amounted to USD 1,729.6 million over the same ten-year span.

Human development remained a priority for DPs, with the Education sector receiving USD 1,689.8 million and the Health sector recording USD 1,594.5 million in cumulative disbursements. Combined disbursements for all other development sectors reached USD 1,887.6 million, which represents 35.4 percent of the total ODA portfolio for the decade. These figures indicate a strategic focus on physical infrastructure and economic reform while maintaining steady investment in social services to support national development goals.

**Figure 8.6: ODA Disbursements by Top 5 Sectors, Year-on-Year % Change, FY 2015/16 - 2024/25**

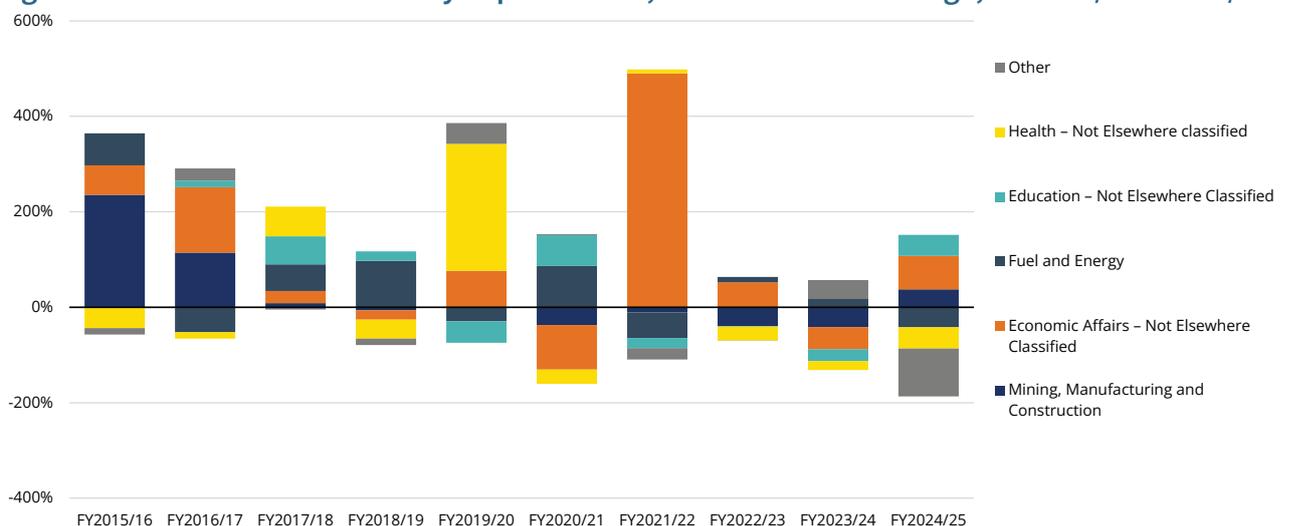


Figure 8.6 presents the annual percentage fluctuations in ODA disbursements for the five leading sectors identified in FY 2024/25. These shifts reflect evolving DPs priorities and responses to systemic requirements across the decade.

The Transport sector, which received the highest total disbursement of USD 252.8 million, maintained an upward trajectory in FY 2024/25. This follows a recovery period after a sharp reduction in funding recorded in FY 2021/22.

The Economic Affairs sector experienced a 70.0 percent increase in FY 2024/25. This sector has shown marked volatility throughout the decade, with a massive 490.0 percent surge in FY 2021/22 following a 93.5 percent drop in the prior year. Current disbursements reached USD 204.5 million.

Foreign Economic Aid was recorded as a major area of concentration in FY 2024/25, with disbursements of USD 202.1 million. This sector had no reported funding in the previous nine fiscal years of the decade, representing a new focal point for DPs.

The Agriculture, Forestry, Fishing and Hunting sector saw a large increase to USD 188.5 million in FY 2024/25. This follows a fluctuating trend where funding peaked at USD 140.5 million in FY 2019/20 before contracting to a decadal low of USD 60.7 million in FY 2021/22.

The Education – Not Elsewhere Classified sector recorded a 44.0 percent rise in disbursements during FY 2024/25. While funding reached a peak of USD 242.4 million in FY 2018/19, it has varied in recent years, ending the decade at USD 184.0 million.

Conversely, some sectors that were previously high recipients reported declines. The Fuel and Energy sector saw disbursements fall by 41.8 percent in FY 2024/25. Similarly, the Health – Not Elsewhere classified sector witnessed a 44.9 percent contraction during the same period, continuing a downward trend from its pandemic-era peak in FY 2019/20. These patterns suggest that while infrastructure and economic aid expanded, social and energy-related funding moderated as pandemic-specific support subsided.

**Table 1: Comparative Ranking of Top 5 Sectors for FY 2015/16 - 2024/25**

|    | Top 5 Sectors<br>(Current year)<br>FY 2024/25 | Top 5 Sectors<br>(Previous year)<br>FY 2023/24 | Top 5 Sectors (Last 3<br>years' cumulative)<br>FY 2022/23 - 2024/25 | Top 5 Sectors (Last 10<br>years' cumulative)<br>FY 2015/16 - 2024/25 |
|----|---|--|---|--|
| 1. | Transport                                     | Transport                                      | Health – Not Elsewhere classified                                   | Mining, Manufacturing and Construction                               |
| 2. | Economic Affairs – Not Elsewhere Classified   | Fuel and Energy                                | Economic Affairs – Not Elsewhere Classified                         | Economic Affairs – Not Elsewhere Classified                          |
| 3. | Agriculture, Forestry, Fishing and Hunting    | Health – Not Elsewhere classified              | Economic Affairs – Not Elsewhere Classified                         | Fuel and Energy  |
| 4. | Education – Not Elsewhere classified          | Education – Not Elsewhere Classified           | Fuel and Energy   | Education – Not Elsewhere Classified                                 |
| 5. | Public Order and Safety                       | Economic Affairs – Not Elsewhere Classified    | Health – Not Elsewhere classified                                   | Health – Not Elsewhere classified                                    |

Table 1 provides a comparative overview of the leading sectors receiving ODA across four distinct timeframes: the current fiscal year, the previous fiscal year, a three-year aggregate, and a ten-year cumulative total.

In FY 2024/25, the transport sector maintained its position as the primary recipient of ODA disbursements. It was followed by Economic Affairs,, Agriculture, Forestry, Fishing and Hunting, Education, and Public Order and Safety. This distribution indicates a change from FY 2023/24, where transport was followed by fuel and energy, health, education, and economic affairs. The current fiscal year shows the emergence of agriculture and public order and safety within top five priorities, displacing fuel and energy and health from the leading five positions.

The medium-term aggregate for the three-year period from FY 2022/23 to FY 2024/25 shows that transport received the highest volume of funding. Economic affairs ranked second, followed by education, fuel and energy, and health. This three-year trend illustrates a consistent focus on infrastructure alongside essential social services.

Over the ten-year period from FY 2015/16 to FY 2024/25, Mining, Manufacturing and Construction remains the leading sector in cumulative ODA. Economic affairs follows in the second position, with fuel and energy, education, and health rounding out the top five. The long-term prominence of the mining, manufacturing and construction sector is primarily attributed to the high capital requirements of post-earthquake reconstruction projects initiated after 2015. The consistent presence of education and health in the decadal rankings indicates a sustained international commitment to Nepal’s human development objectives.

**Figure 8.7: ODA Disbursements to Top 5 Sectors by Aid Modality, FY 2024/25**

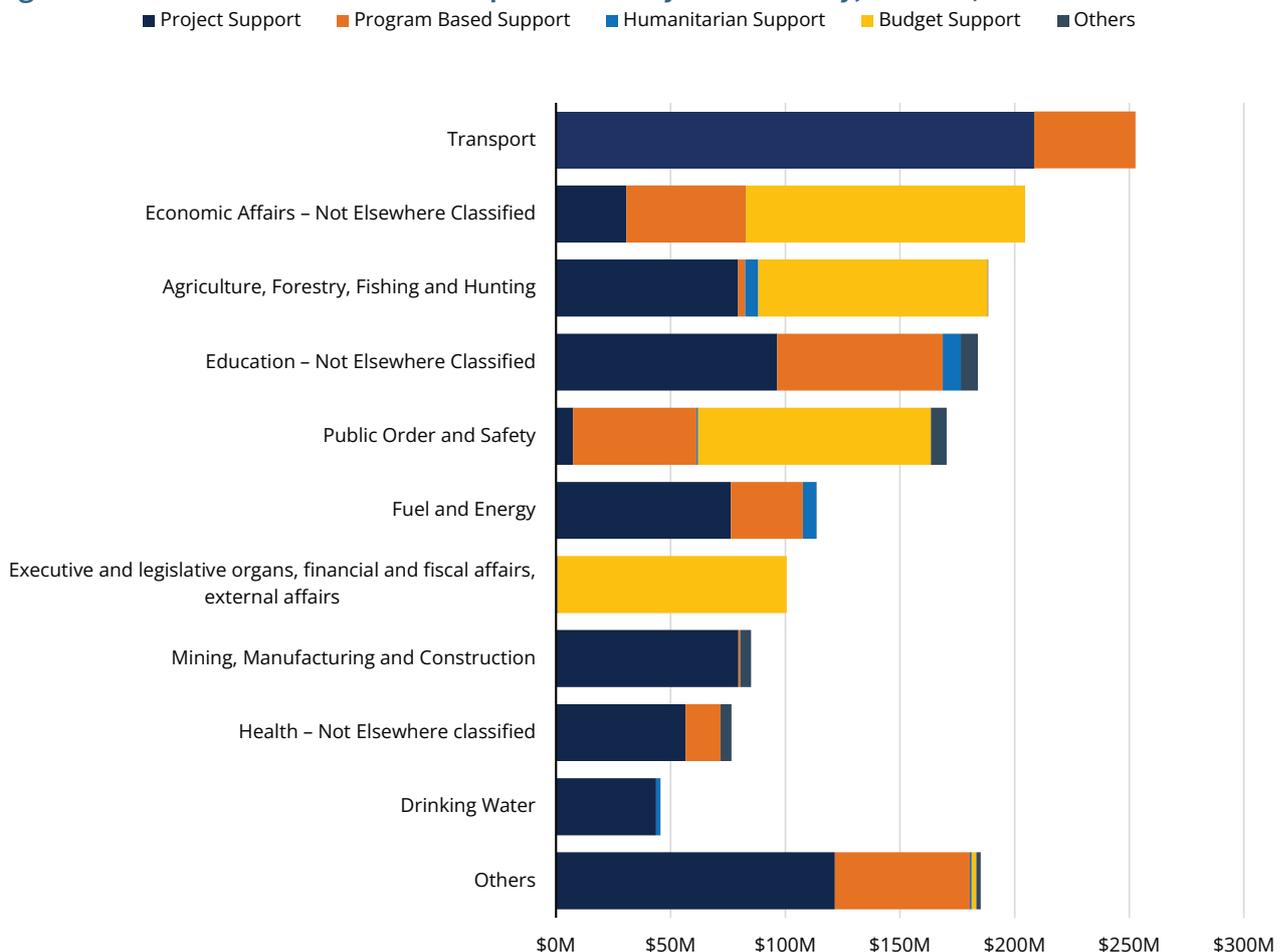


Figure 8.7 examines the delivery mechanisms utilized for the five leading disbursing sectors in FY 2024/25, providing an analysis of how aid modalities align with sectoral requirements. The selection of these modalities reflects a strategic choice between providing targeted funding for specific deliverables and supporting broader policy frameworks through national systems.

The transport sector, as the primary recipient of ODA, predominantly utilized project support, which accounted for USD 208.5 million or 82.5 percent of its total disbursement. The remaining USD 44.3 million (17.5 percent) was provided through program-based support. The heavy concentration in project support indicates a focus on capital-intensive infrastructure and discrete engineering milestones required for large-scale connectivity projects.

In the Economic Affairs sector, budget support was the primary modality, reaching USD 121.8 million and representing 59.5 percent of the sectoral total. Program-based support contributed USD 52.1 million (25.5 percent), while project support accounted for USD 30.7 million (15.0 percent). The prevalence of budget support in this sector demonstrates a prioritization of policy reform and institutional strengthening through the utilization of national budgetary systems.

The Agriculture, Forestry, Fishing and Hunting sector showed a balanced reliance on budget and project modalities. Budget support provided USD 100.0 million (53.1 percent), while project support contributed USD 79.4 million (42.1 percent). Additional funding was delivered via humanitarian support (USD 5.7 million, 3.0 percent) and program-based support (USD 3.1 million, 1.6 percent).

The Education sector continued to rely on project support as its dominant delivery mechanism, which totaled USD 96.4 million, or 52.4 percent of the sector's ODA. Other modalities involved in this sector included program-based support (USD 72.2 million, 39.2 percent), humanitarian support (USD 8.0 million, 4.3 percent), and miscellaneous support categories (USD 7.4 million, 4.0 percent).

The Public Order and Safety sector was largely funded through budget support, accounting for USD 101.5 million or 59.6 percent of its disbursements. Program-based support provided USD 53.9 million (31.6 percent), while project support represented a small fraction at USD 7.4 million (4.3 percent).

This distribution indicates a clear functional distinction in modality selection. Infrastructure and human development sectors, such as transport and education, prioritize project-based support to manage tangible outputs and technical specifications. Conversely, sectors focused on governance, economic management, and public safety favor budget support, which enhances government ownership, DPs alignment with the government system, and other institutional and systemic reforms.

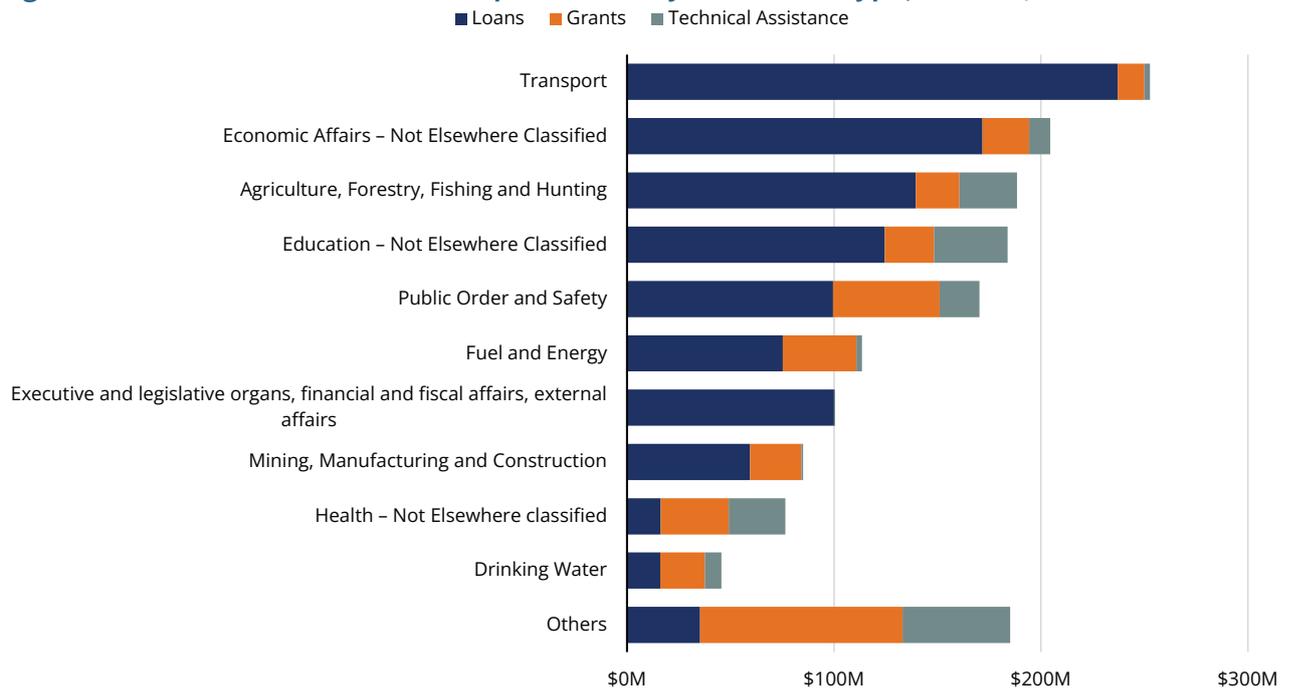
**Figure 8.8: ODA Disbursements to Top 5 Sectors by Assistance Type, FY 2024/25**

Figure 8.8 presents the distribution of ODA disbursements for the top 10 sectors during FY 2024/25, categorized by the type of assistance provided. Loans represented the primary form of development finance for the majority of these leading sectors, which shows a focus on capital-intensive operations by DPs.

The Transport sector received the largest volume of support, with USD 237.1 million provided as loans, USD 12.9 million as grants, and USD 2.7 million as technical assistance. Disbursements for Economic Affairs reached USD 171.8 million in loans, USD 22.5 million in grants, and USD 10.2 million in technical assistance. Foreign Economic Aid recorded USD 199.5 million in loans and USD 2.6 million in grants.

The Agriculture, Forestry, Fishing and Hunting sector utilized USD 139.6 million in loans, USD 27.9 million in technical assistance, and USD 21.0 million in grants. Education received USD 124.5 million in loans, USD 35.6 million in technical assistance, and USD 23.8 million in grants. Fuel and Energy disbursements comprised USD 75.3 million in loans, USD 35.6 million in grants, and USD 2.7 million in technical assistance.

For the Mining, Manufacturing and Construction sector, ODA consisted of USD 59.5 million in loans, USD 24.7 million in grants, and USD 0.8 million in technical assistance. The Health sector showed a different composition, with grants providing USD 32.8 million, technical assistance accounting for USD 27.4 million, and loans making up USD 16.3 million. Drinking Water disbursements included USD 21.5 million in grants, USD 16.1 million in loans, and USD 8.0 million in technical assistance. Finally, Public Order and Safety received USD 51.6 million through grants, USD 99.5 million through loans and USD 19.3 million as technical assistance.

The DFIMS showed no entry of in-kind support for any of these 10 sectors during FY 2024/25. Given the prevalence of in-kind support by DPs to Nepal, such assistance might have been recorded either within technical assistance or grants category. This composition of assistance indicates that DPs prioritize debt-based financing for infrastructure and policy reform while using technical cooperation and grants for social and productive sectors.

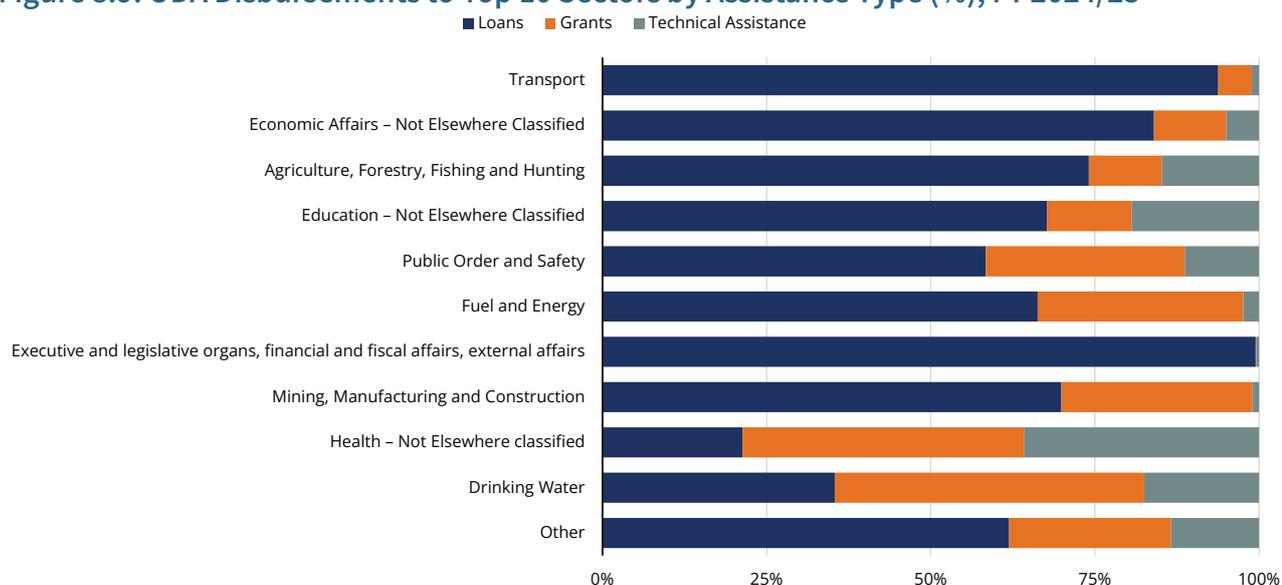
**Figure 8.9: ODA Disbursements to Top 10 Sectors by Assistance Type (%), FY 2024/25**

Figure 8.9 presents the percentage distribution of ODA assistance types for the top 10 sectors in FY 2024/25. This analysis shows how DPs choose to finance different development areas using loans, grants, or technical assistance.

The Transport sector, which was the highest recipient of support, received 93.8 percent of its total in the form of loans. Grants represented 5.1 percent of its aid, while technical assistance accounted for 1.1 percent. In the Economic Affairs sector, loans made up 84.0 percent of the total. This was followed by 11.0 percent in grants and 5.0 percent in technical assistance. Foreign Economic Aid showed a high reliance on debt financing, with 98.7 percent delivered as loans and the remaining 1.3 percent provided as grants.

For the Agriculture, Forestry, Fishing and Hunting sector, loans constituted 74.1 percent of disbursements, while technical assistance and grants represented 14.8 percent and 11.1 percent respectively. The Education sector received 67.7 percent of its support as loans, 19.4 percent as technical assistance, and 12.9 percent as grants. Support for the Fuel and Energy sector consisted of 66.3 percent loans, 31.3 percent grants, and 2.4 percent technical assistance.

In the Mining, Manufacturing and Construction sector, 69.9 percent of aid was provided as loans, 29.1 percent as grants, and 1.0 percent as technical assistance. The Health sector had a different assistance profile, as grants provided 42.9 percent and technical assistance accounted for 35.8 percent. Loans represented 21.3 percent of the sector total. Support for the Drinking Water sector included 47.2 percent in grants, 35.4 percent in loans, and 17.5 percent in technical assistance. Finally, the Public Order and Safety sector received 30.3 percent of its ODA through grants, 58.4 percent through loans and 11.3 percent through technical assistance.

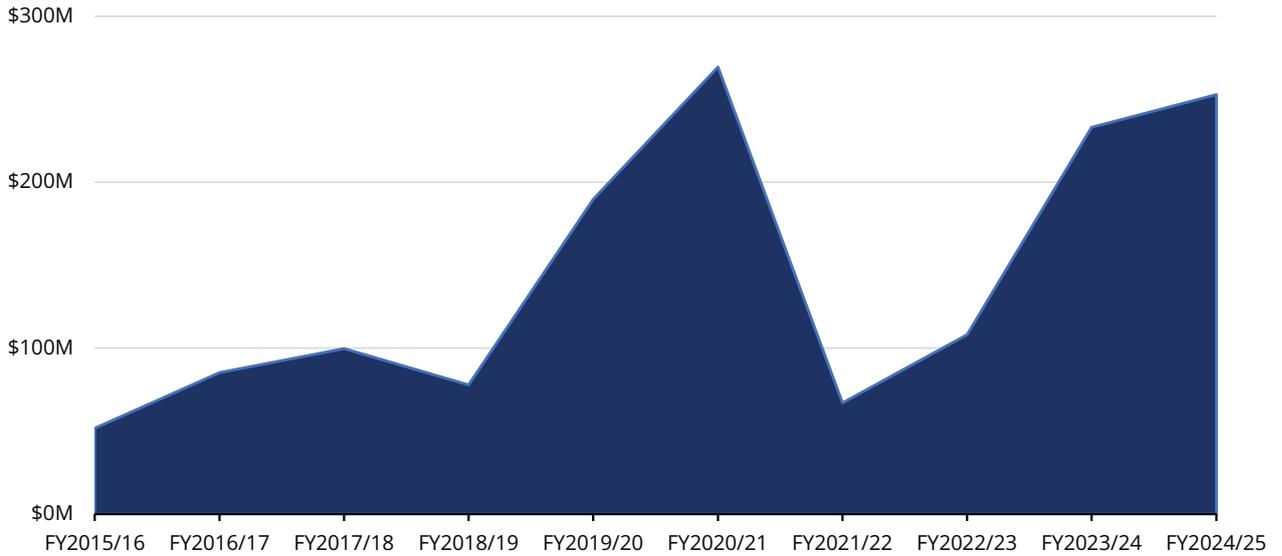
There were no records of in-kind support for these top 10 sectors during the fiscal year. This composition shows a preference for loans in infrastructure and economic policy areas, while social sectors utilize a broader mix of grants and expertise.

## 8.1 Transport

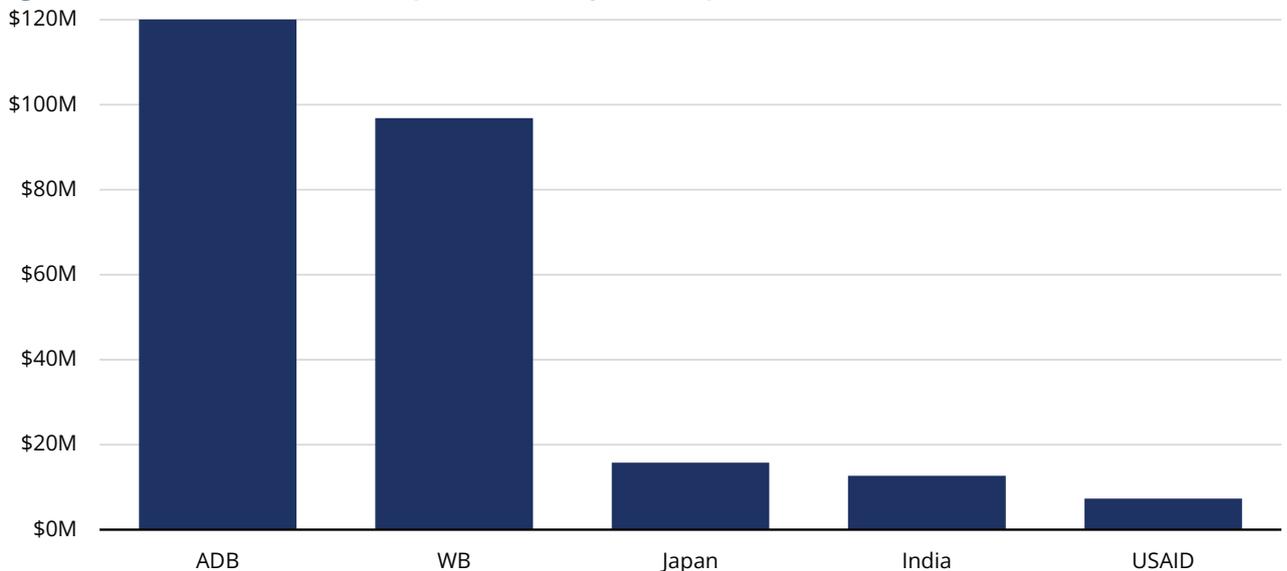
The transport sector emerged as the primary recipient of ODA during FY 2024/25, with disbursements reaching USD 252.8 million. This allocation accounts for 15.7 percent of the total development assistance provided within the fiscal year. While the sector has exhibited historical volatility, it has maintained a steady growth pattern over the last three fiscal years, increasing from USD 108.0 million in FY 2022/23.

Funding for this sector rose from USD 51.5 million in FY 2015/16 to a decadal high of USD 269.4 million in FY 2020/21. After a contraction to USD 66.9 million in FY 2021/22, the sector showed a recovery in recent periods. The disbursement volume recorded in FY 2024/25 represents the second highest annual total within the ten year period. Such fluctuations are often linked to the progression of large scale infrastructure works, where expenditure accelerates as projects reach final milestones. The current increase in disbursements is largely driven by accelerated spending on major initiatives, including the Nagdhunga Tunnel Construction Project supported by Japan and the SASEC Road Improvement Project supported by the ADB.

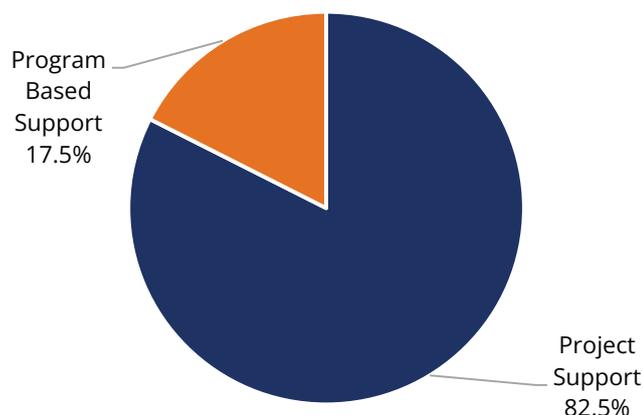
**Figure 8.10: ODA to Transport, FY 2015/16 - 2024/25**



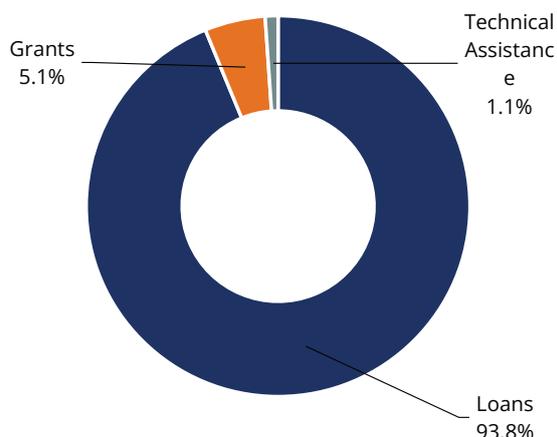
**Figure 8.11: Total ODA to Transport Sector by Development Partners, FY 2023/24**



**Figure 8.12: Aid Modalities of Transport Sector, FY 2024/25**



**Figure 8.13: Type of Aid of Transport Sector, FY 2024/25**



**Table 2: Top 5 disbursing projects of Transport Sector, FY 2024/25**

| Project Title   | DPs | Disbursement (USD) | Original Completion Date |
|---|-----|--------------------|--------------------------|
| SASEC Highway Enhancement Project                         | ADB | 45,270,711         | 12/31/2029               |
| Strategic Road Connectivity and Trade Improvement Project | IDA | 41,756,962         | 7/15/2027                |
| Nepal Bridges Improvement and Maintenance Programme       | IDA | 36,932,419         | 6/30/2030                |
| Mugling Pokhara Highway Improvement Project               | ADB | 31,986,494         | 1/31/2025                |
| SASEC Road Improvement Project (SRIP) Loan 3478-NEP       | ADB | 17,593,152         | 12/31/2027               |

## 8.2 Economic Affairs – Not Elsewhere Classified

Economic Affairs sector followed with a disbursement of USD 204.5 million in FY 2024/25. This sector has been characterized by significant volatility throughout the decade. It achieved its maximum funding level of USD 382.0 million in FY 2019/20, which was immediately followed by a decadal low of USD 24.8 million in FY 2020/21. The current fiscal year marks a return to the higher funding levels observed during the mid-decade period.

Analysing original completion dates of 2 of the top 5 disbursing projects of this sector are found to cross original completion dates and run in the extended timeline. As in the case of the Transport sector, disbursement could have speeded up during the final years. Besides, the world bank's 3rd Finance for Growth Development Policy Credit disbursed USD 79.98 million during the review period, elevating this sector to the 2nd highest disbursing rank from the fifth in previous fiscal year.

Figure 8.14: ODA to Economic Affairs, FY 2015/16 - 2024/25

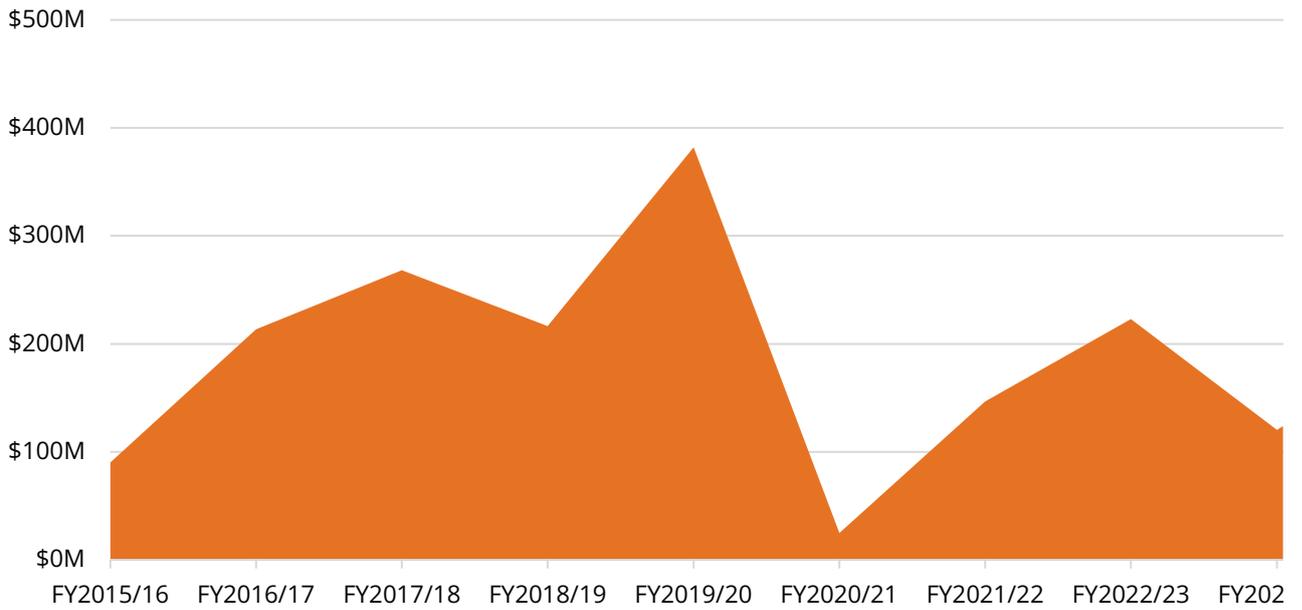


Figure 8.15: Total ODA to Economic Affairs Sector by Development Partners, FY 2024/25

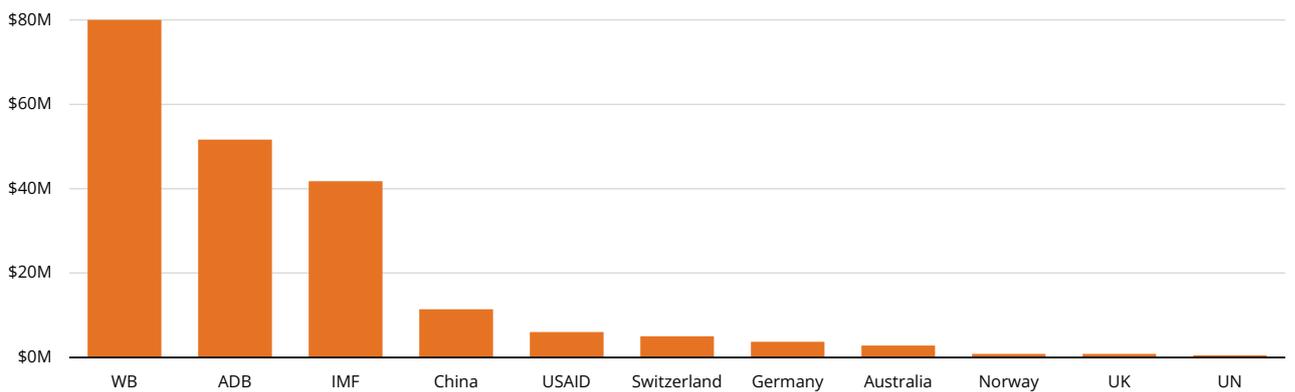


Figure 8.16: Aid Modalities of Economic Affairs – Not Elsewhere Classified Sector, FY 2024/25

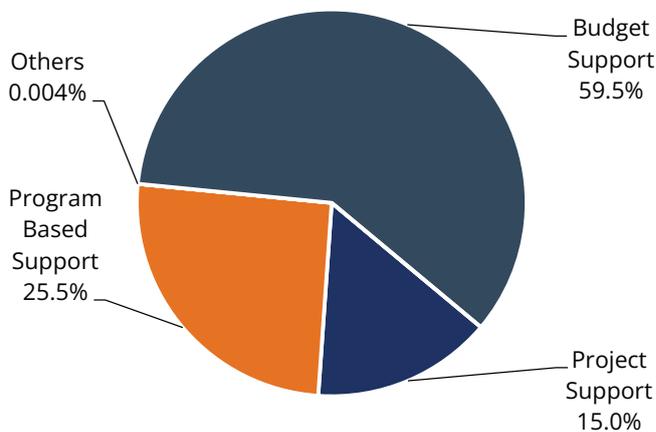
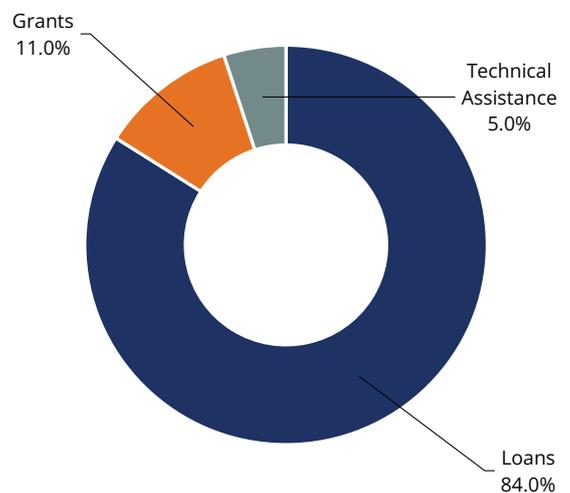


Figure 8.17: Type of Aid of Economic Affairs – Not Elsewhere Classified Sector, FY 2024/25



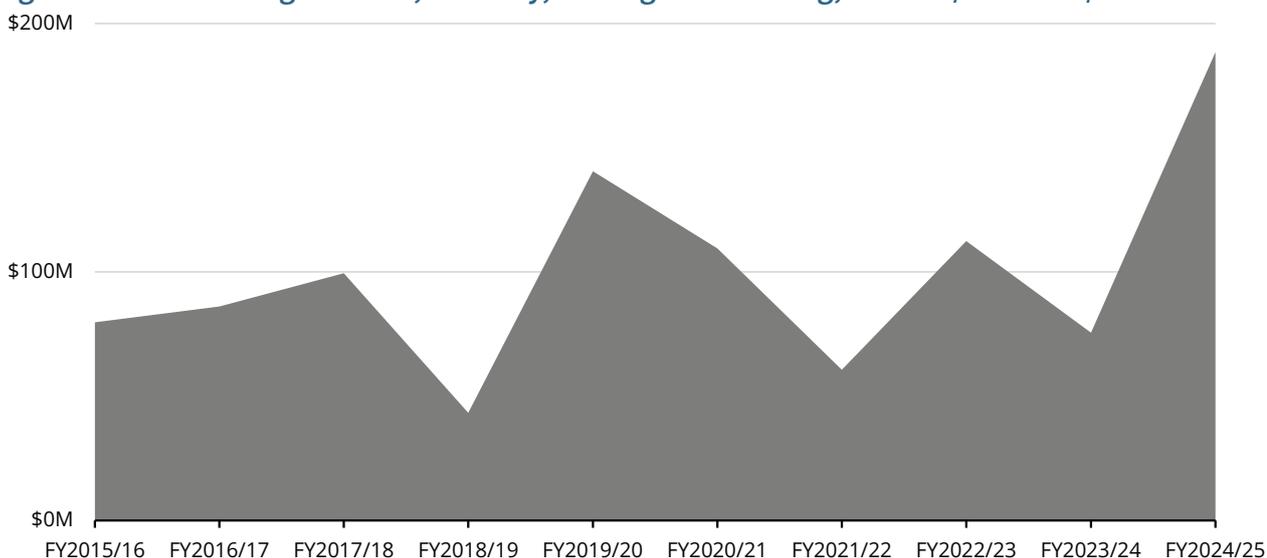
**Table 3: Top 5 disbursing projects of Economic Affairs – Not Elsewhere Classified Sector, FY 2024/25**

| Project Title  | DPs   | Disbursement (USD) | Original Completion Date |
|--|-------|--------------------|--------------------------|
| Finance for Growth Development Policy Credit (DPC) - III | IDA   | 79,987,048         | 4/25/2025                |
| SASEC Customs and Logistics Reforms Program              | ADB   | 50,000,000         | 12/31/2027               |
| Extended Credit Facility                                 | IMF   | 41,800,000         | 3/13/2025                |
| Economic and technical cooperation (small projects)      | China | 11,429,839         |                          |
| USAID Learning for Development                           | USAID | 6,006,446          | 4/23/2028                |

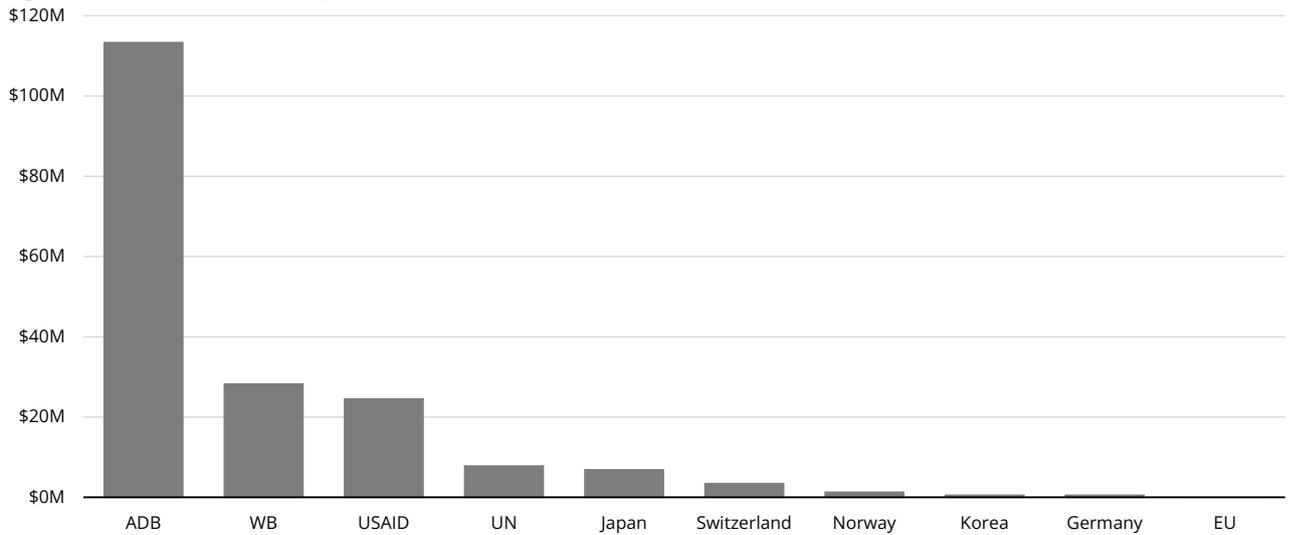
### 8.3 Agriculture, Forestry, Fishing and Hunting

The Agriculture, Forestry, Fishing and Hunting sector (Figure 8.18) reached a decadal peak in FY 2024/25, receiving USD 188.5 million. This represents a substantial increase from the USD 75.6 million reported in the previous fiscal year. Historically, the sector has faced inconsistent funding, reaching a low of USD 43.4 million in FY 2018/19.

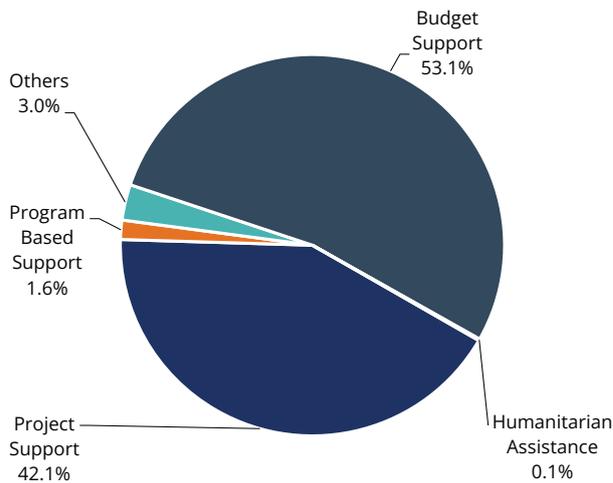
Disbursement of USD 100 million by ADB for Green, Resilient and Inclusive Development Program in the form of budgetary support elevated this sector to the 3rd ranking in top 5 disbursing sectors. The phasing out of other projects under top 5 ranking highlights a lopsided disbursement profile, where capital flow is heavily weighted toward the final stages of the project lifecycle.

**Figure 8.18: ODA to Agriculture, Forestry, Fishing and Hunting, FY 2015/16 - 2024/25**

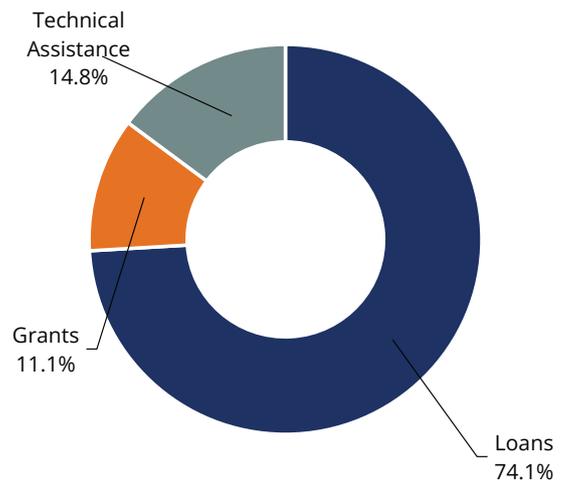
**Figure 8.19: Total ODA by Development Partners, FY 2024/25**



**Figure 8.20: Aid Modalities: Agriculture, Forestry, Fishing and Hunting Sector, FY 2024/25**



**Figure 8.21: Type of Aid: Agriculture, Forestry, Fishing and Hunting Sector, FY 2024/25**



**Table 4: Top 5 disbursing projects of Agriculture, Forestry, Fishing and Hunting Sector, FY 2024/25**

| Project Title   | DPs   | Disbursement (USD) | Original Completion Date |
|---|-------|--------------------|--------------------------|
| Green, Resilient and Inclusive Development Program                        | ADB   | 100,000,000        | 10/31/2027               |
| Feed the Future Nepal USAID Agricultural Transformation                   | USAID | 19,988,398         | 9/29/2029                |
| Rural Enterprises and Economic Development                                | IDA   | 10,125,346         | 7/15/2025                |
| Modernization of Rani Jamara Kulariya Irrigation Scheme - Phase 2         | IDA   | 9,173,722          | 7/15/2025                |
| Value Chains for Inclusive Transformation of Agriculture Programme (VITA) | IFAD  | 7,000,000          | 9/13/2027                |

### 8.4 Education – Not Elsewhere Classified

The education sector (Figure 8.22) received USD 184.0 million in FY 2024/25. While the sector remains a consistent priority, its funding has fluctuated, peaking at USD 242.4 million in FY 2018/19. This sector maintained the 4th rank among top 5 disbursing sectors in FY 2024/25 as in the previous fiscal year. However, the current disbursement level indicates a rise in support compared to the USD 127.7 million recorded in FY 2023/24.

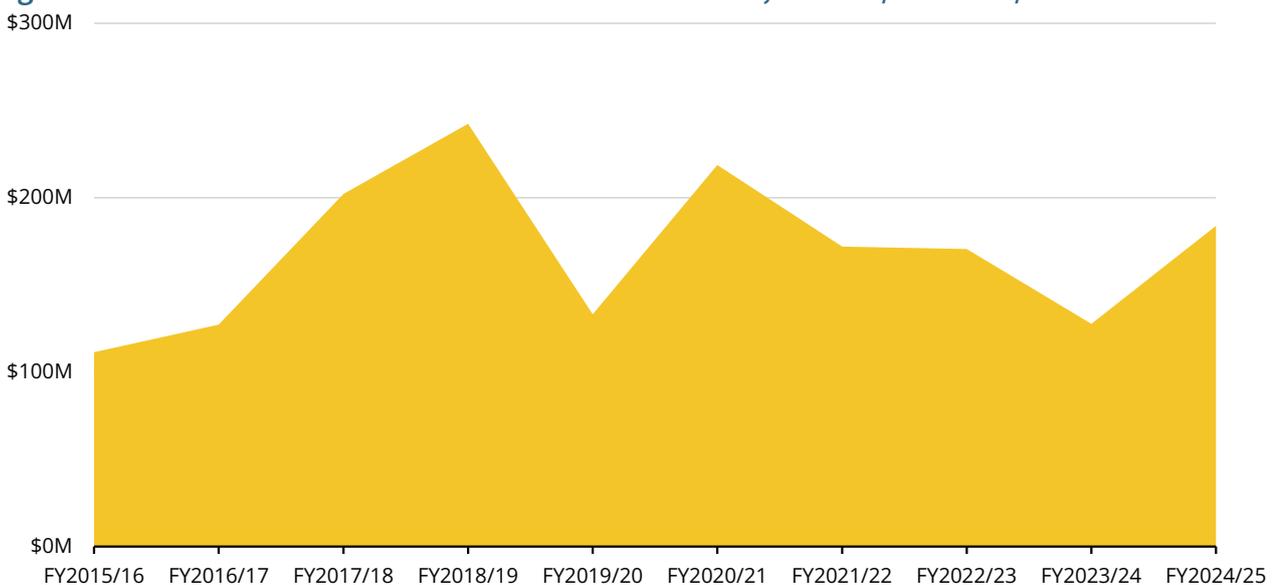
Statistics for the ten-year period from FY 2015/16 to FY 2024/25 show that the education sector remains a major area of international development cooperation in Nepal. During the FY 2024/25 reporting period, the sector received USD 184.0 million in ODA. This volume shows a rise in funding compared to the USD 127.7 million recorded in FY 2023/24. Since FY 2015/16, sectoral disbursements have been subject to fluctuation, reaching a decadal peak of USD 242.4 million in FY 2018/19 before moderating in subsequent years.

The delivery of assistance in this sector is primarily managed through project-based interventions. In FY 2024/25, project support accounted for USD 96.4 million, representing 52.4 percent of the total sectoral disbursement. Programme-based support appeared as the second preferred modality with USD 72.1 million (39.2 percent) disbursed during the review period. Other modalities included humanitarian support at USD 7.3 million (4.0 percent), and various other categories totaling USD 7.9 million (4.3 percent). There were no budget support disbursements reported for the education sector during this fiscal year.

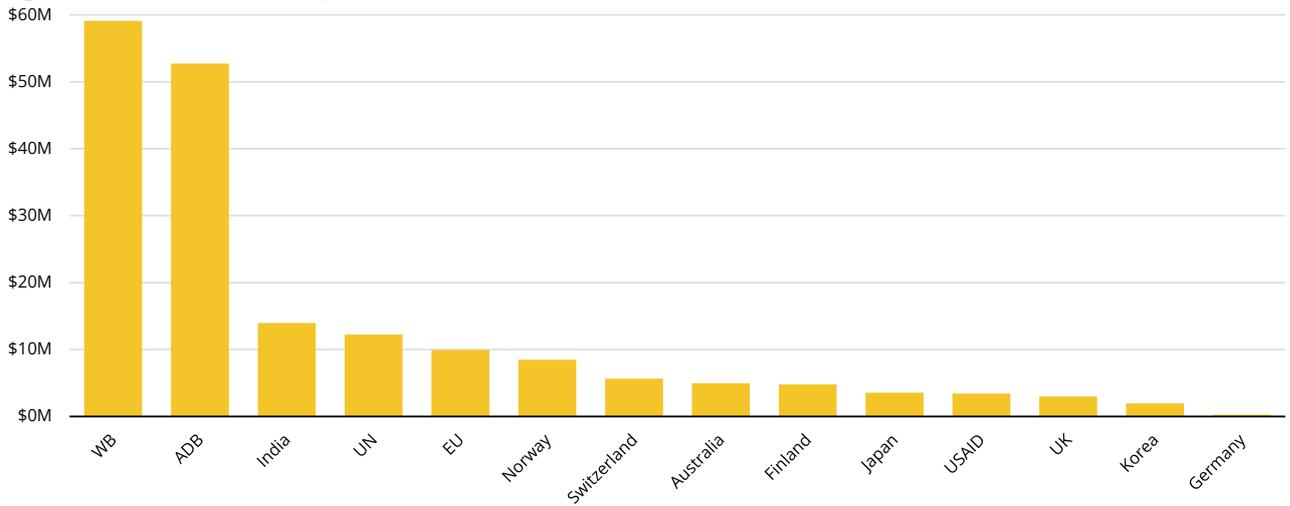
The primary drivers of sectoral expenditure in FY 2024/25 were five major initiatives. The School Sector Transformation Program, financed by IDA, reported the largest disbursement at USD 55.4 million. This was followed by the School Education Sector Programme, supported by the ADB, Norway, and Finland, which disbursed USD 52.0 million. The European Union provided USD 9.9 million for the Quality Education for All project. The concentration of resources in school transformation and nutrition initiatives indicates a continued strategic focus on improving education quality and access.

In terms of maturity of interventions, all of the top 5 disbursing projects of this sector (Table 5) were running in mid-way of project lifecycle.

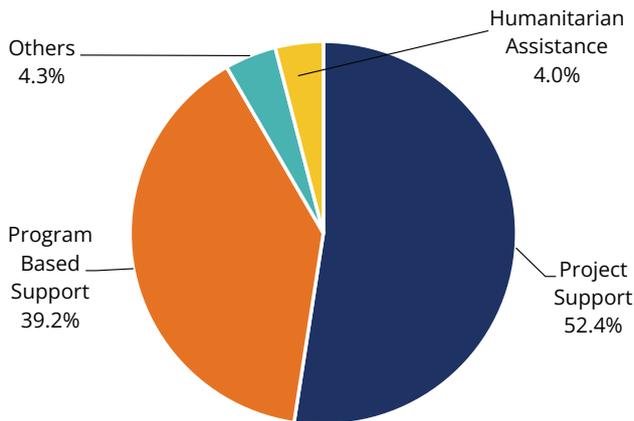
**Figure 8.22: ODA to Education – Not Elsewhere Classified, FY 2015/16 - 2024/25**



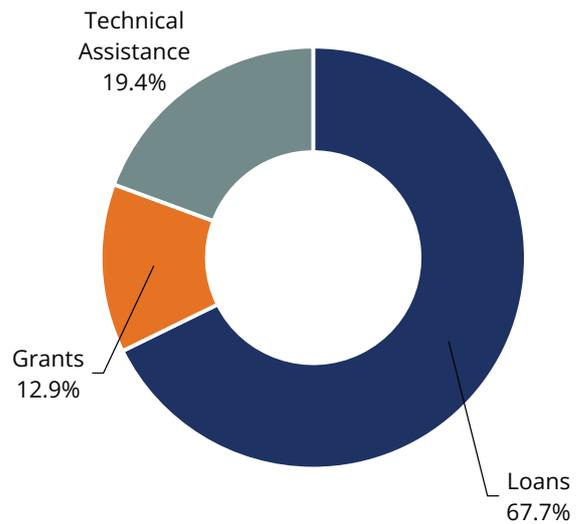
**Figure 8.23: Total ODA by Development Partners, FY 2024/25**



**Figure 8.24: Aid Modalities of Education – Not Elsewhere Classified Sector, FY 2024/25**



**Figure 8.25: Type of Aid of Education – Not Elsewhere Classified Sector, FY 2024/25**



**Table 5: Top 5 disbursing projects of Education – Not Elsewhere Classified Sector, FY 2024/25**

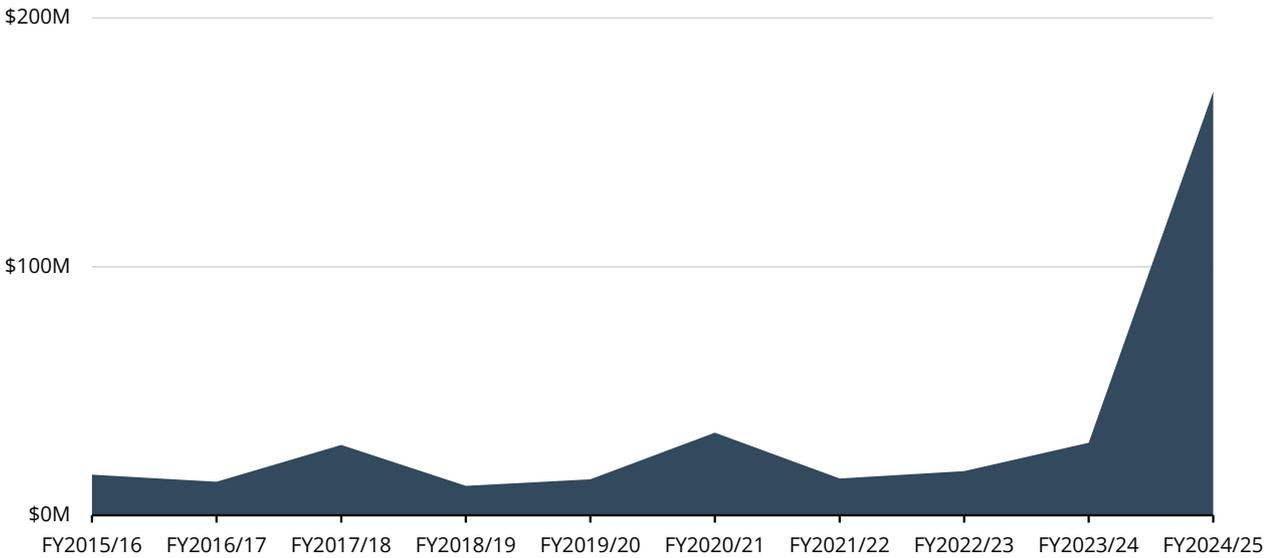
| Project Title                                      | DPs                  | Disbursement (USD) | Original Completion Date |
|--|----------------------|--------------------|--------------------------|
| School Education Sector Programme                  | ADB, Norway, Finland | 52,000,000         | 7/15/2032                |
| School Sector Transformation Program               | IDA                  | 55,415,551         | 7/16/2027                |
| Quality Education for All                          | EU                   | 9,900,298          | 10/20/2028               |
| Scholarship/ Training                              | India                | 8,752,107          |                          |
| Nepal CSP NP03 - Activity 3 School meal activities | WFP                  | 6,868,579          | 12/31/2028               |

### 8.5 Public Order and Safety

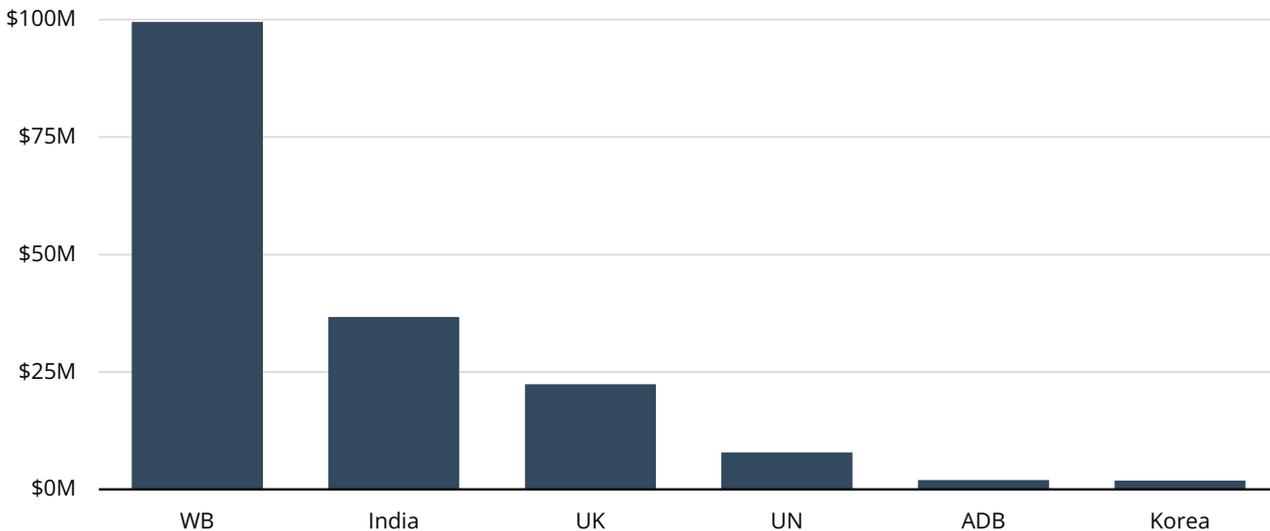
In FY 2024/25, the Public Order and Safety sector received USD 170.3 million in ODA. This amount represents 10.6 percent of the total annual disbursement, establishing the sector as the fifth largest recipient of foreign aid disbursement during this period. Analysis of the ten-year trend from 2015/16 to 2024/25 indicates a significant rise in financial support for this area. Disbursements remained relatively stable for most of the decade, generally staying below USD 34 million annually, before increasing from USD 29.2 million in the previous year to the current USD 170.3 million. The cumulative aid provided to this sector over the past ten years reached USD 350.2 million.

The delivery of assistance within the public order and safety sector relied heavily on budget and program-based mechanisms. Budget support was the primary modality used, accounting for USD 101.5 million or 59.6 percent of the sectoral total. Program-based support followed, contributing USD 53.9 million and representing a 31.6 percent share. Project-based support provided a minimal contribution of USD 7.3 million, which equates to 4.3 percent of the funding for this sector. This distribution indicates a preference for utilizing national systems and coordinated frameworks to manage sectoral initiatives.

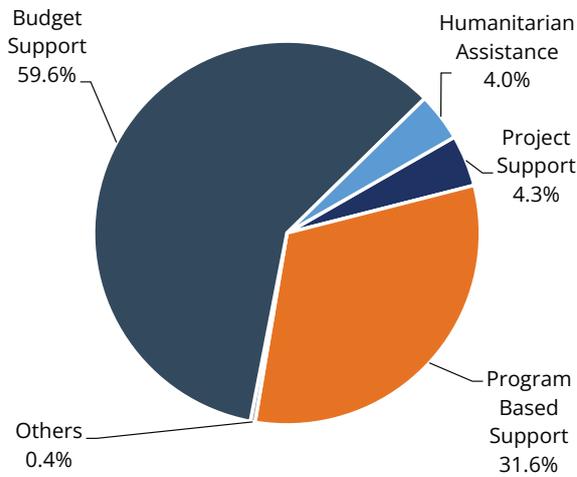
**Figure 8.26: ODA to Public Order and Safety, FY 2015/16 - 2024/25**



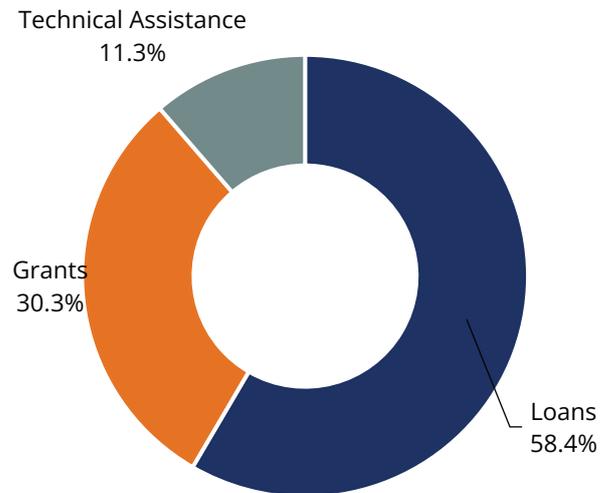
**Figure 8.27: Total ODA by Development Partners, FY 2024/25**



**Figure 8.28: Aid Modalities of Public Order and Safety Sector, FY 2024/25**



**Figure 8.29: Type of Aid of Public Order and Safety Sector, FY 2024/25**



**Table 6: Top 5 disbursing projects of Public Order and Safety Sector, FY 2024/25**

| Project Title   | DPs   | Disbursement (USD) | Original Completion Date |
|---|-------|--------------------|--------------------------|
| Nepal Disaster Resilience Development Policy Credit with CAT DDO  | IDA   | 99,504,582         | 11/30/2027               |
| National Police Academy at Panauti, Kavrepalanchowk   | India | 36,726,762         | 9/23/2025                |
| Strengthening Disaster Resilience and responding to humanitarian emergencies in Nepal (Project No.: 300003) | FCDO  | 17,087,307         | 6/30/2025                |
| Implementation of Integrated Programme for strengthening Security and Justice, Phase 2 (IPSSJ2)             | FCDO  | 5,290,882          | 12/31/2027               |
| Nepal CSP NP03 - Activity 5 Resilience building   | WFP   | 4,254,636          | 12/31/2028               |

# CHAPTER 9

## POST-EARTHQUAKE RECONSTRUCTION

Table 7: Post-Earthquake Reconstruction Pledges, Commitments, and Disbursements (USD), FY 2015/16 - 2024/25

| Development Partners | Total Pledged | FY2015/16 - Total Committed | FY2016/17 - Total Committed | FY2017/18 - Total Committed | FY2018/19 - Total Committed | FY2019/20 - Total Committed | FY2020/21 - Total Committed | FY2021/22 - Total Committed | FY2022/23 - Total Committed | FY2023/24 - Total Committed | FY2024/25 - Total Committed | FY2015/16 - Total Disbursed | FY2016/17 - Total Disbursed | FY2017/18 - Total Disbursed | FY2018/19 - Total Disbursed | FY2019/20 - Total Disbursed | FY2020/21 - Total Disbursed | FY2021/22 - Total Disbursed | FY2022/23 - Total Disbursed | FY2023/24 - Total Disbursed | FY2024/25 - Total Disbursed |        |
|----------------------|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------|
| ADB                  | \$600.0M      | \$215.0M                    | \$107.0M                    | \$107.0M                    | \$1,499.0M                  |                             |                             |                             |                             |                             | \$2.0M                      | \$18.4M                     | \$15.0M                     | \$56.1M                     | \$62.4M                     | \$58.6M                     | \$36.2M                     | \$25.6M                     | \$20.8M                     | \$10.7M                     | \$16.5M                     |        |
| Australia            | \$4.6M        |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             | \$4.8M                      |                             |                             |                             |                             |                             |                             |                             |                             |                             | \$0.6M |
| Austria              | \$1.2M        |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| Bangladesh           | \$0.5M        |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| Canada               | \$10.5M       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| China                | \$766.9M      | \$489.6M                    | \$277.3M                    |                             |                             |                             |                             |                             |                             |                             |                             | \$10.7M                     |                             |                             |                             |                             | \$5.1M                      |                             |                             | \$3.9M                      | \$1.1M                      |        |
| EU                   | \$117.5M      | \$118.4M                    |                             | \$75.9M                     |                             |                             |                             | \$0.1M                      |                             |                             |                             | \$6.7M                      | \$2.3M                      | \$49.8M                     | \$3.5M                      | \$0.9M                      | \$1.8M                      |                             |                             | \$0.1M                      |                             |        |
| Finland              | \$2.2M        | \$1.1M                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             | \$0.4M                      | \$0.0M                      |                             |                             |                             |                             |                             |                             |                             |        |
| Germany              | \$35.6M       | \$34.0M                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| IMF                  | \$50.0M       | \$50.0M                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| India                | \$1,400.0M    | \$1,000.0M                  |                             | \$78.8M                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| Japan                | \$260.0M      | \$247.1M                    |                             | \$113.3M                    | \$11.6M                     |                             |                             |                             |                             |                             | \$1.8M                      | \$10.3M                     | \$55.8M                     | \$89.6M                     | \$70.4M                     | \$5.9M                      | \$3.7M                      | \$11.3M                     | \$13.1M                     | \$2.3M                      | \$2.4M                      |        |
| Netherlands          | \$26.0M       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| Norway               | \$16.0M       |                             |                             |                             | \$5.6M                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| Pakistan             | \$1.0M        |                             |                             |                             |                             |                             | \$0.7M                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| Republic of Korea    | \$10.0M       | \$8.4M                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |
| Saudi Pund           | \$30.0M       |                             |                             |                             |                             |                             | \$29.2M                     |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |        |

| Development Partners | Total Pledged | FY2015/16 - Total Committed | FY2016/17 - Total Committed | FY2017/18 - Total Committed | FY2018/19 - Total Committed | FY2019/20 - Total Committed | FY2020/21 - Total Committed | FY2021/22 - Total Committed | FY2022/23 - Total Committed | FY2023/24 - Total Committed | FY2024/25 - Total Committed | FY2022/23 - Total Disbursed | FY2021/22 - Total Disbursed | FY2020/21 - Total Disbursed | FY2019/20 - Total Disbursed | FY2018/19 - Total Disbursed | FY2017/18 - Total Disbursed | FY2016/17 - Total Disbursed | FY2015/16 - Total Disbursed | FY2024/25 - Total Disbursed |         |
|----------------------|---------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|---------|
| Sri Lanka            | \$2.5M        |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |         |
| Sweden               | \$10.0M       |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |         |
| Switzerland          | \$25.0M       |                             |                             |                             | \$7.5M                      |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             | \$0.4M  |
| Turkey               | \$2.0M        |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |                             |         |
| UK (DFID)            | \$110.0M      | \$94.0M                     | \$71.5M                     |                             |                             |                             |                             |                             |                             |                             |                             |                             | \$3.9M                      | \$7.3M                      | \$16.7M                     | \$15.8M                     | \$19.4M                     | \$25.2M                     | \$10.0M                     | \$0.4M                      | \$20.9M |
| USA                  | \$130.0M      | \$159.8M                    |                             | \$0.0M                      | \$0.3M                      | \$1.0M                      | \$1.4M                      | \$0.4M                      | \$0.1M                      |                             |                             |                             |                             | \$3.5M                      | \$0.2M                      | \$4.3M                      | \$4.3M                      | \$23.7M                     | \$14.4M                     | \$0.2M                      | \$0.2M  |
| WB                   | \$500.0M      | \$300.0M                    | \$199.0M                    | \$200.0M                    | \$5.0M                      | \$5.0M                      | \$20.0M                     | \$152.9M                    | \$106.3M                    | \$20.0M                     | \$150.0M                    | \$18.5M                     | \$95.0M                     | \$74.1M                     | \$80.0M                     | \$154.2M                    | \$106.3M                    | \$106.3M                    | \$20.0M                     | \$3.4M                      | \$99.5M |

Table 7 provides an analysis of the financial contributions made by DPs toward Nepal's post-earthquake reconstruction efforts from FY 2015/16 to FY 2024/25. The analysis includes pledged amounts, committed funds, and actual disbursements. In total, approximately USD 4.1 billion was pledged by various bilateral and multilateral DPs. However, the total disbursement as of FY 2024/25 stood at just USD 1.8 billion, approximately 32 percent of the total commitments.

**Figure 9.1: Total Amount Pledged Post-Earthquake by Top 5 Development Partners (%), FY 2015/16 - 2024/25**

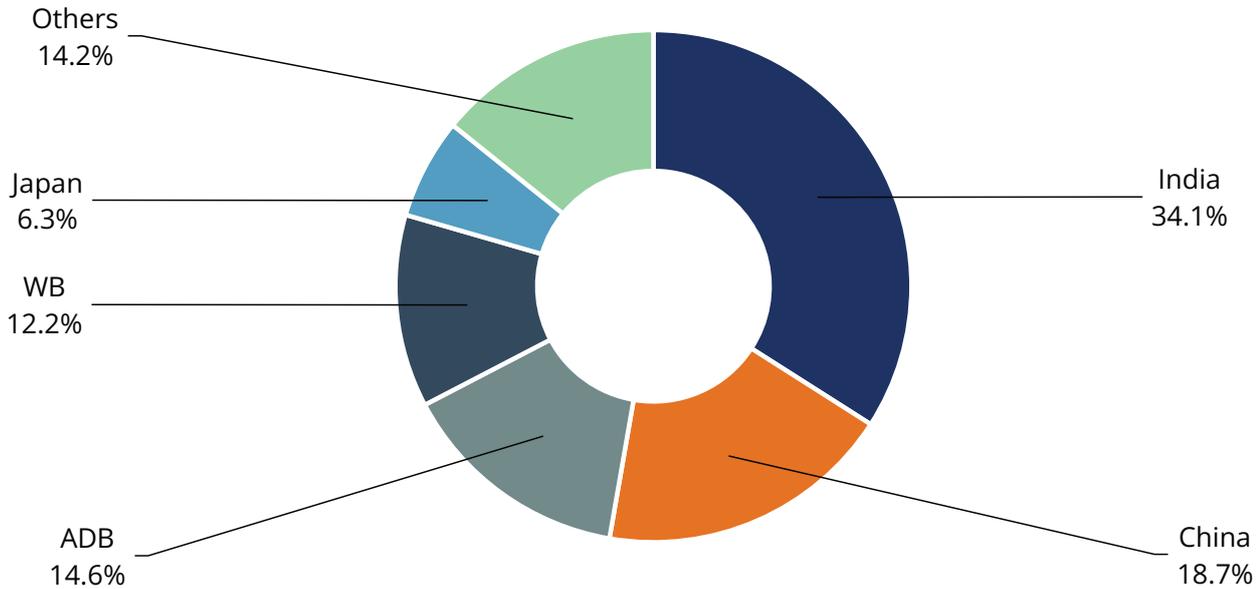


Figure 9.1 visualises the distribution of the top five total pledges made by DPs towards Nepal’s post-earthquake reconstruction efforts. India, China, ADB, World Bank (WB), and Japan emerged as the top five contributors.

**Figure 9.2: Cumulative Post-Earthquake Assistance, FY 2015/16 - 2024/25**

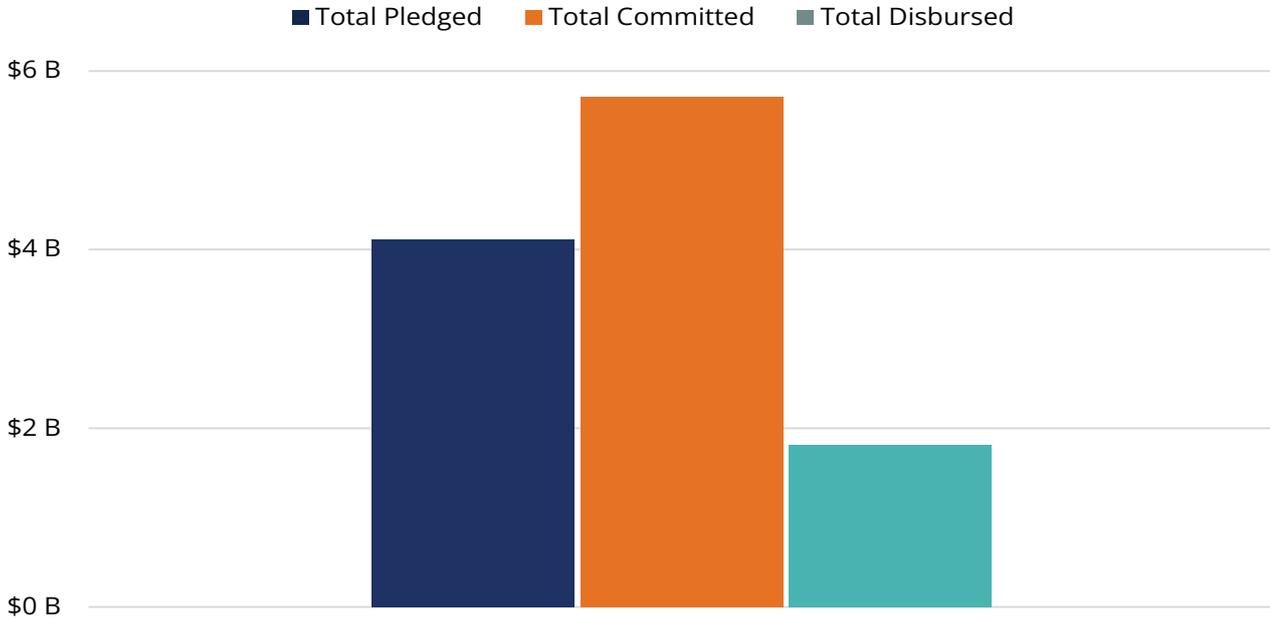


Figure 9.2 presents a comparative bar chart illustrating the cumulative post-earthquake assistance pledged, committed, and disbursed by DPs in Nepal over the period FY 2015/16 to FY 2024/25.

According to the chart, a total of USD 4.1 billion was pledged, representing the initial financial promises made by DPs following the 2015 earthquake. However, the commitment stood at USD 5.7 billion as of FY 2024/25 exceeding the portion of pledges that DPs initially declared to provide. Despite these high figures, the actual disbursement remains significantly low, with only USD 1.8 billion disbursed as of FY 2024/25, indicating a significant amount of work remaining to be done.

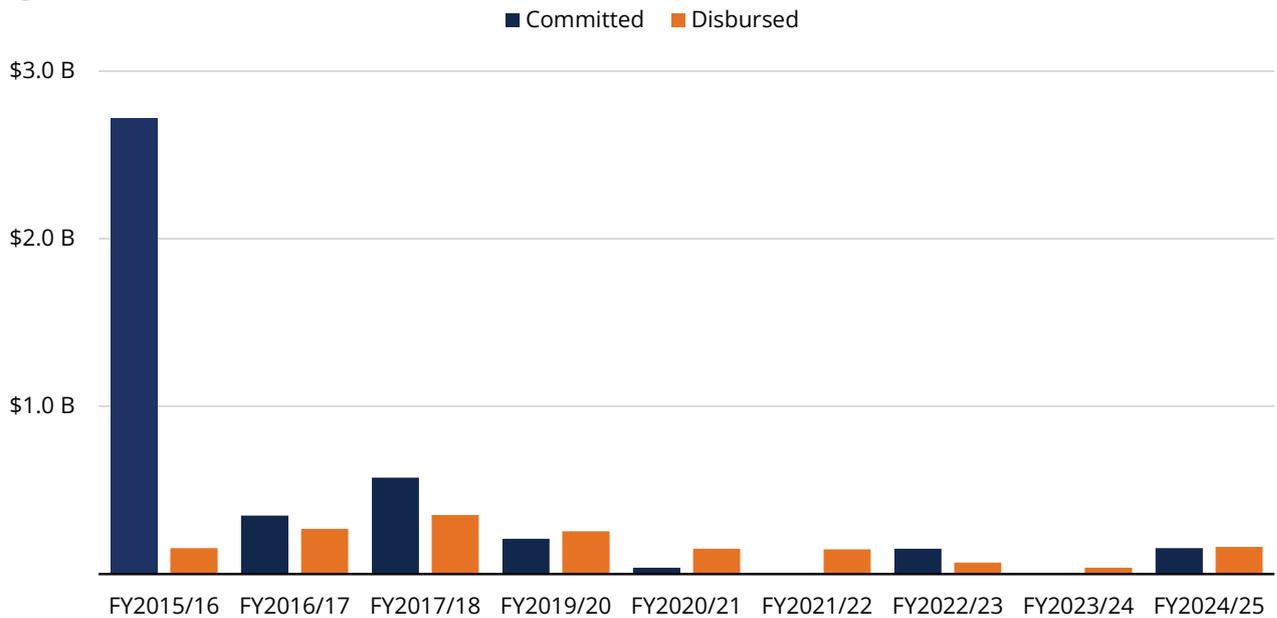
**Figure 9.3: Post-Earthquake Commitments vs Disbursements, FY 2015/16 - 2024/25**

Figure 9.3 presents a year-wise comparison between post-earthquake commitments and disbursements from FY 2015/16 to FY 2024/25, offering insight into the timing and delivery of pledged support from DPs.

The highest level of commitment was made in FY 2015/16, immediately following the earthquake, amounting to approximately USD 2.72 billion. However, only USD 154.4 million of that was disbursed in the same year.

In FY 2016/17, commitments dropped sharply to USD 348.8 million, while disbursements increased to USD 269.7 million indicating execution of many recovery-related projects. The peak disbursement occurred in FY 2017/18, at USD 352.4 million, against commitments of USD 574.6 million. In FY 2019/20, disbursements were USD 254.0 million and commitments were USD 210.3 million.

In subsequent years, both commitments and disbursements showed a declining trend until FY 2023/24. Notably, FY 2021/22 saw a sharp decrease in commitment reaching USD 0.44 million, while disbursements remained relatively high at USD 146.4 million. In FY 2022/23, commitments saw a temporary rise to USD 149.4 million, while disbursements dropped to USD 68.0 million. In FY 2023/24, commitments fell to USD 0.30, and disbursements further declined to USD 36.4 million. The fiscal year 2024/25 rebounded to a commitment of USD 154 million and disbursement of USD 161 million.

The downward trend of commitment and disbursement reflects a gradual winding down of post-earthquake assistance to Nepal corresponding to the reducing stress of the 2015 earthquake in Nepal. Substantial amounts of both commitment and disbursement appeared in FY 2024/25 underscores the implementation delays requiring extended timeline to fully utilise committed reconstruction works.

**Figure 9.4: Top 5 Post-Earthquake Assistance Disbursing Development Partners, FY 2015/16 - 2024/25**

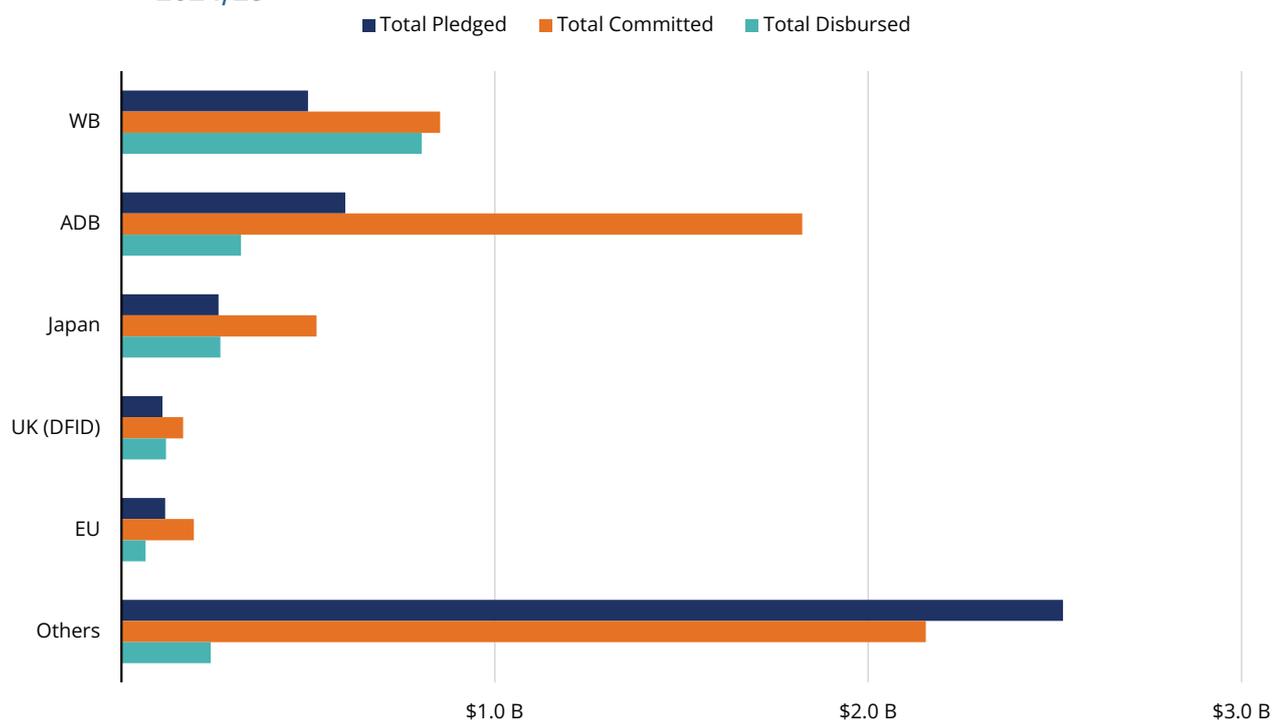


Figure 9.4 presents a comparative bar chart highlighting the performance of the top five DPs in terms of total pledges, commitments, and actual disbursements of post-earthquake assistance between FY 2015/16 and FY 2024/25.

The World Bank has been the most consistent and effective partner in earthquake aid execution. Although it pledged USD 500 million, it committed USD 704 million and disbursed USD 704.4 million—exceeding both its pledge and commitment. The WB appeared to be the only partner to demonstrate exceptional delivery in Nepal’s post-earthquake response.

The Asian Development Bank pledged USD 600 million but recorded a much higher commitment of USD 1.82 billion, with disbursements reaching USD 303.9 million. In contrast, Japan maintained close alignment between pledge and delivery, committing USD 521.5 million and disbursing USD 262.5 million against an initial pledge of USD 260 million, effectively fulfilling its commitment.

The Foreign, Commonwealth & Development Office pledged USD 110 million, committed USD 165.5 million, and disbursed USD 98.8 million, reflecting a relatively steady flow of assistance, though slightly below its original pledge. The European Union pledged USD 117.5 million, increased commitments to USD 194.4 million, but disbursed only USD 65.1 million.

The ‘Others’ category, comprising numerous smaller development partners, collectively pledged USD 2.52 billion, committed USD 2.15 billion, and disbursed USD 239 million.

The large gap between pledges and disbursements may indicate several factors, including low absorption capacity, unrealistic donor conditionalities, cumbersome procurement procedures, supply chain obstructions caused by economic blockade by India and political economy of foreign aid leading to fragmentation and reallocations.

## CHAPTER

## 10

GEOGRAPHIC  
ANALYSIS

Achieving a balanced geographic distribution of ODA or other forms of development finance is more than just a matter of fairness; it is a strategic necessity for long-term national stability and economic growth. When resources are concentrated in a single region, i.e., a capital city or a geographically accessible Province, it may inadvertently create “development deserts” elsewhere. Concentrating aid in already developed areas can widen the gap between “leading” and “lagging” regions. If one province receives the bulk of infrastructure, health, and education funding, it attracts more migration and investment, leaving other regions trapped in a cycle of poverty. Balanced aid ensures that the benefits of development reach the most marginalized populations. This section analyses geographical distribution based on data captured in the DFIMS.

### 10.1 Single and Multi-District ODA Disbursement

Figure 10.1: Single vs Multi-District ODA Disbursements, FY 2022/23 - 2024/25

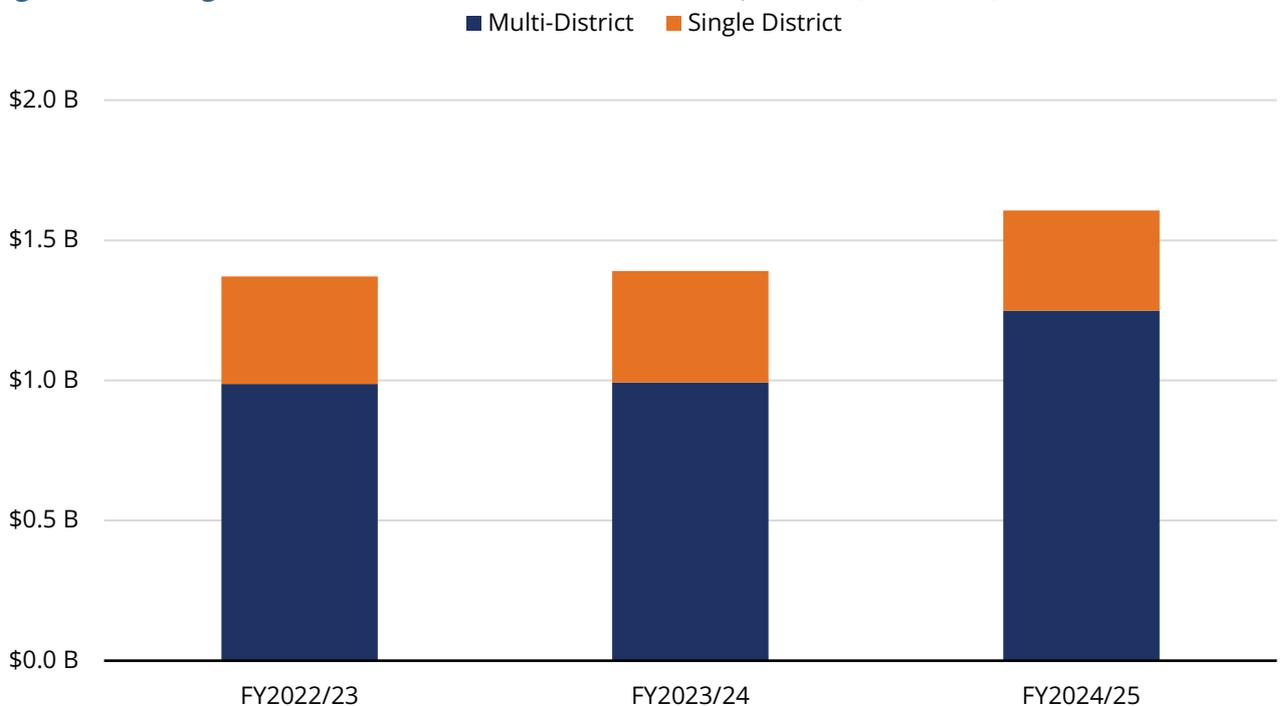


Figure 10.1 delineates the distribution of ODA across single-district and multi-district frameworks from FY 2021/22 through FY 2023/24.

The data for FY 2023/24 reveals a relative stabilization in funding levels. Multi-district disbursements reached USD 993.1 million, representing a negligible growth of 0.6 percent year-on-year. In contrast, single-district projects experienced a more robust expansion of 3.5 percent, totaling USD 397.3 million.

The sustained dominance of multi-district projects suggests a programmatic preference for cross-regional development, likely driven by the pursuit of wider systemic impacts and operational efficiencies. However, the current stabilization presents an opportunity for DPs to refine their portfolios. Moving forward, it is imperative that implementing agencies strategically align their interventions with localized needs, ensuring that geographically targeted projects are both high-yielding and resource-efficient.

**Figure 10.2: Single vs Multi-District ODA Disbursements Year-on-Year Change (%), FY 2022/23 - 2024/25**

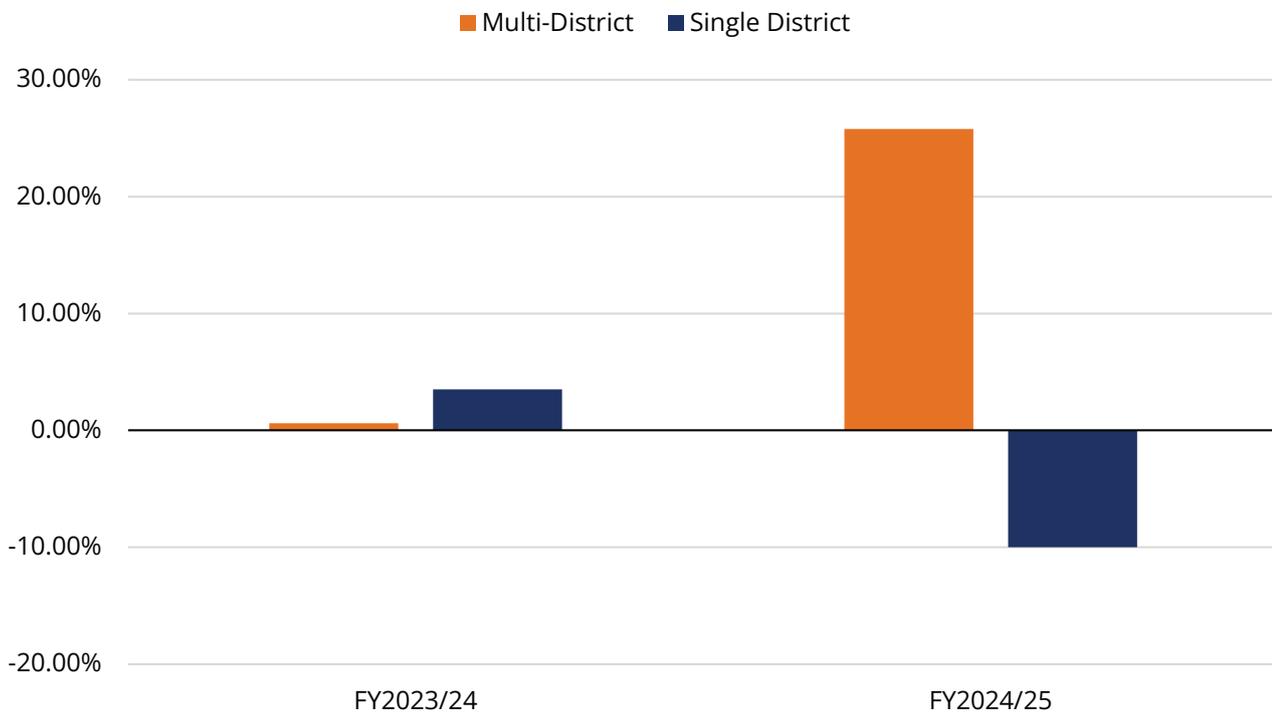


Figure 10.2 delineates the year-on-year percentage change in ODA disbursements for single-district and multi-district projects.

In FY 2023/24, multi-district disbursements recorded a marginal increase of 0.6 percent compared to the previous fiscal year. While this growth appears relatively stagnant, the data confirms that multi-district initiatives consistently capture the largest share of total ODA. This trend underscores a sustained strategic preference among DPs for broad-spectrum interventions that leverage economies of scale across multiple geographic regions.

Conversely, single-district disbursements experienced a more pronounced expansion of 3.5 percent over the same period. This growth is significant as it suggests a tactical shift toward localized, district-specific interventions, marking a departure from the downward trajectory observed in preceding years.

Overall, the two-year comparison reveals a stabilizing pattern across both categories. While multi-district projects continue to dominate in absolute volume, single-district disbursements have demonstrated a higher rate of annual growth in the most recent fiscal year. This suggests a careful rebalancing of the ODA portfolio, potentially serving two objectives: regional focus for broader regional impact and district focus for addressing local needs and priorities.

## 10.2 Province-Level Analysis

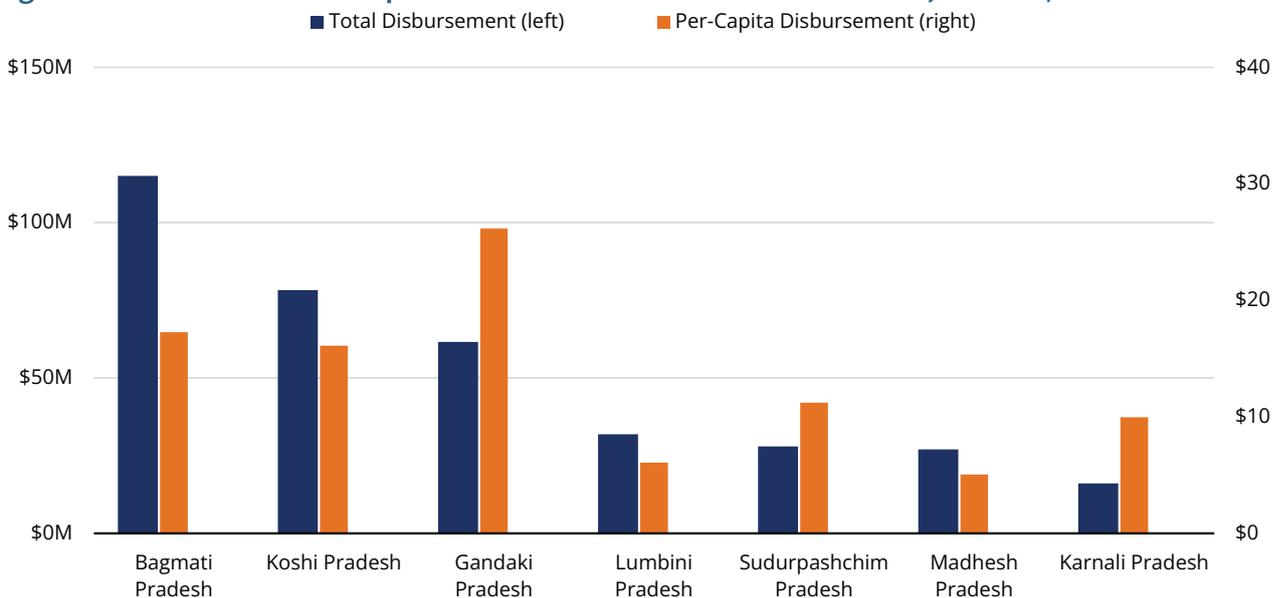
The Development Finance Information Management System (DFIMS) captures data at both the district and provincial levels. When aggregating district-level data to the provincial scale, Bagmati Province consistently reports the highest volume of ODA disbursements. This concentration of funding is driven by several key factors:

- As the seat of the national capital, it hosts the Central Project/Program Management Units (CPMU).
- The province has been a primary focal point for large-scale post-earthquake reconstruction and COVID-19-related projects.
- These elements collectively draw a significant portion of development activities and corresponding financial resources to the region.

To achieve inclusive and sustainable development across Nepal, a more equitable distribution of resources is essential. Ensuring that all provinces receive adequate support requires improved reporting mechanisms to enable precise geographic tracking of ODA. The findings in this section highlight the urgent need for enhanced transparency and a more balanced approach to aid allocation across the country.

Figure 10.3 presents total and per-capita ODA disbursements for FY 2024/25 across all provinces. This dual-axis comparison provides a more comprehensive view of resource distribution by weighing the absolute volume of aid against the amount received per resident. This distinction is vital for understanding whether funding levels truly align with the needs of the people of each province.

**Figure 10.3: Total and Per-Capita Province-Level ODA Disbursements, FY 2024/25**



Bagmati Province received the highest disbursement in FY 2023/24, receiving a total of approximately USD 137.8 million. However, when adjusted for population, Bagmati ranks second with a per-capita disbursement of USD 20.65. Although receiving a comparatively lower total disbursement of USD 91.4 million, Gandaki Province recorded the highest per-capita ODA at USD 38.85.

The province with the lowest disbursement was Karnali, receiving approximately USD 10.3 million. In terms of per-capita disbursement, Madhesh Province reported the lowest figure at approximately USD 4.86 per person, followed by Karnali (USD 6.42) and Lumbini (USD 8.61).

The contrast between Bagmati’s high total volume and Madhesh’s low per-capita figure suggests that ODA is currently driven more by project location (such as central administrative units or specific reconstruction zones) than by population-based needs. For Nepal to achieve its goal of inclusive development, future ODA strategies may need to recalibrate funding to ensure that high-population or high-poverty provinces, such as Madhesh and Karnali, receive more equitable per-capita support.

Figure 10.4: Total Province-Level ODA Disbursements, FY 2024/25

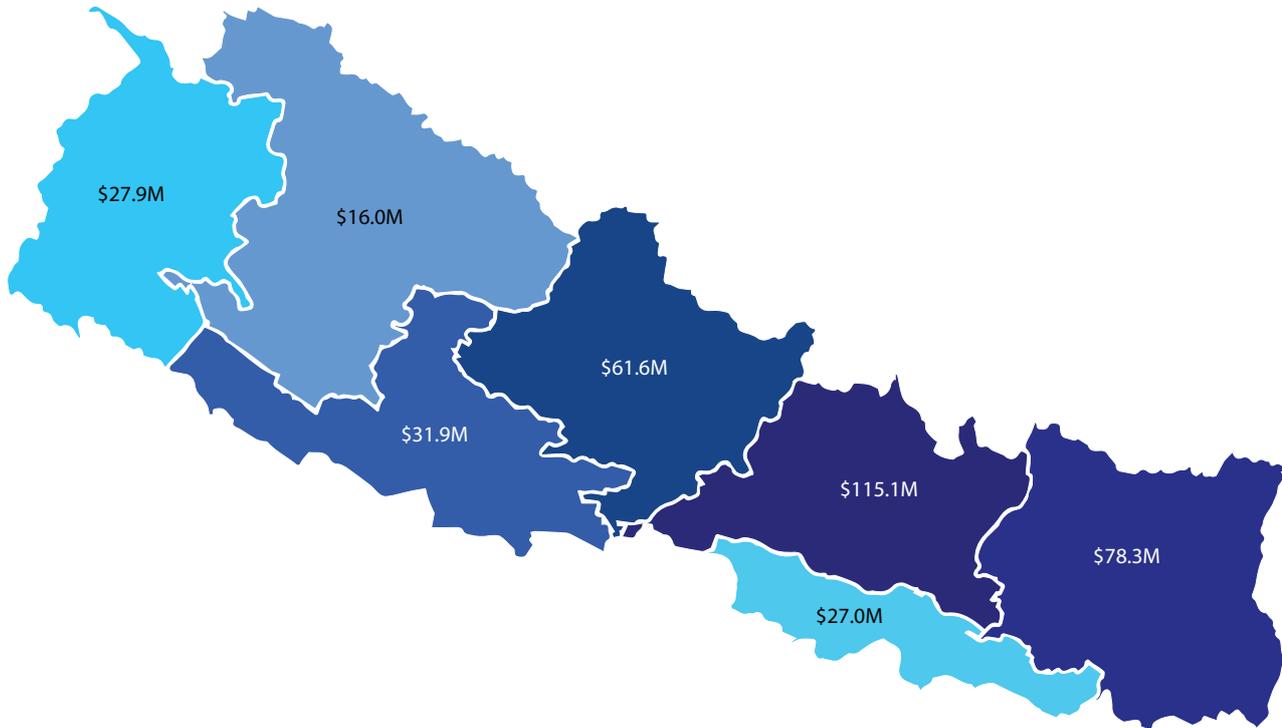
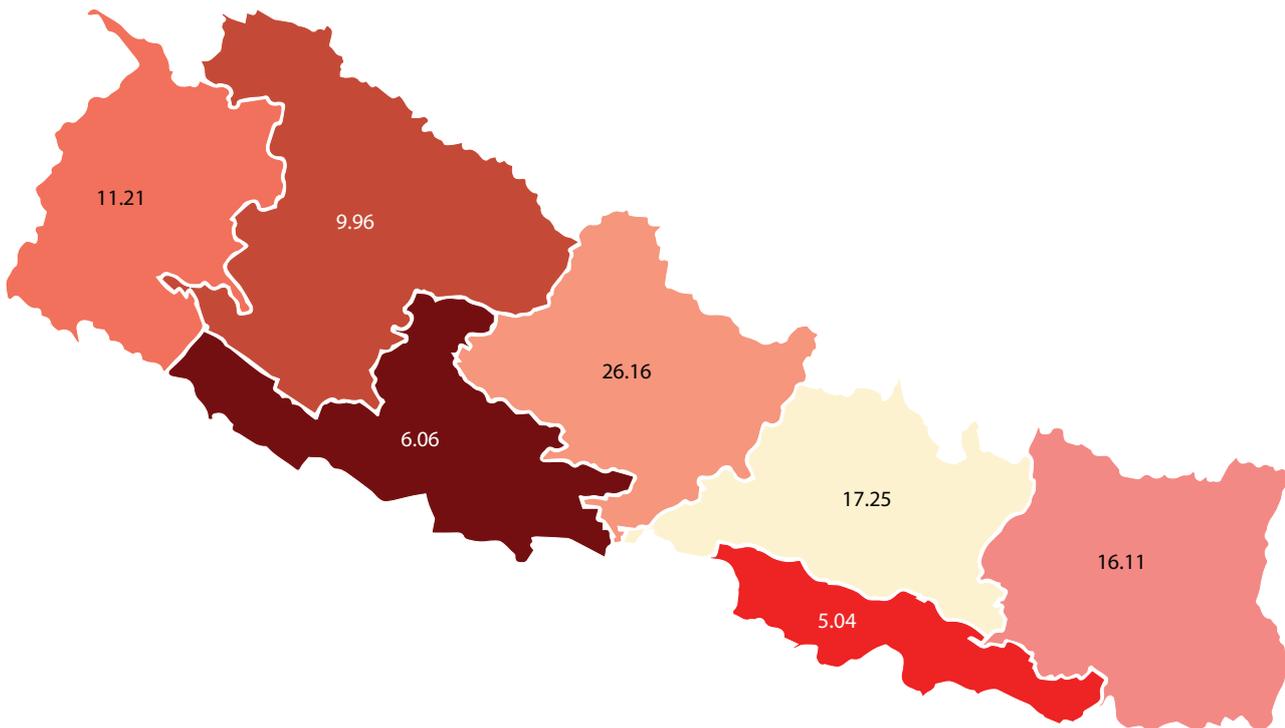
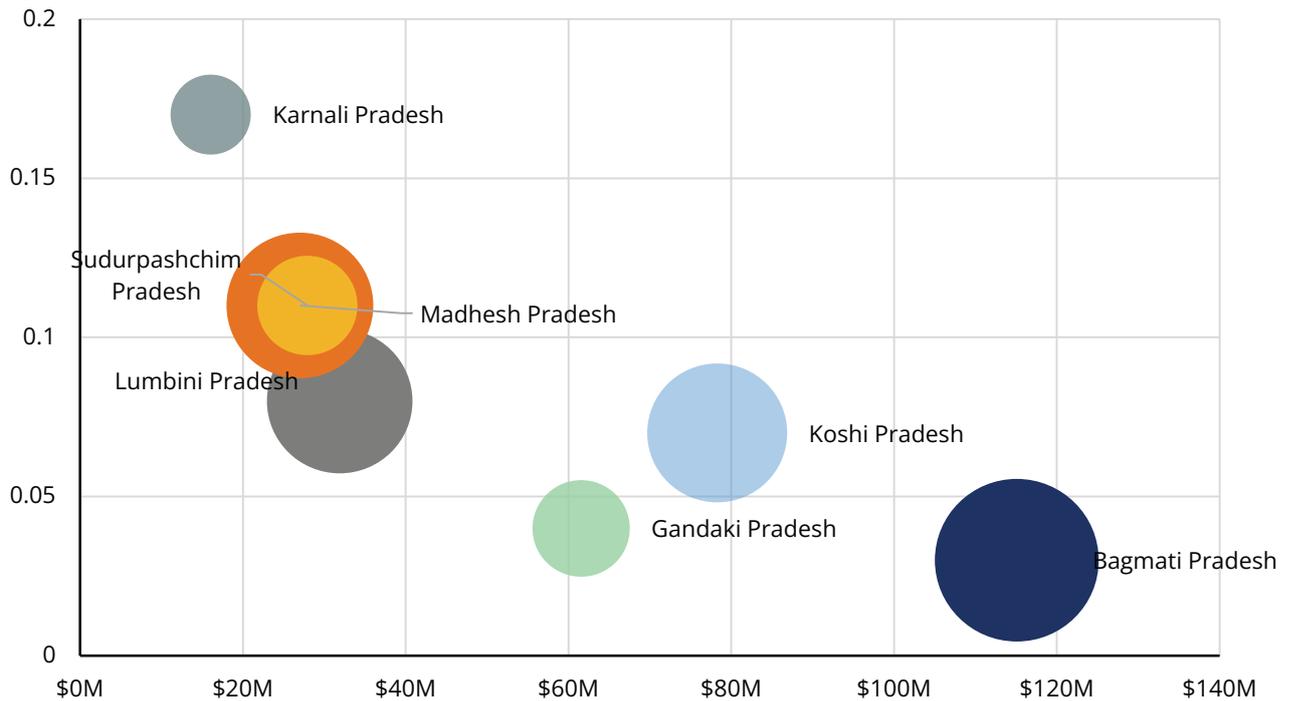


Figure 10.5: Total Province-Level Per-Capita ODA Disbursements, FY 2024/25



**Figure 10.6: ODA Disbursements and MPI Incidence by District and Population, FY 2024/25**

Source: Nepal Multidimensional Poverty Index, 2021, NPC, Nepal.

Figure 10.6 illustrates the multidimensional relationship between ODA disbursements, poverty levels, measured by the Multidimensional Poverty Index (MPI), and population size across Nepal's provinces. In this scatterplot, each province is represented by a bubble, where the x-axis denotes total ODA (USD), the y-axis represents MPI incidence, and the bubble size corresponds to the population.

The data reveals a concerning inverse relationship between aid volume and poverty. Generally, provinces with lower poverty levels receive higher ODA disbursements, while those with the highest MPI scores receive significantly lower funding.

Bagmati Province received the nation's highest allocation at USD 115.1 million, despite having the lowest MPI (0.03). As noted previously, this disproportionate share is largely driven by its administrative status as the capital, its role as the hub for post-earthquake and COVID-19 recovery, and the presence of the Central Project/Program Management Unit (CPMU).

Conversely, Karnali Province, which has the highest MPI incidence at 0.17, received the lowest total ODA disbursement of USD 16.0 million, despite having a considerable population base of 1.6 million. Similarly, Madhesh Province, which carries the second-largest population and a high MPI of 0.11, received only USD 27.0 million. This underlines a potential gap in equitable allocation and a missed opportunity for targeting high-need regions more effectively.

Current ODA disbursement patterns reveal a persistent geographic imbalance, with aid concentrated in economically resilient provinces. This trend suggests that allocation is often driven by absorption capacity rather than developmental urgency. To achieve inclusive national growth, a strategic realignment is necessary to bridge the 'funding-to-need' gap, specifically prioritizing under-resourced regions such as Karnali and Madhesh.

# CHAPTER 11 ODA DISBURSEMENT BY DEVELOPMENT PARTNER

Figure 11.1: ODA to Nepal by Top 5 Development Partners, Share of Total ODA, FY 2015/16 - 2024/25

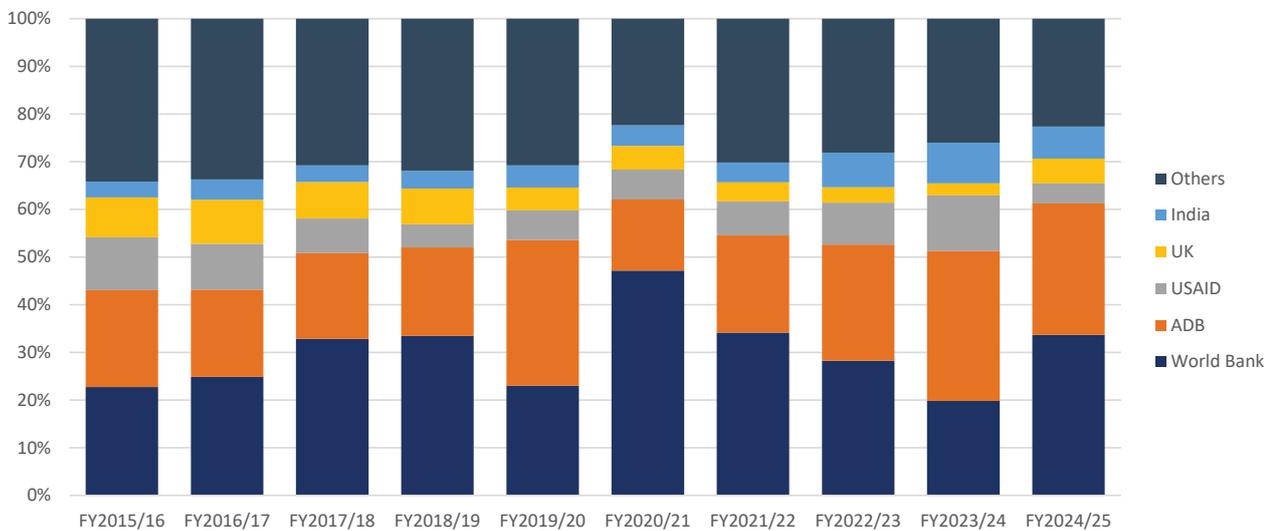


Figure 11.1 details the changing composition of ODA to Nepal over the ten year period from FY 2015/16 to FY 2024/25. It presents the relative shares of the top five DPs alongside the collective contribution of all other partners.

Over the last decade, the World Bank has maintained a large presence in the development sector of Nepal. In FY 2024/25, the World Bank was the leading donor, providing USD 541.0 million, which accounts for 33.7 percent of total disbursements. Its share has varied over time, reaching a peak of 47.2 percent in FY 2020/21 before moderating in subsequent years.

The Asian Development Bank followed as the second largest partner, contributing USD 443.2 million or 27.6 percent of the total ODA in FY 2024/25. This follows a period where it was the leading partner in FY 2023/24 with a 31.5 percent share.

Bilateral aid patterns showed different paths among key partners. India captured the third position among DPs and was the highest disbursing bilateral partner in FY 2024/25 with a share of 6.7 percent. The United Kingdom provided 5.2 percent of the total ODA during the same period, which is an increase from its 2.5 percent share in FY 2023/24. USAID rounded out the top five DPs, contributing 4.2 percent of total ODA in FY 2024/25.

The Others category, representing the collective contribution of all remaining DPs, accounted for 22.6 percent of the total disbursement volume in FY 2024/25. This growth in the share of other partners shows a level of diversification in the aid portfolio of Nepal. These values indicate that while major multilaterals provide the majority of funding, a wide range of international partners continue to assist with national development goals.

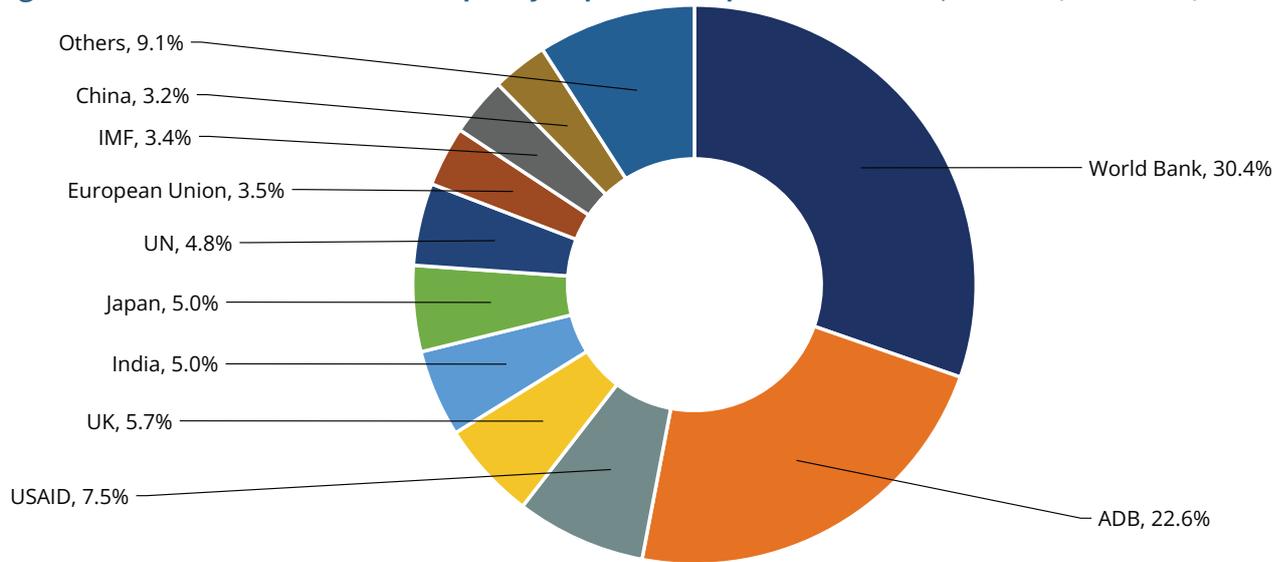
**Figure 11.2: Cumulative ODA to Nepal by Top 5 Development Partners, FY 2015/16 - 2024/25**

Figure 11.2 presents the cumulative share of ODA disbursed to Nepal by its top five DPs during the period from FY 2015/16 to FY 2024/25. This summary provides a view of the long term donor environment by aggregating data over the past ten years. During this decade, total ODA disbursements reached approximately USD 15,138.6 million.

The World Bank remains the largest partner, accounting for 30.4 percent of total ODA, with cumulative disbursements of USD 4,596.6 million. The Asian Development Bank follows with a share of 22.6 percent, amounting to USD 3,423.7 million. USAID contributed 7.5 percent of total ODA, totaling USD 1,129.8 million, while the United Kingdom provided 5.7 percent, or USD 858.3 million. India rounded out the top five with a cumulative total of USD 761.3 million, which represents a 5.0 percent share. All other DPs collectively provided 28.9 percent (USD 4,368.9 million) of the total disbursements over the ten year period.

The high cumulative share of the World Bank and the Asian Development Bank, which together account for more than half of all aid, shows the weight of multilateral development banks in the development finance of Nepal. Furthermore, the steady participation of bilateral partners such as the United States, the United Kingdom, and India shows the durable nature of these bilateral ties.

### 11.1 Bilateral and Multilateral Development Partners

**Figure 11.3: ODA Disbursements by Development Partner Type, FY 2015/16 - 2024/25**

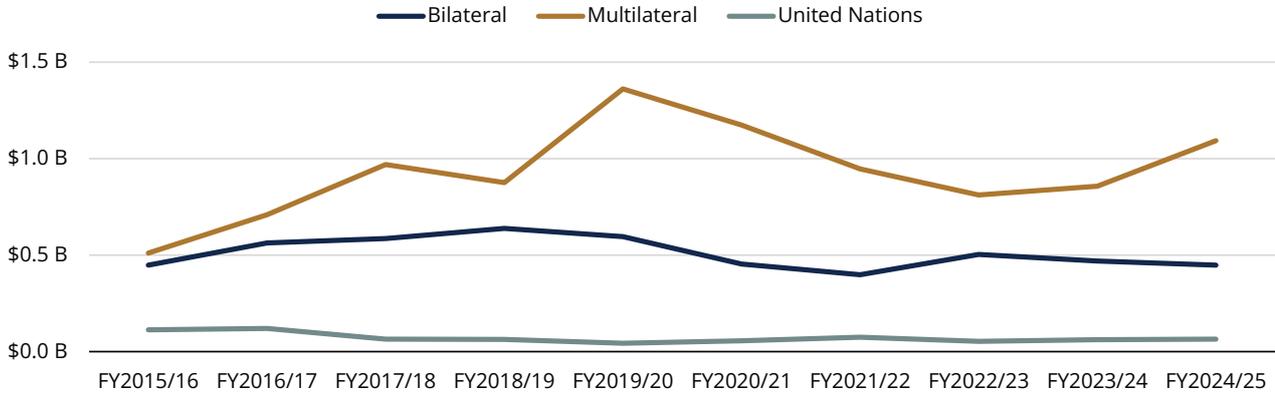


Figure 11.3 provides a summary of Official Development Assistance (ODA) disbursements to Nepal over the ten year period from FY 2015/16 to FY 2024/25. This analysis classifies aid flows according to the type of provider: multilateral agencies, bilateral partners, and United Nations entities. In FY 2024/25, total disbursements reached USD 1,606.6 million.

Multilateral DPs provided the largest volume of support during the most recent fiscal year, with USD 1,093.7 million disbursed. This amount indicates an increase from the USD 0.9 billion recorded in FY 2023/24. Throughout the decade, multilateral DPs have consistently served as the primary source of external development finance for the country.

Bilateral DPs contributed USD 448.4 million in FY 2024/25. This figure represents a decrease from the USD 0.5 billion observed in the previous fiscal year. Bilateral assistance has shown more variation over the decade, with funding levels reaching USD 0.6 billion in several prior years before moderating to current levels.

United Nations agencies disbursed USD 64.5 million in FY 2024/25. The volume of aid from the United Nations system has remained relatively stable, generally staying near the USD 0.1 billion mark for most of the ten year period. These trends demonstrate the central role of multilateral institutions in financing national development goals while a diverse group of bilateral and United Nations partners continues to provide steady assistance.

**Figure 11.4: ODA Disbursements by Development Partner Type and Assistance Type, FY 2024/25**

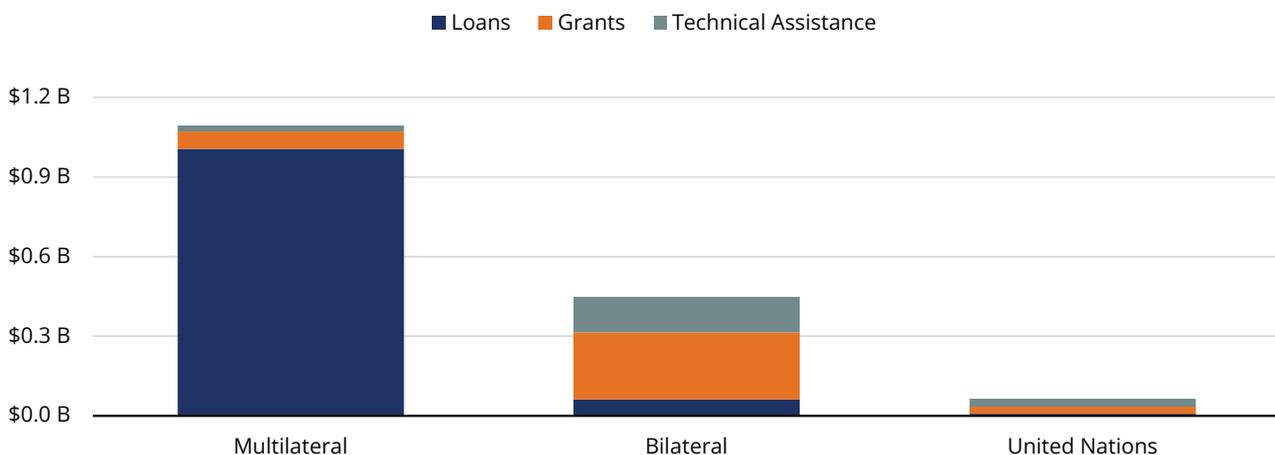
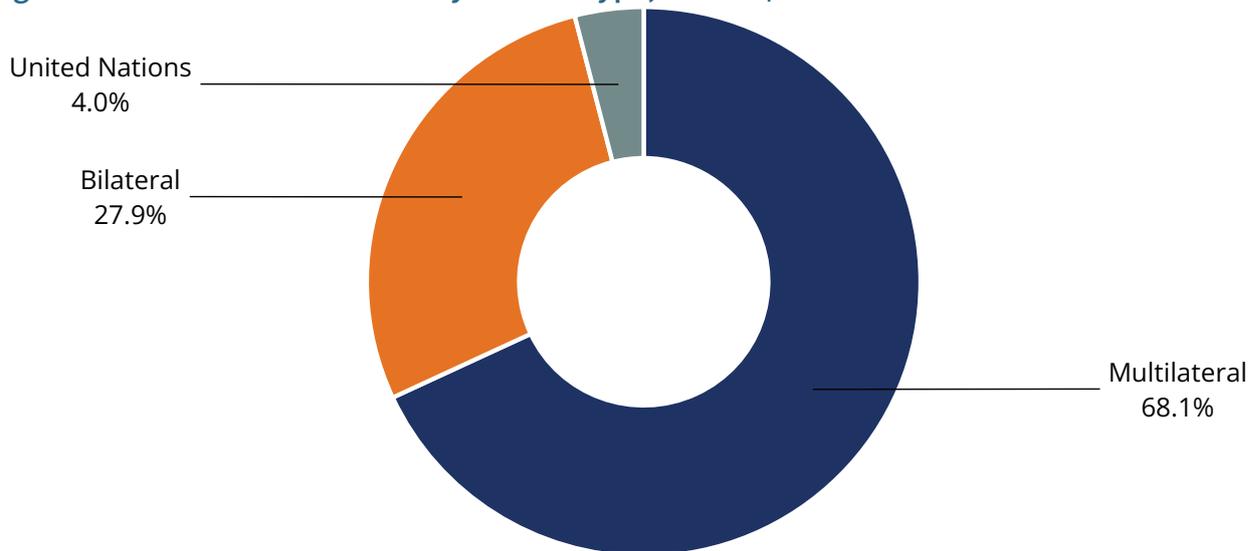


Figure 11.4 presents an analysis of ODA disbursements for FY 2024/25, categorized by the type of provider and the nature of the assistance. Multilateral DPs contributed the largest portion of the total disbursement, with funding amounting to USD 1,093.7 million. The portfolio for multilateral DPs shows a concentration in loan financing, which reached USD 1,005.7 million, while grants and technical assistance accounted for USD 65.4 million and USD 22.6 million respectively. Bilateral DPs provided the second highest volume of support, totaling USD 448.4 million. Within this group, grant-based aid was the leading assistance type at USD 251.7 million, followed by USD 134.4 million in technical assistance and USD 62.3 million in loans. The United Nations agencies disbursed USD 64.5 million during this period, with a priority on non-loan instruments. Technical assistance from United Nations entities reached USD 30.2 million and grants amounted to USD 27.3 million, with a smaller portion of USD 7.0 million provided as loans. No in-kind support was recorded across any of these provider categories in FY 2024/25. This distribution indicates the different roles of international actors, where multilateral institutions manage large capital requirements through debt financing, while bilateral and United Nations DPs support capacity development and social objectives through grants and specialized knowledge.

**Figure 11.5: ODA Disbursements by Partner Type, FY 2024/25**



Official Development Assistance disbursements to Nepal totaled USD 1,606.6 million in FY 2024/25. Multilateral DPs provided the majority of this funding, with disbursements of USD 1,093.7 million. This amount is 68.1 percent of the total volume. Bilateral DPs contributed USD 448.4 million, which is a 27.9 percent share. United Nations agencies disbursed USD 64.5 million, making up 4.0 percent of the total for the fiscal year. These results indicate that international financial institutions are the most prominent source of aid for the government.

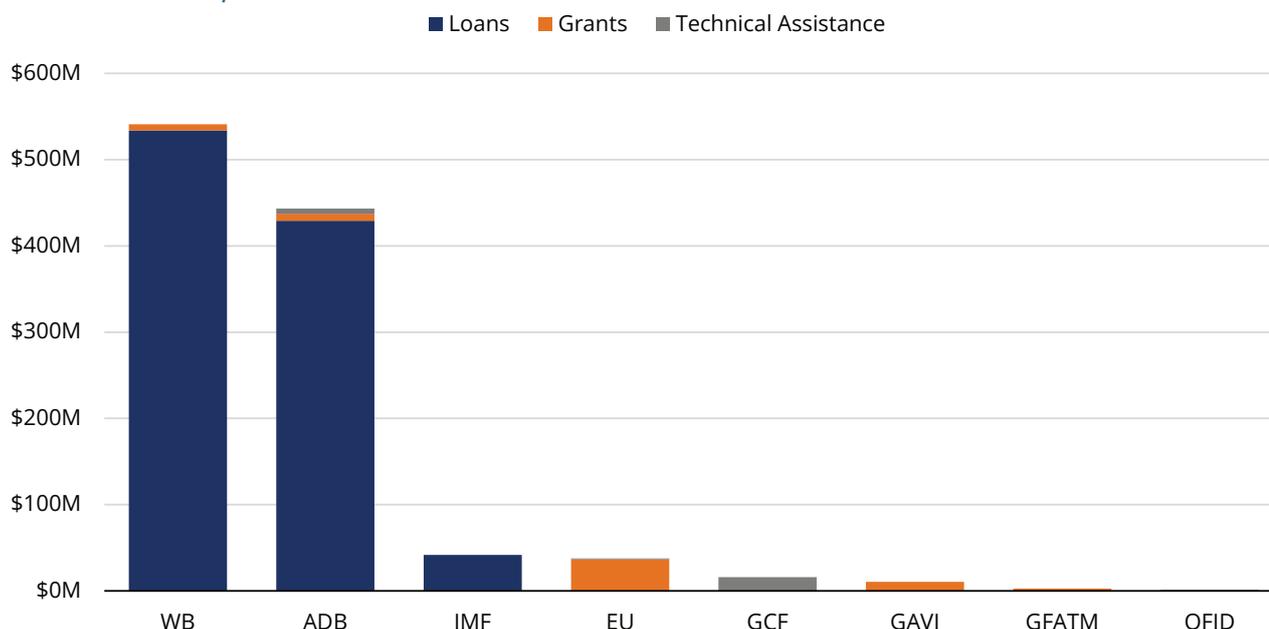
**Figure 11.6: Multilateral ODA Disbursements by Development Partner and Assistance Type, FY 2024/25**

Figure 11.6 presents the Official Development Assistance (ODA) disbursements from multilateral DPs during FY 2024/25, categorized by individual partner and the type of assistance. The World Bank was the largest multilateral partner during this fiscal year, with disbursements totaling USD 541.0 million. This funding consisted of USD 533.9 million in loans and USD 7.1 million in grants. The Asian Development Bank followed as the second largest provider, with a total disbursement of USD 443.2 million. This support included USD 429.0 million in loans, USD 8.4 million in grants, and USD 5.8 million in technical assistance. The International Monetary Fund provided USD 41.8 million, which was delivered entirely through loans. The European Union disbursed USD 37.7 million, consisting of USD 36.7 million in grants and USD 1.0 million in technical assistance. Other DPs providing support included the Green Climate Fund with USD 15.8 million in technical assistance and GAVI with USD 10.3 million in grants. The Global Fund provided USD 2.8 million in grants, while the OPEC Fund for International Development disbursed USD 1.1 million in loans. No in-kind support was recorded for multilateral partners during this period.

**Table 8: Top 5 Multilateral DPs, FY 2023/24**

| Development Partner | Total Disbursement in USD |
|---------------------|---------------------------|
| WB                  | 540,976,136               |
| ADB                 | 443,244,413               |
| IMF                 | 41,800,000                |
| EU                  | 37,735,496                |
| GCF                 | 15,753,295                |

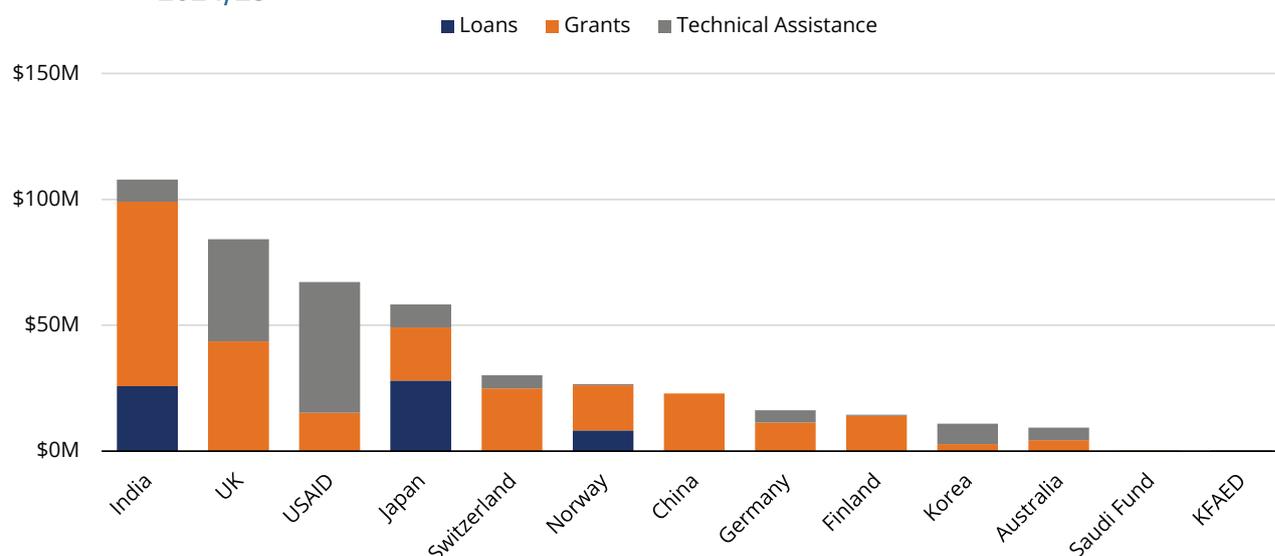
**Figure 11.7: Bilateral ODA Disbursements by Development Partner and Assistance Type, FY 2024/25**

Figure 11.7 presents the ODA disbursements from bilateral DPs for FY 2024/25, classified by individual partner and the assistance type provided. During this fiscal year, bilateral partners disbursed a total of USD 448.4 million. This volume was delivered through grants, technical assistance, and loans.

India recorded the highest disbursement volume among bilateral partners at USD 107.8 million. This support consisted of USD 73.3 million in grants, USD 25.8 million in loans, and USD 8.8 million in technical assistance. The United Kingdom provided USD 84.2 million, which included USD 43.6 million in grants and USD 40.6 million in technical assistance.

USAID disbursed USD 67.1 million, where technical assistance accounted for USD 51.9 million and grants made up the remaining USD 15.3 million. Japan provided USD 58.3 million through USD 28.0 million in loans, USD 21.1 million in grants, and USD 9.2 million in technical assistance. Switzerland delivered USD 30.1 million, consisting of USD 24.9 million in grants and USD 5.2 million in technical assistance.

Norway contributed USD 26.6 million, utilizing USD 17.9 million in grants, USD 8.2 million in loans, and USD 0.5 million in technical assistance. China disbursed USD 22.9 million entirely in the form of grants. Germany provided USD 16.2 million, which included USD 11.4 million in grants and USD 4.8 million in technical assistance.

Finland disbursed USD 14.4 million, with USD 14.1 million delivered as grants and USD 0.4 million as technical assistance. Korea provided USD 10.9 million, consisting of USD 8.1 million in technical assistance and USD 2.8 million in grants. Australia followed with USD 9.3 million, split between USD 4.9 million in technical assistance and USD 4.4 million in grants. Both the Saudi Fund and KFAED each disbursed USD 0.3 million, with the Saudi Fund providing grants and KFAED providing loans. No in-kind support was reported for any bilateral partner in FY 2024/25.

**Table 9: Top 5 Bilateral Development Partners, FY 2024/25**

| Development Partner | Total Disbursement in USD |
|---------------------|---------------------------|
| India               | 107,832,997               |
| UK                  | 84,209,401                |
| USAID               | 67,121,349                |
| Japan               | 58,258,779                |
| Switzerland         | 30,127,269                |

**Figure 11.8: ODA Disbursements by Assistance Type, FY 2024/25**

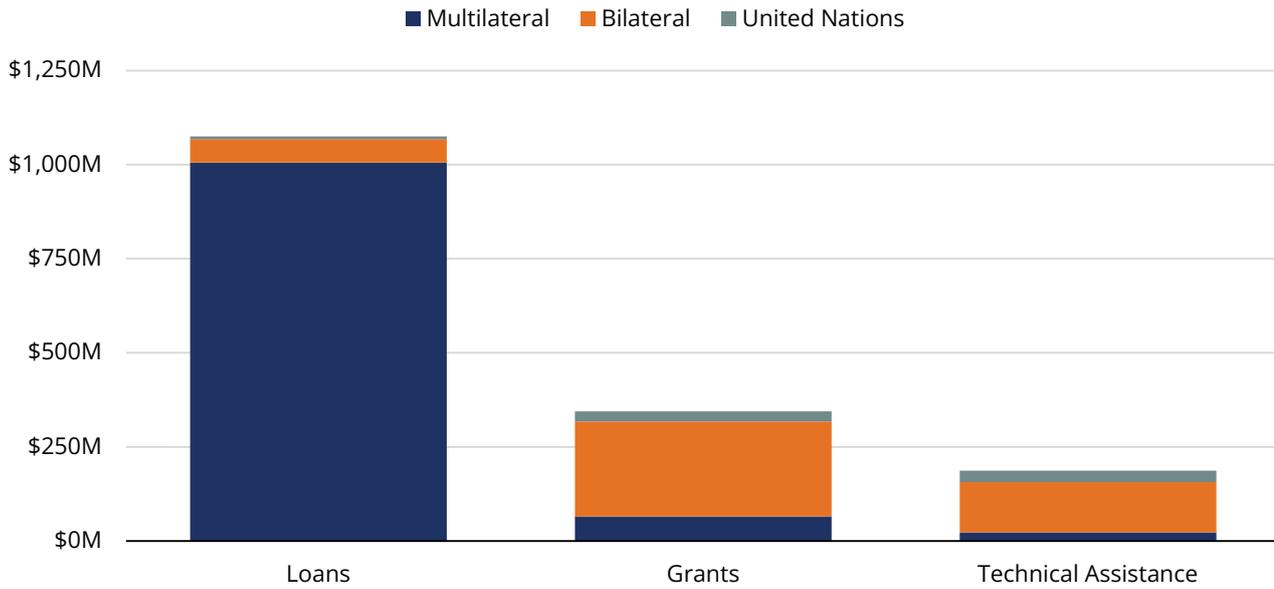


Figure 11.8 presents the total ODA disbursements for FY 2024/25 categorized by the specific type of assistance delivered. Loans were the dominant form of development finance during the fiscal year, with total disbursements amounting to USD 1,075.0 million. Multilateral DPs provided the largest share of this debt based financing, accounting for 93.6 percent of all loans, while bilateral DPs contributed 5.8 percent and United Nations agencies delivered 0.7 percent. Support provided as grants reached USD 344.4 million during FY 2024/25. Bilateral DPs were the primary source for these funds, delivering 73.1 percent of total grants, followed by multilateral DPs at 19.0 percent and United Nations agencies at 7.9 percent. Funding for technical assistance reached USD 187.2 million in FY 2024/25. Bilateral DPs accounted for 71.8 percent of this total, while United Nations entities and multilateral DPs provided 16.1 percent and 12.1 percent respectively. There were no recorded instances of in-kind support for any partner type during the fiscal year. In-kind support recorded by Financial Comptroller General Office of Nepal seemingly included by DPs like GFTM and GAVI in grants category.

**Figure 11.9: ODA Disbursements by Assistance Type, (%), FY 2024/25**

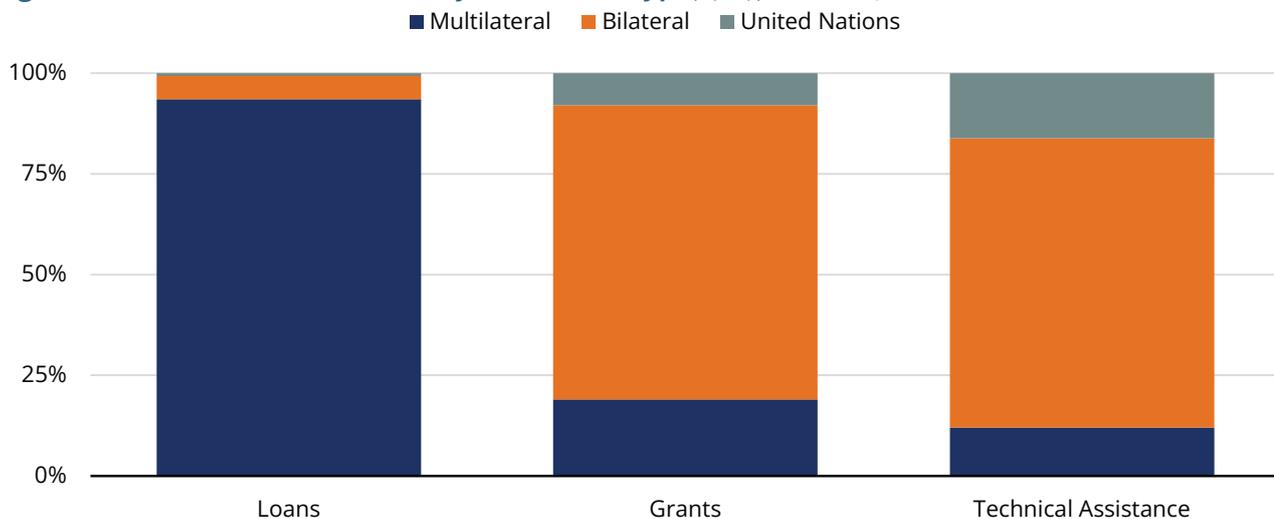


Figure 11.9 shows the percentage distribution of Official Development Assistance disbursements by assistance type and partner category for FY 2024/25. The data shows that different types of DPs focus on specific methods of development finance.

Multilateral DPs are the primary providers of debt-based financing, accounting for 93.55 percent of all loans disbursed during the fiscal year. Bilateral DPs provided 5.80 percent of loans, while United Nations agencies provided 0.65 percent. These results indicate that multilateral institutions are the main source for large-scale projects that require loan financing.

Bilateral DPs are the leading source of grant-based aid, contributing 73.09 percent of total grants in FY 2024/25. Multilateral DPs followed with 18.98 percent, and United Nations agencies accounted for 7.93 percent of the total grant volume. This distribution shows that bilateral partners prioritize non-repayable aid for development activities.

Technical assistance is also mainly delivered by bilateral DPs, who provided 71.81 percent of this assistance type. United Nations agencies accounted for 16.13 percent, while Multilateral DPs contributed 12.06 percent. The high share of technical assistance from bilateral and United Nations partners reflects a focus on capacity development and specialized expertise.

There were no records of in-kind support from any partner type during FY 2024/25. These patterns show that Multilateral DPs manage the majority of loans, while Bilateral DPs and United Nations agencies focus on grants and technical cooperation to help with national goals.

**Figure 11.10: ODA Disbursements by Development Partner Type, (%), FY 2024/25**

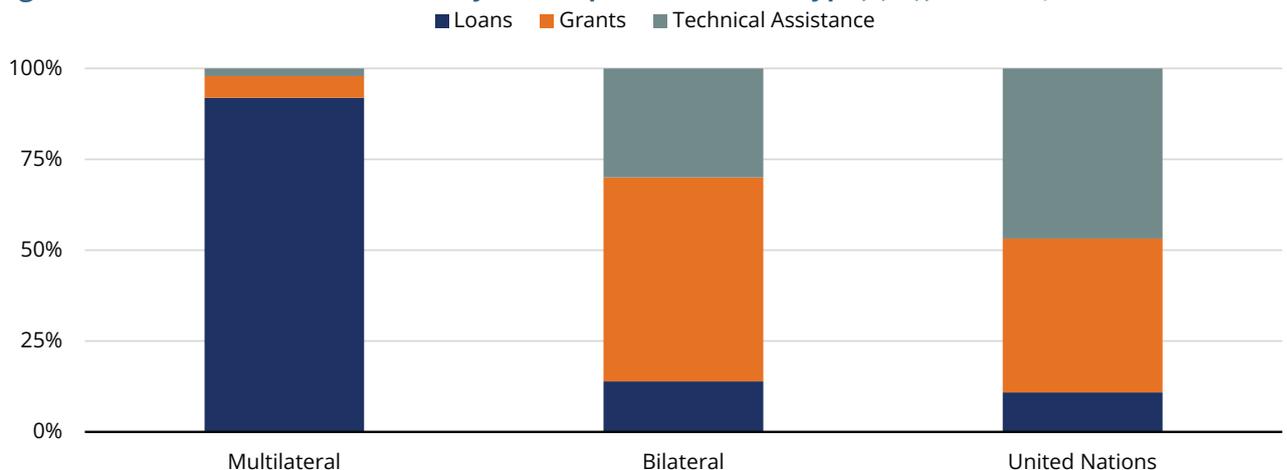


Figure 11.10 presents the proportional breakdown of assistance instruments used by each category of DPs in FY 2024/25. This analysis shows how different DPs deliver support through loans, grants, or technical assistance.

Multilateral DPs provided a total volume of USD 1,093.7 million. Debt financing was the primary method for this group, with loans making up 92.0 percent of their portfolio. Grants followed at 6.0 percent, while technical assistance accounted for 2.1 percent. This reliance on loans indicates the role of multilateral DPs in supporting large scale projects.

Bilateral DPs disbursed USD 448.4 million during the period. These DPs used a varied set of instruments and prioritized non-repayable aid. Grants served as the leading assistance type at 56.1 percent. Technical assistance accounted for 30.0 percent, and loans represented 13.9 percent of their total support.

United Nations agencies disbursed USD 64.5 million in ODA. This group focused on providing expertise and specialized support. Technical assistance was the leading modality at 46.8 percent, while grants contributed 42.3 percent. Loans were utilized for 10.9 percent of their support activities.

In FY 2024/25, no partner category reported any disbursements as in-kind support. These results show that multilateral DPs are the primary source of loans, while bilateral DPs and United Nations agencies lead in providing grants and technical cooperation to help with national goals.

**Figure 11.11: Top 5 ODA Disbursing Development Partners, FY 2015/16 - 2024/25**

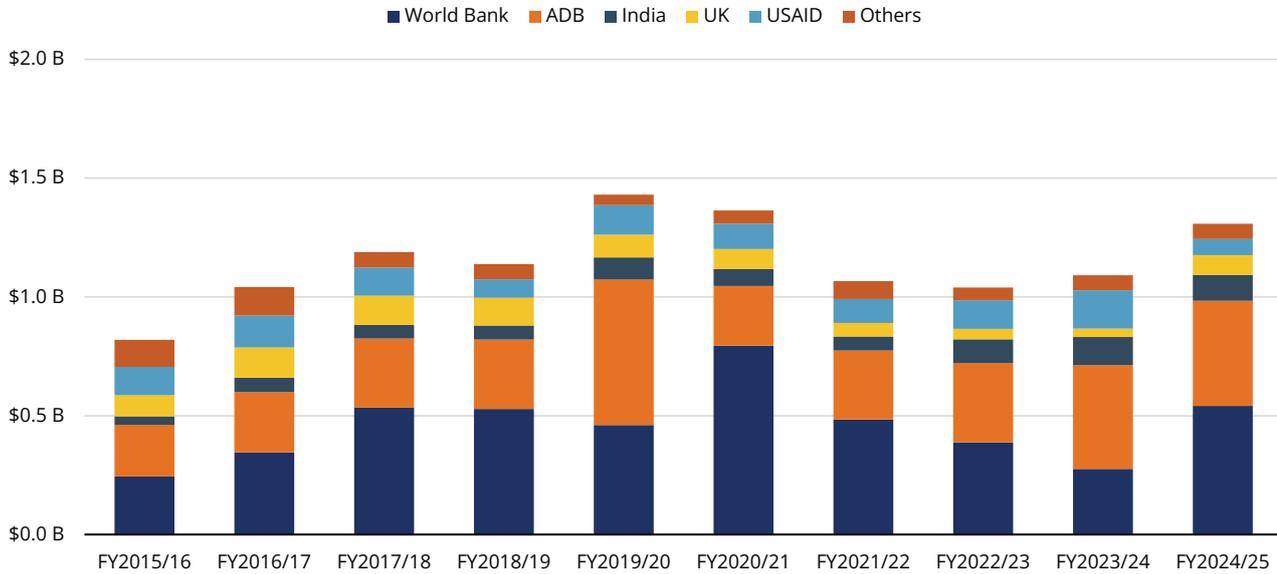


Figure 11.11 contains an analysis of the annual Official Development Assistance disbursements from the top five DPs over the ten year period from FY 2015/16 to FY 2024/25. In the most recent period, these primary DPs provided the largest portion of external finance to the government.

In FY 2024/25, the top five DPs by disbursement volume were the World Bank (USD 541.0 million), Asian Development Bank (USD 443.2 million), India (USD 107.8 million), United Kingdom (USD 84.2 million), and USAID (USD 67.1 million).

The World Bank was the largest DP in FY 2024/25, with disbursements increasing from USD 276.0 million in FY 2023/24. This DP reached its highest annual volume of USD 794.6 million in FY 2020/21 during the period of the global pandemic.

## 11.2 The World Bank

**Figure 11.12: ODA Disbursements - World Bank, FY 2015/16 - 2024/25**

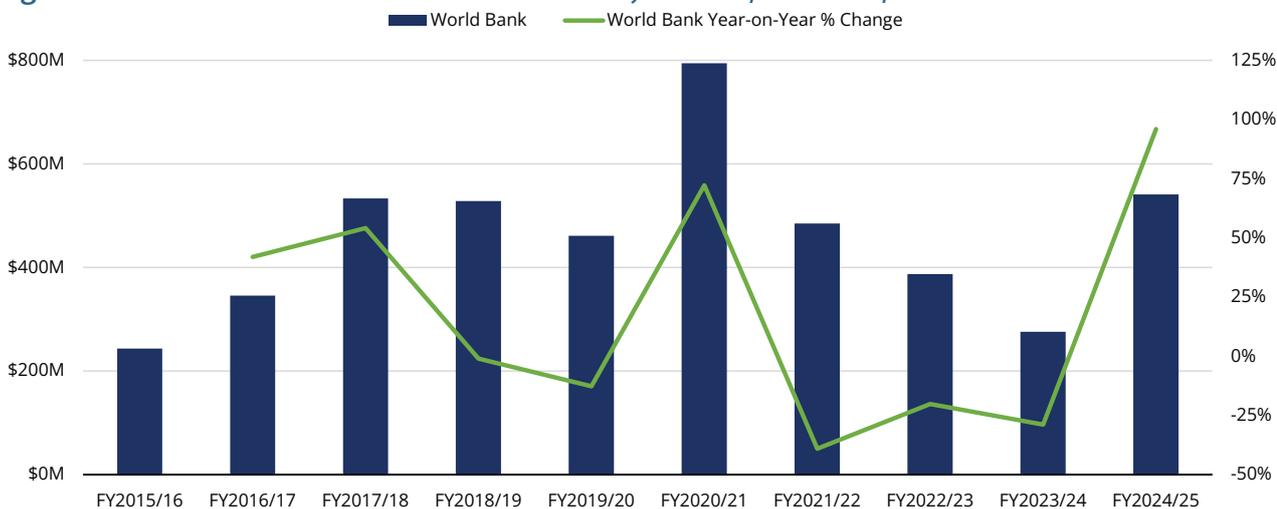


Figure 11.12 presents the annual Official Development Assistance disbursements provided by the World Bank over the ten year period from FY 2015/16 to FY 2024/25, alongside the year on year percentage fluctuations. In FY 2024/25, disbursements from the World Bank reached USD 541.0 million, which indicates a 96.0 percent increase from the USD 276.0 million recorded in FY 2023/24,. The highest volume of support during this decade was observed in FY 2020/21, when funding totaled USD 794.6 million,. This peak resulted from a 72.2 percent rise from the preceding year, as the institution provided resources for the national response to the global pandemic.

Following this exceptional period, funding decreased for three years, dropping to USD 484.9 million in FY 2021/22 and USD 387.4 million in FY 2022/23. In the early portion of the decade, support increased from USD 243.7 million in FY 2015/16 to USD 533.5 million in FY 2017/18, reflecting a 54.2 percent annual growth rate,. The data illustrates the long term role and financial response of the World Bank as one of the leading DPs within the development environment.

### 11.3 Asian Development Bank

Figure 11.13: ODA Disbursements - ADB, FY 2015/16 - 2024/25

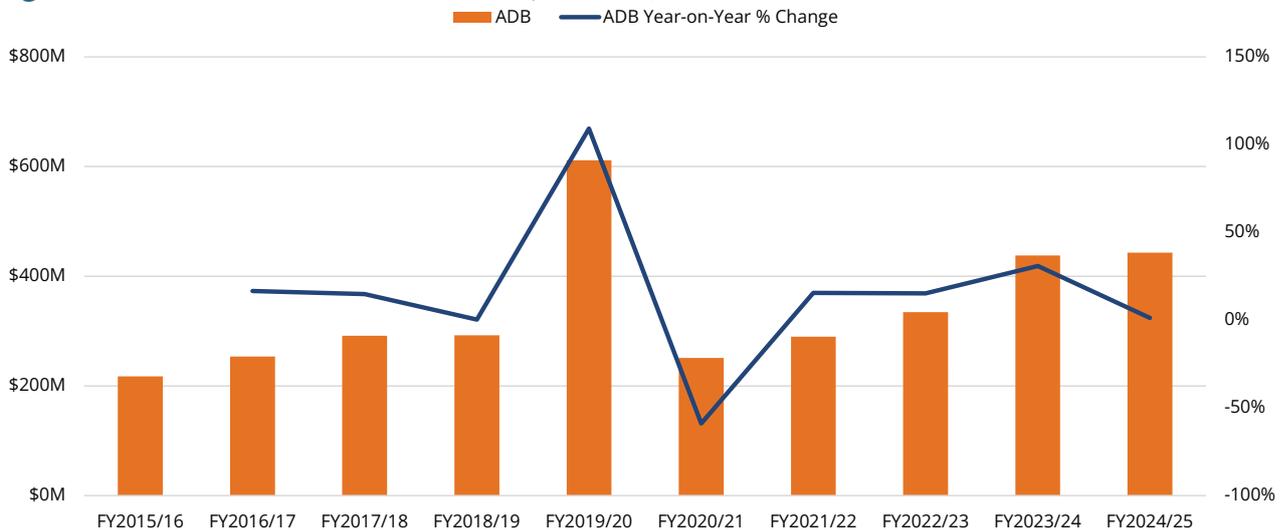


Figure 11.13 presents the annual Official Development Assistance disbursements from the Asian Development Bank to Nepal over the ten year period from FY 2015/16 to FY 2024/25, alongside the corresponding year on year percentage fluctuations. At the beginning of the decade in FY 2015/16, contributions amounted to USD 217.7 million. The volume of aid followed a moderate upward trajectory before reaching a historical peak of USD 611.5 million in FY 2019/20. This substantial peak resulted from a 109.1 percent increase from the preceding year, primarily due to emergency support for the global pandemic and large scale infrastructure projects in the energy and water sectors.

Following a sharp correction to USD 251.1 million in FY 2020/21, disbursements have demonstrated a steady recovery. In FY 2023/24, funding rose to USD 437.7 million, representing a 30.9 percent increase from the prior period. During the most recent fiscal year, FY 2024/25, disbursements reached USD 443.2 million. This level indicates a growth of 1.3 percent compared to the volume recorded in FY 2023/24. The Asian Development Bank maintains its role as a leading source of aid for the government, with a portfolio focused on climate resilient infrastructure, energy transmission, and agricultural commercialization.

### 11.4 India

Figure 11.14: ODA Disbursements - India, FY 2015/16 - 2024/25

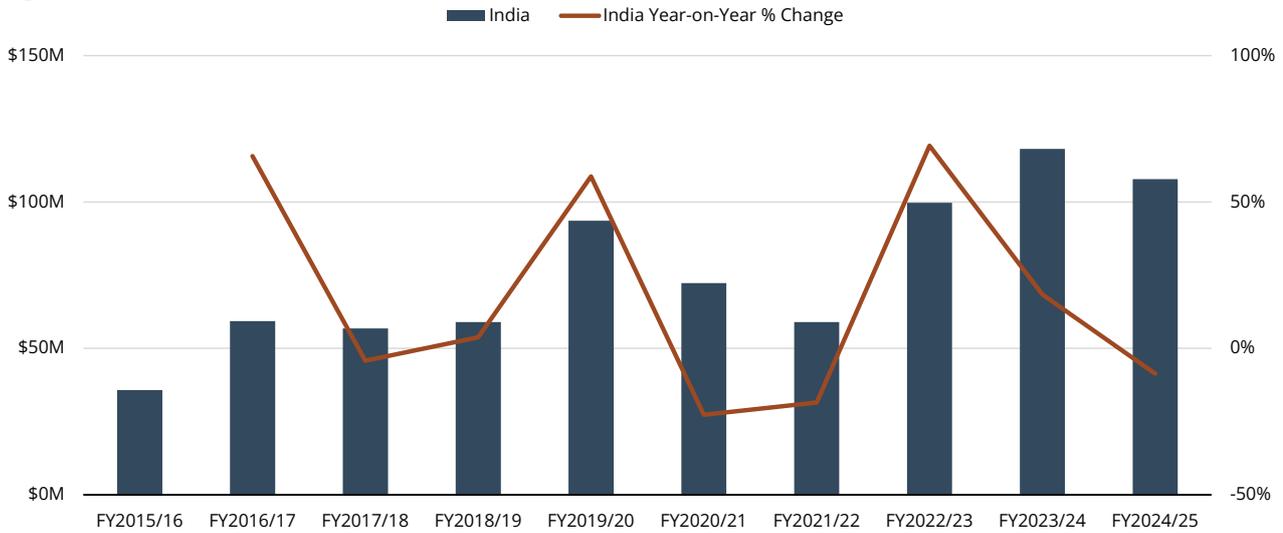
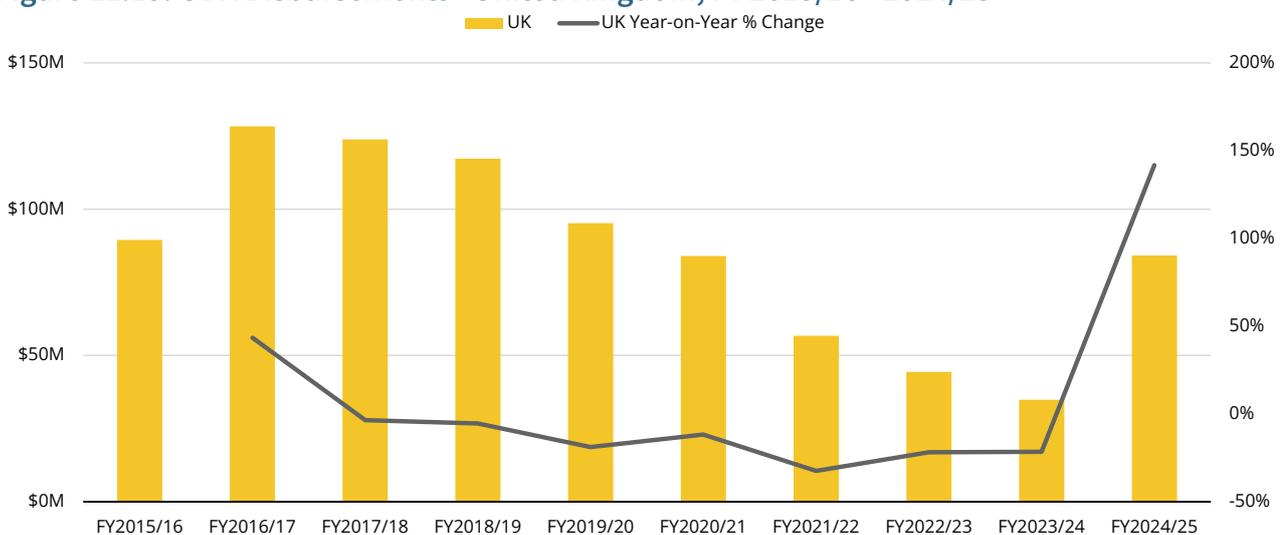


Figure 11.14 details the annual Official Development Assistance disbursements provided by India over the ten year period from FY 2015/16 to FY 2024/25, alongside the corresponding year on year percentage fluctuations. Support from this DP began the decade at USD 35.8 million in FY 2015/16 and reached USD 107.8 million in the most recent fiscal year. The volume of aid rose significantly to USD 93.6 million in FY 2019/20, which represented a 58.7 percent increase from the previous year. This growth was followed by a reduction in funding for two years, during which disbursements dropped to USD 72.3 million in FY 2020/21 and USD 58.9 million in FY 2021/22,. A major recovery occurred in FY 2022/23, as disbursements increased by 69.2 percent to reach USD 99.8 million,. In FY 2023/24, India recorded its highest annual disbursement of the decade at USD 118.1 million,. The data for FY 2024/25 shows a contraction of 8.7 percent compared to the prior year. India remains a primary bilateral DP for the government, focusing its assistance on connectivity, high impact community development projects, and educational infrastructure.

### 11.5 United Kingdom

Figure 11.15: ODA Disbursements - United Kingdom, FY 2015/16 - 2024/25



The data provides the annual Official Development Assistance disbursements from the United Kingdom to Nepal during the ten year period from FY 2015/16 to FY 2024/25. In FY 2024/25,

disbursements from the United Kingdom reached USD 84.2 million, representing a 141.8 percent increase from the USD 34.8 million recorded in FY 2023/24. This growth follows a long period of diminishing aid levels from this DP. The maximum volume of support during the decade was recorded in FY 2016/17, with disbursements of USD 128.3 million. Between FY 2017/18 and FY 2023/24, support from this DP showed a steady reduction, reaching its minimum point of USD 34.8 million in the previous fiscal year. The latest figures show a return to higher aid volumes, concentrating on areas such as climate action and industrial growth.

## 11.6 United States

Figure 11.16: ODA Disbursements - USA, FY 2015/16 - 2024/25

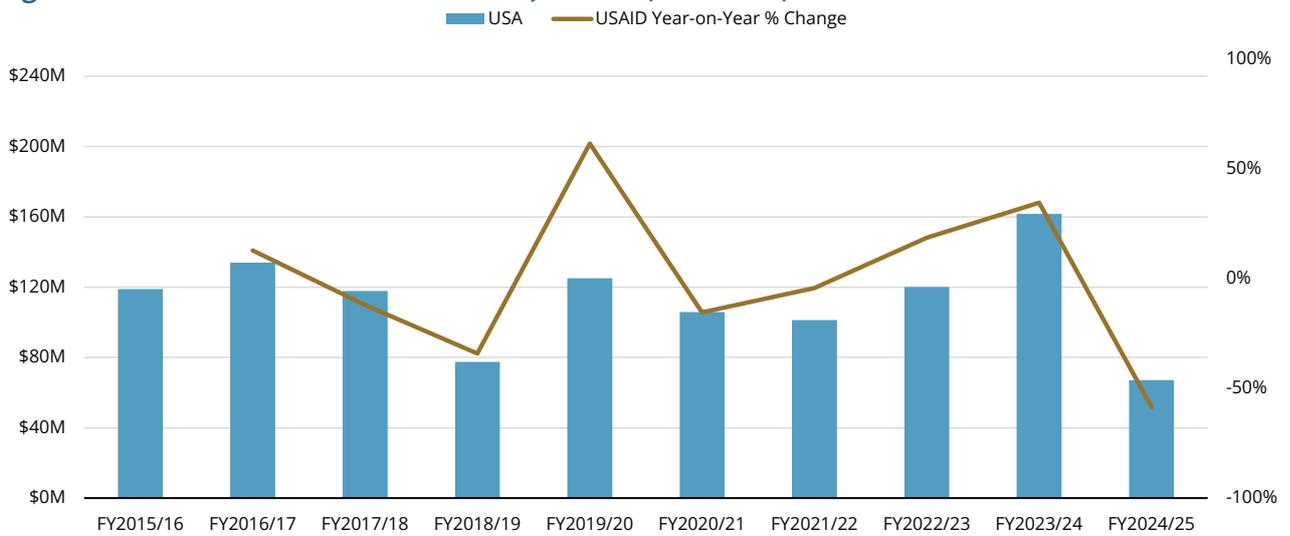


Figure 11.16 provides an overview of the annual Official Development Assistance disbursements from USAID to Nepal over the ten year period from FY 2015/16 to FY 2024/25. In FY 2024/25, disbursements from USAID totaled USD 67.1 million, which was a 58.5 percent reduction from the USD 161.7 million recorded in FY 2023/24. This DP has maintained a large presence in the development sector of the country, although its annual contributions have shown notable changes.

Funding from USAID began the decade at USD 118.9 million in FY 2015/16. The highest annual disbursement within the ten year period was recorded in FY 2023/24 at USD 161.7 million. In contrast, the volume of aid fell to its lowest point of the decade in FY 2024/25. Other historical data points show a decline to USD 77.5 million in FY 2018/19 followed by a recovery to USD 125.2 million in FY 2019/20. USAID remains a major bilateral partner for the government, with a strategic focus on strengthening national systems, health infrastructure, and governance reforms

## 11.7 United Nations

Figure 11.17: UN ODA Disbursements by UN Entity - On-/Off-Budget, FY 2024/25

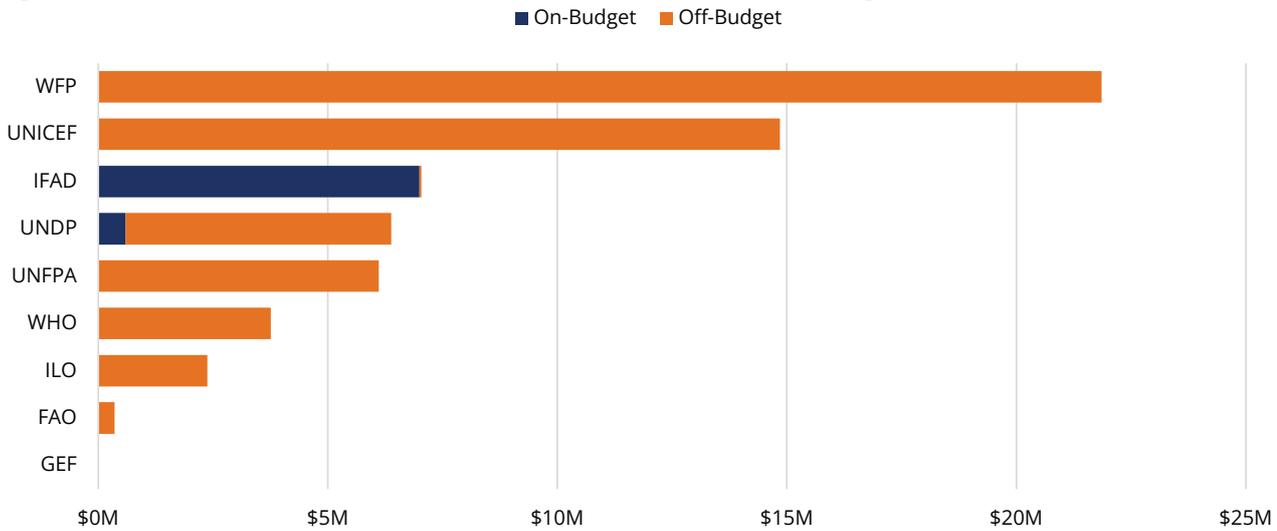


Figure 11.17 provides a breakdown of ODA disbursements from United Nations (UN) agencies in FY 2024/25, categorized by their use of on-budget and off-budget modalities. The data illustrates a clear preference for off-budget support among the majority of UN organizations operating in Nepal. Total disbursements from the UN system in FY 2024/25 reached USD 64.5 million.

The World Food Programme (WFP) provided USD 21.9 million entirely through off-budget mechanisms. UNICEF followed the same modality with disbursements of USD 14.9 million.. IFAD provided USD 7.0 million, with USD 7.0 million reflected on-budget and a smaller portion of USD 40,000 delivered off-budget. UNDP disbursed USD 6.4 million, consisting of USD 5.8 million in off-budget and USD 0.6 million in on-budget support. All of the remaining disbursements from UN entities, such as UNFPA at USD 6.1 million, WHO at USD 3.8 million, ILO at USD 2.4 million, UN-Habitat at USD 1.8 million, and FAO at USD 0.4 million used off-budget channels. No disbursements were reported for the GEF during this period.

The continued reliance on off-budget funding by most UN entities highlights an institutional focus on direct program delivery and operational control. This pattern is not in line with principles of alignment and ownership and requires tremendous need of coordination with the government to ensure that such interventions are effectively owned by the Government and remain synchronized with national development priorities.

## CHAPTER

## 12

## INTERNATIONAL NON-GOVERNMENTAL ORGANISATIONS

International Non-Governmental Organisations are key contributors in advancing Nepal's development agenda across a wide range of sectors. Their contribution extends beyond the direct services delivery to advocacy, public awareness, education in areas of public interest and reinforcing transparency and mutual accountability.

This chapter highlights ODA disbursements through INGOs, underscoring their pivotal role in fostering inclusive, equitable, and sustainable development outcomes for prosperous Nepal.

**Figure 12.1: ODA Disbursements vs. INGO Disbursements, FY 2015/16 - 2024/25<sup>8</sup>**

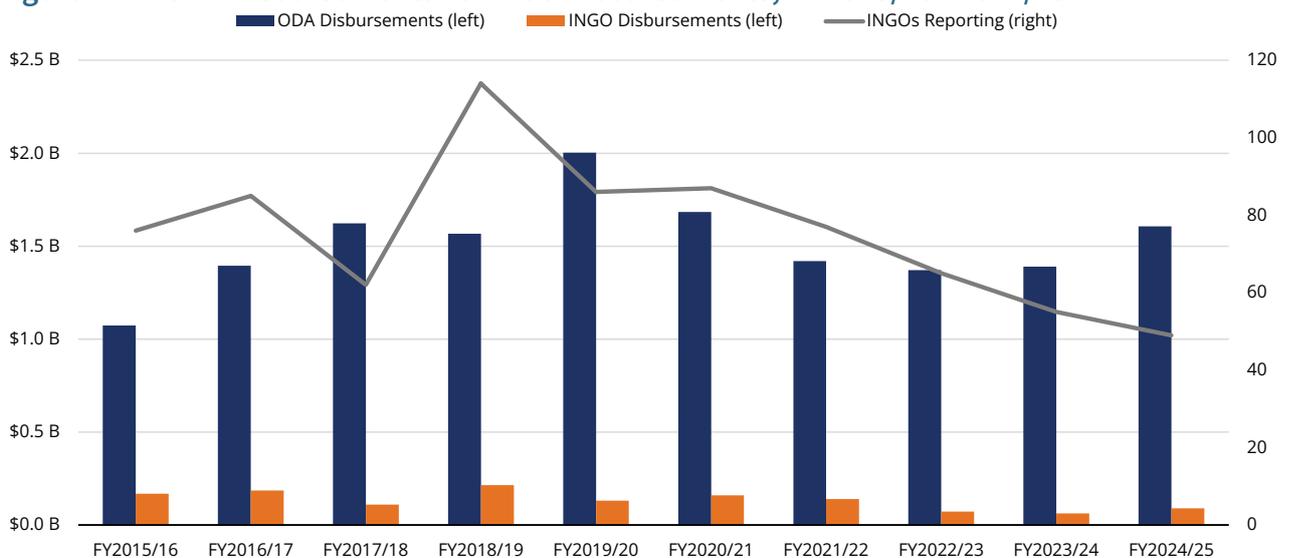


Figure 12.1 contains information on the annual ODA disbursements compared with the funds provided by International Non-Governmental Organisations from FY 2015/16 to FY 2024/25. In FY 2024/25, total ODA disbursements were USD 1.607 billion. This volume is a rise from the USD 1.390 billion recorded in FY 2023/24. The highest level of ODA support during the last decade was seen in FY 2019/20, when the amount reached USD 2.003 billion.

The financial support provided through INGOs has changed often during this period. Disbursements from these organisations reached their highest point of USD 215.3 million in FY 2018/19. After that time, the volume generally decreased for several years. In FY 2024/25, INGO disbursements were USD 90.0 million, which is more than the USD 63.1 million seen in FY 2023/24.

<sup>8</sup> Data on INGOs disbursement captured in this DCR may be subject to inaccuracies due to potential double counting. At source, DPs might have reported and, at point of delivery, the intermediaries, such as an INGO or a UN agency might have reported. This potential inconsistency should be taken into consideration when interpreting the data.

The count of INGOs reporting their data has also fallen. In FY 2018/19, there were 114 organisations providing information to the system. This number has dropped in most years since then. In FY 2024/25, only 49 organisations reported their funding, which is the lowest number recorded during the ten year period. This reduction in the number of reporting entities follows the lower volume of aid provided through this channel compared to the middle of the decade. While DPs provide the majority of external finance, the contributions of INGOs remain part of the overall development environment.

**Figure 12.2: INGO Disbursements by Sector and Number of Projects, FY 2024/25**

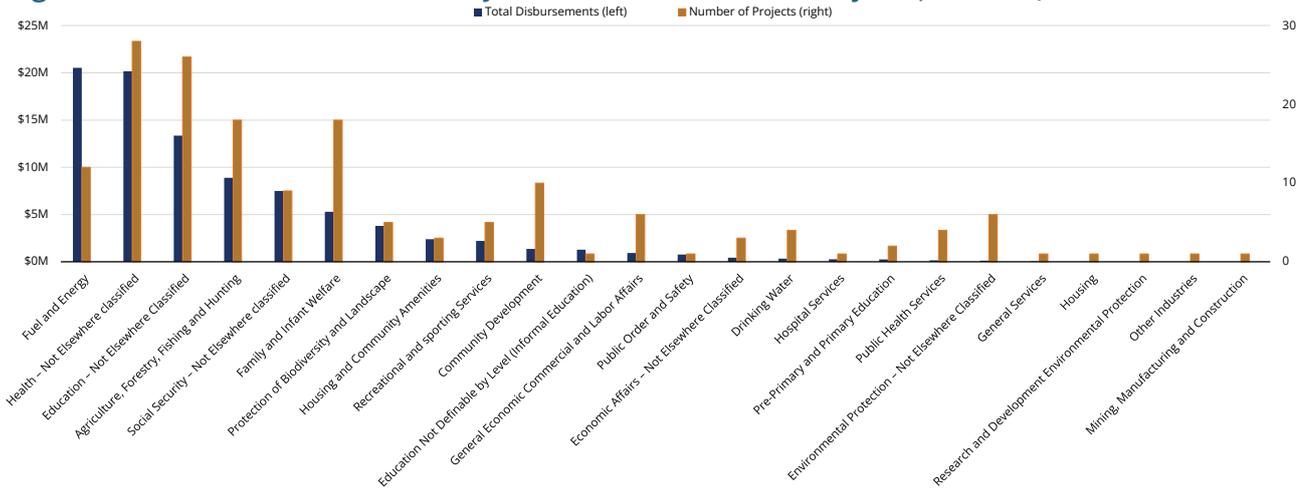


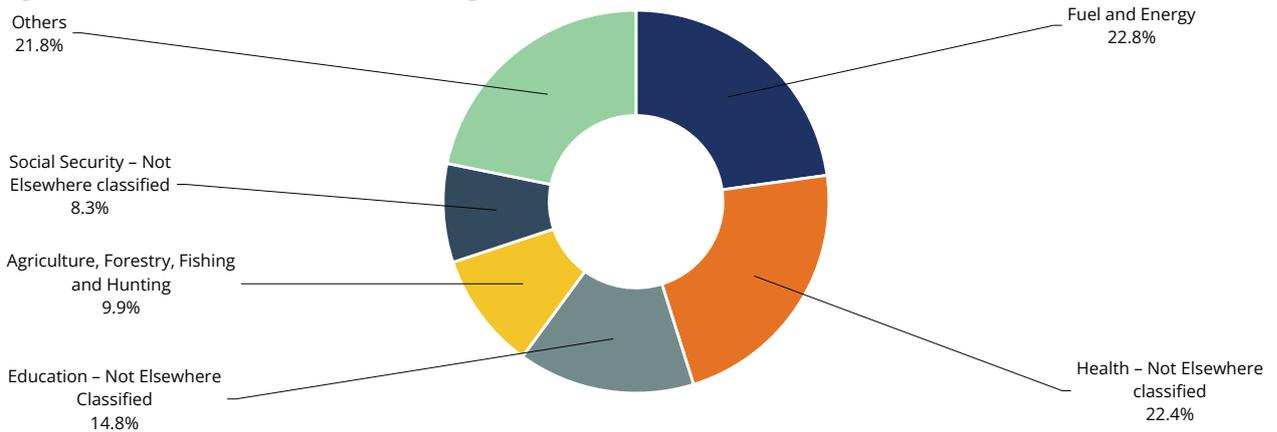
Figure 12.2 presents the distribution of disbursements from International Non Governmental Organisations across various sectors for FY 2024/25. The data shows that the Fuel and Energy sector received the largest volume of support, totaling USD 20.5 million across 12 projects. The Health Not Elsewhere classified sector followed with USD 20.2 million and the highest project frequency with 28 initiatives. Education Not Elsewhere Classified received USD 13.4 million through 26 projects.

The Agriculture, Forestry, Fishing and Hunting sector received USD 8.9 million across 18 projects. Support for Social Security Not Elsewhere classified reached USD 7.5 million while Family and Infant Welfare received USD 5.3 million. Protection of Biodiversity and Landscape received USD 3.8 million through 5 projects. Housing and Community Amenities and Recreational and sporting Services recorded USD 2.4 million and USD 2.2 million respectively.

Sectors receiving smaller volumes included Community Development with USD 1.4 million and Education Not Definable by Level (Informal Education) with USD 1.3 million. General Economic Commercial and Labor Affairs received USD 0.9 million and Public Order and Safety received USD 0.8 million. Economic Affairs Not Elsewhere Classified and Drinking Water received USD 0.4 million and USD 0.3 million respectively. Hospital Services, Pre Primary and Primary Education, and Public Health Services each recorded disbursements below USD 0.3 million. Housing saw the smallest engagement with USD 3,385 through a single project. The FY 2024/25 distribution shows a concentration in energy and social services while maintaining a presence in infrastructure and environmental activities.

Figure 12.3 shows the distribution of International Non Governmental Organisation disbursements across the primary sectors in Nepal for FY 2024/25. Total disbursements during this period were concentrated in five key areas, which are presented here in descending order of their financial volume.

**Figure 12.3: Top 5 Sectors Receiving INGO Disbursements, FY 2024/25**



The Fuel and Energy sector was the leading recipient, receiving USD 20.52 million. The Health (Not Elsewhere classified) sector followed with a total of USD 20.16 million. Support for the Education (Not Elsewhere Classified) sector reached USD 13.35 million. The Agriculture, Forestry, Fishing and Hunting sector received USD 8.89 million, while the Social Security (Not Elsewhere classified) sector received USD 7.50 million.

The category for all other sectors reached a total of USD 19.62 million. This includes various smaller engagements in fields such as housing, community development, and biodiversity protection. The results indicate that energy and social sectors are a priority for these organisations during the current fiscal year.

**Figure 12.4: Top 5 Disbursing INGOs, FY 2024/25**

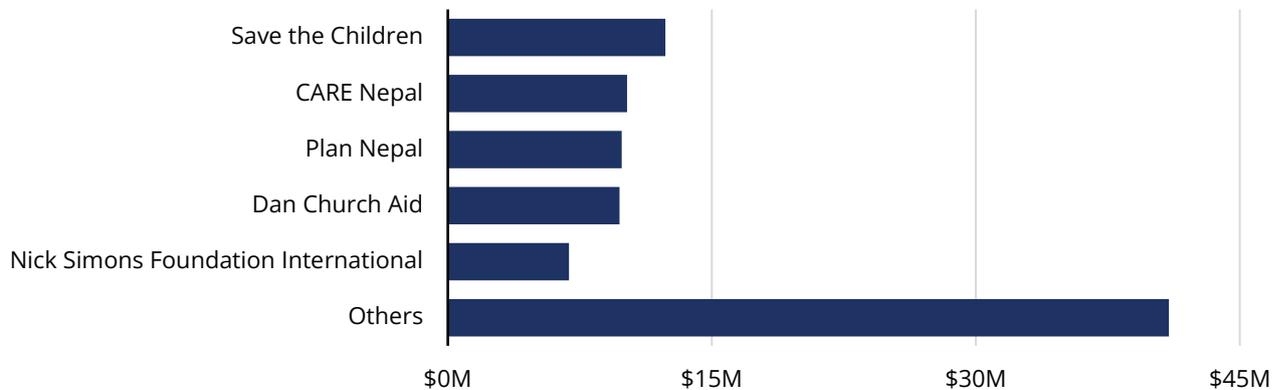


Figure 12.4 identifies the leading International Non Governmental Organisations based on their total disbursements for FY 2024/25. Total funding delivered through these organisations amounted to USD 90.0 million during the fiscal year. Save the Children recorded the highest individual contribution with USD 12.4 million. CARE Nepal followed with a total of USD 10.2 million. Plan Nepal and Dan Church Aid provided USD 9.9 million and USD 9.8 million respectively. Nick Simons Foundation International was the final of the five leading organisations with a disbursement of USD 6.9 million. Other organisations collectively disbursed USD 41.0 million during the fiscal year. These figures show that while a few large organisations provide substantial funding, a wide variety of smaller entities continue to work in the national development environment. This funding remains separate from the aid delivered by DPs.

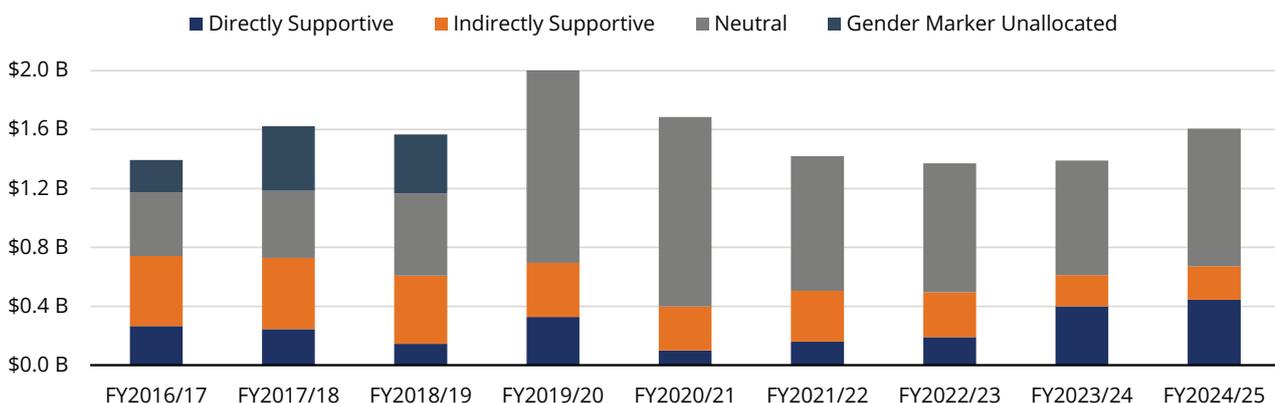
# CHAPTER 13 GENDER ANALYSIS

To assess the extent of gender mainstreaming in development cooperation, the DFIMS employs a dedicated gender marker classification system. This mechanism categorizes ODA-funded projects according to the degree to which they support gender equality and women’s empowerment. Specifically, projects are classified as directly supportive, indirectly supportive, or neutral, depending on the proportion of their budget allocated to gender-related objectives.

- **Directly Supportive:** These projects expressly allocate more than 50 percent of their total budget toward efforts to promote gender equality and empower women.
- **Indirectly Supportive:** These projects dedicate between 20 percent and 50 percent of their total budget to gender equality and women’s empowerment. While these initiatives may have other primary objectives, they still allocate a significant portion of their resources to gender-focused activities.
- **Neutral:** These projects allocate less than 20 percent of their total budget to specific gender equality and women’s empowerment goals. While they may contribute to these goals indirectly or through a holistic approach, the explicit financial commitment remains comparatively small.

This section examines trends in gender-focused ODA from FY 2016/17 to FY 2024/25, analyzing disbursement volumes, project numbers, budget modalities, and development partner contributions. Gender marker analysis was first introduced in the Development Cooperation Report in FY 2016/17 through the former Aid Management Platform (AMP). Accordingly, this nine-year period provides the foundation for the present longitudinal assessment of gender integration in development cooperation.

**Figure 13.1: ODA and Gender Marker Classification, FY 2016/17- 2024/25**



Neutral projects accounted for the largest portion of the portfolio in FY 2024/25, with disbursements totaling USD 935.1 million. This category was followed by directly supportive initiatives, which received USD 444.2 million, and indirectly supportive projects with USD 227.3 million. The gender marker unallocated category remained at zero for the current period, which indicates that DPs are providing the necessary data for gender screening.

Funding for directly supportive projects recorded an increase from USD 399.1 million in FY 2023/24 to USD 444.2 million in FY 2024/25. Neutral project disbursements also increased from USD 777.9 million to USD 935.1 million during the same period. Indirectly supportive funding moved from USD 213.4 million in the previous fiscal year to USD 227.3 million in the current period.

In terms of proportional shares, neutral projects represented 58.2 percent of the total ODA volume in FY 2024/25. Directly supportive projects made up 27.6 percent, while indirectly supportive projects accounted for 14.1 percent. The combined share of directly and indirectly supportive aid was 41.8 percent of the total ODA recorded for FY 2024/25. This result indicates a decrease from the 44.05 percent combined share reported in FY 2023/24.

**Figure 13.2: Gender Marker Classification by Number of Projects, FY 2016/17 - 2024/25**

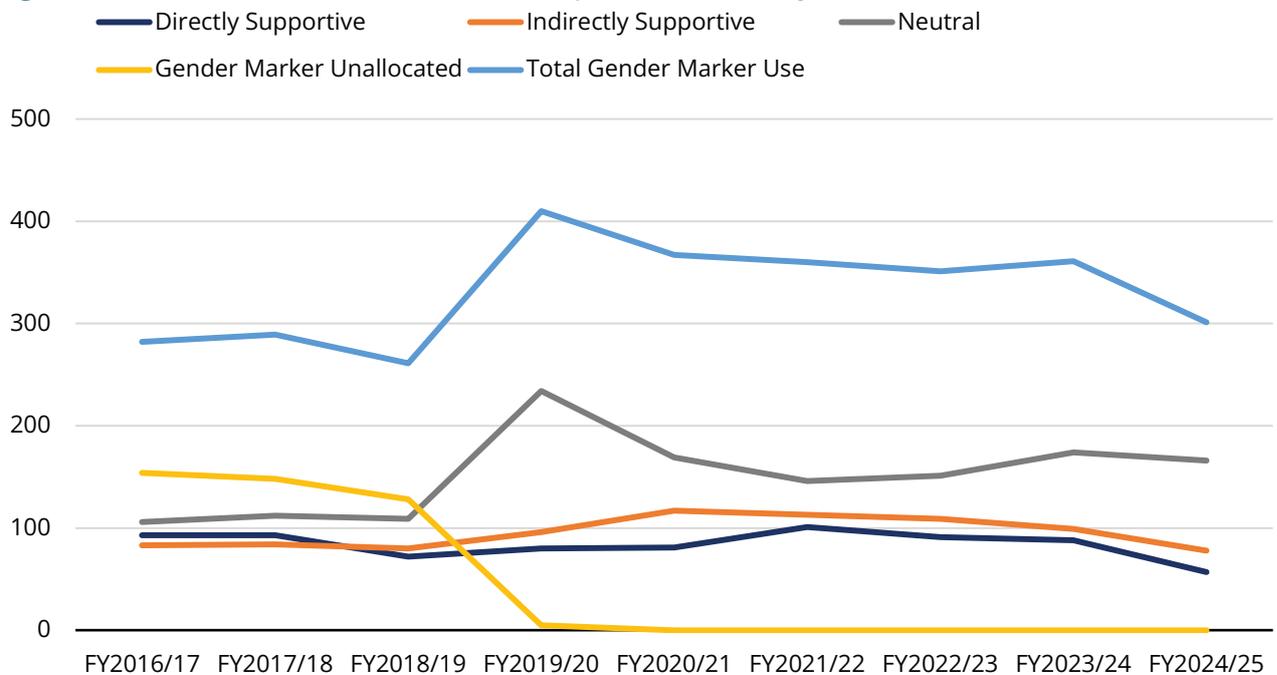


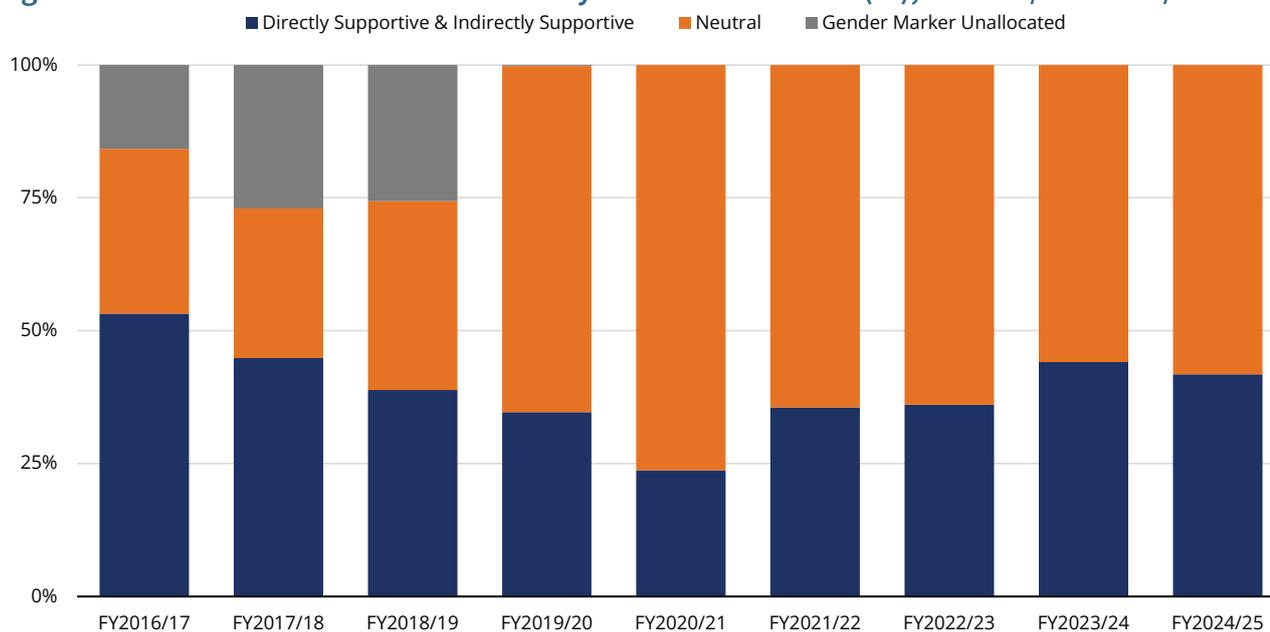
Figure 13.2 shows the number of projects classified by gender markers over the nine year period from FY 2016/17 to FY 2024/25. The total volume of projects decreased during the most recent period, falling to 301 from the 361 projects recorded in FY 2023/24. Neutral projects remained the most common classification, accounting for 166 initiatives. This category represented 55.1 percent of the total project portfolio for the fiscal year.

The count of projects with gender responsive objectives saw a reduction in FY 2024/25. There were 78 projects classified as indirectly supportive and 57 projects identified as directly supportive. This indicates a decline from the 99 indirectly supportive and 88 directly supportive projects documented in FY 2023/24. Despite the lower project counts, the combined share of directly and indirectly supportive initiatives was 44.85 percent of the total projects.

A notable feature in the data is the continued absence of unallocated gender markers. The count for this category has remained at zero since FY 2020/21. This outcome indicates that DPs are providing the required information to screen all new and ongoing activities. The systematic use of these

markers by DPs helps the government track the distribution of aid across different levels of gender mainstreaming.

**Figure 13.3: Gender Marker Classification by ODA Disbursement (%), FY 2016/17 - 2024/25**



As consistently cited in the previous issues of DCR, the research highlights the substantial economic benefits of advancing gender equality. A study by the McKinsey Global Institute estimates that achieving full gender parity in global labor markets could increase global annual GDP by as much as USD 28 trillion (or 26 percent)<sup>9</sup>. In the context of Nepal, the gradual shift toward gender-supportive development projects and increased allocation of ODA to gender-related initiatives represent an important pathway for promoting inclusive and sustainable economic growth.

As illustrated in Figure 13.3, the combined share of directly and indirectly gender-supportive ODA declined significantly in earlier years, falling from 53.2 percent in FY 2016/17 to a low of 23.7 percent in FY 2020/21. However, this trend began to reverse in recent years. In FY 2023/24, the combined share of gender-supportive ODA rose markedly to 44.1 percent and remained relatively stable at 41.8 percent in FY 2024/25.

Conversely, gender-neutral disbursements, which peaked at 76.3 percent in FY 2020/21, have gradually declined, falling to 55.9 percent in FY 2023/24 and further adjusting to 58.2 percent in FY 2024/25.

This trend suggests a gradual reorientation of ODA toward more targeted gender-responsive investment. Moreover, the elimination of the unallocated category since FY 2020/21 demonstrates full compliance with the gender marker classification system and improved data management practices. This development aligns closely with the broader commitments to transparency and mutual accountability in development cooperation. Collectively, these trends reflect a strengthening commitment to gender-responsive budgeting and more transparent reporting of development cooperation.

<sup>9</sup> McKinsey Global Institute. (2015). The Power of Parity: How Advancing Women's Equality Can Add \$12 Trillion to Global Growth. Retrieved from <https://www.mckinsey.com/featured-insights/-employment-and-growth/how-advancing-womens-equality-can-add-12-trillion-to-global-growth>  
Also cited in the previous DCRs

**Figure 13.4: Gender Marker Classification by Number of Projects (%), FY 2016/17 - 2024/25**

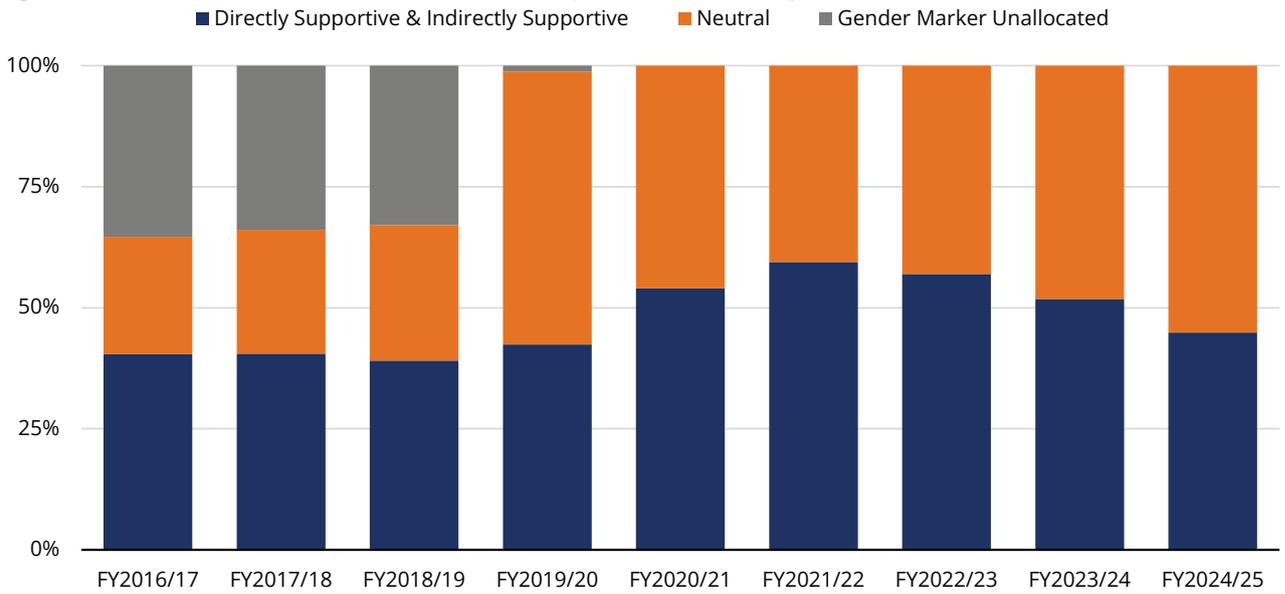


Figure 13.4 provides the proportional distribution of development projects across gender marker categories from FY 2016/17 to FY 2024/25. During the most recent fiscal year, the total number of projects recorded in the system was 301.

The data indicates that neutral projects formed the largest portion of the portfolio, accounting for 55.1 percent of the total initiatives. Indirectly supportive projects represented 25.9 percent, while directly supportive projects made up 18.9 percent of the total count. The category for unallocated gender markers remained at zero percent, which continues a pattern of complete data reporting observed since FY 2020/21.

The combined share of gender responsive projects, which includes both directly and indirectly supportive categories, reached 44.85 percent in FY 2024/25. This result shows a reduction compared to the 51.80 percent share recorded in FY 2023/24. Conversely, the proportion of projects classified as neutral increased from 48.2 percent in the prior year to the current level of 55.1 percent.

While the elimination of unallocated markers indicates that DPs are providing necessary information for gender screening, the results show a change in the project mix. Over half of the active projects in FY 2024/25 are identified as having no specific objectives related to gender equality or women empowerment activities.

**Figure 13.5: ODA and Gender Marker Classification - On-Budget vs Off-Budget, FY 2024/25**

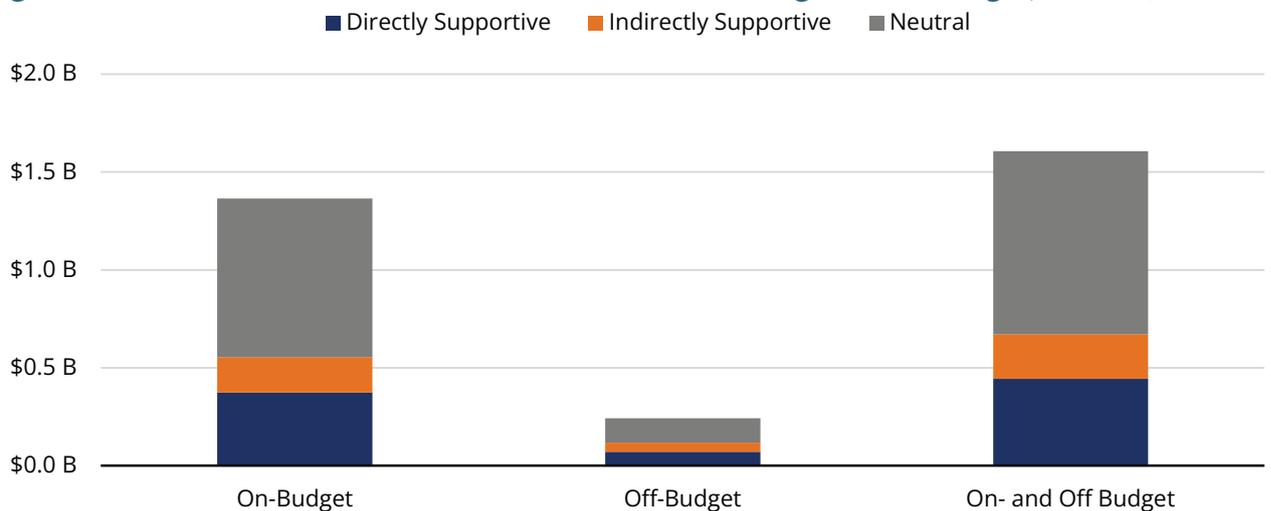


Figure 13.5 provides a detailed breakdown of Official Development Assistance disbursements for FY 2024/25 according to budgetary modality and gender marker classification. Total disbursements during the fiscal year reached USD 1,606.6 million, with USD 1,364.6 million delivered through on-budget channels and USD 242.0 million provided off-budget.

Within the on-budget portfolio, the largest share of funding was recorded for neutral projects at USD 810.0 million. This was followed by directly supportive initiatives at USD 373.3 million and indirectly supportive projects at USD 181.2 million. In comparison, off-budget support was distributed between neutral projects (USD 125.1 million), directly supportive initiatives (USD 70.9 million), and indirectly supportive projects (USD 46.1 million).

An examination of these figures shows that on-budget aid accounted for the vast majority of directly supportive finance, representing 84.0 percent of the total volume for that category. While off-budget ODA is smaller in scale, a significant portion of its total volume is concentrated on gender responsive activities, with directly and indirectly supportive projects together accounting for 48.3 percent of its total disbursements. These results indicate that both modalities play distinct roles in the implementation of gender mainstreaming across the development portfolio.

**Figure 13.6: Proportion of Development Partner Disbursements Directly or Indirectly Supportive of Gender Mainstreaming, FY 2024/25**

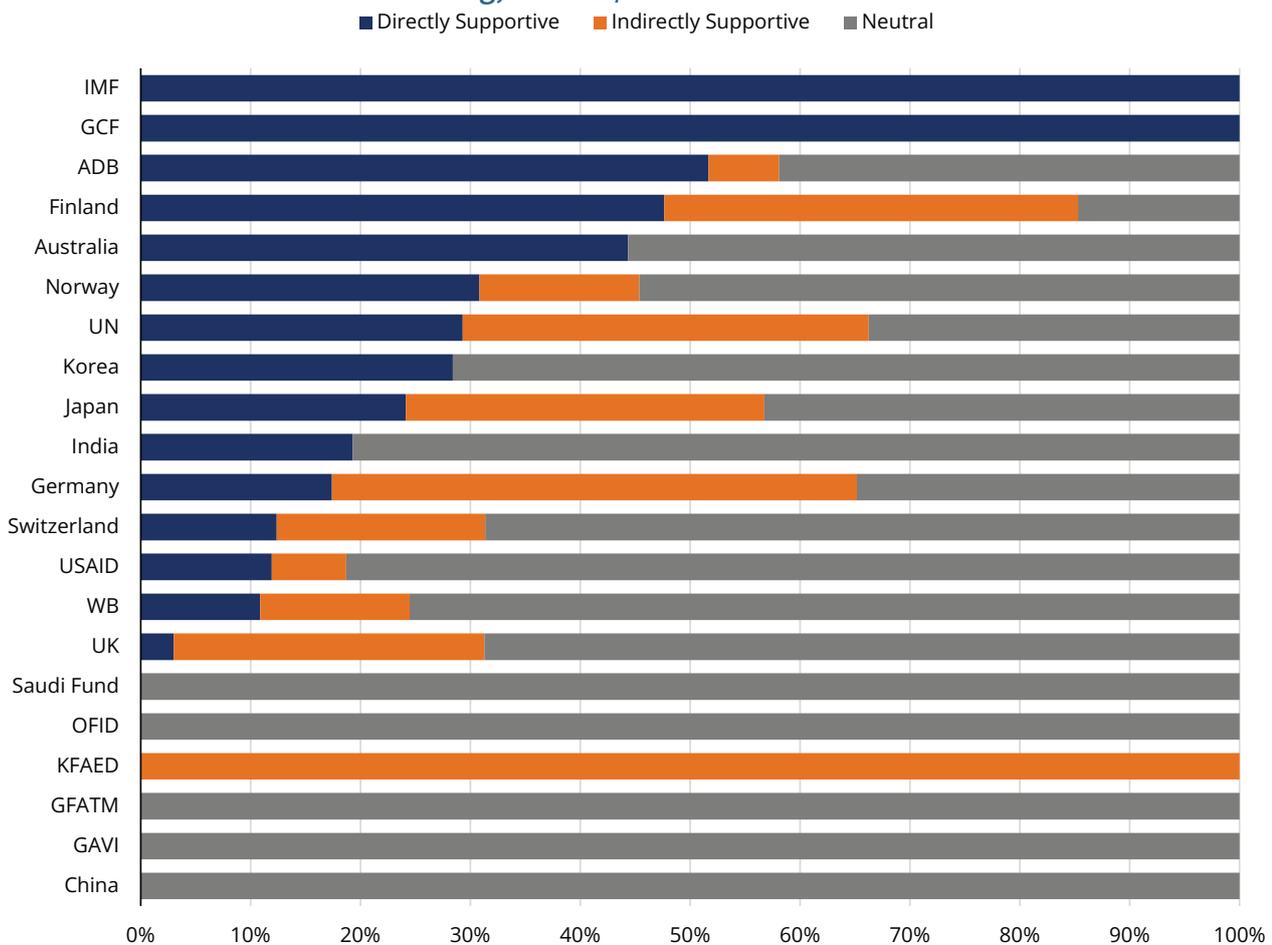


Figure 13.6 shows the proportional shares of Official Development Assistance disbursements for FY 2024/25 divided by gender marker categories for primary DPs. The results illustrate that various DPs prioritize specific markers within their aid portfolios.

In the directly supportive group, the GCF and the IMF delivered 100.00 percent of their funds for projects with primary gender equality goals. Other DPs with high proportions in this category include the ADB at 51.68 percent, Finland at 47.65 percent, and Australia at 44.35 percent. Directly supportive levels were also documented for Norway at 30.84 percent, the UN system at 29.31 percent, Korea at 28.40 percent, and Japan at 24.14 percent. Further aid was provided by India at 19.32 percent, Germany at 17.41 percent, Switzerland at 12.38 percent, USAID at 11.93 percent, the World Bank at 10.89 percent, and the UK at 3.00 percent.

For the indirectly supportive marker, KFAED delivered its entire assistance of 100.00 percent through this classification. Germany followed with 47.77 percent, while Finland and the UN system provided 37.65 percent and 36.94 percent respectively. The list of DPs with indirect support also includes Japan at 32.61 percent, the UK at 28.29 percent, Switzerland at 18.98 percent, Norway at 14.54 percent, and the World Bank at 13.59 percent. USAID and the ADB reported lower shares of 6.78 percent and 6.41 percent.

The category for neutral aid was used for 100.00 percent of the disbursements from China, GAVI, GFATM, OFID, and the Saudi Fund. Other neutral shares were seen in USAID at 81.29 percent, India at 80.68 percent, the World Bank at 75.52 percent, and Korea at 71.60 percent. The UK recorded 68.71 percent, followed by Switzerland at 68.65 percent, Australia at 55.65 percent, and Norway at 54.62 percent. Japan and the ADB showed neutral levels of 43.25 percent and 41.91 percent, while Germany and the UN system provided 34.82 percent and 33.75 percent. Finland reported the smallest neutral share at 14.71 percent.

These statistics suggest that gender specific outcomes are not always fully documented in the reporting for sectors such as energy or transportation. Improvements in reporting methods for these DPs could help track how aid affects gender parity across the national economy.

# CHAPTER 14 CLIMATE FINANCE

Climate finance has emerged as an increasingly important priority within Nepal’s ODA landscape, reflecting the country’s growing commitment to climate-resilient development. For the first time, the previous Aid Management Information System (AMIS) incorporated project-level classifications based on climate relevance, categorizing interventions as highly relevant, relevant, or neutral in relation to climate objectives. This methodological enhancement represents a significant step toward systematically tracking climate-related development finance.

The introduction of this classification framework allows for a more comprehensive assessment of how DPs are aligning their disbursements with Nepal’s climate priorities. In particular, it strengthens the ability to monitor the extent to which external assistance supports national commitments under the Paris Agreement and the country’s updated Nationally Determined Contributions.

By enabling clearer identification of climate-focused investments within the ODA portfolio, this system improvement enhances transparency and provides a stronger evidence base for assessing the scale and distribution of climate finance. Ultimately, it supports more informed policy dialogue between the Government of Nepal and Development Partners, facilitating better alignment of development cooperation with national climate resilience and adaptation priorities.

**Figure 14.1: ODA and Climate Finance Marker Classification by ODA Disbursements and Number of Projects, FY 2024/25**

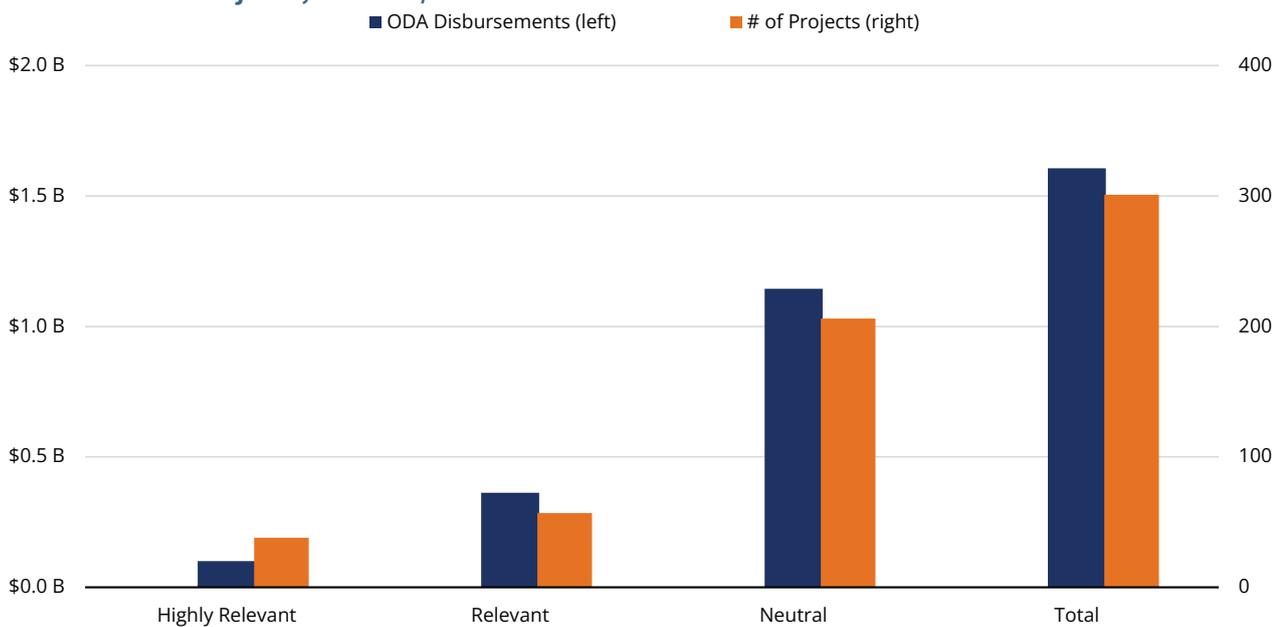


Figure 14.1 provides the distribution of Official Development Assistance for FY 2024/25 according to the climate finance marker classification. This system categorises interventions as Highly Relevant, Relevant, or Neutral regarding climate change mitigation and adaptation objectives.

Regarding financial volume, total disbursements for the period reached USD 1,606.6 million. Projects tagged as neutral accounted for the largest share of funding, totalling USD 1,143.9 million, which represents 71.2 percent of the total ODA. This was followed by initiatives classified as relevant, which received USD 362.4 million or 22.6 percent of the funding. The highly relevant category received USD 100.3 million, representing 6.2 percent of the total disbursements.

From a project count perspective, the portfolio consisted of 301 active projects in FY 2024/25. The neutral category included 206 projects. Relevant initiatives accounted for 57 projects, while 38 projects were identified as highly relevant to climate objectives. These figures indicate that while climate integration is present, a majority of development activities did not explicitly identify climate related outcomes in the reporting provided by DPs.

Because climate change represents a significant global public good, the integration of climate considerations across all ODA portfolios is an essential necessity for national resilience. The high proportion of climate neutral projects indicates a need for improved project design or enhanced reporting mechanisms within the DFIMS to better capture climate focused elements. Future efforts should prioritise regular orientation for officials to ensure that climate intensity is accurately documented at the activity level.

## SUPPORT FOR COVID-19

In the aftermath of the global COVID-19 pandemic, the Government of Nepal has remained committed to addressing both the public health and economic impacts of the crisis. Targeted measures were implemented to mitigate socio-economic disruptions, particularly for low-income households, small and medium-sized enterprises, farmers, and other vulnerable groups. Given the evolving nature of the pandemic, the government continuously reviewed and adjusted its support measures to ensure their relevance and effectiveness.

Public health remained a central priority, with efforts focused on equitable vaccine distribution, continued access to essential health services, and policy reforms to support economic recovery. With substantial support from development partners through COVID-related ODA, Nepal achieved notable progress in its pandemic response. However, as infection rates declined and immediate risks subsided, COVID-specific assistance gradually decreased. In response, the Government of Nepal has emphasized a strategic transition toward long-term support to strengthen the health sector, enhance preparedness for future health emergencies, and ensure sustained access to quality health services.

### Box 3: COVID-19 Active Response and Expenditure Support Program

Launched on March 29, 2020, the National Relief Program (NRP) was initiated with the aim of minimising the impact of COVID-19 and supporting the country's socio-economic recovery. The total estimated cost of the programme was USD 1.26 billion, structured around three key pillars: USD 347 million for medical and health response, USD 359 million for social protection targeting poor and vulnerable populations, and USD 555 million for economic support to affected sectors.

To support effective implementation of the NRP, Nepal mobilized substantial assistance from development partners. The Asian Development Bank provided USD 250 million through the COVID-19 Active Response and Expenditure Support (CARES) Programme, while the World Bank contributed USD 122 million under the COVID-19 Emergency Response and Health System Preparedness Project, which included support for vaccine procurement.

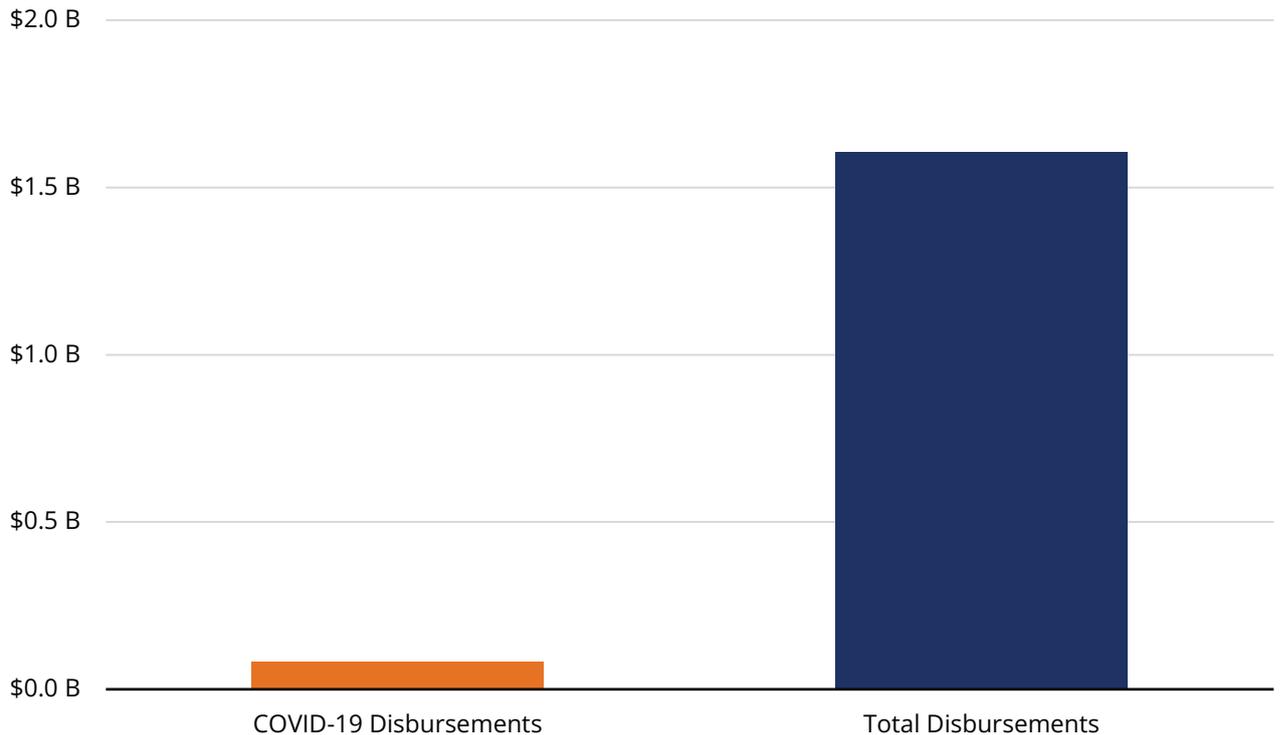
**Figure 15.1: Total ODA Disbursements vs COVID-19 Disbursements, FY 2024/25**

Figure 15.1 compares total ODA disbursements with those specifically earmarked for COVID-19 interventions in FY 2024/25. Of the USD 1.6 billion disbursed during the fiscal year, only USD 84.1 million was formally recorded as COVID-19-specific assistance.

Although commitments to address the longer-term impacts of the pandemic continue, the relatively modest level of dedicated disbursements indicates a stabilization as Nepal transitions fully into the recovery phase. The lower recorded volume largely reflects a shift in reporting practices: resources previously allocated for emergency COVID-19 response have increasingly been integrated into broader health sector programmes and general budgetary support. As a result, such expenditures are now typically recorded under their primary sector classifications rather than as pandemic-specific assistance.

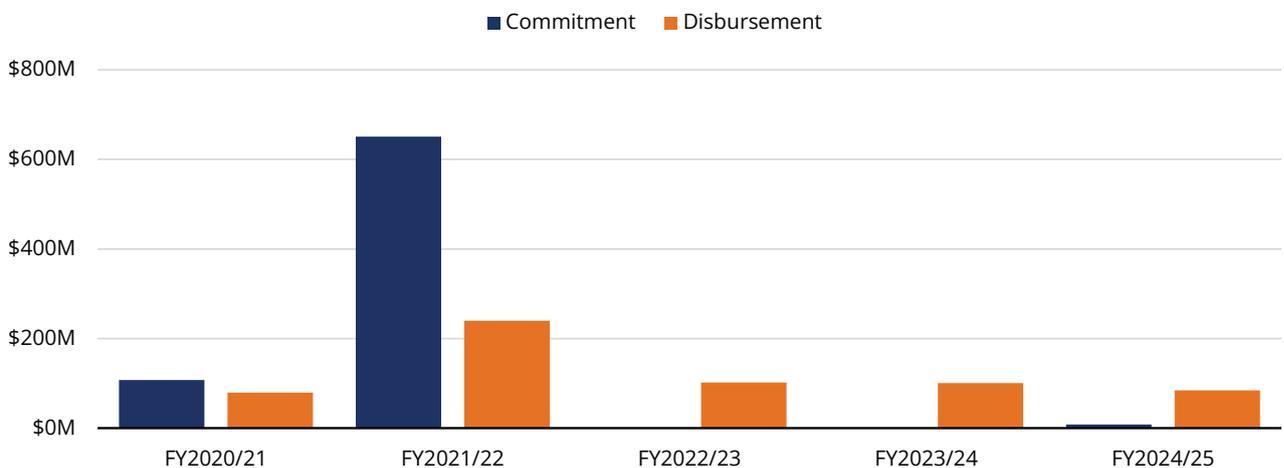
**Figure 15.2: Total Development Partner Support Committed and Disbursed for COVID-19, FY 2020/21 - 2024/25**

Figure 15.2 presents annual ODA commitments and disbursements for COVID-19 response activities in Nepal from FY 2020/21 to FY 2024/25. Over the five-year period, total commitments amounted to USD 767.2 million, while cumulative disbursements reached USD 605.5 million. Commitments peaked in FY 2021/22 at USD 651.2 million, following an initial USD 107.3 million in FY 2020/21. Disbursements also reached their highest level in FY 2021/22 at USD 239.8 million, before declining to USD 101.5 million in FY 2022/23 and USD 84.1 million in FY 2024/25.

The trend indicates a gradual transition from immediate emergency financing toward longer-term recovery and health system strengthening. In FY 2024/25, new commitments for COVID-19 related interventions declined significantly to USD 8.3 million, while disbursements remained relatively higher at USD 84.1 million. This pattern reflects the continued implementation of previously committed multi-year recovery and resilience programmes rather than the initiation of new pandemic-specific financing.

**Figure 15.3: Cumulative Support for COVID-19 by Committed and Disbursed by Development Partner, FY 2019/20 - 2024/25**

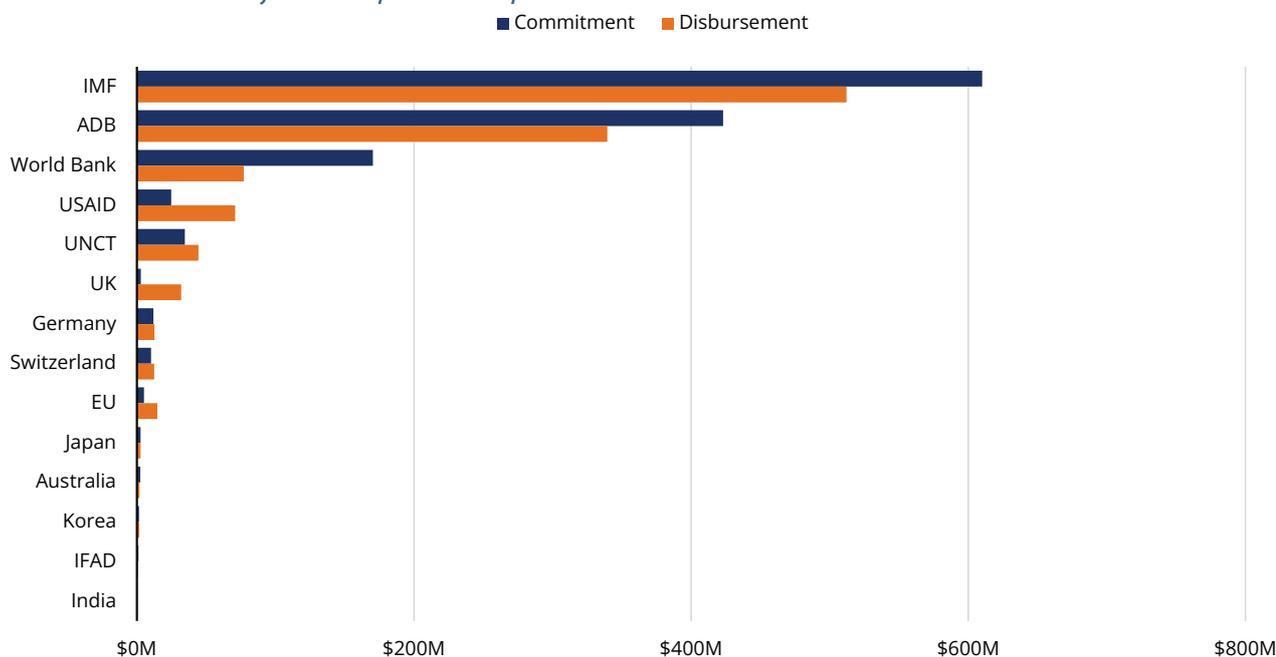


Figure 15.3 presents cumulative commitment and disbursement by DPs between FY 2019/20 and FY 2024/25. Over the last six-year period, the IMF provided the highest cumulative volume of funding, with disbursements totaling USD 512.2 million against a commitment of USD 609.9 million. The ADB followed with disbursements of USD 339.6 million from an initial commitment of USD 423.0 million. The World Bank disbursed USD 77.3 million out of its total commitment of USD 170.3 million.

Several development partners recorded disbursements that were higher than their reported commitments. This occurred because funds were reallocated from existing projects or provided as in-kind support that was not captured in formal commitment records at the start of the crisis. USAID reported disbursements of USD 71.0 million against a USD 24.8 million commitment. The United Nations Country Team (UNCT) disbursed USD 44.5 million, exceeding its commitment of USD 34.7 million. The United Kingdom provided USD 32.0 million in disbursements compared to a commitment of USD 2.9 million. The European Union (EU) disbursed USD 14.8 million from a USD 5.2 million commitment. Germany followed with USD 12.7 million in disbursements and USD 12.1 million in commitments. Switzerland disbursed USD 12.5 million from a commitment of USD 10.4 million.

Other contributions for the pandemic response were provided by Japan (USD 2.8 million), Australia (USD 2.0 million), and Korea (USD 1.8 million). The International Fund for Agricultural Development (IFAD) disbursed USD 0.9 million, while India provided USD 0.4 million. These figures confirm that while large multilateral institutions provided the majority of loan-based financing, bilateral partners and the UN system were essential for providing grants and technical expertise.

Disbursements from USAID, UNCT, Germany, the EU, the UK, and Korea exceeded their initial commitments, likely reflecting the reallocation of resources from existing projects during the crisis. While these adjustments addressed urgent needs, they may not have been formally recorded as original COVID-19 commitments in the system.

In principle, off-budget grants and commodity support are expected to be disbursed immediately. However, some development partners reported commitments without corresponding disbursements in earlier years. This discrepancy may reflect delays in fund release, implementation constraints, fund reprogramming, or potential data reporting inconsistencies within the DFIMS

**Figure 15.4: Development Partner Support Disbursed for COVID-19 by Development Partner, FY 2024/25**

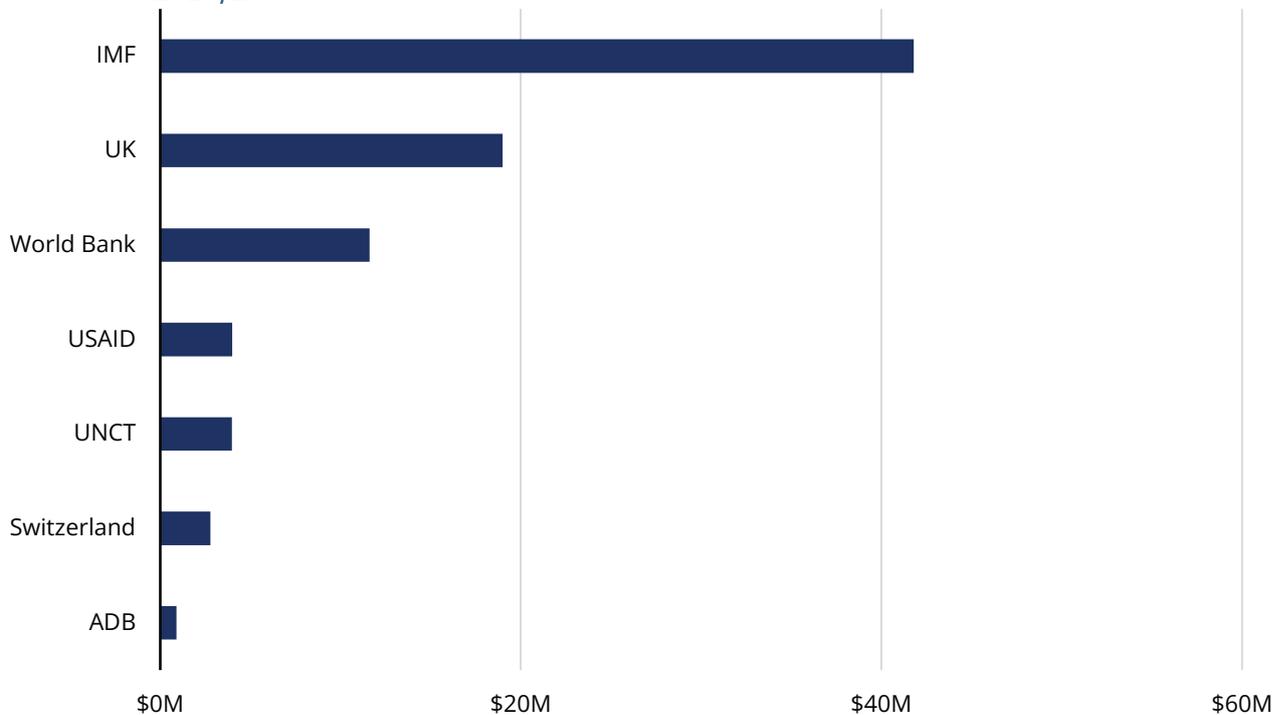


Figure 15.4 presents COVID-19-related disbursements by key Development Partners to Nepal in FY 2024/25. The IMF was the largest contributor, disbursing USD 41.8 million, followed by the United Kingdom with USD 19.0 million. Other contributors included the World Bank with USD 11.6 million, USAID and the UNCT with USD 4 million each, and Switzerland with USD 2.8 million.

The distribution indicates a continued but diminishing flow of pandemic-related support. Compared to the peak years of the crisis, FY 2024/25 reflects a clear tapering of COVID-19-specific assistance, characterized by fewer active development partners and lower disbursement volumes as the focus shifts toward broader recovery and development priorities.

**Figure 15.5: Total Commitment and Disbursement of support for COVID-19 by Development Partner, FY 2019/20 - 2024/25**

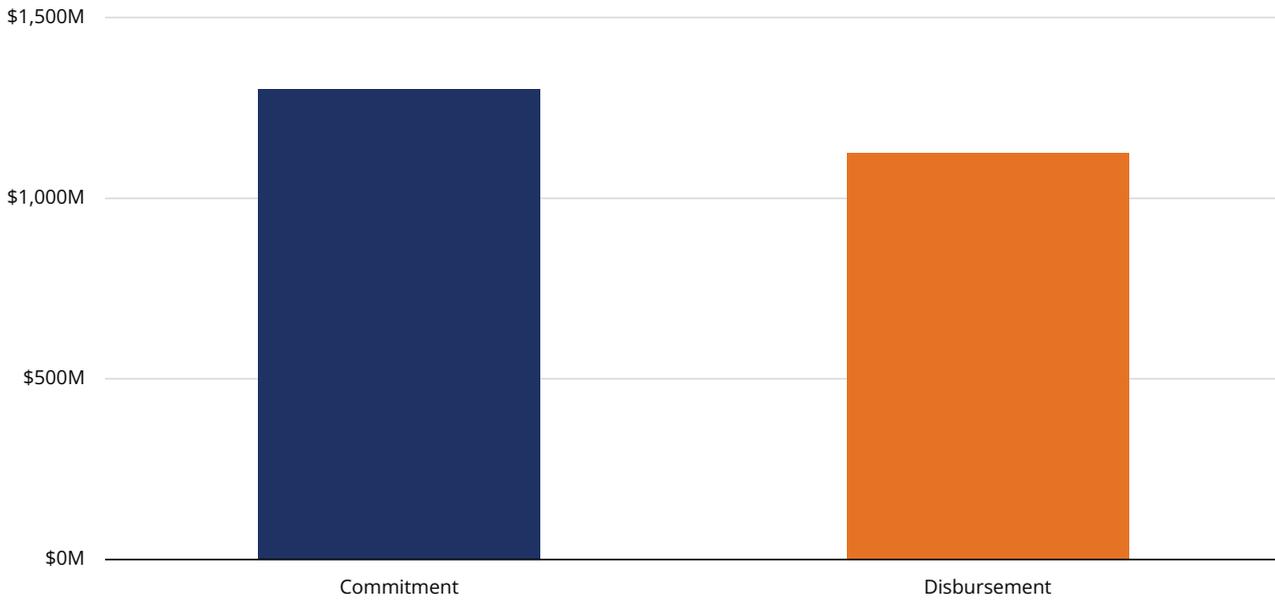


Figure 15.5 presents the cumulative financial commitments and disbursements provided by development partners for the COVID-19 response from the fiscal year 2019/20 through 2024/25. Total commitments for this period reached USD 1,301.6 million, while total disbursements amounted to USD 1,124.5 million. These figures show that a large portion of the promised aid was delivered to support health and economic recovery during the pandemic.

#### Box 4: The COVID-19 Portal

The availability of high-quality data plays a critical role in making informed decisions on development planning and resource allocation. This importance became particularly evident during the COVID-19 pandemic. Although the immediate public health emergency has largely subsided in Nepal, structured and transparent data systems remain essential for managing residual pandemic-related assistance and incorporating lessons learned into long-term development planning.

To address this need, the Ministry of Finance established a dedicated COVID-19 portal within the former Aid Management Information System (AMIS) at the height of the crisis. The platform served as a centralized mechanism for tracking pandemic-related support and monitoring development partner contributions. Although the AMIS has since transitioned to the Development Finance Information Management System (DFIMS), the COVID-19 data have been migrated and preserved within the new system.

In the post-pandemic context, the portal continues to serve not only as a monitoring tool but also as a strategic knowledge repository. It facilitates retrospective analysis of partner engagement, identifies remaining funding needs, and tracks the integration of pandemic-specific assistance into broader development programmes. By systematically documenting these investments, the platform supports evidence-based policymaking and strengthens future planning, particularly in areas related to health system resilience and emergency preparedness.

Table 10: COVID-19 Allocations: Commitments and Disbursements, FY 2019/20 - 2024/25

| DPs         | Commitment |           |           |           |           | Commitment Total | Disbursement |           |           |           |           | Disbursement Total |            |
|-------------|------------|-----------|-----------|-----------|-----------|------------------|--------------|-----------|-----------|-----------|-----------|--------------------|------------|
|             | FY2019/20  | FY2020/21 | FY2021/22 | FY2022/23 | FY2024/25 |                  | FY2019/20    | FY2020/21 | FY2021/22 | FY2022/23 | FY2023/24 |                    | FY2024/25  |
| IMF         | \$214.0M   |           | \$395.9M  |           |           | \$609.9M         | \$214.0M     |           | \$110.0M  | \$52.8M   | \$93.6M   | \$41.8M            | \$512.2M   |
| ADB         | \$253.0M   |           | \$170.0M  |           |           | \$423.0M         | \$250.0M     |           | \$42.3M   | \$44.0M   | \$2.4M    | \$0.9M             | \$339.6M   |
| World Bank  | \$29.0M    | \$75.0M   | \$66.3M   |           |           | \$170.3M         | \$5.8M       | \$16.8M   | \$48.3M   | -\$5.2M   |           | \$11.6M            | \$77.3M    |
| USAID       | \$13.2M    | \$4.0M    | \$2.5M    |           | \$5.1M    | \$24.8M          | \$27.9M      | \$18.7M   | \$18.0M   |           | \$2.4M    | \$4.0M             | \$71.0M    |
| UNCT        | \$9.3M     | \$9.7M    | \$12.1M   | \$0.4M    | \$3.2M    | \$34.7M          | \$4.1M       | \$11.9M   | \$15.1M   | \$6.9M    | \$2.5M    | \$4.0M             | \$44.5M    |
| Germany     | \$1.1M     | \$11.0M   |           |           |           | \$2.9M           | \$0.8M       | \$11.9M   |           |           |           | \$19.0M            | \$32.0M    |
| Switzerland | \$8.4M     | \$2.0M    |           |           |           | \$12.1M          | \$2.1M       | \$5.4M    | \$0.9M    | \$1.4M    |           |                    | \$12.7M    |
| EU          |            | \$0.8M    | \$4.4M    |           |           | \$10.4M          | \$10.4M      | \$0.4M    | \$3.9M    |           | \$0.1M    | \$2.8M             | \$12.5M    |
| UK          | \$2.9M     |           |           |           |           | \$5.2M           | \$0.3M       | \$12.7M   |           |           |           |                    | \$14.8M    |
| Japan       | \$2.8M     |           |           |           |           | \$2.8M           | \$2.8M       |           |           |           |           |                    | \$2.8M     |
| Australia   |            | \$2.5M    |           |           |           | \$2.5M           |              | \$0.5M    | \$0.6M    | \$0.9M    |           |                    | \$2.0M     |
| Korea       | \$0.7M     | \$0.8M    |           |           |           | \$1.5M           | \$0.7M       | \$0.5M    | \$0.6M    |           |           |                    | \$1.8M     |
| IFAD        |            | \$1.2M    |           |           |           | \$1.2M           |              |           | \$0.9M    |           |           |                    | \$0.9M     |
| India       |            | \$0.4M    |           |           |           | \$0.4M           |              | \$0.4M    |           |           |           |                    | \$0.4M     |
| Grand Total | \$534.4M   | \$107.3M  | \$651.2M  | \$0.4M    | \$8.3M    | \$1,301.6M       | \$519.0M     | \$79.2M   | \$239.8M  | \$101.5M  | \$100.9M  | \$84.1M            | \$1,124.5M |

Given the urgency of pandemic response measures, many development partners provided assistance, including in-kind contributions without prior formal commitment agreements. As a result, some support was either not formally reported or not captured within commitment records. Consequently, discrepancies may exist between total commitments and actual disbursements of COVID-19-related assistance. These differences largely reflect the exceptional nature of emergency response operations and the rapid mobilization of resources during the pandemic.

# CHAPTER 16 SDG ALIGNMENT AND MAPPING

This section presents an analysis of Nepal’s Official Development Assistance for FY 2024/25 with a focus on its alignment with the Sustainable Development Goals (SDGs). By examining how external financing supports specific development priorities, the analysis identifies key patterns and potential disparities in the distribution of ODA across SDG areas.

The objective is to assess the extent to which ODA disbursements correspond with SDG targets and indicators. Reviewing these financial flows provides a clearer picture of how international assistance contributes to Nepal’s development agenda. The findings aim to inform policymakers and development partners by highlighting strategic implications for improving alignment and promoting a more balanced allocation of resources across the SDGs.

**Figure 16.1: Top 5 SDG- Mapped Disbursements by SDG Goal (%), FY 2024/25**

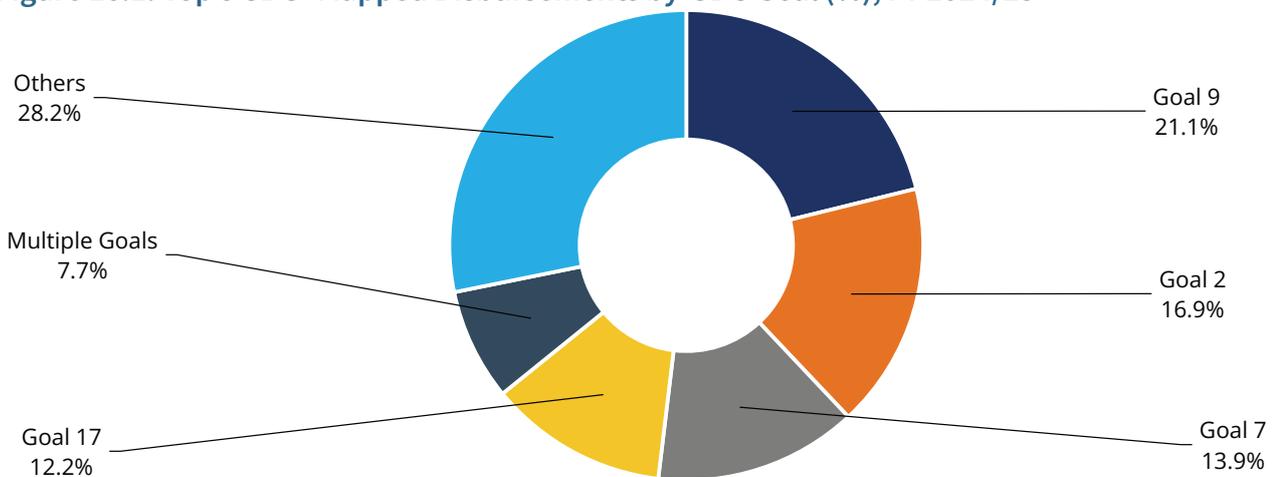


Figure 16.1 details the distribution of ODA according to Sustainable Development Goal (SDG) mapping for FY 2024/25. During this period, 114 projects were identified with specific SDG alignments, representing a total disbursement of USD 166.42 million.

Goal 9, Industry, Innovation and Infrastructure, received the largest allocation of funding, totaling USD 35.17 million through 8 projects. Goal 2, Zero Hunger, followed with USD 28.09 million across 11 projects. Goal 7, Affordable and Clean Energy, accounted for USD 23.10 million from 6 projects. Goal 17, Partnerships for the Goals, received USD 20.36 million involving 11 projects. A subset of 26 projects was classified under Multiple Goals, receiving USD 12.77 million.

The mapping indicates a concentration of financial resources toward infrastructure and energy, while smaller disbursements were distributed across social and environmental goals. This data reflects the fiscal year’s alignment between international assistance and the 2030 Agenda priorities.

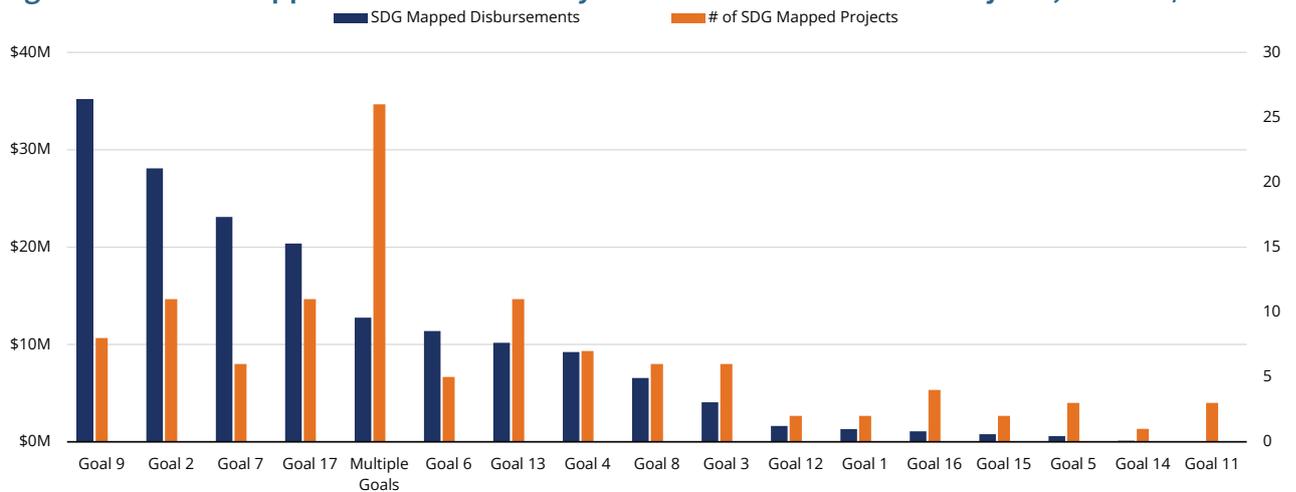
**Figure 16.2: SDG Mapped Disbursements by SDG Goal and Number of Projects, FY 2024/25**

Figure 16.2 depicts SDG-mapped disbursement by Goal during FY 2024/25. It shows that 114 projects were successfully mapped to the SDG, resulting in a total disbursement of USD 166.42 million. The data illustrates a concentration of financial resources toward infrastructure development, food security, and energy sustainability.

Goal 9, relating to Industry, Innovation and Infrastructure, was the primary recipient of assistance, with disbursements reaching USD 35.17 million through 8 projects. This was followed by Goal 2 (Zero Hunger), which received USD 28.09 million across 11 projects. Goal 7 (Affordable and Clean Energy) was allocated USD 23.10 million from 6 projects, while Goal 17 (Partnerships for the Goals) received USD 20.36 million involving 11 projects. A further USD 12.77 million was distributed to 26 projects categorized under Multiple Goals. The remaining disbursements, listed by descending value, were as follows:

- Goal 6 (Clean Water and Sanitation): USD 11.37 million (5 projects).
- Goal 13 (Climate Action): USD 10.17 million (11 projects).
- Goal 4 (Quality Education): USD 9.22 million (7 projects).
- Goal 8 (Decent Work and Economic Growth): USD 6.55 million (6 projects).
- Goal 3 (Good Health and Well-being): USD 4.07 million (6 projects).
- Goal 12 (Responsible Consumption and Production): USD 1.63 million (2 projects).
- Goal 1 (No Poverty): USD 1.31 million (2 projects).
- Goal 16 (Peace, Justice and Strong Institutions): USD 1.09 million (4 projects).
- Goal 15 (Life on Land): USD 0.78 million (2 projects).
- Goal 5 (Gender Equality): USD 0.60 million (3 projects).
- Goal 14 (Life Below Water): USD 0.11 million (1 project).
- Goal 11 (Sustainable Cities and Communities): USD 0.01 million (3 projects).

**Figure 16.3: SDG Mapped Disbursements by Development Partner and SDG Goal, FY 2024/25**

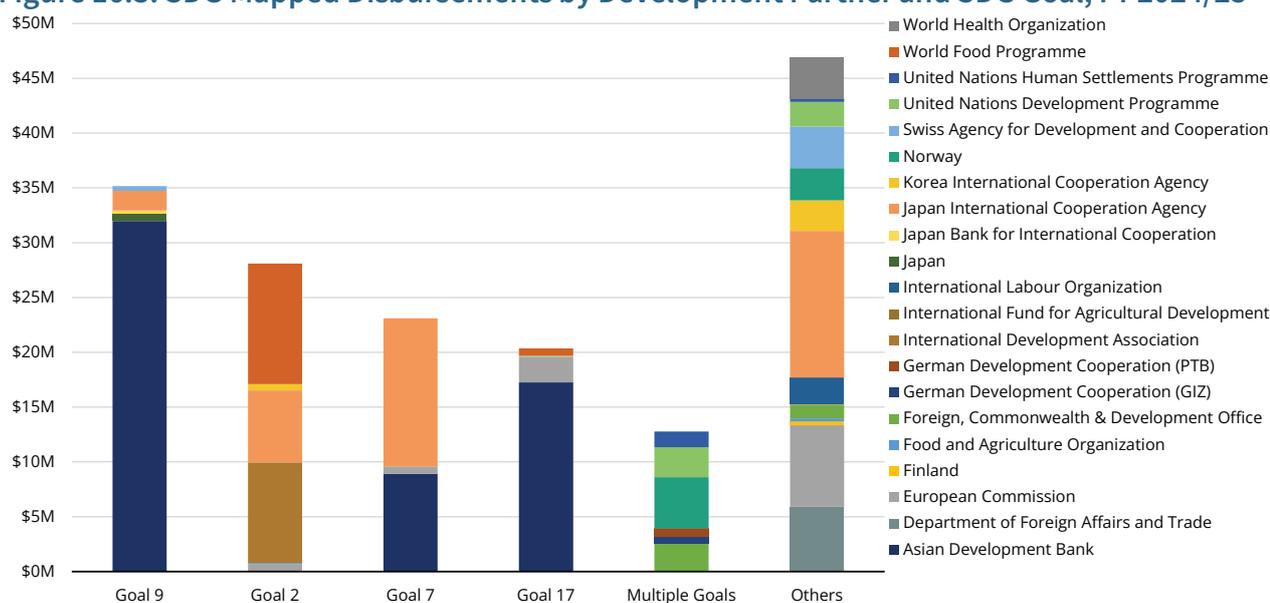


Figure 16.3 displays top 5 SDG-mapped disbursements by SDG and associated development partners for FY 2024/25. Volume-wise, Goal 9 (Industry, Innovation and Infrastructure) received the highest SDG-coded disbursement (USD 35.17 million) with major contributions from ADB (USD 31.98 million) and Japan (USD 1.79 million). Goal 2 (Zero hunger) received the second highest SDG-mapped disbursement (USD 28.09 million) with major contributions from WFP (USD 10.99 million), IDA (USD 9.17 million) and Japan (USD 6.56 million). Goal 7 (Affordable and clean energy) was the third highest SDG receiving USD 23.10 million mainly from Japan (USD 13.50 million) and from ADB (USD 8.92 million). Similarly, Goal 17 (Partnerships for Goals) was tagged with the fourth largest ODA (USD 20.36 million) mostly financed by ADB (USD 17.25 million), followed by EU (USD 2.33 million). Disbursements for multiple goals was USD 12.76 million mostly from Norway(USD 4.65 million) followed by UNDP and UN-Habitat.

### Box 5: Implementation of Sustainable Development Goals (SDGs) Mapping Functionality in DFIMS

Starting in FY 2023/24, Nepal integrated SDG coding functionality into its Development Finance Information Management System (DFIMS). This update is designed to capture granular data on how development finance aligns with global sustainability targets. By systematically linking ODA-funded projects to specific SDG targets and indicators, the government aims to strengthen its capacity to monitor, evaluate, and report on how international aid contributes to each goal.

The effectiveness of this tracking feature depends on the active participation and technical accuracy of both development partners and the Ministry of Finance, International Economic Relations Division (IERD) desks. To ensure data quality, it is essential that all newly approved and ongoing projects explicitly identify the specific SDG areas they support. Precise coding at the entry point is necessary to build a comprehensive and reliable map of ODA contributions across the country.

While the technical infrastructure is now in place, the data captured within DFIMS during the current review period remains insufficient for a full thematic analysis. The transition to this new system requires a stabilization period to address existing gaps in reporting. Consequently, while the framework for SDG-aligned reporting is established, further efforts are needed to ensure the data is complete enough to drive evidence-based policy decisions.

Amid the rapidly evolving global landscape of development finance, Nepal is also confronting the implications of these shifting dynamics. Several factors are driving this transformation, including policy realignments within donor countries, escalating geopolitical tensions and regional conflicts, changes in the classification and engagement modalities of bilateral and multilateral development partners, and Nepal's forthcoming graduation from Least Developed Country (LDC) status in 2026. Collectively, these developments are expected to influence both the availability and the terms of external development financing. In this context, addressing the emerging development finance gap will require proactive and coordinated efforts. To navigate this transition effectively, the Government of Nepal, in collaboration with its development partners, should prioritize the following strategic actions:

1. **Further Strengthening the DFIMS for Quality Data Entry and Validation Protocols:** The system itself should be capable of detecting instances of missing entries and irregular or inconsistent information. Such discrepancies should be automatically flagged and subjected to review during the validation and verification stages. Establishing these mechanisms would significantly enhance the accuracy and reliability of data entry, particularly in capturing aid flows delivered through both on-budget and off-budget channels, as well as contributions from INGOs. Ensuring strong data integrity is essential for maintaining the credibility of national reporting systems and strengthening mutual accountability among development partners and government institutions.
2. **Extending Geographic Tracking to Sub-National Levels:** Supporting provincial and local governments in utilizing the national information system will assist in monitoring development assistance across all levels of governance. This expansion is intended to provide clearer insights into regional resource allocation and assist in addressing geographic disparities.
3. **Addressing Aid Fragmentation:** Reducing the proliferation of small and fragmented projects through improved coordination among development partners can significantly lower the administrative and transaction costs associated with aid management. Concentrating resources on larger and more strategic interventions would enhance the overall effectiveness and development impact of external assistance. In this regard, the GoN should advocate for a more coordinated division of labour among development partners, encouraging them to focus their portfolios on a smaller number of larger, high-impact initiatives rather than dispersing resources across numerous fragmented interventions.
4. **Diversifying Sources of Development Finance:** Meeting the requirements for graduation from LDC status in 2026 and progressing toward Middle-Income Country status by 2030 will require mobilizing additional resources from both domestic and international private sectors and effectively blending them with public financing. Diversifying the overall financing mix is essential to address the widening development finance gap. In this context, the effective implementation of the Integrated National Financing Strategy for Pro-Employment Economic Growth, 2025–

supported by appropriate governance and monitoring mechanisms—can play a critical role in harmonizing financing flows from both international and domestic sources, as well as from public and private sectors.

5. **Enhancing National Absorptive Capacity:** Improving the rate at which committed funds are converted into actual disbursements requires a focus on project readiness and more effective appraisal processes. Addressing implementation bottlenecks within both government agencies and development partner systems is essential for driving tangible development outcomes.
6. **Utilizing Innovative Financing Instruments:** Exploring alternative financing instruments—such as blended finance, thematic bonds including green bonds and SDG bonds, and specialized climate funds—can open new avenues for mobilizing resources to support large-scale infrastructure development and strengthen environmental resilience. Moving toward a more diversified and sophisticated financial portfolio is increasingly necessary as traditional sources of development assistance gradually decline in the context of evolving geopolitical dynamics, regional tensions, and Nepal’s impending graduation from LDC status.
7. **Increasing Alignment with National Treasury Systems:** Prioritizing aid delivery through the national budget and treasury systems enhances country ownership and ensures that resources are directed toward national priority projects. Utilizing national Public Financial Management systems strengthens domestic institutional capacity and ensures the sustainability of project results.
8. **Improving Thematic Marker Accuracy in DFIMS:** Providing regular training for reporting officials is necessary to ensure that SDG mapping and gender markers are correctly applied at the start of the project lifecycle. Accurate thematic coding is essential for evaluating how international aid contributes to social inclusion and global sustainability targets. Since neutral projects still make up 58.2 percent of total disbursements, gender-supportive ODA should be targeted more precisely. So is the case with climate coding to increase the proportion of climate-relevant projects, as 71.2 percent of ODA is currently classified as climate neutral. The DFIMS should be further refined to capture activity-level data, ensuring that ODA contributions to climate resilience and specific SDG targets are accurately documented.
9. **Fostering Transparent Policy Dialogue:** Maintaining the publication of the Development Cooperation Report serves as an entry point for inclusive dialogue among stakeholders regarding the effective utilization of resources. Transparent data sharing between the government, multilateral partners such as the World Bank (USD 541.0 million) and the Asian Development Bank (USD 443.2 million), and bilateral partners like India (USD 107.8 million) facilitates evidence-based policy formulation.
10. **Fostering Multistakeholder Dialogue to Reflect on GPEDC Monitoring Results:** Sustained reflection on the findings from Nepal’s participation in the fourth monitoring round of the Global Partnership for Effective Development Cooperation (GPEDC) is essential for strengthening aid and development effectiveness. Translating these insights into a clear and actionable reform agenda will require continued engagement among government institutions, development partners, civil society, and other stakeholders. To support this process, periodic multistakeholder dialogues should be institutionalized, providing a platform to review progress, address emerging challenges, and collectively advance the effectiveness of development cooperation in Nepal.
11. **Aid Awareness Programme at Provincial and Local Levels:** The Ministry of Finance should continue to prioritize aid awareness programmes at the provincial and local levels. These initiatives can serve as important platforms for structured dialogue on the costs, benefits, and implications of ODA. Such forums would also help foster a shared understanding among subnational stakeholders regarding Nepal’s evolving development finance landscape and its strategic pathway toward diversifying sources of development finance.

## CHAPTER

## 18

CONCLUDING  
REMARKS

The fiscal year 2024/25 characterizes a defining period for Nepal’s development finance as the 2026 graduation from LDC status approaches. ODA disbursements increased by 15.5 percent to USD 1.6 billion. ODA commitment rebounded to USD 2.24 billion with an increase of 46.3 percent from the previous fiscal year. The structural transition of the aid portfolio remains an area of concern; loans now account for 66.9 percent of all disbursements, while the share of grants has fallen to 21.4 percent. This growing reliance on debt-based instruments, primarily from multilateral partners like the World Bank and Asian Development Bank, necessitates a rigorous focus on long-term debt sustainability as the nation targets middle-income status by 2030.

Nepal’s integration of ODA into the national budget has reached a decade-low of 14.5 percent, continuing a downward trajectory from a 28.8 percent peak in FY 2016/17. This trend reflects a gradual shift toward domestic resource reliance, yet the overall financing mix remains vulnerable to external fluctuations. Personal remittances reached USD 11.3 billion in 2024, contributing to a landscape where 61 percent of development finance is derived from external sources. Furthermore, institutional absorptive capacity remains a constraint; the budget utilization rate decreased to 70.1 percent in FY 2024/25 from 87.4 percent in the previous year. Improving the pace of project implementation and resource use is required to maximize the impact of available financing.

The effectiveness of development cooperation is currently constrained by a crisis in medium-term predictability. While annual predictability improved to 96 percent, the availability of development cooperation information for a three-year horizon fell to 17 percent. This deficit in forward-looking data impairs the Medium-Term Expenditure Framework (MTEF) and complicates long-term sectoral planning.

Additionally, geographic analysis reveals a persistent “funding-to-need” gap. Bagmati Province received USD 115.1 million in ODA, whereas Karnali Province—which holds the highest multidimensional poverty index at 0.17—received only USD 16.0 million. Aligning resources with localized poverty indicators remains essential for achieving balanced national growth.

Multilateral Development Banks (MDBs) periodically revise their financing terms, primarily based on a country’s per capita income thresholds. As Nepal’s income has risen, these institutions have adjusted their terms accordingly, resulting in reduced grant components, increased borrowing costs, a decline in concessional financing availability, and shorter loan maturity periods.

Similarly, many bilateral donors align their concessional ODA with MDB thresholds or apply their own criteria; in both instances, there is a clear trend toward less concessional support for Nepal. In light of these developments, the country must prioritize strategic sectors and projects that catalyze long-term capital formation and deliver a sustainable, lasting impact.

To manage the tapering of concessional finance, the Government is accelerating the Integrated National Financing Framework (INFF) approach. The formulation of the Integrated National Financing Strategy for Pro-Employment Economic Growth (2025) serves as the roadmap for this

transition. This strategy focuses on mobilizing alternative instruments, including climate finance and blended finance, to bridge the widening development finance gap. With 71.2 percent of current ODA classified as climate-neutral, there is significant potential to increase climate-relevant investments that bolster national resilience. Strengthening these financial architectures will be the primary mechanism to ensure a resilient, self-reliant development trajectory beyond the 2026 LDC graduation.

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# DEVELOPMENT PARTNER DISBURSEMENTS, FY 2010/11 TO 2024/25

| Development Partners   | Disbursement (US\$) |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|------------------------|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                        | FY 2010-11          | FY 2011-12  | FY 2012-13  | FY 2013-14  | FY 2014-15  | FY 2015-16  | FY 2016-17  | FY 2017-18  | FY 2018-19  | FY 2019-20  | FY 2020-21  | FY 2021-22  | FY 2022-23  | FY 2023-24  | FY 2024/25  |
| Asian Development Bank | 184,419,986         | 193,400,498 | 101,204,607 | 155,553,208 | 147,894,405 | 217,685,705 | 253,898,091 | 291,693,735 | 292,484,030 | 611,453,523 | 251,055,059 | 290,036,751 | 334,407,445 | 437,727,582 | 443,244,413 |
| Australia              | 22,067,850          | 22,729,014  | 16,064,901  | 30,237,087  | 28,112,555  | 21,233,745  | 18,559,851  | 20,884,676  | 15,000,392  | 13,975,955  | 5,137,227   | 12,629,297  | 1,142,616   | 4,529,947   | 9,329,294   |
| Canada                 | 4,552,367           | 546,535     |             |             |             |             |             |             |             |             |             |             |             |             |             |
| China                  | 18,843,988          | 28,344,923  | 34,120,033  | 41,381,522  | 37,948,751  | 35,364,713  | 41,244,254  | 58,727,078  | 150,370,540 | 93,026,787  | 37,081,650  | 17,402,640  | 14,451,709  | 15,706,455  | 22,859,678  |
| Denmark                | 17,832,150          | 29,099,959  | 30,549,044  | 31,368,778  | 21,953,820  | 2,700,959   | 4,560,499   |             | 100,000     |             |             |             |             |             |             |
| European Union         | 42,384,482          | 43,974,932  | 28,066,696  | 51,618,780  | 31,378,363  | 29,488,509  | 83,885,219  | 116,178,534 | 26,177,011  | 49,845,027  | 105,444,147 | 31,591,940  | 17,420,548  | 27,404,225  | 37,735,495  |
| Finland                | 22,153,680          | 13,242,353  | 6,470,909   | 19,419,234  | 16,282,477  | 6,604,662   | 9,698,132   | 12,779,120  | 10,615,868  | 13,910,781  | 12,202,386  | 3,635,557   | 3,568,932   | 7,558,437   | 14,421,304  |
| GAVI                   | 7,520,622           | -           | 798,529     | 1,928,093   | 9,242,811   | 2,187,991   | 244,614     | 1,173,541   | 22,783      | 11,693,153  | 9,329,736   | 25,488,171  | 10,229,450  | 13,081,206  | 10,335,802  |
| GCF                    |                     |             |             |             |             |             |             |             |             |             |             | 181,129     | 6,038,418   | 551,205     | 15,753,295  |
| Germany                | 27,300,849          | 38,830,532  | 23,743,866  | 26,458,910  | 9,697,882   | 6,646,850   | 25,058,320  | 28,902,395  | 36,115,866  | 26,091,090  | 31,170,430  | 24,097,296  | 19,153,185  | 24,217,564  | 16,224,286  |
| GFATM                  | 18,973,027          | 15,094,614  | 28,241,077  | 11,287,214  | 22,059,056  | 9,106,038   | 1,720,536   | 11,867,980  | 1,724,464   | 940,327     | 3,015,332   | 2,503,134   | 3,041,788   | 8,927,433   | 2,781,383   |
| IFAD                   |                     |             |             | 4,042,736   | 1,913,022   | 9,226,879   | 11,559,988  | 15,818,547  | 15,204,107  | 7,047,401   | 6,471,462   |             |             |             |             |
| IMF                    |                     |             |             |             |             |             |             |             |             | 214,000,000 |             | 110,000,000 | 52,800,000  | 93,550,000  | 41,800,000  |
| India                  | 50,728,502          | 50,620,749  | 63,813,269  | 47,796,349  | 22,227,306  | 35,767,655  | 59,259,429  | 56,762,100  | 58,944,224  | 93,571,298  | 72,320,905  | 58,945,361  | 99,759,728  | 118,148,868 | 107,832,997 |
| Japan                  | 58,691,311          | 44,090,184  | 65,759,647  | 40,592,722  | 39,867,923  | 45,913,262  | 77,652,833  | 106,207,039 | 110,502,190 | 72,612,032  | 32,977,147  | 55,366,549  | 146,151,642 | 46,199,321  | 58,258,779  |
| KfAED                  |                     |             |             | 103,037     | 95,246      | 541,771     | 649,148     | 3,274,490   | 2,652,546   | 267,163     | 797,826     | 79,587      | 32,299      |             | 282,067     |
| Korea                  | 22,203,697          | 4,715,410   | 14,247,876  | 8,754,915   | 16,683,337  | 11,451,879  | 7,638,528   | 6,874,412   | 7,652,068   | 7,425,546   | 8,124,983   | 7,715,204   | 6,711,118   | 7,164,535   | 10,856,279  |

| Development Partners    | Disbursement (US\$)  |                      |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|-------------------------|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                         | FY 2010-11           | FY 2011-12           | FY 2012-13         | FY 2013-14           | FY 2014-15           | FY 2015-16           | FY 2016-17           | FY 2017-18           | FY 2018-19           | FY 2019-20           | FY 2020-21           | FY 2021-22           | FY 2022-23           | FY 2023-24           | FY 2024/25           |
| Netherlands             | 2,503,206            | 858,916              | 1,015,515          |                      | 1,138,305            | 683,109              |                      |                      | 1,478,866            |                      | 1,322,302            | 124,820              |                      |                      |                      |
| Nordic Development Fund | 2,943,806            |                      |                    |                      | 1,202,500            |                      | 739,865              |                      | 498,907              |                      |                      |                      |                      |                      |                      |
| Norway                  | 32,818,161           | 41,686,343           | 32,823,348         | 24,467,086           | 30,797,758           | 35,535,102           | 20,318,915           | 23,984,012           | 23,584,627           | 15,876,280           | 21,868,100           | 30,258,625           | 20,315,502           | 25,849,765           | 26,626,978           |
| OFID                    | 5,280,000            |                      | 13,214,303         | 6,730,793            | 15,124,926           |                      | 11,377,029           |                      | 11,583,420           | 4,993,013            | 4,277,126            | 1,947,773            | 1,621,194            | 102,772              | 1,051,508            |
| Others                  |                      | 142,555              |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| SAARC Dev Fund          |                      |                      |                    | 92,412               | 963,503              | 223,685              | 143,500              | 68,843               | 150,249              | 138,792              |                      | 63,075               |                      |                      |                      |
| Saudi Fund              | 1,141,351            |                      | 798,696            | 1,012,251            | 900,429              | 1,035,317            | 2,382,612            | 331,559              | 568,013              | 3,110,778            | 16,768,405           | 2,744,921            | 449,748              | 9,257                | 282,067              |
| Switzerland             | 27,632,405           | 33,417,302           | 41,767,109         | 33,853,529           | 32,467,406           | 36,981,936           | 34,941,429           | 26,412,734           | 25,880,596           | 36,734,500           | 24,397,709           | 27,807,888           | 28,138,141           | 24,457,192           | 30,127,269           |
| UN Country Team         | 112,543,336          | 108,169,072          | 68,661,608         | 26,684,005           | 44,236,346           | 113,576,926          | 120,729,957          | 65,622,702           | 64,077,836           | 44,385,419           | 56,384,483           | 74,908,975           | 53,648,936           | 62,747,294           | 64,495,660           |
| United Kingdom          | 92,612,422           | 84,240,019           | 89,989,120         | 151,135,383          | 168,073,845          | 89,478,104           | 128,313,164          | 123,870,280          | 117,238,011          | 95,227,536           | 83,974,700           | 56,742,341           | 44,385,194           | 34,823,715           | 84,209,400           |
| USAID                   | 48,450,255           | 22,487,717           | 67,196,696         | 45,360,254           | 132,370,217          | 118,933,332          | 134,056,598          | 117,831,730          | 77,545,174           | 125,163,031          | 105,941,208          | 101,308,051          | 120,178,694          | 161,692,108          | 67,121,349           |
| World Bank Group        | 256,113,102          | 269,605,647          | 231,404,440        | 276,770,043          | 188,122,967          | 243,692,504          | 345,968,357          | 533,515,228          | 528,313,473          | 461,311,832          | 794,605,737          | 484,879,470          | 387,403,534          | 275,969,265          | 540,976,136          |
| <b>Total</b>            | <b>1,079,710,554</b> | <b>1,045,297,273</b> | <b>959,951,292</b> | <b>1,036,648,340</b> | <b>1,020,755,157</b> | <b>1,074,060,634</b> | <b>1,394,600,868</b> | <b>1,622,780,736</b> | <b>1,578,485,262</b> | <b>2,002,801,264</b> | <b>1,684,668,060</b> | <b>1,420,458,555</b> | <b>1,371,049,821</b> | <b>1,390,418,146</b> | <b>1,606,605,438</b> |

## ANNEX

## B

## DEVELOPMENT PARTNER DISBURSEMENTS BY TYPE OF ASSISTANCE, FY 2024/25

| Development Partner | Disbursement (US\$) |                      |                      |
|---------------------|---------------------|----------------------|----------------------|
|                     | Grant               | Loan                 | Technical Assistance |
| ADB                 | 8,440,544           | 429,013,549          | 5,790,320            |
| Australia           | 4,398,517           |                      | 4,930,777            |
| China               | 22,859,678          |                      |                      |
| EU                  | 36,702,970          |                      | 1,032,526            |
| Finland             | 14,060,735          |                      | 360,569              |
| GAVI                | 10,335,802          |                      |                      |
| GCF                 |                     |                      | 15,753,295           |
| Germany             | 11,376,851          |                      | 4,847,435            |
| GFATM               | 2,781,383           |                      |                      |
| IMF                 |                     | 41,800,000           |                      |
| IFAD                |                     |                      |                      |
| India               | 73,280,509          | 25,800,381           | 8,752,107            |
| Japan               | 21,095,999          | 28,004,568           | 9,158,212            |
| KFAED               |                     | 282,067              |                      |
| Korea               | 2,764,494           |                      | 8,091,785            |
| Netherlands         |                     |                      |                      |
| Norway              | 17,888,583          | 8,212,514            | 525,880              |
| OFID                |                     | 1,051,508            |                      |
| SAARC               |                     |                      |                      |
| Saudi Fund          | 282,067             |                      |                      |
| Switzerland         | 24,884,729          |                      | 5,242,540            |
| UK                  | 43,586,638          |                      | 40,622,763           |
| UN                  | 27,301,501          | 7,000,000            | 30,194,159           |
| USAID               | 15,261,383          |                      | 51,859,966           |
| WB                  | 7,120,505           | 533,855,631          |                      |
| <b>Total</b>        | <b>344,422,888</b>  | <b>1,075,020,218</b> | <b>187,162,334</b>   |

## DEVELOPMENT AGENCIES ON- AND OFF-BUDGET DISBURSEMENTS, FY 2024/25

| Development Partner | Disbursement (US\$) |            |             | On-Budget (%) | Off-Budget (%) | Total (%) |
|---------------------|---------------------|------------|-------------|---------------|----------------|-----------|
|                     | On-Budget           | Off-Budget | Total       |               |                |           |
| ADB                 | 436,553,297         | 5,790,320  | 442,343,617 | 99%           | 1%             | 100%      |
| China               | 22,859,678          |            | 22,859,678  | 100%          | 0%             | 100%      |
| Australia           |                     | 9,329,294  | 9,329,294   | 0%            | 100%           | 100%      |
| EU                  | 20,498,482          | 17,237,014 | 37,735,495  | 54%           | 46%            | 100%      |
| Finland             | 11,625,019          | 2,796,285  | 14,421,304  | 81%           | 19%            | 100%      |
| FAO                 |                     | 356,135    | 356,135     | 0%            | 100%           | 100%      |
| FCDO                | 54,536,204          | 29,673,196 | 84,209,400  | 65%           | 35%            | 100%      |
| GIZ                 |                     | 4,151,599  | 4,151,599   | 0%            | 100%           | 100%      |
| PTB                 | 11,376,851          |            | 11,376,851  | 100%          | 0%             | 100%      |
| KFW                 |                     | 695,836    | 695,836     | 0%            | 100%           | 100%      |
| GAVI                | 10,335,802          |            | 10,335,802  | 100%          | 0%             | 100%      |
| GFATM               | 2,781,383           |            | 2,781,383   | 100%          | 0%             | 100%      |
| GCF                 |                     | 15,753,295 | 15,753,295  | 0%            | 100%           | 100%      |
| India               | 107,832,997         |            | 107,832,997 | 100%          | 0%             | 100%      |
| IDA                 | 536,677,390         | 486,313    | 537,163,703 | 100%          | 0%             | 100%      |
| IFAD                | 7,000,000           | 40,000     | 7,040,000   | 99%           | 1%             | 100%      |
| ILO                 |                     | 2,374,516  | 2,374,516   | 0%            | 100%           | 100%      |
| IMF                 | 41,800,000          |            | 41,800,000  | 100%          | 0%             | 100%      |
| JBIC                |                     | 247,194    | 247,194     | 0%            | 100%           | 100%      |
| JFPR                | 900,796             |            | 900,796     | 100%          | 0%             | 100%      |
| JICA                | 34,553,674          | 22,823,695 | 57,377,369  | 60%           | 40%            | 100%      |
| KOICA               | 9,960,953           | 895,327    | 10,856,279  | 92%           | 8%             | 100%      |
| KFAED               | 282,067             |            | 282,067     | 100%          | 0%             | 100%      |
| MCC                 | 14,661,383          |            | 14,661,383  | 100%          | 0%             | 100%      |

| Development Partner | Disbursement (US\$)  |                    |                      | On-Budget (%) | Off-Budget (%) | Total (%) |
|---------------------|----------------------|--------------------|----------------------|---------------|----------------|-----------|
|                     | On-Budget            | Off-Budget         | Total                |               |                |           |
| Japan               |                      | 634,215            | 634,215              | 0%            | 100%           | 100%      |
| Norway              | 10,204,230           | 16,422,748         | 26,626,978           | 38%           | 62%            | 100%      |
| OFID                | 1,051,508            |                    | 1,051,508            | 100%          | 0%             | 100%      |
| Saudi Fund          | 282,067              |                    | 282,067              | 100%          | 0%             | 100%      |
| SDC                 | 24,385,566           | 5,741,703          | 30,127,269           | 81%           | 19%            | 100%      |
| USAID               |                      | 52,459,966         | 52,459,966           | 0%            | 100%           | 100%      |
| UNICEF              |                      | 14,852,623         | 14,852,623           | 0%            | 100%           | 100%      |
| UNDP                | 600,478              | 5,784,394          | 6,384,872            | 9%            | 91%            | 100%      |
| UN Habitat          |                      | 1,760,598          | 1,760,598            | 0%            | 100%           | 100%      |
| UNFPA               |                      | 6,108,777          | 6,108,777            | 0%            | 100%           | 100%      |
| WB Trust Fund       | 3,812,433            |                    | 3,812,433            | 100%          | 0%             | 100%      |
| WFP                 |                      | 21,857,438         | 21,857,438           | 0%            | 100%           | 100%      |
| WHO                 |                      | 3,760,701          | 3,760,701            | 0%            | 100%           | 100%      |
| <b>Total</b>        | <b>1,364,572,255</b> | <b>242,033,183</b> | <b>1,606,605,438</b> |               |                |           |

**ANNEX**

**ODA DISBURSEMENTS BY SECTOR, FY 2010/11 TO FY 2024/25**

| Sector   | Disbursement (US\$) |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|--|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | FY 2010-11          | FY 2011-12  | FY 2012-13  | FY 2013-14  | FY 2014-15  | FY 2015-16  | FY 2016-17  | FY 2017-18  | FY 2018-19  | FY 2019-20  | FY 2020-21  | FY 2021-22  | FY 2022-23  | FY 2023-24  | FY 2024/25  |
| Agriculture, Forestry, Fishing and Hunting                                       | 100,213,113         | 74,011,288  | 59,693,534  | 101,608,731 | 85,509,026  | 79,785,543  | 86,071,603  | 99,534,966  | 43,370,055  | 140,509,397 | 109,466,935 | 60,665,921  | 112,475,132 | 75,626,355  | 188,462,868 |
| Communication  | 1,358,376           | 1,500,692   | 2,926,131   | 8,135,179   | 4,293,202   | 767,854     | 5,540,476   | 7,871,814   | 3,230,153   | 1,901,910   | 1,749,924   | 353,136     | -38,899     |             | 62,934      |
| Community Development  | 135,065,879         | 153,514,312 | 118,294,994 | 152,337,703 | 124,903,019 | 119,153,479 | 123,000,975 | 135,853,877 | 132,872,021 | 67,583,690  | 114,924,391 | 45,413,659  | 43,697,782  | 32,437,687  | 26,850,805  |
| Disability and Sickness  |                     |             |             |             |             |             |             |             |             |             |             |             |             |             | 59,059      |
| Drinking Water   | 52,892,075          | 26,801,648  | 42,278,463  | 38,842,495  | 71,004,210  | 42,285,601  | 110,093,323 | 68,449,074  | 57,035,670  | 69,371,213  | 62,235,888  | 61,135,394  | 50,266,137  | 30,639,538  | 45,567,675  |
| Economic Affairs - Not Elsewhere Classified                                      | 105,597,087         | 58,682,543  | 53,932,875  | 104,324,974 | 55,643,406  | 90,077,360  | 213,524,890 | 268,015,289 | 216,336,780 | 381,954,209 | 24,832,318  | 146,506,883 | 223,051,977 | 120,322,779 | 204,548,208 |
| Education - Not Elsewhere Classified   | 202,848,741         | 229,049,894 | 140,721,598 | 175,053,028 | 113,684,124 | 111,552,236 | 127,237,083 | 202,167,436 | 242,386,029 | 133,284,078 | 218,851,390 | 172,073,881 | 170,576,736 | 127,731,350 | 183,960,948 |
| Environmental Protection - Not Elsewhere Classified                              |                     |             | 14,150,601  | 31,429,270  | 15,957,694  | 54,183,728  | 28,733,283  | 20,481,028  | 23,068,501  | 10,905,181  | 15,772,596  | 10,907,139  | 104,272,285 | 14,237,450  | 36,726,253  |
| Executive and legislative organs, financial and fiscal affairs, external affairs | 18,165,544          | 11,570,494  | 18,285,048  | 16,805,616  | 7,910,400   | 8,551,254   | 13,830,632  | 14,261,417  | 31,190,815  | 8,616,878   | 2,774,230   | 146,486,682 | 2,773,473   | 102,568,623 | 100,543,911 |
| Family and Infant Welfare  | 15,908,852          | 13,397,080  | 7,772,850   | 8,224,185   | 6,321,447   | 10,565,209  | 13,339,483  | 10,172,248  | 12,966,539  | 9,366,617   | 13,122,659  | 15,644,054  | 14,459,467  | 19,146,661  | 31,064,061  |

| Sector   | Disbursement (US\$) |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
|--|---------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|  | FY2010-11           | FY2011-12   | FY2012-13   | FY2013-14   | FY2014-15   | FY2015-16   | FY2016-17   | FY2017-18   | FY2018-19   | FY2019-20   | FY2020-21   | FY2021-22   | FY2022-23   | FY2023-24   | FY2024/25   |
| Fuel and Energy  | 81,665,538          | 130,435,193 | 102,676,161 | 72,267,339  | 98,764,694  | 164,867,427 | 78,647,346  | 122,458,744 | 241,570,685 | 173,093,982 | 323,058,050 | 150,131,919 | 166,828,303 | 195,295,926 | 113,601,151 |
| General Economic Commercial and Labor Affairs            | 42,890,531          | 38,264,500  | 49,643,099  | 23,463,798  | 39,420,886  | 37,968,823  | 42,081,000  | 43,888,879  | 40,021,902  | 106,654,704 | 14,078,169  | 51,266,385  | 39,011,854  | 40,411,297  | 27,280,709  |
| General Public Service that are not elsewhere classified |                     |             |             |             |             |             |             |             |             |             |             |             |             | 840,771     | 4,967,208   |
| General Services   | 1,312,168           | 481,143     | 3,501,373   | 6,109,213   | 2,211,232   |             | 3,382,417   | 8,003,404   | 6,541,585   | 4,500,160   | 36,378,962  | 23,215,572  | 6,782,731   | 116,926,994 | 13,771,187  |
| Health – Not Elsewhere classified                        | 129,633,812         | 85,078,740  | 128,514,285 | 115,723,521 | 177,747,406 | 103,443,766 | 89,576,472  | 145,251,322 | 87,032,416  | 318,352,773 | 222,719,861 | 241,529,674 | 171,067,396 | 139,001,102 | 76,556,000  |
| Housing  |                     |             |             |             |             |             |             |             |             |             |             |             | 296,296     | 413,897     | 642,467     |
| Housing and Community Amenities                          |                     |             |             |             |             |             |             |             |             |             |             |             |             |             | 460,711     |
| Mining, Manufacturing and Construction                   | 48,117,612          | 57,897,136  | 42,945,104  | 60,192,078  | 43,205,189  | 1,448,46694 | 310,560,848 | 337,155,204 | 315,271,666 | 312,155,997 | 196,578,050 | 175,110,726 | 105,559,907 | 61,765,261  | 85,046,523  |
| Other Industries   | 2,028,322           | 10,110,905  | 7,651,135   | 43,767,357  | 17,081,883  | 11,408,591  | 11,681,319  | 3,327,570   | 15,218,080  | 42,987,294  | 7,806,094   | 5,827,024   | 9,960,417   | 4,946,148   | 3,074,639   |
| Pre-Primary and Primary Education                        |                     |             |             |             |             |             |             |             |             |             |             |             |             | 666,159     | 1,042,512   |
| Protection of Biodiversity and Landscape                 |                     |             |             |             |             |             |             |             |             |             |             |             |             |             | 413,068     |
| Public Health Services                                   |                     |             |             |             |             |             |             |             |             |             |             |             |             |             | 437,350     |
| Public Order and Safety                                  |                     |             | 4,258,208   | 612,377     | 43,714,515  | 16,364,238  | 13,505,053  | 28,353,247  | 11,938,934  | 14,508,150  | 33,308,345  | 14,823,099  | 17,864,918  | 29,198,153  | 170,348,962 |
| Pollution Minimization/Reduction                         | 524,039             | 347,506     |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Public Debt Transaction                                  |                     |             |             |             |             |             |             |             |             |             |             |             |             |             |             |
| Recreational and sporting Services                       | 685,964             | 710,333     | 434,136     | 1,226,453   | 956,408     | 564,301     | 422,521     | 364,147     | 287,974     | 214,686     |             | 13,546      | 226,082     | 150,152     |             |

| Sector  | Disbursement (US\$)  |                      |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|---|----------------------|----------------------|--------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | FY 2010-11           | FY 2011-12           | FY 2012-13         | FY 2013-14           | FY 2014-15           | FY 2015-16           | FY 2016-17           | FY 2017-18           | FY 2018-19           | FY 2019-20           | FY 2020-21           | FY 2021-22           | FY 2022-23           | FY 2023-24           | FY 2024/25           |
| Research and Development - Economic Affairs                           | 604,237              | 852,978              | 2,745,271          | 1,016,406            | 2,786,331            | 2,340,408            | 7,503,803            | 3,270,308            | 6,835,250            | 6,555,536            | 2,904,908            | 1,675,809            | 2,929,490            | 3,347,821            | 7,104,346            |
| Research and Development - Environmental Protection                   |                      |                      |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      | 337,878              |
| Social Exclusion  |                      |                      |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      | 909,245              | 392,040              |
| Social Security - Not Elsewhere classified                            | 28,921,179           | 34,348,601           | 28,634,910         | 9,504,861            | 18,297,501           | 23,809,007           | 30,713,532           | 4,339,723            | 13,545,038           | 10,694,671           | 14,730,005           | 30,824,536           | 20,945,032           | 40,758,055           | 28,105,465           |
| Subsidiary Services to Education                                      |                      |                      |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      | 260,951              |
| Transfer of a General character between Different Level of Government |                      |                      |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Transport   | 111,277,483          | 118,242,285          | 116,447,679        | 66,003,755           | 91,342,585           | 51,525,116           | 85,154,811           | 99,561,039           | 77,765,169           | 189,590,143          | 269,375,287          | 66,853,518           | 108,043,305          | 233,076,724          | 252,750,935          |
| Unemployment  |                      |                      |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      | 2,050,245            |
| Waste Management  |                      |                      |                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      | 13,163               |
| <b>Total</b>  | <b>1,079,710,552</b> | <b>1,045,297,271</b> | <b>959,951,291</b> | <b>1,036,648,339</b> | <b>1,020,755,158</b> | <b>1,074,060,635</b> | <b>1,394,600,870</b> | <b>1,622,780,736</b> | <b>1,578,485,262</b> | <b>2,002,801,269</b> | <b>1,684,668,062</b> | <b>1,420,458,557</b> | <b>1,371,049,821</b> | <b>1,390,418,146</b> | <b>1,606,605,438</b> |

## ODA DISBURSEMENTS BY PROVINCE AND DISTRICT, FY 2024/25

| Province    | District      | Disbursement (US\$) | No. of Projects |
|-------------|---------------|---------------------|-----------------|
| Sudurpashim | Achham        | 1,387,279           | 13              |
| Lumbini     | Arghakhanchi  | 358,629             | 5               |
| Gandaki     | Baglung       | 331,904             | 6               |
| Sudurpashim | Baitadi       | 794,519             | 12              |
| Sudurpashim | Bajhang       | 794,519             | 12              |
| Sudurpashim | Bajura        | 2,512,738           | 16              |
| Lumbini     | Banke         | 1,019,259           | 9               |
| Madesh      | Bara          | 11,724,294          | 11              |
| Lumbini     | Bardiya       | 1,559,111           | 9               |
| Bagmati     | Bhaktapur     | 5,839,959           | 20              |
| Koshi       | Bhojpur       | 1,319,557           | 15              |
| Bagmati     | Chitwan       | 13,466,092          | 19              |
| Sudurpashim | Dadeldhura    | 1,374,487           | 12              |
| Karnali     | Dailekh       | 1,857,208           | 12              |
| Lumbini     | Dang          | 19,389,328          | 8               |
| Sudurpashim | Darchula      | 776,819             | 11              |
| Bagmati     | Dhading       | 12,599,285          | 17              |
| Koshi       | Dhankuta      | 1,320,127           | 16              |
| Madesh      | Dhanusa       | 4,454,893           | 16              |
| Bagmati     | Dolakha       | 2,630,895           | 17              |
| Karnali     | Dolpa         | 547,190             | 8               |
| Sudurpashim | Doti          | 2,397,086           | 14              |
| Lumbini     | Eastern Rukum | 358,629             | 5               |
| Gandaki     | Gorkha        | 1,878,393           | 10              |
| Lumbini     | Gulmi         | 358,629             | 5               |

| Province    | District       | Disbursement (US\$) | No. of Projects |
|-------------|----------------|---------------------|-----------------|
| Karnali     | Humla          | 1,170,827           | 11              |
| Koshi       | Ilam           | 1,319,557           | 15              |
| Karnali     | Jajarkot       | 2,262,141           | 11              |
| Koshi       | Jhapa          | 1,951,746           | 16              |
| Karnali     | Jumla          | 1,237,682           | 12              |
| Sudurpashim | Kailali        | 3,728,602           | 20              |
| Karnali     | Kalikot        | 1,165,918           | 11              |
| Sudurpashim | Kanchanpur     | 14,162,063          | 15              |
| Lumbini     | Kapilvastu     | 495,349             | 7               |
| Gandaki     | Kaski          | 20,741,596          | 13              |
| Bagmati     | Kathmandu      | 44,148,070          | 31              |
| Bagmati     | Kavrepalanchok | 9,213,968           | 21              |
| Koshi       | Khotang        | 1,422,616           | 16              |
| Bagmati     | Lalitpur       | 2,330,804           | 20              |
| Gandaki     | Lamjung        | 351,186             | 6               |
| Madesh      | Mahottari      | 3,260,162           | 13              |
| Bagmati     | Makwanpur      | 11,066,318          | 18              |
| Gandaki     | Manang         | 331,334             | 5               |
| Koshi       | Morang         | 14,049,858          | 24              |
| Karnali     | Mugu           | 1,245,381           | 12              |
| Gandaki     | Mustang        | 331,334             | 5               |
| Gandaki     | Myagdi         | 331,904             | 6               |
| Gandaki     | Nawalpur       | 331,334             | 5               |
| Bagmati     | Nuwakot        | 3,092,410           | 17              |
| Koshi       | Okhaldhunga    | 1,796,190           | 17              |
| Lumbini     | Palpa          | 359,200             | 6               |
| Koshi       | Panchthar      | 1,319,557           | 15              |
| Lumbini     | Parasi         | 1,279,546           | 7               |
| Gandaki     | Parbat         | 331,904             | 6               |
| Madesh      | Parsa          | 1,499,764           | 11              |
| Lumbini     | Pyuthan        | 359,200             | 6               |
| Bagmati     | Ramechhap      | 2,613,195           | 17              |
| Bagmati     | Rasuwa         | 2,085,430           | 16              |
| Madesh      | Rautahat       | 1,285,054           | 10              |
| Lumbini     | Rolpa          | 358,629             | 5               |

| Province     | District      | Disbursement (US\$)  | No. of Projects |
|--------------|---------------|----------------------|-----------------|
| Lumbini      | Rupandehi     | 6,002,799            | 12              |
| Karnali      | Salyan        | 1,552,088            | 9               |
| Koshi        | Sankhuwasabha | 1,439,147            | 17              |
| Madesh       | Saptari       | 2,172,892            | 12              |
| Madesh       | Sarlahi       | 1,267,354            | 9               |
| Bagmati      | Sindhuli      | 2,511,139            | 17              |
| Bagmati      | Sindhupalchok | 3,493,429            | 19              |
| Madesh       | Siraha        | 1,330,029            | 12              |
| Koshi        | Solukhumbu    | 1,342,042            | 17              |
| Koshi        | Sunsari       | 47,037,217           | 18              |
| Karnali      | Surkhet       | 1,738,188            | 11              |
| Gandaki      | Syangja       | 454,235              | 7               |
| Gandaki      | Tanahu        | 36,149,387           | 10              |
| Koshi        | Taplejung     | 1,319,557            | 15              |
| Koshi        | Terhathum     | 1,320,127            | 16              |
| Koshi        | Udayapur      | 1,319,557            | 15              |
| Karnali      | Western Rukum | 3,269,121            | 12              |
| Nationwide   | Nepal         | 1,248,806,467        | 176             |
| <b>Total</b> |               | <b>1,606,605,438</b> |                 |

## ODA FRAGMENTATION BY EXECUTING GOVERNMENT ENTITY, FY 2024/25

| Ministry | Herfindahl Index | # of Development Partners | # of Projects |
|----------|------------------|---------------------------|---------------|
| NHRC     | 1.00             | 1                         | 1             |
| MoICT    | 1.00             | 1                         | 1             |
| MoICS    | 0.88             | 6                         | 10            |
| MoFA     | 0.87             | 2                         | 2             |
| OPMCM    | 0.51             | 4                         | 4             |
| MoCTCA   | 0.49             | 5                         | 6             |
| MoLMCPA  | 0.46             | 3                         | 3             |
| NPC      | 0.46             | 5                         | 7             |
| MoLESS   | 0.46             | 9                         | 11            |
| MoUD     | 0.36             | 9                         | 14            |
| MoLJPA   | 0.32             | 2                         | 3             |
| MoHA     | 0.29             | 10                        | 17            |
| MoFE     | 0.24             | 12                        | 17            |
| MoALD    | 0.21             | 12                        | 29            |
| MoF      | 0.18             | 15                        | 26            |
| MoEST    | 0.17             | 15                        | 27            |
| MoWCSC   | 0.13             | 11                        | 19            |
| MoPIT    | 0.11             | 9                         | 19            |
| MoWS     | 0.09             | 11                        | 17            |
| MoFAGA   | 0.09             | 11                        | 26            |
| MoHP     | 0.08             | 20                        | 41            |
| MoEWRI   | 0.08             | 9                         | 33            |

## ODA FRAGMENTATION BY DEVELOPMENT PARTNER, FY 2024/25

| Development Partner    | Herfindal Index | # of Counterpart Government Entities | # of Projects/ Programmes |
|------------------------|-----------------|--------------------------------------|---------------------------|
| Saudi Fund             | 1.00            | 1                                    | 1                         |
| OFID                   | 1.00            | 1                                    | 1                         |
| KFAED                  | 1.00            | 1                                    | 1                         |
| IMF                    | 1.00            | 1                                    | 1                         |
| Green Climate Fund     | 1.00            | 1                                    | 1                         |
| GAVI                   | 1.00            | 1                                    | 1                         |
| GFATM                  | 0.52            | 1                                    | 2                         |
| Australia              | 0.43            | 5                                    | 5                         |
| China                  | 0.33            | 3                                    | 1                         |
| Finland                | 0.27            | 5                                    | 6                         |
| Korea                  | 0.19            | 7                                    | 8                         |
| Norway                 | 0.19            | 7                                    | 13                        |
| United States          | 0.16            | 8                                    | 19                        |
| India                  | 0.16            | 8                                    | 7                         |
| European Union         | 0.15            | 13                                   | 22                        |
| Japan                  | 0.14            | 12                                   | 26                        |
| Germany                | 0.13            | 7                                    | 16                        |
| World Bank             | 0.12            | 12                                   | 25                        |
| Asian Development Bank | 0.1             | 13                                   | 49                        |
| United Kingdom         | 0.09            | 12                                   | 14                        |
| Switzerland            | 0.08            | 12                                   | 23                        |
| United Nations         | 0.06            | 19                                   | 68                        |

## ODA DISBURSEMENTS BY DEVELOPMENT PARTNER AND GENDER MARKER CLASSIFICATION, FY 2024/25

| Development Partner | Disbursement (US\$) |                       |                    | Proportion of Total Disbursements that are Directly or Indirectly Supportive |
|---------------------|---------------------|-----------------------|--------------------|--|
|                     | Directly Supportive | Indirectly Supportive | Neutral            |  |
| ADB                 | 229,067,772         | 28,420,233            | 185,756,408        | 58%  |
| Australia           | 4,137,566           |                       | 5,191,728          | 44%  |
| China               |                     |                       | 22,859,678         | 0%   |
| EU                  | 5,511,668           | 31,104,930            | 1,118,897          | 97%  |
| Finland             | 6,871,298           | 5,428,927             | 2,121,079          | 85%  |
| GAVI                |                     |                       | 10,335,802         | 0%   |
| GCF                 | 15,753,295          |                       |                    | 100%   |
| Germany             | 2,824,544           | 7,750,411             | 5,649,331          | 65%  |
| GFATM               |                     |                       | 2,781,383          | 0%   |
| IMF                 | 41,800,000          |                       |                    | 100%   |
| India               | 20,833,530          |                       | 86,999,467         | 19%  |
| Japan               | 14,064,374          | 18,996,586            | 25,197,819         | 57%  |
| KFAED               |                     | 282,067               |                    | 100%   |
| Korea               | 3,082,896           |                       | 7,773,383          | 28%  |
| Norway              | 8,212,514           | 3,871,501             | 14,542,963         | 45%  |
| OFID                |                     |                       | 1,051,508          | 0%   |
| Saudi Fund          |                     |                       | 282,067            | 0%   |
| Switzerland         | 3,728,594           | 5,717,632             | 20,681,043         | 31%  |
| UK                  | 2,522,204           | 23,823,605            | 57,863,592         | 31%  |
| UN                  | 18,901,893          | 23,825,340            | 21,768,427         | 66%  |
| USAID               | 8,006,446           | 4,552,325             | 54,562,578         | 19%  |
| WB                  | 58,901,289          | 73,511,281            | 408,563,566        | 24%  |
| <b>Total</b>        | <b>444,219,883</b>  | <b>227,284,838</b>    | <b>935,100,719</b> |  |

## INGO DISBURSEMENTS, FY 2024/25

| INGOs                                     | Disbursement (US\$) |
|---|---------------------|
| Save the Children                         | 12,364,469          |
| CARE Nepal                                | 10,181,992          |
| Plan Nepal                                | 9,882,486           |
| Dan Church Aid                            | 9,765,678           |
| Nick Simons Foundation International      | 6,889,226           |
| One Heart World-Wide Nepal                | 6,404,075           |
| Heifer International Nepal                | 4,514,065           |
| Felm Nepal                                | 4,354,658           |
| Habitat for Humanity International Nepal  | 3,274,509           |
| Zoological Society of London Nepal Office | 3,261,181           |
| Good Neighbors International Nepal        | 3,252,782           |
| Stromme Foundation                        | 2,140,241           |
| Childaid Network Foundation               | 1,438,317           |
| Adventist Development and Relief Agency   | 1,244,283           |
| dZi Foundation                            | 1,233,882           |
| Shanti Med Nepal                          | 1,000,000           |
| Shapla Neer                               | 974,783             |
| Nepalhilfe Beilngries e.V.                | 774,642             |
| ChildFund Japan                           | 763,910             |
| FAIRMED                                   | 747,130             |
| Shanti Volunteer Association              | 694,706             |
| Helen Keller International                | 637,435             |
| Fida International                        | 601,274             |
| German-Nepalese Help Association          | 507,063             |
| Seva Nepal Eye Care Program               | 478,449             |

| INGOs  | Disbursement (US\$) |
|--|---------------------|
| KTK -BELT Inc  | 349,954             |
| Good Shepherd International Foundation                         | 292,980             |
| Eye Care Foundation  | 260,888             |
| Norwegian Association of the Blind and Partially Sighted Nepal | 258,676             |
| World Neighbors  | 224,954             |
| Community Action Nepal, UK                                     | 223,370             |
| Medecine du Monde  | 219,758             |
| Latter-day Saint Charities                                     | 192,212             |
| Sunrise Children's Association Inc. Australia/Nepal            | 184,836             |
| PATH   | 157,528             |
| Mission East   | 153,523             |
| AWO International  | 75,602              |
| SIL International Nepal  | 70,876              |
| <b>Total</b>   | <b>90,046,393</b>   |

## INGO DISBURSEMENTS BY SECTOR, FY 2024/25

| Sector  | Number of Projects | Disbursements (US\$) |
|---|--------------------|----------------------|
| Agriculture, Forestry, Fishing and Hunting            | 18                 | 8,890,766            |
| Community Development                                 | 10                 | 1,358,131            |
| Drinking Water  | 4                  | 331,761              |
| Economic Affairs – Not Elsewhere Classified           | 3                  | 431,167              |
| Education – Not Elsewhere Classified                  | 26                 | 13,353,249           |
| Education Not Definable by Level (Informal Education) | 1                  | 1,284,145            |
| Environmental Protection – Not Elsewhere Classified   | 6                  | 111,393              |
| Family and Infant Welfare                             | 18                 | 5,288,063            |
| Fuel and Energy                                       | 12                 | 20,523,141           |
| General Economic Commercial and Labor Affairs         | 6                  | 931,823              |
| General Services                                      | 1                  | 51,919               |
| Health – Not Elsewhere classified                     | 28                 | 20,159,462           |
| Hospital Services                                     | 1                  | 260,888              |
| Housing   | 1                  | 3,385                |
| Housing and Community Amenities                       | 3                  | 2,393,569            |
| Mining, Manufacturing and Construction                | 1                  | 0                    |
| Other Industries                                      | 1                  | 0                    |
| Pre-Primary and Primary Education                     | 2                  | 253,532              |
| Protection of Biodiversity and Landscape              | 5                  | 3,795,001            |
| Public Health Services                                | 4                  | 152,119              |
| Public Order and Safety                               | 1                  | 762,387              |
| Recreational and sporting Services                    | 5                  | 2,213,318            |

| Sector   | Number of Projects | Disbursements (US\$) |
|--|--------------------|----------------------|
| Research and Development<br>Environmental Protection | 1                  | 0                    |
| Social Security – Not Elsewhere classified           | 9                  | 7,497,173            |
| Waste Management                                     | 2                  | 0                    |
| <b>Total</b>   |                    | <b>90,046,393</b>    |

## ANNEX

## K

## INGO DISBURSEMENTS AND PROJECTS BY GEOGRAPHIC REGION, FY 2024/25

| Province    | District      | Disbursement (US\$) | No. of Projects |
|-------------|---------------|---------------------|-----------------|
| Sudurpashim | Achham        | 238,727             | 8               |
| Lumbini     | Arghakhanchi  | 436,038             | 9               |
| Gandaki     | Baglung       | 200,343             | 9               |
| Sudurpashim | Baitadi       | 238,727             | 8               |
| Sudurpashim | Bajhang       | 254,836             | 8               |
| Sudurpashim | Bajura        | 497,124             | 9               |
| Lumbini     | Banke         | 3,474,203           | 17              |
| Madesh      | Bara          | 1,969,791           | 12              |
| Lumbini     | Bardiya       | 3,145,713           | 15              |
| Bagmati     | Bhaktapur     | 461,636             | 8               |
| Koshi       | Bhojpur       | 743,166             | 8               |
| Bagmati     | Chitwan       | 1,440,757           | 13              |
| Sudurpashim | Dadeldhura    | 254,836             | 8               |
| Karnali     | Dailekh       | 1,966,248           | 7               |
| Lumbini     | Dang          | 613,230             | 10              |
| Sudurpashim | Darchula      | 238,727             | 7               |
| Bagmati     | Dhading       | 1,452,322           | 13              |
| Koshi       | Dhankuta      | 342,182             | 7               |
| Madesh      | Dhanusa       | 3266300.562         | 15              |
| Bagmati     | Dolakha       | 455,535             | 10              |
| Karnali     | Dolpa         | 1,759,859           | 7               |
| Sudurpashim | Doti          | 1,270,697           | 9               |
| Lumbini     | Eastern Rukum | 383,002             | 7               |
| Gandaki     | Gorkha        | 448,175             | 9               |
| Lumbini     | Gulmi         | 391,929             | 9               |

| Province    | District       | Disbursement (US\$) | No. of Projects |
|-------------|----------------|---------------------|-----------------|
| Karnali     | Humla          | 1,341,564           | 8               |
| Koshi       | Ilam           | 298,969             | 7               |
| Karnali     | Jajarkot       | 2,210,645           | 11              |
| Koshi       | Jhapa          | 297,904             | 8               |
| Karnali     | Jumla          | 2,432,380           | 7               |
| Sudurpashim | Kailali        | 2,112,899           | 11              |
| Karnali     | Kalikot        | 3,259,765           | 8               |
| Sudurpashim | Kanchanpur     | 2,793,834           | 14              |
| Lumbini     | Kapilvastu     | 495,366             | 11              |
| Gandaki     | Kaski          | 110,839             | 8               |
| Bagmati     | Kathmandu      | 139,024             | 10              |
| Bagmati     | Kavrepalanchok | 422,039             | 10              |
| Koshi       | Khotang        | 928,248             | 8               |
| Bagmati     | Lalitpur       | 3,064,783           | 10              |
| Gandaki     | Lamjung        | 106,895             | 6               |
| Madesh      | Mahottari      | 1,979,746           | 14              |
| Bagmati     | Makwanpur      | 323,405             | 10              |
| Gandaki     | Manang         | 106,895             | 6               |
| Koshi       | Morang         | 1,936,840           | 12              |
| Karnali     | Mugu           | 1,087,337           | 6               |
| Gandaki     | Mustang        | 106,895             | 6               |
| Gandaki     | Myagdi         | 295,250             | 7               |
| Gandaki     | Nawalpur       | 729,769             | 8               |
| Bagmati     | Nuwakot        | 514,358             | 11              |
| Koshi       | Okhaldhunga    | 298,969             | 7               |
| Lumbini     | Palpa          | 597,122             | 9               |
| Koshi       | Panchthar      | 298,969             | 7               |
| Lumbini     | Parasi         | 305,663             | 6               |
| Gandaki     | Parbat         | 355,468             | 9               |
| Madesh      | Parsa          | 1,780,295           | 9               |
| Lumbini     | Pyuthan        | 419929.9155         | 8               |
| Bagmati     | Ramechhap      | 1,092,566           | 12              |
| Bagmati     | Rasuwa         | 71,009              | 7               |
| Madesh      | Rautahat       | 2,071,754           | 16              |
| Lumbini     | Rolpa          | 340,116             | 7               |

| Province     | District      | Disbursement (US\$) | No. of Projects |
|--------------|---------------|---------------------|-----------------|
| Lumbini      | Rupandehi     | 738,093             | 10              |
| Karnali      | Salyan        | 1,364,725           | 9               |
| Koshi        | Sankhuwasabha | 530,537             | 8               |
| Madesh       | Saptari       | 1,866,427           | 11              |
| Madesh       | Sarlahi       | 2286104.007         | 17              |
| Bagmati      | Sindhuli      | 2,066,389           | 17              |
| Bagmati      | Sindhupalchok | 888,337             | 14              |
| Madesh       | Siraha        | 1,936,585           | 13              |
| Koshi        | Solukhumbu    | 722674.0082         | 11              |
| Koshi        | Sunsari       | 246,681             | 7               |
| Karnali      | Surkhet       | 1,882,387           | 10              |
| Gandaki      | Syangja       | 167,112             | 8               |
| Gandaki      | Tanahu        | 329,787             | 9               |
| Koshi        | Taplejung     | 298,969             | 8               |
| Koshi        | Terhathum     | 298,969             | 7               |
| Koshi        | Udayapur      | 453,306             | 9               |
| Karnali      | Western Rukum | 1,091,792           | 7               |
| Nationwide   | Nepal         | 12,205,906          | 8               |
| <b>Total</b> |               | <b>90,046,393</b>   |                 |

## ANNEX

## LIST OF AGREEMENTS IN FY 2024/25

| Date of Agreement | Development Partner | Project/Programme Name  | Type of Assistance | Sector                  | Total Amount in USD (CBN XR) |
|-------------------|---------------------|---|--------------------|-------------------------|------------------------------|
| 26-Jul-24         | FCDO                | Local Infrastructure Improvement Facility   | Grant              | Infrastructure          | 10,434,420                   |
| 05-Aug-24         | WB                  | Provincial and Local Roads Improvement Program (PLRIP)- Phase I                                 | Loan               | Transport               | 100,000,000                  |
| 09-Aug-24         | WWF                 | Managing Watersheds for Enhanced Resilience of Communities to Climate Change in Nepal (MaWRIN)  | Grant              | Environment and Climate | 9,020,000                    |
| 28-Aug-24         | Japan               | Implementation for the project of Human Resource Development                                    | Grant              | Governance              | 3,114,440                    |
| 28-Aug-24         | FCDO                | RAIN and SAMARTHA Programme   | Grant              | Environment and Climate | 85,826,190                   |
| 06-Sep-24         | Germany             | Technical Cooperation   | Grant              | Social                  | 56,625,300                   |
| 04-Oct-24         | EU                  | Multi Sector Nutrition Plan Phase III   | Grant              | Nutrition               | 25,366,700                   |
| 21-Oct-24         | WB                  | Nepal Disaster Resilience Development Policy Credit with a Catastrophe Deferred Drawdown Option | Loan               | Disaster Management     | 150,000,000                  |
| 15-Nov-24         | IFAD                | Resilient High Value Agricultural Programme   | Loan               | Agriculture             | 70,300,000                   |

| Date of Agreement | Development Partner | Project/Programme Name   | Type of Assistance | Sector                  | Total Amount in USD (CBN XR) |
|-------------------|---------------------|--|--------------------|-------------------------|------------------------------|
| 19-Nov-24         | KfW                 | Power Distribution Strengthening Programme (PoDiSP)  | Grant              | Energy                  | 10,578,000                   |
| 26-Nov-24         | Switzerland         | Safer Migration Programme (SaMI)   | Grant              | Social                  | 12,791,520                   |
| 03-Dec-24         | China               | Agreement Between the Government of Nepal and the Government of the people's Republic of China on Economic and Technical Cooperation | Grant              | Forest and Environment  | 40,950,000                   |
| 11-Dec-24         | ADB                 | Mechanized Irrigation Innovation Project   | Loan               | Irrigation              | 110,000,000                  |
| 11-Dec-24         | ADB                 | Mechanized Irrigation Innovation Project   | Grant              | Irrigation              | 15,000,000                   |
| 11-Dec-24         | ADB                 | Climate Resilient Landscapes and Livelihood Project  | Grant              | Environment and Climate | 22,000,000                   |
| 11-Dec-24         | ADB                 | Climate Resilient Landscapes and Livelihood Project  | Loan               | Environment and Climate | 10,000,000                   |
| 20-Dec-24         | ADB                 | Kathmandu Valley Water Supply Improvement Project (Phase 2)  | Grant              | Water                   | 15,000,000                   |
| 20-Dec-24         | ADB                 | Kathmandu Valley Water Supply Improvement Project (Phase 2)  | Loan               | Water                   | 170,000,000                  |
| 20-Dec-24         | JFPR                | Kathmandu Valley Water Supply Improvement Project (Phase 2)  | Grant              | Water                   | 3,000,000                    |
| 20-Dec-24         | ADB                 | SASEC Electricity Transmission and Distribution Strengthening Project  | Grant              | Energy                  | 30,000,000                   |
| 20-Dec-24         | ADB                 | SASEC Electricity Transmission and Distribution Strengthening Project  | Loan               | Energy                  | 311,000,000                  |
| 20-Dec-24         | EU                  | SASEC Electricity Transmission and Distribution Strengthening Project  | Grant              | Energy                  | 22,600,000                   |
| 20-Dec-24         | Norway              | SASEC Electricity Transmission and Distribution Strengthening Project  | Grant              | Energy                  | 31,000,000                   |

| Date of Agreement | Development Partner | Project/Programme Name  | Type of Assistance | Sector                  | Total Amount in USD (CBN XR) |
|-------------------|---------------------|---|--------------------|-------------------------|------------------------------|
| 20-Dec-24         | SCF                 | SASEC Electricity Transmission and Distribution Strengthening Project   | Loan               | Energy                  | 10,000,000                   |
| 20-Dec-24         | ADB                 | Green, Resilient, and Inclusive Development (GRID), PBL   | Loan               | Environment and Climate | 100,000,000                  |
| 20-Dec-24         | ADB                 | Irrigation Modernization Enhancement Project (IMEP)   | Loan               | Irrigation              | 85,000,000                   |
| 16-Jan-25         | WB                  | Global Partnership for Sustainable and Resilient Landscapes (PROGREEN) Multi Donor Trust Fund Grant Agreement (Additional Financing for Forests for Prosperity Project) | Grant              | Environment and Climate | 12,000,000                   |
| 04-Feb-25         | WB                  | Nepal Second Green, Resilient and Inclusive Programmatic Development Policy Credit  | Loan               | Environment and Climate | 100,000,000                  |
| 20-Feb-25         | ADB                 | 2024 floods and landslides emergency response project   | Grant              | Environment and Climate | 2,000,000                    |
| 12-Mar-25         | Switzerland         | Quality TVET of Youth   | Grant              | Social                  | 1,904,784                    |
| 21-Jun-25         | WB                  | Third Bridges Improvement and Maintenance Program(BIMP-III)   | Loan               | Transport               | 150,000,000                  |
| 21-Jun-25         | WB                  | Nepal Strategic Road Connectivity and Trade Improvement Project (SRCTIP) - AF   | Loan               | Transport               | 200,000,000                  |
| 09-Jul-25         | Japan               | Project for Human Resource Development Scholarship (JDS)  | Grant              | Education               | 3,866,720                    |



## DEVELOPMENT PARTNER DISBURSEMENTS BY GEOGRAPHIC REGION, FY 2024/25

| Development Partners | Bagmati      |                 | Gandaki      |                 | Karnali      |                 | Koshi        |                 | Lumbini      |                 | Madesh       |                 | Nationwide   |                 | Sudurpashim  |                 | Grand Total  |                 |
|----------------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|--------------|-----------------|
|                      | Disbursement | No. of Projects |
| KFAED                |              |                 |              |                 |              |                 |              |                 |              |                 |              |                 | 282,067      | 1               |              |                 | 282,067      | 1               |
| Saudi Fund           |              |                 |              |                 |              |                 |              |                 |              |                 |              |                 | 282,067      | 1               |              |                 | 282,067      | 1               |
| OFID                 | 1,051,505    | 13              |              |                 |              |                 |              |                 |              |                 |              |                 |              |                 |              |                 | 1,051,505    | 13              |
| GFATM                |              |                 |              |                 |              |                 |              |                 |              |                 |              |                 | 2,781,383    | 2               |              |                 | 2,781,383    | 2               |
| Australia            | 590,304      | 13              | 590,304      | 11              | 590,300      | 10              | 590,296      | 14              | 590,304      | 12              | 1,186,071    | 9               | 5,191,728    | 3               |              |                 | 9,329,307    | 72              |
| GAVI                 |              |                 |              |                 |              |                 |              |                 |              |                 |              |                 | 10,335,802   | 1               |              |                 | 10,335,802   | 1               |
| Korea                | 4,712,757    | 16              | 3,318,609    | 14              |              |                 |              |                 | 573,044      | 1               | 1,940,430    | 1               |              |                 | 311,436      | 9               | 10,856,276   | 41              |
| Finland              | 525,122      | 13              |              |                 | 1,538,220    | 30              |              |                 | 167,625      | 1               | 645,304      | 16              | 10,006,816   | 3               | 1,538,217    | 27              | 14,421,304   | 90              |
| GCF                  |              |                 |              |                 |              |                 |              |                 |              |                 |              |                 | 15,753,295   | 1               |              |                 | 15,753,295   | 1               |
| Germany              | 1,587,156    | 18              | 727,109      | 3               | 1,487,211    | 3               | 6,288,722    | 6               | 88,810       | 2               | 88,810       | 2               | 3,884,714    | 4               | 2,071,758    | 6               | 16,224,290   | 44              |
| China                |              |                 |              |                 |              |                 |              |                 |              |                 |              |                 | 22,859,678   | 1               |              |                 | 22,859,678   | 1               |
| Norway               | 102,324      | 3               | 34,108       | 1               | 2,065,340    | 10              | 103,059      | 1               | 34,108       | 1               | 5,643,804    | 9               | 16,544,791   | 10              | 2,099,446    | 10              | 26,626,980   | 45              |
| Switzerland          | 1,714,976    | 21              | 39,704       | 2               | 447,500      | 10              | 10,077,354   | 142             | 1,556,160    | 12              | 1,051,760    | 8               | 15,108,240   | 12              | 131,580      | 9               | 30,127,274   | 216             |

| Development Partners   | Bagmati           |                 | Gandaki           |                 | Karnali           |                 | Koshi             |                 | Lumbini           |                 | Madesh             |                 | Nationwide        |                 | Sudurpashim          |                 | Grand Total  |                 |
|------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|--------------------|-----------------|-------------------|-----------------|----------------------|-----------------|--------------|-----------------|
|                        | Disbursement      | No. of Projects | Disbursement       | No. of Projects | Disbursement      | No. of Projects | Disbursement         | No. of Projects | Disbursement | No. of Projects |
| EU                     |                   |                 | 348,635           | 13              |                   |                 |                   |                 |                   |                 |                    |                 | 36,979,134        | 20              | 407,727              | 4               | 37,735,496   | 37              |
| IMF                    |                   |                 |                   |                 |                   |                 |                   |                 |                   |                 |                    |                 | 41,800,000        | 1               |                      |                 | 41,800,000   | 1               |
| Japan                  | 23,857,243        | 51              | 119,020           | 1               | 13,357,557        | 33              | 119,020           | 1               | 119,020           | 1               | 119,020            | 1               | 6,809,984         | 9               | 119,020              | 1               | 58,258,781   | 113             |
| United Nations         | 123,549           | 11              | 286,144           | 16              | 4,913             | 5               | 1,478,430         | 10              | 181,290           | 18              | 61,653,003         | 49              | 495,357           | 10              | 495,357              | 10              | 64,495,657   | 124             |
| United States          |                   |                 | 6,363,800         | 7               |                   |                 | 592,760           | 1               |                   |                 | 58,979,272         | 17              | 1,185,520         | 2               | 1,185,520            | 2               | 67,121,352   | 27              |
| United Kingdom         |                   |                 |                   |                 |                   |                 |                   |                 |                   |                 |                    |                 | 84,209,400        | 14              |                      |                 | 84,209,400   | 14              |
| India                  | 24,238,469        | 7               | 1,006,980         | 1               |                   |                 | 5,011,804         | 2               | 1,006,980         | 1               | 75,561,782         | 4               | 1,006,980         | 1               | 1,006,980            | 1               | 107,832,995  | 16              |
| Asian Development Bank | 22,813,504        | 63              | 533,510           | 10              | 46,167,405        | 17              | 19,998,693        | 29              | 1,212,339         | 10              | 297,542,020        | 32              | 14,609,526        | 30              | 14,609,526           | 30              | 443,244,413  | 206             |
| World Bank             |                   |                 |                   |                 |                   |                 |                   |                 |                   |                 |                    |                 |                   |                 |                      |                 | 540,976,137  | 123             |
| <b>Total</b>           | <b>81,316,909</b> | <b>229</b>      | <b>14,786,660</b> | <b>111</b>      | <b>76,589,306</b> | <b>218</b>      | <b>30,210,758</b> | <b>72</b>       | <b>13,075,808</b> | <b>75</b>       | <b>766,565,176</b> | <b>185</b>      | <b>23,976,567</b> | <b>109</b>      | <b>1,606,605,459</b> | <b>1,189</b>    |              |                 |

## MAPPING OF SECTOR CLASSIFICATION

| Sector Classification in AMIS     | COFOG Sector Classification (Secondary Sector)                                   | COFOG Sector Classification (Primary Sector) |
|-----------------------------------|--|--|
| Agriculture                       | Agriculture, Forestry, Fishing and Hunting                                       | Economic Affairs                             |
| Air Transportation                | Transport  | Economic Affairs                             |
| Alternate Energy                  | Fuel and Energy  | Economic Affairs                             |
| Commerce                          | General Economic Commercial and Labor Affairs                                    | Economic Affairs                             |
| Communications                    | Communication  | Economic Affairs                             |
| Constitutional Bodies             | Executive and legislative organs, financial and fiscal affairs, external affairs | General Public Service                       |
| Drinking Water                    | Drinking Water   | Housing and Community Amenities              |
| Earthquake Reconstruction         | Mining, Manufacturing and Construction   | Economic Affairs                             |
| Economic Reform                   | Economic Affairs – Not Elsewhere Classified                                      | Economic Affairs                             |
| Education                         | Education – Not Elsewhere Classified   | Education                                    |
| Electricity                       | Fuel and Energy  | Economic Affairs                             |
| Energy                            | Fuel and Energy  | Economic Affairs                             |
| Environment, Science & Technology | Environmental Protection – Not Elsewhere Classified                              | Environmental Protection                     |
| External Loan Payment             | Public Debt Transaction  | General Public Service                       |
| Financial Reform                  | Economic Affairs – Not Elsewhere Classified                                      | Economic Affairs                             |
| Financial Services                | Executive and legislative organs, financial and fiscal affairs, external affairs | General Public Service                       |

| Sector Classification in AMIS | COFOG Sector Classification (Secondary Sector)                                   | COFOG Sector Classification (Primary Sector) |
|-------------------------------|--|--|
| Forest                        | Agriculture, Forestry, Fishing and Hunting                                       | Economic Affairs                             |
| General Administration        | General Services   | General Public Service                       |
| Health                        | Health – Not Elsewhere classified  | Health                                       |
| Home Affairs                  | Public order and safety  | Public order and safety                      |
| Housing                       | Housing  | Social Security                              |
| Hydro Electricity             | Fuel and Energy  | Economic Affairs                             |
| Industry                      | Other Industries   | Economic Affairs                             |
| Internal Loan Payment         | Public Debt Transaction  | General Public Service                       |
| Irrigation                    | Agriculture, Forestry, Fishing and Hunting                                       | Economic Affairs                             |
| Labour                        | General Economic Commercial and Labor Affairs                                    | Economic Affairs                             |
| Land Reform & Survey          | General Services   | General Public Service                       |
| Livelihood                    | General Economic Commercial and Labor Affairs                                    | Economic Affairs                             |
| Local Development             | Community Development  | Housing and Community Amenities              |
| Metereology                   | Pollution Minimization/Reduction   | Environmental Protection                     |
| Miscellaneous                 | Economic Affairs – Not Elsewhere Classified                                      | Economic Affairs                             |
| Office Of The Prime Minister  | Executive and legislative organs, financial and fiscal affairs, external affairs | General Public Service                       |
| Others - Economic             | Economic Affairs – Not Elsewhere Classified                                      | Economic Affairs                             |
| Others - Social               | Social Security – Not Elsewhere classified                                       | Social Security                              |
| Peace And Reconstruction      | Mining, Manufacturing and Construction   | Economic Affairs                             |
| Planning & Statistics         | Research and Development – Economic Affairs                                      | Economic Affairs                             |
| Police                        | Police Services  | Public order and safety                      |
| Policy And Strategic          | Economic Affairs – Not Elsewhere Classified                                      | Economic Affairs                             |
| Population                    | General Economic Commercial and Labor Affairs                                    | Economic Affairs                             |

| Sector Classification in AMIS            | COFOG Sector Classification (Secondary Sector) | COFOG Sector Classification (Primary Sector) |
|--|--|--|
| Renewable Energy                         | Fuel and Energy                                | Economic Affairs                             |
| Revenue & Financial Administration       | General Economic Commercial and Labor Affairs  | Economic Affairs                             |
| Road Transportation                      | Transport                                      | Economic Affairs                             |
| Supply                                   | General Economic Commercial and Labor Affairs  | Economic Affairs                             |
| Tourism                                  | Other Industries                               | Economic Affairs                             |
| Urban Development                        | Mining, Manufacturing and Construction         | Economic Affairs                             |
| Water And Energy Commission Secretariats | Fuel and Energy                                | Economic Affairs                             |
| Women, Children & Social Welfare         | Family and Infant Welfare                      | Social Security                              |
| Youth, Sports & Culture                  | Recreational and sporting Services             | Recreation, Culture and Religion             |



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