NEPAL

Voluntary National Review of
Sustainable Development Goals

GOVERNMENT OF NEPAL
NATIONAL PLANNING COMMISSION
KATHMANDU

JUNE 2024

NEPAL

Voluntary National Review of
Sustainable Development Goals

Preface

It is my great privilege to introduce this Voluntary National Review (VNR) report on Nepal's progress achieved up to the mid-point of the 2030 Agenda for Sustainable Development, along with the roadmap for the remaining period. Since the adoption of the 2030 Agenda, Nepal has embarked on a journey of transformational change, guided by a shared commitment to leave no one behind (LNOB), and has achieved significant progress.

Review of SDGs implementation and achievement has identified that national average progress reached 58.6 percent and 41.7 percent against mid-term (2022) and long-term (2030) targets respectively. This significant progress was possible through ownership of the Agenda 2030 along with integration of its economic, social, and environmental dimensions into development frameworks at national and sub-national levels.

This report is a testament to the collaborative spirit that underpins our national development agenda, involving three tiers of government, civil society, private sector, academia, and, most importantly, the voices of our citizens. The report provides a comprehensive overview of our efforts to realize the SDGs, highlighting both successes and areas requiring intensified actions.

While celebrating the progress, it is important to acknowledge the urgency of accelerating the pace towards the SDGs, particularly considering multiple domestic crises and the unprecedented challenges posed by global crises such as the COVID-19 pandemic, climate change and regional conflicts. The report highlights the areas of national strategic vision for accelerating implementation of SDGs in Nepal. This vision has been well reflected in the Sixteenth National Development Plan (FY 2024/25–2028/29). Translating the vision into action requires concerted efforts and innovation at all levels. I call for all stakeholders' commitment and meaningful engagement in implementing SDGs to build a prosperous and resilient future for all.

I extend my deepest gratitude to all individuals and institutions whose contributions have made this report possible. I appreciate the efforts put forth by the VNR Secretariat and Preparation Taskforce at NPC for the preparation of the report, particularly, Joint Secretary Mahesh Bhattarai, Program Directors Anita Paudel and Laxmi Ghimire, Statistics Directors Yadu Nath Acharya and Mahesh Kumar Subedi, Planning Officers Kartika Yadav, Santosh Sharma, Umesh Chandra Lamsal and other NPC officials in preparing this VNR. I extend gratitude to the United Nations Country Team and the ESCAP for extending technical cooperation throughout the process. I urge all stakeholders to utilize this report as a roadmap for effective implementation of the 2030 agenda and accelerate progress towards achieving the SDGs.

Thank You.

June 2024

Dr. Min Bahadur Shrestha

TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS

AEPC	Alternative Energy Promotion Centre
CAC	Community Awareness Centres
CEDAW	Convention on the Elimination of All Forms of Discrimination Against Women
CNI	Confederation of Nepalese Industries
CSOs	Civil Society Organizations
ESCAP	Economic and Social Commission for Asia and the Pacific
FAO	Food and Agriculture Organization
FDI	Foreign Direct Investment
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
GDP	Gross Domestic Product
GNDI	Gross National Disposable Income
GHG	Greenhouse Gas
GPI	Gender Parity Index
HLPF	High-Level Political Forum
ILO	International Labor Organization
LDC	Least Developed Country
LPG	Liquid Petroleum Gas
MDM	Mid-Day Meal
MICS	Metallic Improved Cooking Stoves
MPI	Multidimensional Poverty Index
MSNP	Multi-Sector Nutrition Program
MSMEs	Micro, Small, and Medium Enterprises
MTEF	Medium-Term Expenditure Framework
MW	Megawatt
NCC	Nepal Chamber of Commerce
NCF	National Cooperative Federation of Nepal
NEET	Not in Education, Employment, or Training
NIDS	National Integrated Data System
NPC	National Planning Commission
NPR	Nepali Rupees
NSO	National Statistics Office
NSS	National Statistical System
SDGs	Sustainable Development Goals
UNDESA	United Nations Department of Economic and Social Affairs
UNDP	United Nations Development Programme
UNDRIP	United Nations Declaration on the Rights of Indigenous Peoples
USD	United States Dollar
VLR	Voluntary Local Review
VNR	Voluntary National Review
WASH	Water, Sanitation, and Hygiene
WHO	World Health Organization

HIGHLIGHTS

This is the third Voluntary National Review (VNR) of Nepal. The country has previously submitted two VNRs to the United Nations on the implementation of the Sustainable Development Goals (SDGs). Building on the experience of the VNRs in 2017 and 2020, this third VNR reflects Nepal's dedication to assessing progress and challenges in achieving development goals. It shows that Nepal's national average progress reached 58.6 percent against mid-term (2022) targets and 41.7 percent against long-term (2030) targets. This progress was made possible by Nepal embracing the 2030 Agenda and integrating its economic, social, and environmental dimensions into development frameworks at both national and sub-national levels.

This report has been prepared using a participatory approach, ensuring the active involvement of a diverse range of stakeholders, including representatives from governmental and non-governmental bodies. The report ensures a robust and inclusive analysis that reflects the views and experiences of all relevant parties, thereby enhancing the comprehensiveness and credibility of the country-level review process.

Up to the midpoint of SDGs implementation in 2022, among the assessed indicators, 41 percent of indicators had exceeded their targets, 35 percent had shown positive progress, 20 percent had demonstrated negative progress, and 3 percent remained unchanged. This mixed performance underscores the need for targeted and intensified efforts to accelerate progress and address the lagging areas to achieve the SDGs fully within the remaining timeframe. Based on the current pace of progress observed between 2016 and 2022, Nepal is projected to attain about 60.5 percent against long-term (2030) targets by 2030.

Nepal made significant progress in poverty reduction during the first four years of the review period, but then around four percent of the population fell into extreme poverty due to the COVID-19 pandemic. Progress towards zero hunger was slow. Despite having improvements in overall health and well-being, indicators like under-5 child mortality and anaemia among women worsened. Basic water and sanitation access improved, but more focus on safe water is needed. Remarkable advances were seen in electricity access, energy consumption, and cleaner cooking. While positive real GDP growth was observed, employment indicators and financial inclusion faced setbacks. Road density increased, but the industrial sector lagged. Income inequality decreased but more effort is needed to bridge the gap between disadvantaged groups and the rest of the society. Significant strides were made in safe housing, city planning, climate action, and community-based forest management, as well as the conservation of tigers and rhinos. Improvements in controlling child trafficking and sexual violence were noted, though transparency and accountability issues persist. Looking forward, intensified efforts and partnerships will be essential to achieve the remaining SDGs targets by 2030.

Nepal faces a range of new and emerging challenges that complicate its progress toward SDGs implementation. Climate change continues to exacerbate environmental vulnerabilities and threaten development gains in the future, while unplanned urbanization strains infrastructure and services. Poverty and inequality persist, compounded by high levels of unemployment and underemployment. The COVID-19 pandemic intensified healthcare challenges, highlighting systemic weaknesses. Additionally, a significant financing gap and growing debt burden hinder development initiatives. The digital divide continues to persist, while the rise of artificial intelligence raises concerns about job security. Institutional capacity is often insufficient, while gaps in data availability and monitoring impede effective policymaking. Trade barriers, limited market access, and geopolitical

challenges further constrain economic opportunities. Moreover, Nepal's demographic shift, characterized by a peaking youth population, demands robust employment and education strategies to provide optimal opportunities. Addressing these multifaceted issues requires comprehensive and coordinated efforts across all sectors.

Recognizing the interconnectedness of the SDGs, the Government of Nepal has adopted a holistic approach to development planning and mainstreamed these goals into its national development frameworks, ensuring that policies and programs are designed to address multiple objectives simultaneously. For instance, initiatives aimed at reducing poverty are coupled with efforts to improve healthcare, education, and employment opportunities, thus addressing several SDGs in tandem. This integrated approach has facilitated better management of trade-offs, allowing for balanced progress across different sectors.

The Constitution of Nepal recognizes and promotes the country's multi-ethnic, multi-cultural, multi-religious, and multi-lingual characteristics. Embracing the principle of "Leaving No One Behind" Nepal has also formulated a national framework, operationalizing inclusive policies and practices that prioritize gender equality and social inclusion, demonstrating a strong commitment to equitable development of all citizens.

Nepal has implemented several good practices that have significantly contributed to achieving the SDGs. Inclusive democracy ensures that all segments of society, regardless of background, have a voice in governance and decision-making processes. The implementation of targeted and universal social security schemes under the Integrated National Social Protection Framework provides a robust example of how comprehensive social security programs can drive progress across multiple SDGs. Similarly, the role of local governments during the COVID-19 pandemic highlighted the critical role of local governance and community-led action in crisis management. Local authorities were instrumental in distributing relief packages, coordinating testing and contact tracing, and supporting remote learning initiatives.

The Sixteenth National Development Plan (2024-29) envisions achieving the national aspiration of "Good Governance, Social Justice, and Prosperity". The plan focuses on accelerating the implementation of the SDGs to meet national development objectives. Nepal's graduation from Least Developed Country (LDC) status in 2026 will significantly impact trade, aid, and investment. To achieve the targets of the 2030 Agenda, a total investment of USD 163 billion is required for the period of 2024-30, i.e. more than USD 23 billion per year. Nepal seeks international support, partnership and cooperation to ensure the financing of the SDGs, enhance capacity building, improve data collection and analysis, facilitate technology transfer and build collaboration. These efforts together ensure sustainable and irreversible graduation from the LDC status, achievement of the SDGs and path to high-income status by 2043.

Introduction

1.1 Background

Nepal has demonstrated a strong commitment to achieving the 2030 Agenda for Sustainable Development since its adoption in 2015. As a member state of the United Nations, Nepal has actively participated in the global efforts to create a more sustainable, equitable, and prosperous future for all. The SDGs provide a comprehensive framework for addressing the social, economic, and environmental challenges faced by Nepal. With its diverse geographical landscape, rich cultural heritage, and aspiring population, Nepal recognizes the importance of implementing the SDGs in a holistic and integrated manner. The country has made concerted efforts to localize the SDGs, adapting them to its national context and ensuring their relevance to the needs and priorities of its people.

The country has embraced the transformative agenda of the SDGs, aligning its national policies, plans, and programs with the global goals to ensure inclusive and sustainable development. Nepal's commitment to the SDGs is rooted in its constitution, which envisions a prosperous, egalitarian, and pluralistic society. The country's periodic plans, including the Fourteenth National Development Plan (2016/17-2018/19) and the Fifteenth National Development Plan (2019/20-2023/24), mainstreamed the SDGs into the country's development strategies. These plans outlined Nepal's approach to achieving the SDGs, focusing on key areas such as poverty alleviation, health, education, gender equality, infrastructure development, environmental sustainability, and good governance. The Sixteenth Development Plan (2024/25-2028/29) focuses on accelerating implementation of the SDGs, further demonstrating Nepal's commitment to the 2030 Agenda.

Nepal has been actively monitoring the progress toward implementation of the 2030 Agenda. Nepal has previously presented 2 VNR reports at the United Nations High-Level Political Forum (HLPF) on Sustainable Development. The first VNR report, presented in 2017, highlighted Nepal's initial efforts in aligning its national policies and programs with the SDGs. The second VNR report, presented in 2020, provided an update on the progress made and the challenges encountered in SDG implementation. These previous VNR reports have served as valuable benchmarks and have guided Nepal's ongoing efforts to achieve the SDGs. This third VNR presents the progress on the SDGs midterm targets and recommends on the priority action to be taken expeditiously toward achieving the global goals. Through this VNR, Nepal aims to share its experiences, learn from others, and strengthen partnerships for accelerating SDG achievement. The country stands ready to work collaboratively with the international community for a sustainable, equitable, and prosperous future.

1.2 Objectives of the VNR

The VNR is a crucial mechanism for countries to assess their progress, share experiences, and engage in peer learning and accountability in the implementation of the SDGs. The purpose of this VNR report is to present a comprehensive analysis of Nepal's SDG journey, highlighting the progress made, the challenges encountered, and the way forward.

The main objectives of Nepal's third VNR are as follows:

1. To review the progress made in the implementation of the SDGs and identify national strategic vision for SDGs acceleration.
2. To showcase Nepal's efforts in aligning its

national policies, plans, and programs with the SDGs.

3. To highlight the institutional mechanisms, partnerships, and stakeholder engagement processes that have been established to support SDG implementation.

4. To identify good practices, innovative approaches, and success stories that can be shared with the international community.

5. To reaffirm Nepal's commitment to the 2030 Agenda for Sustainable Development and the principle of leaving no one behind.

1.3 Structure of the Report

The main message of this VNR report reflects the core of Nepal's SDG progress, emphasizing the country's commitment, achievements, challenges, and the path ahead. The subsequent chapters provide an expanded version of this main message, offering a detailed analysis of Nepal's SDG journey. This VNR report is organized into 8 chapters, each focusing on different aspects of Nepal's SDG implementation:

Chapter 1 covers the introduction including objectives and the structure of the report.

Chapter 2 outlines the methodology and process followed in the preparation of the VNR report, including stakeholder consultations and data collection. Chapter 3 discusses the policy and enabling environment for SDG implementation in Nepal, highlighting the integration of the SDGs into national plans, policies, and budgets. Chapter 4 presents the progress made on each of the 17 SDGs, providing a goal-by-goal and LNOB analysis of key achievements, challenges, and future priorities, and localization of SDGs in provincial and local levels. Chapter 5 exemplifies some of the good practices with respect to SDGs implementation in Nepal. Chapter 6 presents the emerging challenges, that need to be addressed during the implementation of sustainable development agendas further. Chapter 7 focuses on the national strategic vision for SDGs acceleration, categorized in eight subtopics which are in line with the Sixteenth National Development Plan and the strategies taken herein. Chapter 8 concludes the report, summarizing the key findings and outlining the way forward for Nepal's SDG implementation, including recommendations and next steps and adds some Post VNR Action Plans, that need to be conducted for the acceleration of the implementation of SDGs.

Methodology and Process for Preparation of the Review

The review report has been thoroughly prepared using a participatory methodology. The approach includes active involvement of a diverse range of stakeholders, such as representatives from government bodies, non-governmental organizations, and community groups. Structured focus group discussions are conducted to gather detailed qualitative insights, allowing for in-depth exploration of specific issues. Additionally, multiple workshops were organized at federal, provincial, and local levels, providing platforms for collaborative discussions, problem-solving, and consensus-building. By integrating these methods, the report ensures a robust and inclusive analysis that reflects the views and experiences of all relevant parties.

2.1 Literature Review

This report has been prepared based on a wide range of literature review. The *Handbook for the Preparation of Voluntary National Review,* 2024 published by the UN-DESA remained the guiding document in preparation of the VNR. The legal and policy documents are analysed based on the review of the periodic plans, sectoral policies, strategies and annual budgets, among others. Recent progress in different dimensions of development were tracked through the economic survey and other relevant studies. *SDGs: Need Assessment, Costing and Financing Strategy, 2024, National Framework for Leaving No One Behind, 2022,* and other SDG-specific publications published by the National Planning Commission were thoroughly reviewed for assessing the implementation of the SDGs at the output, outcome and impact levels. The way forward for the remaining period of the SDGs implementation and maintaining its coherence with the

national policies were mapped out on the basis of the same. Similarly, past VNR reports of Nepal and other partner countries were reviewed.

2.2 Stakeholder Engagement

The preparation process was immensely participatory, with active engagement by both government and non-government stakeholders. The Economic Management Division of the National Planning Commission served as the secretariat for the VNR 2024. A multi-stakeholder taskforce comprising representatives from government, private sector, cooperatives, civil society among others was created to facilitate the VNR preparation process.

To ensure a comprehensive review, the VNR preparation embraced collaboration with various stakeholders, including women, children, and other minority groups. The process included an inception workshop, focus group discussions and consultations with major groups.

Engagement with different United Nations Agencies in Nepal was pivotal in the preparation of the report, as well as in ensuring meaningful engagement of the stakeholders in the process. Extensive stakeholder consultation meetings were carried out since the inception of the VNR at national, provincial and local levels. Various civil society organizations were actively involved in mapping the impact of Global Goals, and in collecting concerns, suggestions and feedback from different groups of people and communities including women and minorities. The preparation of VNR is also enriched through the twinning with Armenia.

2.3 Data Sources and Analysis

Various line ministries, departments and other offices of the Government of Nepal provided data for the VNR through their published sources and information management systems. Periodic surveys carried out by the National Statistics Office (NSO) remained key sources of data to review progress towards different goals. *The Nepal Living Standard Survey (NLSS), Enterprise Survey and Household Survey* remained major sources of microdata. Likewise, the *Education Management Information System (EMIS), Health Management Information System (HMIS),* and data compiled by the Nepal Rastra Bank (NRB) were utilized as administrative data sources wherever applicable. Important reports such as the Economic Survey published by the Ministry of Finance, Nepal Human Development Report (NHDR) published by the National Planning Commission, and data provided through official correspondence with line agencies were also taken as sources of data for progress review. Similarly, data published by international organizations such as World Bank, United Nations Agencies and similar were also utilized in some instances.

The progress assessment against the 2022 targets of the SDG indicators was carried out based on the methodology described in Annex II, following ESCAP's methodology for SDG progress assessment with regressing values set as zero.

The National SDG Tracker developed by ESCAP was also used to assess progress against 2030 targets under each of the eight thematic priority areas. Review of progress on Global Goals from LNOB perspective was developed based on the ESCAP LNOB methodology, using binary regression trees and data from three rounds of Nepal Demographic Health Survey from 2011 to 2022.

2.4 Scope and Limitations of the Review

This VNR report covers the progress made by Nepal in implementing the SDGs since the adoption of the 2030 Agenda. It provides an in-depth analysis of the country's efforts, challenges, and opportunities in achieving the SDGs, focusing on the national context and priorities. Efforts have been made to ensure the inclusivity and participatory nature of the VNR process. The report was prepared after extensive consultations with various stakeholders, including national and sub-national government agencies, civil society organizations, private sector, cooperatives, academia, and development partners.

The COVID-19 pandemic has posed significant challenges to the availability of data from the pandemic period, which may have impacted the comprehensiveness of the report. Additionally, the availability of disaggregated data remains a challenge in some areas, limiting the ability to fully assess progress in all SDG targets and indicators and to identify disparities.

Policy and Enabling Environment

3.1 Ownership of the SDGs

Nepal has shown a strong dedication to the SDGs through a multitude of initiatives and actions. This commitment is evident in several key areas: heightened political commitment, establishment of institutional mechanisms, the localization of goals, robust data collection, monitoring and evaluation efforts, comprehensive capacity building programs, a participatory approach involving stakeholders, policy integration and coherence, efforts to enhance accountability and transparency, regular progress reviews, long-term vision and commitment, and the timely submission of Voluntary National Reviews. These actions collectively underscore Nepal's ownership and commitment to advancing the SDGs.

Political Commitment

Numerous aspects relevant to the SDGs are enshrined in the Constitution of Nepal within its fundamental rights and directive principles of the state, underscoring a commitment to tackling social, economic, and environmental challenges while fostering sustainable development. The Prime Minister of Nepal addressed the SDGs Summit highlighting Nepal's engagement with global efforts towards sustainable development. Additionally, Nepal's presentation of its third VNR underscores the country's sincere efforts to implement and achieve the SDGs by 2030.

Institutional Mechanism

The National Planning Commission (NPC) plays a pivotal role as the central coordinating body for SDG initiatives in Nepal, overseeing the integration of the goals into national development strategies. Alongside the NPC, sectorial ministries and various government agencies are entrusted with the task of incorporating SDGs into their policies and programs, ensur-

ing a comprehensive approach to sustainable development at all levels of governance. This collaborative effort among government entities reflects Nepal's concerted commitment to realizing the objectives outlined in the SDGs.

Localization of goals

Nepal has been at the forefront of localizing the SDGs within its national planning and budgeting processes. Initiatives undertaken during the Fourteenth Plan (2016-19) and Fifteenth Plan (2019-24) reflect a concerted effort to align objectives, strategies, and programs with the SDGs. The Sixteenth Plan (2024-29) also emphasizes on the acceleration of implementation of the SDGs to achieve the national development goals. Sectoral strategies have been harmonized with SDG targets, while Medium Term Expenditure Frameworks (MTEFs) have been developed to synchronize periodic plans with annual budgets. This process involves institutionalizing SDG implementation and enhancing capacity across all levels of government. Provincial and local administrations have actively engaged in this endeavour, preparing SDG baseline reports and aligning their plans and budgets accordingly. Through these efforts, Nepal demonstrates its commitment to translating global development objectives into concrete actions at the grassroots level.

Data collection and monitoring

The National Statistics Office (NSO) serves as the central agency responsible for collecting, disseminating, and monitoring SDG indicators. The NSO has developed the National Data Profile System to produce SDG indicators at the provincial and local levels, facilitating evidence-based policy decisions. Efforts have been made to ensure the availability of disaggregated and geospatial data for sub-national governments, and an online portal on the NPC

website offers open access to the general public. Since 2016, budget and annual program coding by SDG categories has enabled tracking of SDG spending and monitoring progress. Additionally, an intra-government management information system has been implemented in various ministries to facilitate data collection and sharing among relevant stakeholders.

Capacity building

Enhancing institutional and human capacities at all levels is vital for the effective implementation of the SDGs. This involves fostering knowledge sharing, raising awareness and bolstering technical skills about the SDGs among policymakers, practitioners, and the general public. The National Planning Commission has been spearheading efforts towards capacity building of stakeholders at the federal, provincial, and local levels.

Partnership and stakeholder engagement

Nepal recognizes the critical role of partnerships and stakeholder engagement in advancing the SDGs. The government actively collaborates with the private sector, cooperatives, civil society organizations, development partners and academia to harness diverse expertise and resources, facilitate knowledge exchange, and foster innovative solutions for SDG implementation. Through inclusive partnerships, Nepal seeks to amplify the impact of its efforts and accelerate progress towards sustainable development goals.

Accountability and transparency

Accountability and transparency regarding SDGs in Nepal are integral to the country's sustainable development efforts. Nepal is regularly tracking progress towards the SDGs and evaluating achievements and challenges through reports such as the SDGs progress assessment report covering 2016-2019 and Voluntary National Reviews submitted to the United Nations. Recently, Nepal has enhanced its monitoring by conducting province-specific public expenditure tracking surveys, ensuring efficient allocation of financial resources

aligned with SDG priorities at the provincial level. Additionally, Nepal has established committees like the Development, Economic Affairs and Good Governance Committee under the National Assembly, the High-level Steering Committee chaired by the Prime Minister, and the Implementation and Monitoring Committee led by the Vice-Chair of the National Planning Commission, which oversee SDG implementation progress, provide strategic guidance, and ensure effective governance. The Office of the Auditor General further contributes to transparency and accountability by conducting audits aligned with SDGs, emphasizing support for SDG 16. Moreover, Nepal collaborates with various stakeholders including provincial governments, local governments, private sector, cooperatives, civil society, multilateral agencies, and development partners to integrate SDGs into provincial plans, mobilize communities, promote sustainable business practices, and foster inclusive participation in sustainable development initiatives. These collaborative efforts underscore Nepal's commitment to accountable and transparent SDG implementation for inclusive and sustainable development.

Long term vision and commitment

Nepal's long-term vision and commitment to the SDGs have been evident in the Fifteenth Plan, which represents the initial phase of a comprehensive 25-year vision. This ambitious vision aims to achieve the SDGs by 2030 and elevate Nepal to a high-income country with a per capita income of USD 12,100 by 2043. The overarching theme of the plan, "Prosperous Nepal, Happy Nepali," underscores the focus on building strong economic, social, and physical infrastructures to accelerate economic growth and promote prosperity and happiness among its citizens. The recently promulgated sixteenth development plan, which will play a pivotal role in accelerating implementation of SDG for next five years, carries the commitment expressed in the 25-year vision and intend to achieve *Good Governance, Social Justice and Prosperity.* Additionally, various long term sectoral prospective plans such as *Nepal*

Water Supply, Sanitation and Hygiene Sector Development Plan (2016-2030), Nepal Health Sector Strategic Plan (2023-2030), School Education Sector Plan (2022-2032) and National Adaptation Plan (2021-2050) and Nepal's Long-Term Strategy for Net-Zero Emission, 2021 among others. These commitments reflect Nepal's dedication to realizing the SDGs and fostering sustainable development.

Voluntary National Reviews

Nepal has submitted two Voluntary National Review (VNR) reports to the United Nations on the implementation of the SDGs. The first VNR was presented in 2017, providing an initial review of Nepal's progress towards the SDGs and highlighting the country's efforts in aligning national policies and plans with the global agenda for development. This report served as a foundation for evaluating achievements and identifying areas for improvement. Building on the insights gained from the first review, the second VNR report was submitted in 2020, presenting an updated assessment of Nepal's progress. It outlined the measures taken to address the challenges identified in the previous report, demonstrating Nepal's commitment to continuous improvement and accountability in SDG implementation. The third VNR is the continuation to Nepal's dedication in taking stock of the progress and challenges observed in achieving these overarching goals of development.

3.2 Integration of the SDGs in National Frameworks

The Constitution of Nepal

The Constitution of Nepal, promulgated around the time of the global adoption of the SDGs in September 2015, serves as the cornerstone of the nation's legal framework. It ensures inclusive socio-political and economic development, safeguarding various fundamental rights such as equality, justice, property, religious freedom, education, and environmental protection. The constitution emphasizes LNOB, echoing the core principle of the SDGs. With provisions for gender equality and inclusion, including a man-

dated 33 percent representation of women in parliament, it sets the stage for social justice and rights-based approaches. Institutional mechanisms within the constitution, such as the appointment of constitutional bodies, prioritize inclusion and diversity. Furthermore, political parties are required to adhere to inclusion principles, promoting proportional representation in government appointments.

National Plans, Policies and Programs

The Fourteenth Plan marked a significant step in integrating the SDGs into Nepal's national development agendas, focusing on five key areas: infrastructure, social, economic, governance, and cross-cutting sectors. It aimed to create a prosperous state with access to basic social services, adequate food, health, and energy security. The plan saw satisfactory progress in economic growth, agricultural sector expansion, and improvements in human development indicators, partly due to political stability and the end of Nepal's energy crisis. However, there were notable shortcomings in physical infrastructure.

Building on this foundation, the Fifteenth Plan continued to achieve significant progress despite numerous challenges. This plan has been pivotal in SDG achievement, aligning the country's development pathway with the LDC graduation and SDGs. Even though the COVID-19 pandemic increased poverty incidence by 4 percentage point, the poverty reduction efforts have been encouraging during the implementation period of the plan. Efforts toward zero hunger progressed slowly. While health and wellbeing improved, issues like anemia among women and under-5 child mortality worsened. Access to basic water supply and sanitation increased, yet safe-water supply still needs more attention. Remarkable strides were made in electricity access, energy consumption, cleaner cooking methods and road transportation. Real GDP growth improved, but growth in the industrial sector, employment and financial inclusion faced setbacks. Income inequality was reduced, but bridging gaps for disadvan-

taged groups remains crucial. Advances were seen in housing, planned cities, and environmental impact minimization. Under climate action, notable achievements were observed in forest management and species conservation. Progress was made in controlling child trafficking and sexual violence, but transparency and accountability scores stagnated.

The Sixteenth Plan (2024-29) envisions to achieve "Good Governance, Social Justice and Prosperity" through addressing structural constraints, enhancing partnership and improving governance. The plan focuses on thirteen thematic areas, including macroeconomic reforms, enhancing production and productivity, productive employment, decent job and social protection, governance reform, climate change and green economy, irreversible LDC graduation and accelerating SDG implementation among others. Effective implementation of the Sixteenth Plan will be crucial for maintaining progress in well performing targets and for bridging the gap in regressed and inadequately performing targets of the global goals. The plan aims to accelerate SDGs through their localization, coordination and partnerships with stakeholders, and sustainable resource management.

Sectoral Plans and Policies

The government has actively aligned several sectoral plans and policies with the SDGs at both the federal and sub-national levels. Notable initiatives include the *Agriculture Development Strategy (2015-2035)* with aims to enhance sustainability, competitiveness, and inclusivity in agriculture. The *National Agro-forestry Policy, 2019* seeks to boost land productivity and promote multiple land use for increased agricultural output. Efforts have also been made in health, education, and poverty alleviation sectors, with strategies like the *National Health Sector Strategy Implementation Plan and the School Education Sector Plan.*

Meanwhile, various programs targeting gender equality, literacy, and social security have been introduced, alongside initiatives such as the *Prime Minister's Employment Program and the Poverty Alleviation Fund.* Moreover, policies like the *Foreign Investment and Technology Transfer Act, 2019, and the Social Security Act, 2018* demonstrate the government's commitment to sustainable development. Numerous other programs spanning areas like agriculture, water and sanitation, tourism, energy, and disaster risk reduction have also been aligned with SDGs. Additionally, key policies and laws related to the environment and climate have been revised and updated to support SDGs, including the National Climate Change Policy, 2019, and Disaster Risk Reduction and Management Act, 2016.

To enhance data generation for monitoring, efforts such as the *National Strategy for Development of Statistics (NSDS)* have been undertaken, addressing challenges related to data disaggregation and discrepancies. Nepal has developed a *LDC Graduation: Smooth Transition Strategy, 2024* for graduation from Least Developed Country (LDC) status. This comprehensive strategy aims to ensure a seamless and sustainable transition, addressing potential challenges and maximizing opportunities for economic growth and development.

Moreover, the *National Integrated Social Security Framework, 2023* aims to provide support and assistance to disadvantaged and at-risk communities. This also expands the reach of social security programs and prevent income from falling below critical levels due to shocks, by integrating similar programs with regional development plans. Similarly, it strengthens coordination between federal, provincial and local governments, and builds capacity to mitigate and respond to risks such as poverty, diseases, disasters, and epidemics by developing effective mechanisms for the sustainable and effective management of national resources dedicated to social security. The government is implementing the Poverty Alleviation Policy, 2019 with the objective to reduce economic inequality, bringing the incidence of poverty down to 5 percent by 2030, and eliminating it entirely by 2043.

Meanwhile in the industrial sector, the *Industrial Policy, 2011* is currently being implemented, and although a draft for necessary amendments has been prepared, it is still under review through opinions, suggestions, and discussions. The draft of the Micro, Cottage, and Small Industry Policy is also in development and undergoing refinement. To encourage the export of locally produced goods, cash export subsidy procedures were established in 2019. Recently, a draft for a 10-year industry sector strategy was prepared. Additionally, the *Start-Up Enterprise Credit Fund Procedure, 2023* and *National Trade Integration Strategy, 2023* have been developed and put into action.

Medium-Term Expenditure Framework and Budget

Nepal has emerged as a pioneer in integrating SDGs into the national public financing tools such as the Medium-Term Expenditure Frame-works (MTEFs) and the annual budget. To ensure the effective implementation of SDGs, Nepal assigns specific SDG codes to national development programs and budgets through the MTEF. This approach aligns development initiatives with specific SDGs, facilitating better tracking and monitoring of progress. The chart below illustrates the allocation of federal budget across SDGs.

Efforts have also been made to establish SDG indicators at the provincial and local levels also. Provinces have drafted baseline reports and aligned their plans and budgets with the SDGs. Similarly, local governments have been trained on SDG strategies and equipped with the necessary capacity to develop corresponding plans and budgets. They have also compiled MTEF reports based on SDG-oriented plans to integrate SDGs into annual programs under the budget.

Percentage of Annual Budget allocated for SDGs in 4 different Fiscal Years
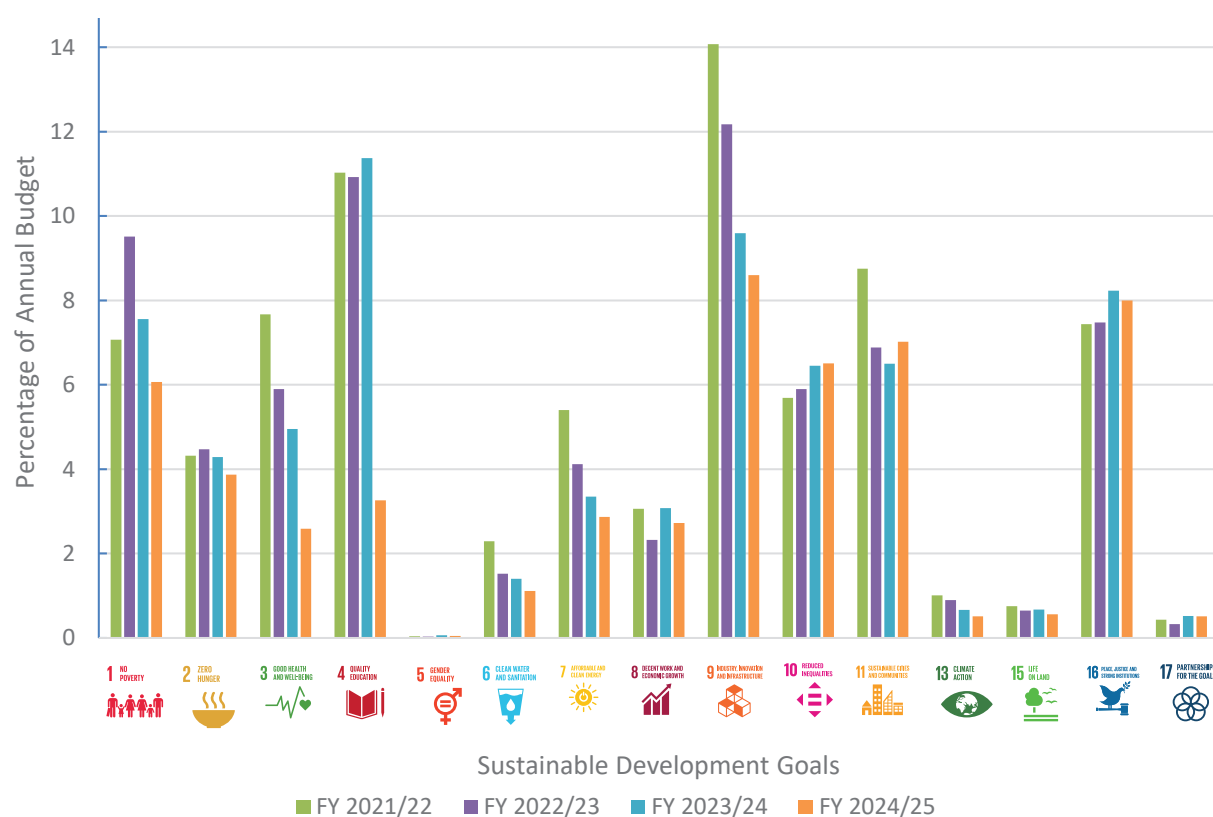
Source: Budgets of respective FYs

Other Initiatives

The government has undertaken specific and dedicated efforts to accelerate the effective implementation of the SDGs, including the development of the SDGs Status and Roadmap (2016-2030). In 2017, a comprehensive report was prepared in consultation with stakeholders, outlining the current status and roadmap for achieving the SDGs. The roadmap incorporates baseline data from 2015 and sets milestones for 2019, 2022, 2025, and 2030. Utilizing data from the Fourteenth and Fifteenth Plans as the foundation for tracking SDG progress has been instrumental in assessing advancements. The number of indicators was revised to 301, considering data availability and relevance.

The government has developed a National Framework for Leave No One Behind, which will guide efforts to "reach the furthest behind" at the federal, provincial, and local levels in implementing the LNOB 2030 Agenda. The guideline for the formulation of plans at the local level was another effort to ensure coher-

ent and effective development strategies that align with national priorities and enhance local governance. Similarly, the United Nations Sustainable Development Cooperation Framework, 2023-2027 is under implementation aiming to achieve sustainable, resilient, and inclusive economic transformation; inclusive and transformative human development; environmental sustainability, climate and disaster resilience; as well as improved governance, federalism, participation, and inclusion.

3.3 Integration of the economic, social and environmental dimensions

Economic Dimension

Strengthening Macroeconomic Fundamentals and High Economic Growth

In the fiscal year 2022/23, the primary sector contributes 24.1 percent, the secondary sector 17.6 percent, and the tertiary sector 58.3 percent to the economy, with productivity in major crops on the rise and 25 percent of irrigable land equipped with irrigation facili-

---

Key Policy Frameworks Guiding Plans and Policies for the Integration of SDGs

1. Preliminary SDGs Baseline Report, 2015
2. Sustainable Development Goals: Status and Roadmap 2016-2030, 2017
3. National Voluntary Review, SDGs, 2017
4. United Nations Development Assistance Framework for 2018-2022
5. SDGs-based Monitoring and Evaluation Guidelines
6. SDGs-based Local and Provincial-Level Planning Guidelines
7. SDGs Needs Assessment, Costing and Financing Strategy, 2019
8. Integrated National Evaluation Action Plan of Nepal (2016-2020), 2017
9. Guideline on SDGs localization prepared for local governments, 2019.
10. Sustainable Development Goals Progress Assessment Report 2016-19
11. National Voluntary Review, SDGs, 2020
12. Local Voluntary Review Reports
13. Provinces SDGs Baseline Reports
14. SDG-Based Public Expenditure Tracking Survey (PETS) of the provinces
15. National Framework for Leaving No One Behind, 2022
16. United Nations Sustainable Development Cooperation Framework, 2023-2027
17. Sustainable Development Goals, Revised Indicators, 2023

ties. The Fifteenth Plan aimed to increase the manufacturing sector's share of GDP to 6.5 percent, but it reached 5.3 percent by 2022/23, with amendments in acts and laws for industrial development and infrastructural developments in industrial zones. Tourism contributes 1.98 percent of GDP, providing direct employment to 200,000 and earning $32.62 million USD in 2022, while electricity capacity from hydropower and alternative sources reached 2877 megawatts, with per capita consumption at 380 hours. While 1.55 million hectares of arable land is under the coverage of irrigation infrastructure, only 25 percent has year-round access, as emphasized by the Irrigation Policy, which advocates expanding year-round irrigation through multi-purpose projects and effective management.

The Sixteenth Plan aims to strengthen the country's microeconomic fundamentals and achieve high economic growth through a comprehensive program. Key initiatives include infrastructural development and investment enhancement, as well as innovation and entrepreneurship development. The plan also focuses on strengthening competitive markets and supply arrangements, improving the revenue and exchange systems, and project governance. This plan also emphasizes the productive use of financial instruments and public debt management. It seeks to boost the economy through import substitution and export promotion, alongside management of remittance flow. Additionally, the plan includes tourism promotion, reforms of the co-operative sector, and the formalization of informal and unaccounted economic activities. It also aims to improve intergovernmental financial management and strengthen both private and non-government sectors. Finally, the empowerment of public institutions is a significant aspect of this comprehensive strategy.

Enhancing Production, Productivity and Competitiveness

In alignment with the aspirations of the Constitution of Nepal, the long-term vision for 2043 aims to boost production and productivity by promoting the diversification, modernization,

and commercialization of the agricultural sector, utilizing clean, modern, and high technology in the industrial and service sectors, and advancing research and development. This vision ensures the participation of public, private, and cooperative sectors, while promoting the proper use of land by ending its dual ownership. Agricultural productivity surged, reaching 3.3 million tons per hectare, alongside 25 percent of irrigable land being equipped with irrigation facilities by fiscal year 2022/23.

The Sixteenth Plan of Nepal focuses on enhancing the production, productivity, and competitiveness of Nepal's economy through a series of comprehensive programs. Key initiatives include enhancement of agricultural production and productivity through best utilization of land. Innovative models aim to increase both production and employment, complemented by an agricultural modernization and commercialization program. Community and private sector participation are encouraged, along with assurance for developing high-quality seeds, fertilizers, and agricultural tools. Enhancing irrigation facilities and reducing agricultural damage through preparedness are also priorities. The plan promotes clean and nutritious food, medicinal marijuana production, and the commercialization of herbs. Forest and riverine resources are planned to be utilized judiciously to boost productivity and employment. Industrial development and investment promotion are emphasized, along with creating a conducive environment for industrial operations. Small, medium, and cottage industries receive targeted support, while international trade and transit expansion programs enhance market connectivity. Hydropower and renewable energy initiatives, along with the multi-dimensional use of water resources, contribute to sustainable growth. Modernization of water and meteorological services, and the development and strengthening of the tourism sector through infrastructure development, diversification of the tourist destinations and promotional activities round out the plan's comprehensive approach to economic enhancement.

Qualitative Infrastructure and Integrated Transport Management System

In the transport infrastructure sector, the government is implementing policies and plans to develop road infrastructure, with projects like several east-west highways and electric railway underway. Significant progress has been made in the expansion of the road network including bridges. Tunnel routes are given higher priority for safe transportation. East-West and North-South rail transport projects are advancing. Meanwhile, air transport expansion faces challenges, requiring improvements to make air travel safer, more regular, and economically accessible, as well as balancing out air traffic among international airports. Transport management is being streamlined through digital systems, and public transport is being enhanced for safety and efficiency.

In the Sixteenth Plan, the government of Nepal has emphasized qualitative infrastructure and an integrated transport management system through a multifaceted approach. Special programs for employment growth within the country aim to create more job opportunities by investing in large-scale infrastructure projects and transportation networks. The vocational and skill development program for human resource development focuses on equipping the workforce with necessary skills to meet the demands of these sectors. The alternative employment enhancement program seeks to provide diverse employment options to reduce dependency on traditional jobs. The foreign employment management program is designed to regulate and support Nepali workers abroad, ensuring their rights and well-being. Strengthening programs of Nepali missions in destination countries are intended to provide better support and services to Nepali abroad. The decent work promotion program advocates for fair labor practices and safe working conditions. The *Lakh Youth for Nation Building Program* encourages youth participation in national development projects, particularly in infrastructure and transport. Enlarged coverage, greater inclusiveness, and sustainability of social security aim to ensure that all citizens benefit from development activities and the promotion of social equity and environmental sustainability.

Provincial and Local Economy Reinforcement and Balanced Development

The Fifteenth Plan faced challenges including the COVID-19 pandemic, natural disasters, and economic downturns. To address these, provincial and local governments focused on infrastructure development, social initiatives, and economic self-sufficiency through coordinated efforts. Despite efforts to fulfil constitutional rights and responsibilities, there are challenges in implementing financial federalism, expanding economic activities, and ensuring balanced development. Economic growth and revenue mobilization remain low, leading to inequalities between provinces and local levels. Dependency on federal financial transfers persists, with limited resources and effectiveness in expenditure. Improving data collection and analysis at the sub-national level is crucial for informed policymaking and program implementation.

Nepal's Sixteenth Plan focuses on reinforcing provincial and local economies and achieving balanced development through a series of strategic programs. The program to strengthen federalism aims to empower provincial and local governments, ensuring effective governance and resource allocation. Mapping and promoting the potential and specificity of provinces and local levels are central to identifying unique strengths and opportunities for targeted development. Balanced development is pursued through special investment mobilization, directing funds to areas with the greatest need and potential. Economic development is driven by fostering partnerships based on innovation and entrepreneurship, encouraging a culture of creativity and business growth. Socio-economic transformation is facilitated by enhancing rural-urban interconnections, ensuring that development benefits are shared widely. The formulation of inter-provincial and inter-local level networks strengthens cooperation and resource sharing across regions. The

promotion of fiscal federalism ensures that financial resources are managed efficiently and equitably at all levels of government. The integrated local economic development program focuses on holistic growth by integrating various sectors and initiatives at the local level. Finally, the plan focuses on the promotion of statistical systems and on monitoring and evaluation that ensure that development efforts are data-driven, transparent, and effective in achieving desired outcomes.

Effective Fiscal Management and Capital Spending Performance

The enhancement of institutional and legal frameworks, alongside systems governing public finance management, has bolstered revenue administration, expenditure management, and financial mobilization. Implemented laws and regulations encompass debt recovery and revenue administration, spanning from the Constitution of Nepal to the *Public Procurement Act, 2007, Inter-Governmental Fiscal Arrangement Act, 2017,* and *Financial Procedures and Fiscal Responsibility Act, 2019.* Institutional setups pertaining to financial management encompass constitutional bodies like the Auditor General and the National Natural Resources and Fiscal Commission. Additionally, monitoring mechanisms such as the Ministerial Development Action Committee and the National Development Action Committee are in place to ensure effective oversight.

The ratio of annual revenue mobilization and government expenditure to the gross domestic product (GDP) increased from 9 percent and 17.7 percent to 18.8 percent and 26.6 percent respectively in between FY 1991/92 and FY 2022/23. Outstanding total debt to GDP ratio dropped from 62.9 percent to 41.2 percent during the same period.

The Sixteenth Plan emphasizes effective fiscal management and improving capital spending performance through a comprehensive set of programs. Strengthening the revenue system and improving financial resource mobilization are central to increasing government income and ensuring efficient allocation of funds. Financial transfers aim to enhance financial efficiency, while mobilization of finance based on natural resources taps into the country's inherent wealth. Formalization of informal economic activities is targeted to widen the tax base and bring more economic activities under formal regulation. Responsible public finance management ensures transparency and accountability in the use of public funds. Project management empowerment and capital expenditure capacity enhancement are key to accelerating infrastructure development and improving the quality of public projects. The morale of construction workers is to be boosted to enhance productivity and quality of work. Consolidation of public funds and expansion of resources aims at better allocation and utilization of financial resources. Issuance of project special development bonds for individual projects provides an innovative financing tool for major projects. Promotion of the country as an attractive investment destination and the use of artificial intelligence is aimed to modernize and diversify the economy. Enhancing the effectiveness of international finance operations ensures better use of foreign aid and investments, while effective monitoring and evaluation, along with sustainability programs, guarantee that all initiatives achieve their intended outcomes and remain beneficial in the long term.

Social Dimension

Modern, Sustainable and Systematic Urbanization and Settlements

Over the past decade, Nepal has experienced significant shifts in its population dynamics, the urban population growing from 22.31 percent to 27.07 percent of the total population, and the peri-urban population reaching 39.75 percent. Conversely, the rural population has decreased from 38.5 percent to 33.19 percent. Even though certain areas have been designated as semi-urban based on characteristics, a substantial portion of the population still resides in what are considered urban zones. This trend has presented challenges in managing urban populations while also necessitating

immediate action to control migration from rural areas. Disparities persist among urban areas, with insufficient infrastructure and services. Urban road density is low, especially in newer areas, and major cities like Kathmandu and Lalitpur lack essential social infrastructure and open spaces. Basic amenities such as quality drinking water and sewage systems are lacking, raising environmental concerns. Urban energy consumption trends highlight the need for climate adaptation. Tackling traffic congestion, air pollution, and ensuring safety standards in construction are pressing issues. Urgent structural changes are needed in urban health systems. Coordinated efforts are essential for sustainable urban development, integrating policies, legal frameworks, and institutional mechanisms. Despite positive economic indicators, Nepal's urbanization efforts require significant improvements in environmental and qualitative aspects.

In order to promote modern, sustainable, and systematic urbanization and settlements, the Sixteenth Plan has envisioned a series of strategic programs. The development of unique and strategic cities is prioritized to ensure well-planned urban growth. The Model Settlement Program aims to uplift living conditions in underprivileged areas. Construction of integrated urban infrastructure and improvement of the transport system are designed to enhance connectivity and urban functionality. The rural-urban integration and interconnection program seeks to bridge the development gap between rural and urban areas, fostering balanced regional growth. Program for the landless people and management of unorganized settlement aims to addresses housing and land security issues for vulnerable populations. The new city project envisions the creation of new urban centers with modern amenities. Ensuring clean drinking water in all provincial capitals and major cities is a key initiative to improve public health. The conservation and replenishment program of water resources focuses on sustainable water management. The cleanliness and protection of river resources program aims to maintain healthy aquatic ecosystems. Integrated urban waste management is crucial for maintaining hygiene and environmental standards. Urban governance, institutional reform, and capacity development area also prioritized for effective urban management and service delivery.

Gender Equality, Social Justice and Inclusive Transformation

The Constitution of Nepal guarantees fundamental rights against discrimination, violence, and exploitation, fostering empowerment, inclusion, and mobilization of marginalized groups. Legal and policy frameworks, including international conventions like CEDAW and UNDRIP, have been implemented at all levels of government. Gender-responsive governance and programs aligned with SDGs promote gender equality and social justice. The *National Gender Equality Policy, 2021,* ensures equal access for women in health, education, and employment. Progress includes a literacy rate of 69.4 percent for women and increased female land ownership. Efforts to combat gender-based violence, support persons with disabilities, and care for senior citizens are ongoing. Social security measures reach over 2,04,322 persons with disabilities. The population of persons aged 68 and above has increased, necessitating policies for their involvement in development while ensuring dignified care. Child protection laws and initiatives address the needs of Nepal's children who are 34.78 percent of the population. Measures against human trafficking, including the Palermo Protocol, aim at prevention, rescue, and rehabilitation of victims.

The Sixteenth Plan emphasizes gender equality, social justice, and inclusive transformation through a comprehensive array of programs. The governance and policy reform program focuses on revising policies and laws to promote equity and justice. Implementing the international commitments and national action plan ensures alignment with global standards and national priorities. Programs related to the identification and classification of target communities help tailor interventions for specific

groups. The disability-friendly living facilitation program aims to create inclusive environments for people with disabilities. Gender equality, economic empowerment, and violence reduction programs address critical issues affecting women and marginalized genders. The child rights protection and promotion program safeguards children's welfare and promotes their development. Social development and integration programs target specific communities to foster inclusivity. Senior citizens social security program ensures the well-being of the elderly. Evidence-based information management and monitoring, and evaluation systems enhance the effectiveness of these initiatives. Social awareness campaigns aim to educate and mobilize communities towards inclusivity. The targeted community self-reliance program empowers marginalized groups economically. Programs focused on persons with disabilities, senior citizens, children, and gender-friendly infrastructure development ensure quality support and accessibility. The protection and promotion of special caste, language, and culture preserves and celebrates the country's diverse heritage.

Reducing Poverty and Inequality and Creating Equitable Society

The preamble of the Constitution of Nepal emphasizes ending discrimination and untouchability to ensure economic equality, prosperity, and social justice in an egalitarian society. Fundamental rights include access to food, housing, employment, and social security. The constitution envisions inclusive economic development with regional balance through the federal governance system, aiming to eliminate discrimination and oppression. Nepal prioritizes poverty alleviation, regional balance, and reducing inequality, aligning with global efforts such as the sustainable development goals. Progress has been made, but challenges persist, including regional and community inequalities in resource allocation, poverty, and human development. Efforts are needed to end poverty, increase per capita income, reduce economic disparities, and ensure equality in opportunities for all.

The Sixteenth Plan focuses on reducing poverty and inequality and creating an equitable society through a series of strategic programs. The state facility identity card aims to ensure that all citizens, especially the marginalized, have access to state benefits and services. The government aims to create equality-based society economic and social transformation. The access to basic and essential goods and services ensures that all citizens have the necessities for a decent life. The poverty alleviation program through social security provides financial support and safety nets to the most vulnerable populations. Production and employment-oriented programs stimulate economic activity and job creation, targeting underprivileged communities. The government has prioritized to utilize infrastructure and technology for poverty reduction and inclusion. The empowerment and capacity development program focuses on building skills and capabilities, enabling individuals to improve their socio-economic status. The government reform program aims to enhance the efficiency and effectiveness of governance, ensuring that efforts to reduce poverty and inequality are sustainable and impactful.

Governance Reform and Promoting Good Governance

Since the promulgation of the constitution, federal, provincial, and local government elections have been held twice, fostering politically inclusive elected bodies at all levels and contributing to the establishment of good governance through democratic processes. However, despite legal and structural arrangements and efforts to increase civic awareness and media involvement, progress on governance reform and good governance indicators remains unsatisfactory. Nepal is committed to international conventions such as the *United Nations Convention against Corruption* and the *Universal Declaration of Human Rights* and the subsequent *Convention on the Political Rights of Women,* among others, with strategies and action plans in place to implement these conventions. The constitution establishes cooperative, coexistent, and coordinated relationships between the federal, provincial, and local gov-

ernments, with mechanisms like the Inter-Provincial Council for dispute resolution, while the *Federal, Provincial and Local Level (Coordination and Interrelation) Act, 2020,* facilitates functional coordination between these levels of government.

The Sixteenth Plan emphasizes comprehensive governance reform and the promotion of good governance to enhance national security, public service delivery, and the rule of law. The plan includes initiatives to strengthen national unity and security, improve the quality of public service delivery, and ensure adherence to the rule of law. To support informed decision-making, the plan proposes developing an integrated national statistical system and improving the election management process to ensure free and fair elections. Financial and administrative reforms aim to promote good governance and strengthen the judicial administration system to ensure justice and accountability. Additionally, the plan highlights the promotion of ethics and morals, equitable inclusion of all societal groups, and the development of effective monitoring and evaluation systems to ensure the successful implementation of the plan. Programs to promote human rights, ensure effective regulation, and develop citizen-friendly public service systems are also included. Moreover, effective arrangements for documentation and regulation of border areas and empowerment programs for the cooperative sector are key components of the plan, aimed at fostering inclusive and transparent governance structures.

Productive Employment, Decent Job and Sustainable Social Security

The constitution underscores the importance of creating a skilled workforce, fostering harmonious worker-employer relations, expanding social security coverage, leveraging skills from foreign employment, and ensuring decent work opportunities, aligning with International Labor Organization conventions and sustainable development goals. Legislation such as the *Bonus Act,1973* and the *Trade Union Act,1992* support labor management, yet

challenges persist due to a lack of integrated labor force data and coordination between labor supply and demand, resulting in surplus labor migrating for foreign employment. With approximately 71.5 percent of Nepal's population in the productive age group and an 11.4 percent unemployment rate, ongoing efforts focus on combating child labor and increasing social security coverage, which currently extends to only about 15 percent of workers. The Fifteenth Plan aimed to raise this coverage to 60 percent, but coverage is currently only 32 percent, necessitating actions such as registering more institutions and integrating social security programs for better regulation.

The Sixteenth development plan of Nepal prioritizes productive employment, decent jobs, and sustainable social security through a comprehensive set of programs. Special initiatives aim to bolster employment generation within the country, complemented by vocational and skill development programs designed to enhance human resource capabilities. The plan also emphasizes alternative employment enhancement programs and efficient foreign employment management to ensure safer and more beneficial opportunities for Nepali workers abroad. Strengthening Nepali missions in destination countries and promoting decent labor practices further support this goal. Additionally, the *Lakh Youth for Nation Building program* seeks to engage a large number of youth in nation-building activities. To ensure inclusiveness and sustainability, the plan includes social security coverage programs and initiatives to mobilize internal capital to activate the production cycle. Collectively, these efforts are designed to create a robust framework for economic growth, equitable job distribution, and comprehensive social security.

Environmental Dimension
Biodiversity, Climate Change and Green Economy

Climate change poses a significant and growing challenge to Nepal's development achievements and aspirations. Meanwhile, forests and protected areas play a vital role in conserving

biodiversity, promoting climate resilience, and fostering green development. Covering over 45 percent of the land and contributing about 3 percent to GDP, forests and protected areas contribute directly and indirectly to environmental balance and the economy. Community-managed forests, exemplified by the success of Kavuliyati forest, uplift impoverished communities. Protected areas attract more than 60 percent of foreign tourists visiting Nepal, boosting the economy. Challenges persist, including unsustainable forest management, increasing imports of wood products, and human-wildlife conflicts. Climate change exacerbates these and other issues. Decreasing water storage in Himalayan glacier, glacial lake outburst floods, more droughts and more extreme rainfall events, as well as increasing heat waves in southern Nepal have impacts on agriculture, livelihoods, and marginalized communities threatening food security, health, and human security. To address these challenges, Nepal has formulated and implemented policies and action plans, secured international funding, and initiated institutional reforms to enhance climate resilience and mitigate environmental and economic risks.

The Sixteenth Plan of Nepal emphasizes a comprehensive approach to biodiversity conservation, climate change mitigation, and the promotion of a green economy. Key programs include policy reforms and institutional capacity building to mainstream climate change mitigation and adaptation strategies across all sectors. Sustainable management and commercial use of forests are prioritized. The plan also highlights sustainable conservation of biodiversity through wildlife protection, habitat improvement, and human-wildlife conflict mitigation. Pollution control is another focus, with efforts to set up and update pollution standards, expand monitoring, and improve waste management through private sector involvement and expansion of practices like Reduce, Reuse, Recycle. The promotion of a green economy is facilitated by encouraging clean energy, reducing dependence on fossil fuels, and enhancing access to international climate finance. Addi-

tionally, strengthening research, monitoring, and evaluation systems are crucial for effective implementation and continuous improvement of these initiatives.

Smoothing LDC Graduation and Accelerating SDGs Implementation

Smoothing LDC Graduation

To graduate from a least developed country to a developing country, three criteria are considered: Gross National Income (GNI) per capita, Human Asset Index (HAI), and Economic and Environmental Vulnerability Index (EVI). The Development Policy Committee, under the United Nations Economic and Social Council, reviews the progress of least developed countries every three years based on these criteria. A country can be upgraded if it meets the minimum score in any two of the three criterion in two consecutive triennial reviews or if it achieves twice the per capita GNI limit. Nepal has met the minimum threshold for continuous improvement in two criteria (HAI and EVI) since 2015, but it has not met the per capita GNI limit. Despite being eligible for upgrading in 2015 and 2018, Nepal requested deferral of the graduation mainly because of low progress in per capita national income and the impact of the 2015 earthquake. Due to the COVID-19 pandemic's impact on the global economy and Nepal's economic and social activities, a special concession of a 5-year transition period, including 2 additional years, has been granted. Nepal is expected to graduate in 2026, provided it prepares a sustainable basis for the upgrade. While some economic challenges, such as low growth and high inflation, have been addressed since 2020, Nepal needs to implement integrated and coordinated efforts to fully resolve its economic issues.

Accelerating SDG Implementation

Nepal has embraced the SDGs since the adoption of its Constitution and the formulation of the Fourteenth Plan, integrating them into governance structures. Budgets and programs are strategically aligned with SDGs, with provincial and local plans incorporating SDGs for tailored implementation. Prioritization of proj-

ects supporting SDGs has been evident since fiscal year 2018/19, showcasing collaborative efforts involving the government, private sector, cooperatives and development partners. While progress on mid-term SDGs stands at about 41.4 percent, there's recognition that institutional capacity needs bolstering for more impactful results. As of 2022, social sector advancements have outpaced economic gains. The progress in poverty alleviation is encouraging, but around 4 percent of people fell into extreme poverty. Improvements in maternal mortality and gender parity are notable, alongside significant strides in secondary education enrolment and access to basic drinking water. Nonetheless, challenges persist, including low electricity consumption per capita, inadequate irrigation facilities, and economic setbacks from global crises like COVID-19 and geopolitical tensions. The ongoing efforts to alleviate poverty and enhance social, economic, and infrastructure indicators require heightened attention and dedication amidst these persistent challenges.
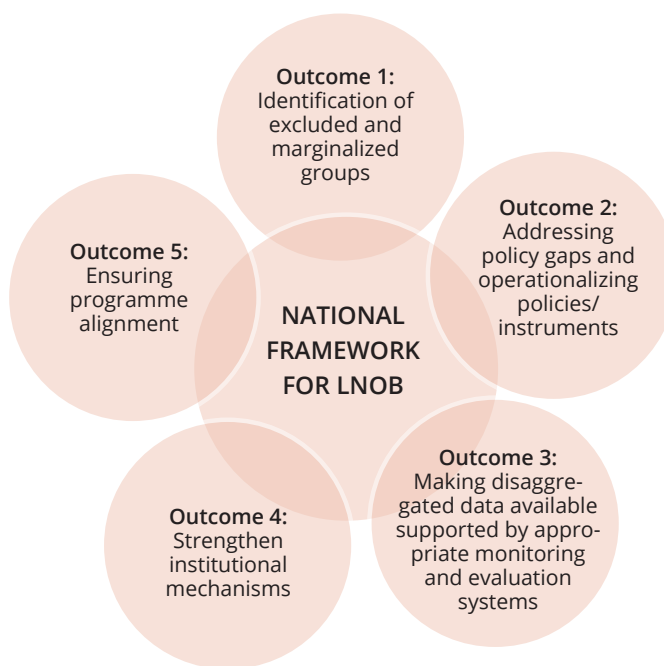
The Sixteenth Development Plan of Nepal is strategically designed to ensure sustainable and irreversible graduation from Least Developed Countries (LDCs) status and to accelerate the implementation of the SDGs. Key programs under this plan include promoting investments in productive sectors and generating skilled workforce to meet market needs, thereby enhancing productivity and capacity. To boost production and job creation, the plan focuses on developing value chains and quality testing programs. The plan emphasizes export promotion through the diversification of products and destination countries, alongside expanding market access. It also introduces various incentives to encourage private sector growth and attract foreign direct investment. Furthermore, the localization of SDGs will continue to ensure their effective implementation at the local and provincial level. Enhanced coordination and partnerships, along with sustainable resource management, are also pivotal elements of this plan, aimed at accelerating SDG achievements across the country.

3.4 Leave No One Behind

Nepal has embraced the principle of leaving no one behind and has committed to mainstreaming the marginalized and backward segments of the society into the development process. The Constitution of Nepal, 2015 has articulated the multi-ethnic, multicultural, multi-religious and multi-lingual characteristics of the country and has enacted provisions and laws for the promotion of this uniqueness. Constitutional Commissions such as the National Women Commission, Dalit Commission, Muslim Commission, Madhesi Commission, National Commission on Indigenous Peoples, National Inclusion Commission have been formed. In addition, to ensure representation of all minority groups in the political and administrative institutions of the country, mandatory provisions of reservation seats for women and other marginalized groups have been enacted.

Furthermore, a national framework, *Leave No One Behind,* has been formulated for ensuring that the principles of leaving no one behind and reaching the furthest behind first are oper-

Five Major Outcomes of National Framework for LNOB

Outcome 1: Identification of excluded and marginalized groups

Outcome 2: Addressing policy gaps and operationalizing policies/instruments

Outcome 3: Making disaggregated data available supported by appropriate monitoring and evaluation systems

Outcome 4: Strengthen institutional mechanisms

Outcome 5: Ensuring programme alignment

NATIONAL FRAMEWORK FOR LNOB

ationalized at all levels of policies, programs, monitoring and evaluation systems and practices, in a manner that is responsive to gender equality and social inclusion. There are five major outcomes that have been envisioned to be attained through this framework.

3.5 Institutional Mechanisms

In order to materialize the broad aspiration of SDGs into reality, various institutional mechanisms at all tiers of the government have been formed and have been consistently working towards the planning, implementation, monitoring and evaluation of the SDGs. The committees that have been formed are as follows:

### Committee on Development, Economic Affairs and Good Governance

The Parliament of Nepal stands as a beacon of progress, leading exemplary initiatives to propel the SDGs agenda forward. Spearheaded by the Committee on Development, Economic Affairs, and Good Governance of the National Assembly, rigorous oversight is exercised over the advancement of the SDG agenda through systematic reviews of the National Planning Commission and relevant line ministries. In a commitment to knowledge dissemination and

engagement, numerous briefing sessions on SDGs have been organized for Members of Parliament, fostering a deep understanding and collective commitment to the cause. Through a series of interaction and monitoring programs, coupled with comprehensive reports presented to the parliament, the committee diligently scrutinizes the implementation and localization of sustainable development initiatives, ensuring that Nepal moves steadfastly towards a future of prosperity and resilience.

National Steering Committee

The highest-level national committee, chaired by the Prime Minister, is tasked with overseeing the implementation and coordination of sustainable development plans and policies. Serving as a forum for high-level decision-making, the committee ensures alignment between various government bodies and stakeholders to effectively address development challenges and meet national goals. The Vice-Chair of NPC serves as the Deputy Chair of this Committee. Similarly, the Committee consists of the Foreign Minister, Finance Minister, Chief Ministers of all seven provinces, the Chief Secretary, presidents of associations of rural municipalities, municipalities and district coordination committees as members; and the Member-Secre-

Institutional Mechanism for SDGs Implementation and the VNR Preparation
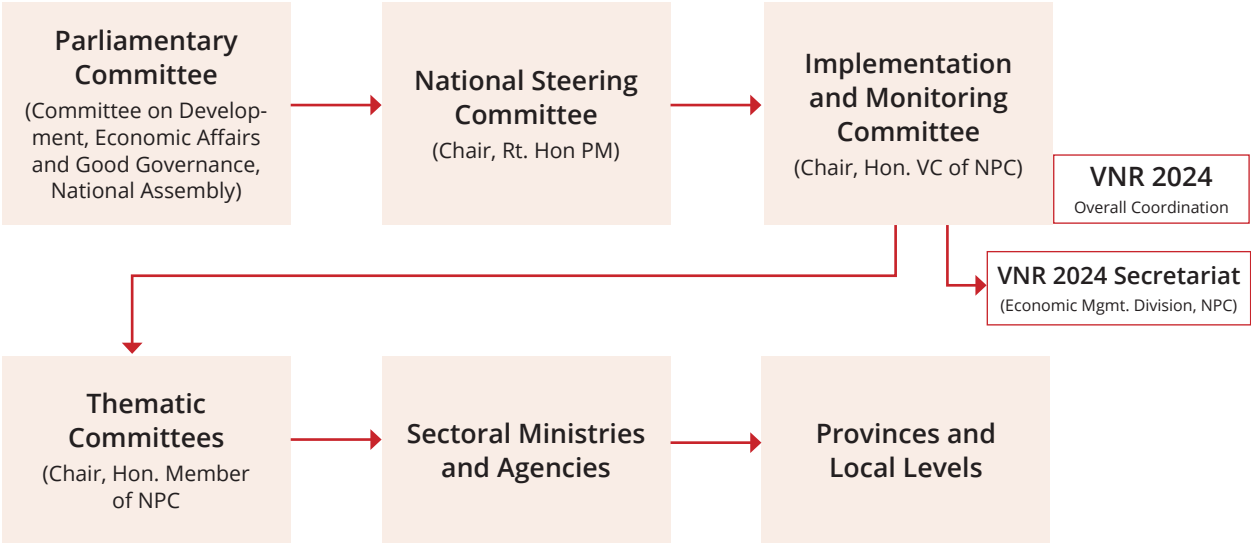
tary of NPC as the member secretary of this committee. The inclusion of presidents from associations of rural municipalities, municipalities, and district coordination committees ensures the presence of grassroots and local perspective in decision-making processes. Together, this diverse assembly of leaders collaborates to steer Nepal towards sustainable development and prosperity for all its citizens.

Implementation and Monitoring Committee

This committee, chaired by the Vice-Chair of the National Planning Commission (NPC), serves as a central body for coordinating and implementing sustainable development initiatives in Nepal. Its members include key representatives from various ministries related to the SDGs, provincial planning commissions, associations of rural municipalities, municipalities, district coordination committees, and private sector entities such as FNCCI, CNI, and NCC. Additionally, representatives from the civil society organizations such as National Cooperative Federation and the National NGO Federation contribute to the committee's diverse expertise. Together, this assembly of stakeholders collaborates to drive forward Nepal's sustainable development agenda, fostering prosperity and resilience across the nation.

Thematic Committees

Seven thematic working committees, each chaired by the Hon. Member of the National Planning Commission as per the thematic portfolio, play a crucial role in the localization of SDGs in Nepal. Each committee focuses on specific thematic areas, aligning with corresponding SDGs, and works towards their localization through strategic planning and implementation. The committees cover a wide spectrum of SDGs, including economic development, agriculture, social development, infrastructure, energy, climate change, governance, and gender empowerment. By addressing these thematic areas comprehensively, the committees contribute to the effective localization of the SDGs, ensuring that Nepal's devel-

opment efforts are tailored to meet the diverse needs of its population and promote sustainable growth and prosperity.

Implementation at the Provincial Level

Each of Nepal's seven provinces has a provincial-level committee, overseen by the Vice Chair of provincial planning commissions, dedicated to the localization of SDGs. These committees serve as pivotal platforms for coordinating and facilitating the implementation of SDGs within their respective provinces. Under the guidance of the National Planning Commission (NPC) members assigned to each province, these committees ensure effective alignment and execution of SDG-related initiatives at the provincial level. By spearheading localized efforts and leveraging provincial resources and expertise, these committees contribute significantly to the advancement of sustainable development goals tailored to the unique contexts and priorities of each province in Nepal.

Implementation at the Local Level

The local level plays a vital role in driving forward Nepal's sustainable development agenda. The manual for localization of the SDGs has recommendation on establishing a committee at local level to ensure effective implementation and monitoring of the SDGs through mainstreaming the 2030 Agenda into local policies and plans. Chaired by mayors or chair-persons, these committees are instrumental in coordinating and facilitating the localization of SDGs. These committees work tirelessly to ensure the effective implementation of SDG initiatives at the grassroots level. By harnessing local resources, expertise, and community engagement, these committees play a pivotal role in tailoring SDG strategies to address the specific needs and challenges faced by each locality. Through their concerted efforts, they contribute significantly to building resilient and sustainable communities across Nepal, fostering inclusive development and leaving no one behind.

3.6 Localization of the SDGs at the Provincial and Local Levels

Localizing the SDGs means understanding, adapting, planning, and keeping track of them from the national level to the sub-national levels, with the help of relevant institutions. Thus, it commences by establishing both the national and sub-national backdrop of the 2030 Agenda, progressing towards the adaptation of goals and targets, delineating indicators, crafting local methods and structures for implementation, and formulating monitoring frameworks spanning from the national to local tiers.

Localization in Federalism

Within the federal structure of Nepal, provincial and local governments hold a crucial position in the country's development. The federal setup aims to achieve balanced and fair social and economic progress in a diverse nation like Nepal, where provinces and local governments take charge of a decentralized governance system. This allows them to utilize available resources more effectively to fulfil the aspirations of their local communities. Each province and local level represent a distinct spectrum of demographic, social and economic diversity.

Nepal recognizes that achieving the SDGs necessitates a multi-level governance approach. Nepal transitioned into a federal democratic republic in 2015, restructuring the country into seven provinces and further into 753 local governments, each with its own democratically elected assemblies. This federal structure aims to empower provinces and local governments to effectively address the needs and priorities of their respective communities, including the implementation of the SDGs. Recognizing the importance of decentralization and grassroots involvement, Nepal has prioritized the localization of the SDGs to ensure inclusive and sustainable development across the nation.

Enshrined within the Constitution of Nepal are the delineations of rights and responsibilities, categorized under schedules numbered 5 to 9. Schedule 5 vests federal rights and responsibilities, while Schedule 6 allocates provincial ones, both advocating for self-rule within their respective domains. Concurrently, Schedule 7 bridges federal and provincial jurisdictions, fostering shared governance. At the grassroots level, Schedule 8 empowers local governments with autonomous power and responsibilities. Moreover, Schedule 9 harmonizes the tripartite relationship, ensuring a cohesive approach to governance across all tiers. By endowing provinces and local governments with a broad spectrum of authority as outlined in these schedules and related legislation, Nepal seeks to address crucial aspects of the SDGs, including public health, education, agriculture, water, transport and communication, and public order, thus fostering inclusive and sustainable development throughout the nation.

The Constitution of Nepal promotes citizen participation and engagement in decision-making processes at all levels of government. At the lowest level, there are Citizen Awareness Centres and Ward Citizen Forums that facilitate bottom-up engagement in development processes. In addition, the community awareness centres (CAC) provide another avenue for engagement by individual men and women. There are also District Coordination Committees that coordinate between the federal, province and local governments. In addition to these formal institutional mechanisms, Nepal has a robust civil society that advocates for five principles of development justice: redistributive justice, economic justice, social justice, environmental justice and accountability to the people. These five principles of development justice also inform CSOs approach to SDGs implementation. CSOs play an active role in achieving SDGs and have established multiple common platforms to foster collective action for achieving SDGs.

Constitutional Duties and Responsibilities of the Local Governments with respect to SDGs

SN	Dimension of SDGs	Exclusive Power of Local Governments (Schedule-8)	Concurrent Power of three tiers of government (Schedule-9)	Sustainable Development Goals
1	Economic Development	▪ Cooperative Institutions ▪ Local market management ▪ Rural roads, agro-roads, irrigation ▪ Agriculture and animal husbandry, agro-products management ▪ Management, operation and control of agricultural extension	▪ Cooperatives ▪ Agriculture ▪ Poverty Alleviation ▪ Landless squatters management	▪ End Poverty ▪ Zero Hunger ▪ Decent Job and Economic Growth ▪ Reduced Inequality
2	Social Development	▪ Basic and secondary education ▪ Basic health and sanitation (Drainage) ▪ Management of senior citizens, persons with disabilities and the incapacitated ▪ Collection of statistics of the unemployed ▪ Water supply ▪ Protection and development of languages, cultures and fine arts	▪ Education ▪ Health ▪ Services such as water supply ▪ Social security	▪ Good Health and Wellbeing ▪ Quality Education ▪ Gender Equality ▪ Clean Water and Sanitation
3	Infrastructure Development	▪ Local level development plans and projects ▪ Local roads ▪ Distribution of house and land ownership certificates ▪ Small hydropower projects, alternative energy	▪ Services such as electricity, irrigation ▪ Motor vehicle permits	▪ Affordable and Clean Energy ▪ Industry, Innovation and Infrastructure ▪ Sustainable Cities and Communities
4	Environment Management	▪ Basic sanitation (Waste Management) ▪ Environment protection and bio-diversity ▪ Disaster management ▪ Protection of watersheds, wildlife, mines and minerals	▪ Forests, wildlife, birds, water uses, environment, ecology and bio-diversity ▪ Mines and minerals ▪ Disaster management	▪ Responsible Consumption and Production ▪ Climate Action ▪ Life on Land
5	Institutional Development and Good Governance	▪ Town Police ▪ Operation of F.M. ▪ Local taxes, service charge, fee, tourism fee, penalty ▪ Management of the Local services ▪ Collection of local statistics and records ▪ Management of Village Assembly, Municipal Assembly, District Assembly, local courts, mediation and arbitration ▪ Local records management	▪ Newspapers ▪ Service fee, charge, penalty and royalty from natural resources ▪ Personal events, births, deaths, marriages and statistics ▪ Archaeology, ancient monuments and museums	▪ Peace, Just and Strong Institutions ▪ Global Partnership

Localization Efforts at the Sub-National Level

The Government of Nepal has actively facilitated the localization of SDGs within Nepal's provinces and local administrations. This support is evidenced by initiatives such as the creation of the SDG Localization Resource Book, Local Level Plan Formulation Guideline and the development of Planning and Monitoring Guidelines tailored for provincial SDGs. Furthermore, numerous capacity-building events have been organized to enhance local stakeholders' understanding and capabilities in SDG implementation and localization. As a result, Policy/Planning Commissions at the provincial level have integrated SDG implementation into their planning documents, crafting responsive periodic plans and Medium-Term Expenditure Frameworks that align with SDG objectives. Notably, recent periodic plans, such as Bagmati Province's 5-Year plan and Gandaki Province's plan, have explicitly recognized the importance of SDGs, incorporating dedicated sections to address them. While each level of government has distinct roles, the focal point for action lies at the local government level, with provinces and the federal government providing complementary support. This way, provincial and local governments have been actively engaged in integrating the SDGs into their development plans, policies, and strategies. This section highlights key efforts made by provinces and local governments in Nepal towards SDG localization.

Development of SDG Localization Roadmaps

All seven provinces in Nepal have developed SDG Localization Roadmaps, outlining their strategies and action plans for implementing and monitoring the SDGs at the provincial level. These roadmaps serve as guiding documents for provinces to align their development priorities with the SDGs and track progress over time.

Baseline Reports of the Provinces

All provinces have prepared baseline reports to assess the current status of SDG indicators and targets. These baseline reports serve as a reference point for measuring progress and identifying areas for intervention. They provide valuable data and insights to inform policy-making and decision-making processes at the provincial level.

SDG Coding on Budget and Program Resource Books

Several provinces have implemented SDG coding on their Budget and Program Resource books to ensure that financial allocations are aligned with SDG targets and indicators. By tagging budgetary allocations to specific SDGs, provinces can track the flow of resources and monitor their impact on sustainable development outcomes. Provinces have conducted their SDG-based Provincial Public Expenditure Tracking Survey to understand their allocation toward different goals of SDGs. These surveys provide valuable insights into the allocation and utilization of public resources toward achieving the SDGs. They help identify gaps, challenges, and opportunities for enhancing the effectiveness and efficiency of expenditure at the provincial level.

Preparation of Voluntary Local Reviews (VLRs) by Local Governments

Significant efforts have been made by local governments across Nepal to contribute to the localization of the SDGs. Notably, 16 local gov-

Local governments conducting VLR

1. Amargadhi Municipality
2. Baganaskali Rural Municipality
3. Banepa Municipality
4. Birendranagar Municipality
5. Buddhabhumi Municipality
6. Chandan Nath Municipality
7. Damak Municipality
8. Devchuli Municipality
9. Dhulikhel Municipality
10. Kushma Municipality
11. Lamahi Municipality
12. Parwanipur Rural Municipality
13. Ratnanagar Municipality
14. Suryodaya Municipality
15. Tikapur Municipality
16. Tilathi Koiladi Municipality

ernments, have independently prepared Voluntary Local Reviews (VLRs). These VLRs serve as comprehensive assessments of local-level progress, challenges, and priorities related to the SDGs. They highlight the specific initiatives undertaken by each local level to address the SDGs, as well as the lessons learned, and best practices identified during the implementation process. the preparation of VLRs by local governments underscores the importance of bottom-up approaches to SDG localization and highlights the vital role of grassroots actors in driving progress towards the achievement of the SDGs in Nepal.

Dhulikhel Municipality: A Pioneer in Localizing SDGs in Nepal

Dhulikhel, a scenic city in Kavrepalanchok District just beyond the eastern rim of the Kathmandu Valley, has emerged as a pioneer in localizing the SDGs in Nepal. With a rich cultural heritage and stunning views of Mt. Everest, Dhulikhel attracts over a million visitors annually who come to access its renowned health and education facilities and enjoy its natural beauty. However, this influx also strains the city's infrastructure and basic services.
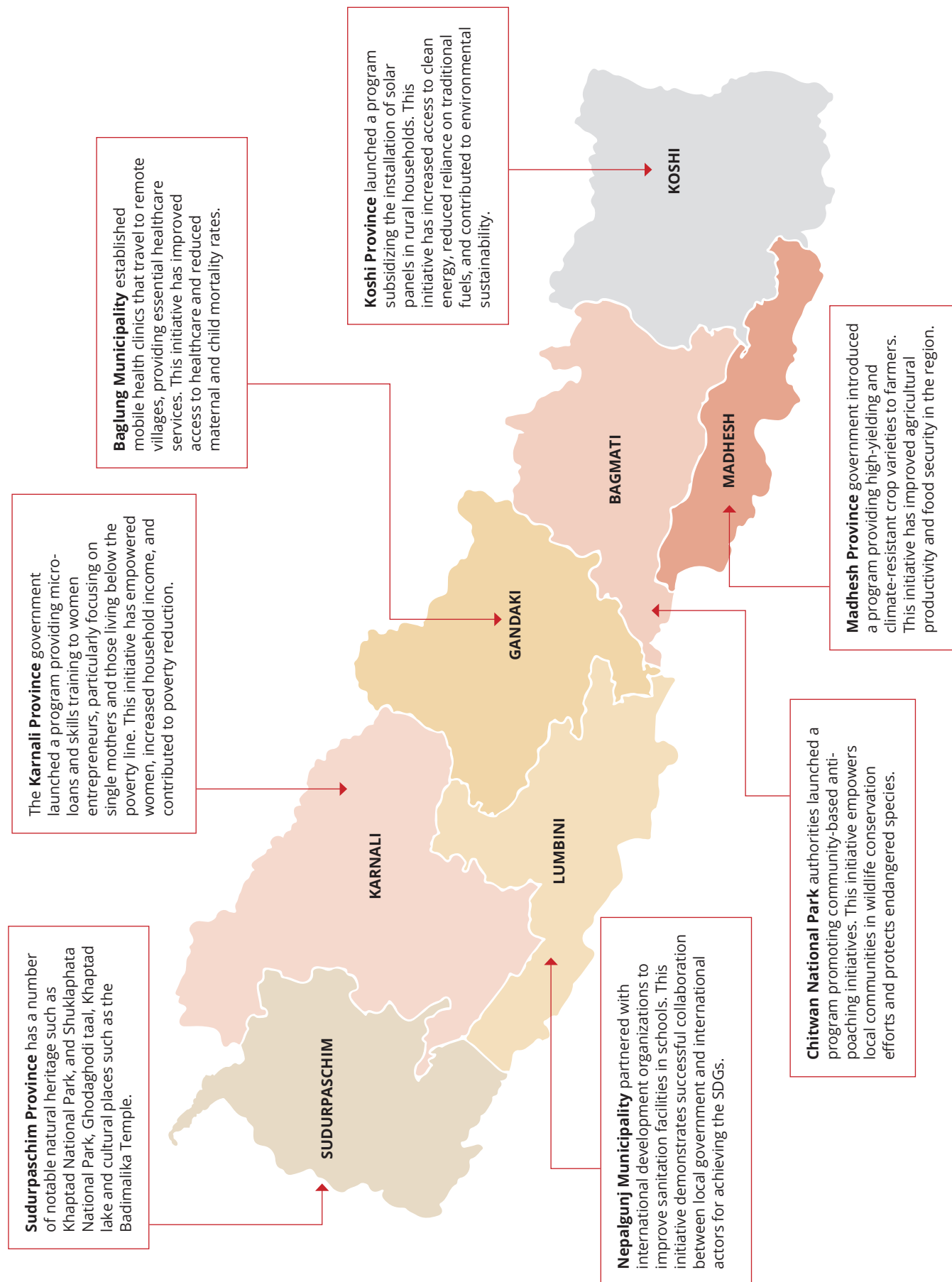
To tackle these challenges head-on, Dhulikhel aligned its development strategy with the SDGs in 2018, becoming one of the first cities in Nepal to do so. The city formulated its SDG-informed Vision 2030, aiming to transform into a prosperous, well-governed model city that meets residents' needs while preserving its culture, heritage and environment.

Dhulikhel's leadership has demonstrated strong commitment to the SDGs and an inclusive VLR process. It established five councils representing women, people with disabilities, Dalits, tribal communities and youth to engage marginalized groups in decision-making. Over 80 municipal policies and acts have been formulated to support SDG achievement.

Some notable successes include surpassing national targets for quality education (SDG 4), providing universal access to safe drinking water (SDG 6), and establishing itself as a healthcare hub with facilities serving 1.9 million people annually (SDG 3). Poverty has declined but remains a focus, with programs to boost agriculture, tourism and economic inclusion.

As the first Nepali city to conduct a VLR, Dhulikhel encountered challenges in data availability and stakeholder engagement, especially during the COVID-19 pandemic. However, the process uncovered gaps and generated invaluable lessons. The city is now working to improve data systems, train staff on SDGs, and expand partnerships.

Dhulikhel's VLR journey exemplifies how local governments can be SDG champions. By localizing the global goals in its plans and budgets, meaningfully engaging citizens, and candidly evaluating progress, the city is making impressive strides while inspiring other Nepali municipalities to follow its lead. As Nepal works to build back better from the pandemic and accelerate SDG progress, Dhulikhel shines as a beacon, showing the way forward for sustainable, inclusive development.

Koshi Province launched a program subsidizing the installation of solar panels in rural households. This initiative has increased access to clean energy, reduced reliance on traditional fuels, and contributed to environmental sustainability.

Baglung Municipality established mobile health clinics that travel to remote villages, providing essential healthcare services. This initiative has improved access to healthcare and reduced maternal and child mortality rates.

Madhesh Province government introduced a program providing high-yielding and climate-resistant crop varieties to farmers. This initiative has improved agricultural productivity and food security in the region.

The **Karnali Province** government launched a program providing micro-loans and skills training to women entrepreneurs, particularly focusing on single mothers and those living below the poverty line. This initiative has empowered women, increased household income, and contributed to poverty reduction.

Chitwan National Park authorities launched a program promoting community-based anti-poaching initiatives. This initiative empowers local communities in wildlife conservation efforts and protects endangered species.

Sudurpaschim Province has a number of notable natural heritage such as Khaptad National Park, and Shuklaphata National Park, Ghodaghodi taal, Khaptad lake and cultural places such as the Badimalika Temple.

Nepalgunj Municipality partnered with international development organizations to improve sanitation facilities in schools. This initiative demonstrates successful collaboration between local government and international actors for achieving the SDGs.

KOSHI

BAGMATI

MADHESH

GANDAKI

KARNALI

LUMBINI

SUDURPASCHIM

Implications of SDGs Localization

Provinces and local governments have undertaken various initiatives to integrate the SDGs into their planning, budgeting, and monitoring processes. This active engagement of the sub-national governments in localizing the SDGs has contributed in ensuring their effective implementation and alignment with local development priorities.

Effective Public Service Delivery

Local governments play a crucial role in delivering public services directly to communities. By localizing the SDGs, provinces and local governments has tailored their development initiatives to address the specific needs and priorities of their constituents, thereby enhancing the efficiency and effectiveness of public service delivery.

Decentralization of Resources and Revenue

Localization of the SDGs has facilitated the decentralization of resources and revenue, empowering provinces and local governments to allocate funds based on local development priorities. This decentralized approach ensures that resources are directed towards initiatives that have the most significant impact on local communities, leading to more equitable and sustainable development outcomes.

Prioritization Based on Local Circumstances

Localizing the SDGs has enabled provinces and local governments to prioritize goals and targets based on the unique environmental, social, and economic circumstances of their respective regions. This targeted approach ensures that development efforts are relevant and responsive to local needs, maximizing the impact of interventions.

Enhanced Quality and Productivity of Local Expenditure

By aligning SDG implementation with local priorities, provinces and local governments are working toward optimizing the quality and productivity of expenditure. Resources are allocated towards initiatives that generate tangible benefits for communities, resulting in greater efficiency and value for money in local spending.

Promotion of People's Participation

People's participation in decision-making processes and development initiatives at the local level has improved through SDG localization. By engaging communities in the planning, implementation, and monitoring of SDG-related activities, provinces and local governments can foster a sense of ownership and accountability, leading to more sustainable and inclusive development outcomes.

Certainty of Inclusion and Mainstreaming of Left-Behind Groups

Local governments are better positioned to identify and address the needs of marginalized and vulnerable populations within their communities. Provinces and local governments are working towards ensuring the inclusion and mainstreaming of left-behind groups, as they have firsthand knowledge of who is being left behind and require targeted interventions to fulfill the motto of the SDGs: Leave No One Behind.

Progress on Goals and Targets

4.1 Overall Progress

Nepal stands at a pivotal juncture in its sustainable development journey, having surpassed the initial phase of SDGs implementation with notable progress. In line with its commitment to sustainable development, Nepal has delineated medium-term targets for the years 2019, 2022, and 2025. This third VNR showcases Nepal's achievements against the targets set for 2022 and the aspirational goals for 2030. The assessment is meticulously based on reported data encompassing 238 out of 301 indicators across various SDGs, with the exception of Goal 14: Life Below Water. A comprehensive explanation of the methodology employed in this assessment is detailed in the annex. The following figure presents the goal-wise progress of SDGs towards the 2022 milestone.

The analysis demonstrates that, on an average, Nepal has achieved 58.6 percent progress towards SDGs targets relative to the 2022 milestone. Based on the progress assessment against midterm (2022) targets, significant strides are made in SDG 1, SDG 4, SDG 10 and SDG 11. Comprehensive social security system, school enrolment campaigns and student retention policies supported by programs such as scholarship schemes and mid-day meal, targeted interventions for the marginalized and disadvantaged communities, and improved housing along with better implementation of building standards have contributed for this achievement.

Accelerated efforts are required in SDG 8, SDG 9, SDG 12 and SDG 16 given their weaker

**SDGs Progress against 2022 targets (Percent)**
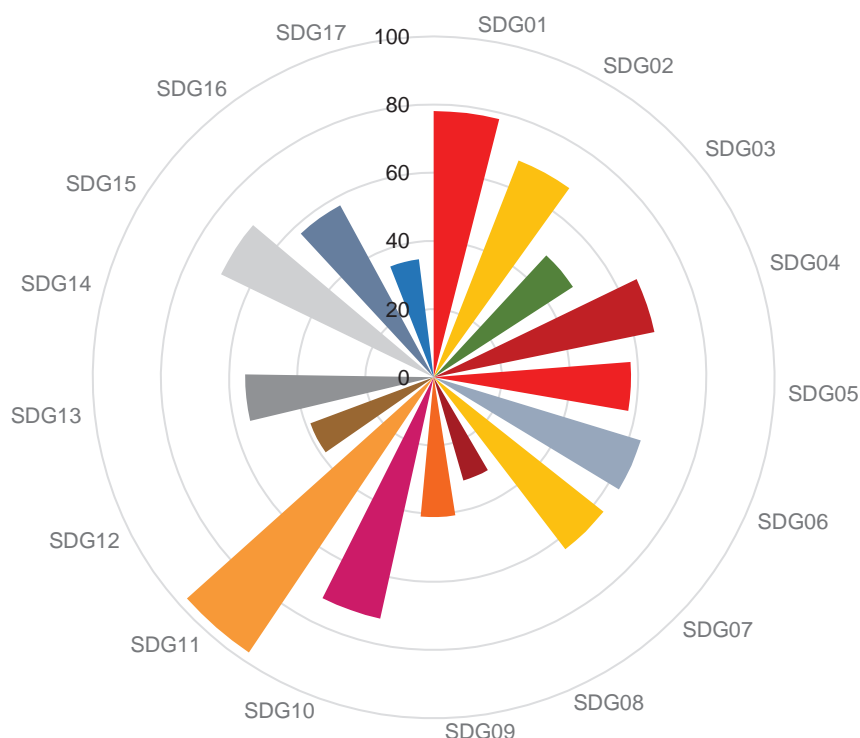
performance compared to other goals. Structural impediments, supply side constraints, low productivity, high trade cost, inadequate infrastructure, weaker integration into the global market, poor performance in governance reform has led to this sluggish progress.

Nepal has accomplished on an average of 41.7 percent progress towards the 2030 long-term target in 2022. Furthermore, if we anticipate future progress based on the pace of progress observed between 2016 and 2022, the country is projected to attain only 60.5 percent progress by the end of the SDGs implementation period. This highlights the need for intensified and concrete efforts to bridge the gap and achieve the remaining targets by 2030. The following figure presents the goal-wise current progress of SDGs against 2030 targets and anticipated progress towards 2030 milestone.

SDGs Progress against 2030 Target and Anticipated Progress by 2030

Current progress against 2030 target ↑ Anticipated progress in 2030
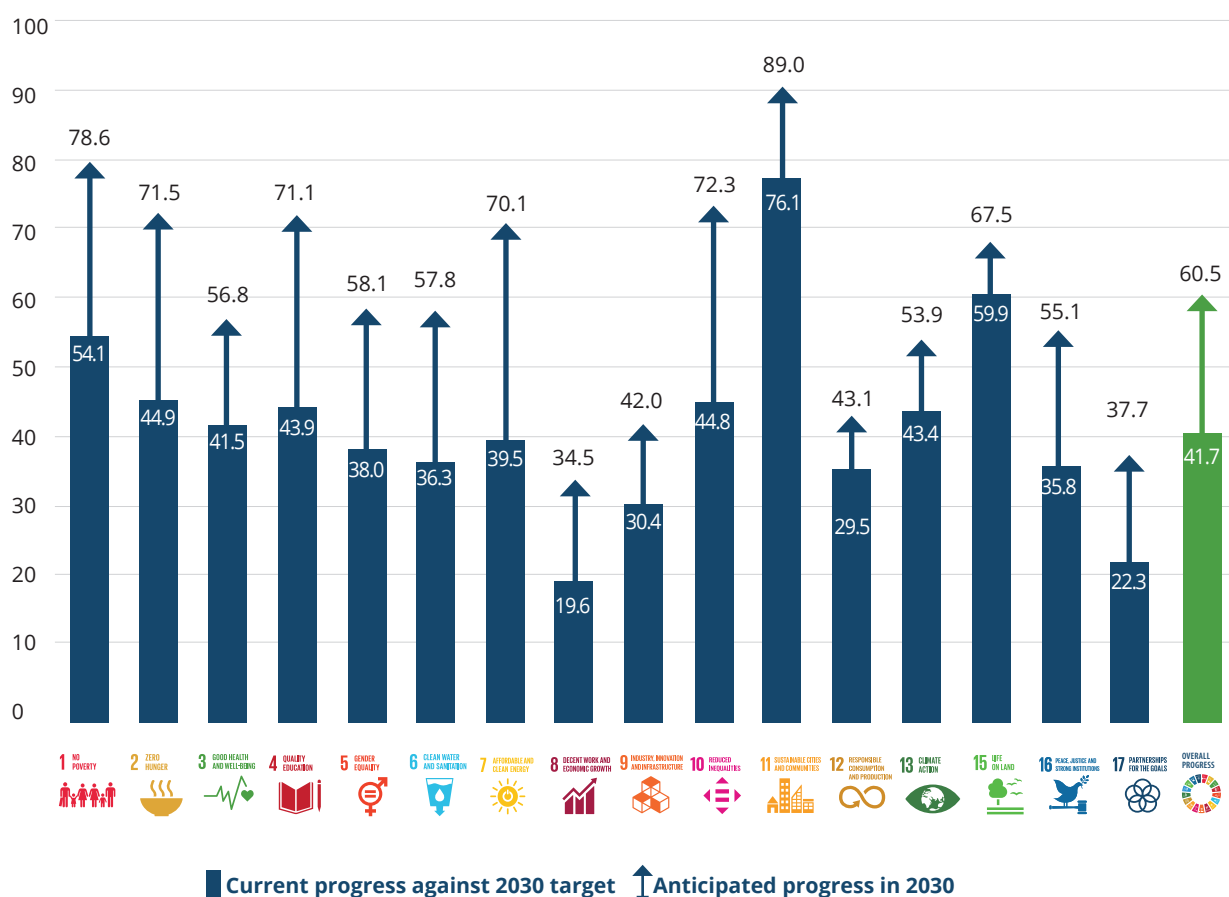
4.2 Goal-Wise Progress

End poverty in all its forms everywhere

Nepal has realised a notable achievement in reducing poverty (SDG 1). Against the 2010-11 benchmark, the poverty headcount ratio in Nepal has reduced from 25.16 percent in 2010-11 to 3.57 percent in 2022-23. However, after revisions to the benchmark of national poverty line in 2022-23, still a one fifth share of population are considered poor, with higher proportion of poverty in rural areas. Foreign employment opportunities have enabled Nepal to increase per capita Gross Disposable Income from USD 766 in 2015 to USD 1755 in 2022. Nepal also achieved remarkable progress in reducing the proportion of population under Multidimensional Poverty. Between 2014 and 2022, this reduced from 30.1 percent to 17.4 percent. Additionally, the percentage of the population covered by social protection system increased to 47 percent in 2022, exceeding the target of 41.7 percent, while households covered by financial services has increased from 40 percent in 2015 to 62 percent in 2022.

However, challenges remain in certain areas. The proportion of households with access to market centers within a 30-minute walk has shown no improvement, remaining at 44.7 percent in 2022, falling short of the 66 percent target. Similarly, the share of women owning property or tangible assets increased to 23.8 percent in 2022, lagging behind the target of 29.2 percent. These indicators highlight the need for targeted interventions to bridge the accessibility gap and promote gender equality in asset ownership.

Nepal faces several issues in its efforts to eradicate poverty. Data quality and availability pose challenges for comprehensive poverty assessment and targeted interventions. Despite progress, a significant portion of the population remains vulnerable to falling back into poverty. Strengthening social protection programs and ensuring their adequacy and coverage is crucial. Moreover, skill development and job creation are essential to provide sustainable pathways out of poverty, particularly for marginalized communities. Addressing these issues requires a coordinated approach involving policy formulation, targeted programs, and collaboration among stakeholders to achieve the goal of ending poverty in all its forms.

*The **Social Security Allowance Program (SSAP)** in Nepal, established in 1994, stands as a crucial pillar in the nation's efforts to alleviate poverty and ensure basic livelihood security for vulnerable groups. Through this program, financial assistance is provided to elderly citizens, persons with disabilities, single women, and marginalized communities, offering them a lifeline amidst economic challenges. SSAP not only addresses immediate financial needs but also fosters social inclusion and dignity for recipients, enabling them to lead more dignified lives. By targeting those most in need, SSAP plays a vital role in reducing poverty and promoting social welfare, embodying Nepal's commitment to building a more equitable society for all its citizens.*

End hunger, achieve food security and improved nutrition and promote sustainable agriculture

2 ZERO HUNGER

Nepal has made mixed progress in achieving zero hunger (SDG 2). The country has shown significant improvement in reducing the prevalence of undernourishment, with only 5.4 percent of the population undernourished in 2022, surpassing the target of 20.6 percent for that year. The prevalence of stunting among children under 5 years of age also decreased to 24.8 percent by 2022 from 36 percent in 2015, exceeding the target of 28.6 percent. Furthermore, Nepal achieved the targets for reducing severe and moderate food insecurity, with rates of 1.3 percent and 11.2 percent, respectively, in 2022.

The **Zero Hunger Challenge Nepal** *initiative, launched in 2014, has significantly reduced hunger and malnutrition by providing agricultural training, supporting smallholder farmers, promoting nutritious crops, and distributing food to vulnerable communities. By emphasizing sustainable agricultural practices and improving food distribution systems, it not only addresses immediate hunger but also tackles its root causes. Beyond achieving Goal 2, this initiative has broader impacts on rural development, poverty reduction, and overall socio-economic well-being, serving as a model for effective hunger eradication efforts globally.*

Despite these positive developments, some indicators have shown limited progress or even regression. The percentage of children under 5 years of age who are underweight decreased to 19 percent in 2022 but fell short of the 18 percent target. The prevalence of anaemia among women of reproductive age and children under 5 years remains a concern, with rates of 34 percent and 43 percent, respectively, in 2022, indicating a need for intensified efforts. Additionally, the Food Consumer Price Index reached 159.3 exceeding the exception to limiting this below 144.

Nepal faces several challenges in achieving zero hunger. Sustaining increased food production requires enhancing irrigation facilities and adopting modern agricultural practices. The impact of climate change on agricultural productivity necessitates both adaptation and mitigation strategies. Ensuring year-round food availability in remote areas involves establishing improved storage networks. Combating undernutrition among specific population segments demands targeted interventions and outreach efforts. Addressing these challenges is crucial for Nepal to make substantial progress towards achieving zero hunger by 2030.

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

3 GOOD HEALTH AND WELL-BEING

Nepal has made noteworthy progress in ensuring good health and well-being (SDG 3). The maternal mortality ratio (MMR) declined to 151 maternal deaths per 100,000 live births in 2022 from 258 deaths in 2015, marking a significant improvement. The proportion of births attended by skilled health personnel reached 80.1 percent in 2022, surpassing the target of 73 percent. The country also achieved impressive results in reducing the number of new HIV infections among adults aged 15-49 years and increasing the percentage of people living with HIV receiving antiretroviral combination therapy, both exceeding their respective targets for 2022.

However, progress has been slower or even regressed in certain areas. The under-five mortality rate and neonatal mortality

rate remain higher than the targets set for 2022. The suicide mortality rate rose to 23.4 deaths per 100,000 populations in 2022, indicating a concerning trend. The proportion of women of reproductive age who have their need for family planning satisfied with modern methods reverted from 66 percent in 2015 baseline to 55.1 percent in 2022, against the target of 74 percent. Similarly, reducing the incidence of communicable diseases such as Malaria, Dengue, Trachoma, Leprosy remains challenging given higher level of incidence in 2022 compared to baseline. The incidence of tuberculosis increased to 126 cases per 100,000 populations in 2022, deviating from the target of 67 cases. Reverse trends are observed in non-communicable disease and mental health as well.

The out-of-pocket expenditure has increased from 53 percent in 2015 to 54.2 percent in 2022 indicating increased burden of healthcare cost for individuals and families. The progress in research and development in health and health financing are lagging behind the targets of 2022.

Nepal encounters various challenges in achieving SDG 3. Translating health as a fundamental right into practical action and effectively implementing health-related plans, policies, and programs remains a challenge. Allocating adequate funds in accordance with the SDGs Needs Assessment, Costing, and Financing Strategy has not yet been fully realized. The increasing proportion of the elderly population strains healthcare systems and resources. Ensuring reliable and affordable health services for marginalized and excluded communities is an ongoing challenge. Ineffective health insurance systems and a shortage of healthcare personnel hinder progress. Poor healthcare infrastructure limits the delivery of quality care, especially in rural and remote areas. Addressing these challenges requires concerted efforts to strengthen the healthcare system, enhance accessi-

bility, and prioritize the health needs of all segments of the population.

Nepal is accelerating its efforts to achieve SDG 3.8 through formulation and endorsement of **National Eye Health Strategy 2023** *and inclusion of WHO eCSC (effective Cataract Surgical Coverage) target into National Health Sector Strategic plan 2023-2030. In order to achieve the targets, the public private partnership model has been adopted in eye health service delivery and government social health protection program includes nine eye conditions including cataract surgery and provision of glasses.*

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

Nepal has made significant progress in ensuring inclusive and equitable quality education (SDG 4). The progress in early childhood development, technical and vocational training, tertiary education, skill for employment and adult literacy and numeracy are in satisfactory trend. The net enrolment rate in primary education reached 97.1 percent in 2022, close to the target of 99 percent. The proportion of pupils enrolled in grade one who reach grade eight increased to 85.7 percent in 2022, indicating improved retention rates. The country also achieved remarkable progress in providing scholarships, with 39.7 percent of students receiving scholarships in 2022, just surpassing the target of 39.3 percent. Moreover, gender parity in enrolment has been maintained at various levels of education.

However, some challenges persist in achieving SDG 4, particularly in the area of effective learning outcomes and equal access to education. The primary education

completion rate declined to 77.1 percent in 2022, falling short of the target of 93.1 percent. Learning achievement in Mathematics for Class 5 has shown improvement, but achievements in Nepali and English have not met the desired targets. The proportion of schools with access to electricity and basic water, sanitation, and hygiene (WASH) facilities remains below the targets set for 2022. Gender Parity Index for the primary and secondary school has declined from the 2019 status. These indicators highlight the need for targeted interventions to improve education quality, infrastructure, and learning outcomes.

Teach for Nepal *is a transformative movement of graduates and professionals committed to ending educational inequity in Nepal. Through a two-year fellowship, participants teach in public schools, aiming to boost academic achievement and make a lasting impact on students. This full-time, paid opportunity enhances fellows' leadership skills through intensive training and support. Teach for Nepal envisions all children attaining excellent education, equipping them with essential skills, financial independence, social responsibility, and resilience. This initiative directly supports SDG 4, ensuring inclusive, equitable quality education and promoting lifelong learning opportunities for all.*

Nepal faces several issues in its efforts to ensure inclusive and equitable quality education. Effectively implementing the fundamental right to education for all, as stated in the constitution, alongside addressing the disparity between private and public education systems, remains a challenge. Access to education for out-of-school children, particularly in marginalized communities, requires targeted interventions. The lack of adequate, competent, and motivated teachers in schools affects the quality of learning. Weak coordination and leadership among the three tiers of government and school management hinder effective implementation. Infrastructure and facilities, including disability-friendly amenities, need improvement. Addressing these challenges is crucial for Nepal to make substantial progress towards achieving SDG 4 and ensuring quality education for all.

Achieve gender equality and empower all women and girls

Nepal has made mixed progress in achieving gender equality (SDG 5). The country has shown significant improvement in reducing the prevalence of physical or sexual violence against women, with 12.2 percent of women aged 15-49 years experiencing such violence in 2022, surpassing the target of 13.9 percent. The proportion of women aged 20-24 years who were married or in a union before age 15 also decreased, indicating progress towards eliminating child marriage. Women's representation in the national parliament, provincial parliament, and local government bodies has reached 33.6, 34.5, and 40.9 percent respectively, demonstrating increased political participation and leadership.

However, progress has been slower or even regressed in certain areas. The ratio of women to men in the labor force participation remains low at 0.61 in 2022, indicating a persistent gender gap in economic opportunities. The average number of hours spent by women in domestic work has decreased but still remains high at 10 hours per day in 2022. The proportion of women in decision-making positions in the public sector also remained at 29.61 percent, falling below the target of 34.3 percent. These indicators highlight the need for targeted interventions to promote gender equality in employment, reduce the burden of unpaid care work, and enhance women's leadership and decision-making roles.

***Maiti Nepal** is a pioneering organization dedicated to combating human trafficking and supporting survivors in Nepal. Through comprehensive prevention programs, rescue operations, and rehabilitation efforts, Maiti Nepal provides a lifeline to women and children affected by trafficking. The organization offers survivors education, vocational training, psychological support, and legal aid, empowering them to rebuild their lives and reintegrate into society. Maiti Nepal's advocacy efforts have also led to significant policy changes and increased awareness about human trafficking. By addressing both immediate needs and systemic issues, Maiti Nepal plays a crucial role in advancing gender equality and protecting the rights of vulnerable populations, directly contributing to the achievement of SDG 5 in Nepal.*

Nepal faces various challenges in achieving SDG 5. Translating constitutional provisions and legal frameworks on gender equality into practical implementation remains a challenge. Deep-rooted patriarchal norms and societal attitudes perpetuate discrimination and hinder progress towards gender equality. Violence against women, including domestic violence and sexual harassment, persists despite legal measures. Women's economic empowerment is hindered by limited access to resources, skills development, and decent work opportunities. The disproportionate burden of unpaid care work on women limits their ability to participate fully in the economy and public life. Ensuring women's meaningful participation and leadership in decision-making processes across all sectors remains a challenge. Addressing these issues requires a comprehensive approach that involves legal reforms, awareness-raising, economic empowerment initiatives, and challenging societal norms and attitudes that perpetuate gender inequality.

Ensure availability and sustainable management of water and sanitation for all

6 CLEAN WATER AND SANITATION

Nepal has made mixed progress in achieving clean water and sanitation (SDG 6). The country has shown remarkable improvement in access to basic water supply coverage, with 96.4 percent of households having access to basic water supply in 2022, surpassing the target of 92.6 percent. Similarly, the proportion of the population using safely managed sanitation services, including a hand-washing facility with soap and water, reached 61.1 percent in 2022, close to the target of 62 percent. Nepal has also made significant strides in improving basic sanitation coverage, with 95.5 percent of households having access to basic sanitation facilities in 2022, exceeding the target of 89.9 percent.

*The **WASH initiative** in Nepal aims to provide clean water, sanitation, and hygiene education to improve public health. By ensuring access to these basic necessities, it directly supports Sustainable Development Goal 6 (SDG 6) while also impacting other goals such as SDG 3 (Good Health and Well-being), SDG 4 (Quality Education), and SDG 5 (Gender Equality). This initiative has reduced waterborne diseases, improved overall health outcomes, and created healthier learning environments, particularly benefiting women and girls who often bear the burden of water collection and sanitation duties.*

However, challenges persist in certain areas. The proportion of the population using safely managed drinking water services remains low at 25.81 percent in 2022, falling short of the target of 50 percent. The percentage of

children under 5 years of age with diarrhoea in the last 2 weeks was 10 percent in 2022, indicating the need for improved water quality and sanitation practices. The treatment of industrial and domestic wastewater also requires attention, with a high proportion of untreated wastewater being discharged into the environment.

Nepal faces several issues in its efforts to ensure access to clean water and sanitation for all. Ensuring the availability and sustainable management of water resources, particularly in the face of climate change and increasing demand, is a significant challenge. Addressing the disparities in access to safely managed drinking water services between urban and rural areas requires targeted interventions and infrastructure development. Improving the functionality and sustainability of water supply systems, especially in remote and marginalized communities, is crucial. The lack of proper wastewater treatment facilities and the discharge of untreated wastewater pose risks to public health and the environment. Strengthening institutional capacities, promoting behavioural change, and ensuring the participation of communities in water and sanitation management are essential for achieving SDG 6. Addressing these challenges requires a comprehensive approach that involves infrastructure development, sustainable water resource management, capacity building, and community engagement.

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

Nepal has made significant progress in ensuring access to affordable and clean energy (SDG 7). The proportion of the population with access to electricity reached an impressive 95 percent in 2022, surpassing the target of 85.7 percent for that year. Per capita energy

consumption has also increased, with 21.92 gigajoules per capita in 2022, exceeding the target of 19.7 gigajoules. Additionally, there has been a notable shift towards cleaner cooking solutions, with the percentage of households using solid fuel as the primary source of energy for cooking decreasing to 53.9 in 2022, surpassing the target of 55.

*The **Alternative Energy Promotion Centre (AEPC)** in Nepal is a pioneering force in the transition towards clean, affordable energy solutions. Established in 1996, AEPC has spearheaded the adoption of renewable technologies such as solar, wind, hydro, and biogas, illuminating homes and driving progress even in the most remote regions. With each installation, AEPC not only brings light but also empowers communities, fostering economic growth and environmental stewardship.*
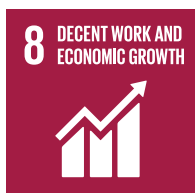
However, challenges remain in certain areas. The share of renewable energy in the total final energy consumption remains low at 7.6 percent in 2022, falling short of the target of 29.7 percent. The installed capacity of hydropower, a key source of clean energy, reached 2,767 MW in 2022 but remains below the target of 5,417 MW. Per capita electricity consumption has increased to 380 kWh in 2022 but still falls short of the target of 542 kWh, indicating the need for further expansion of electricity access and affordability.

Nepal faces several issues in its efforts to ensure access to affordable, reliable and clean energy for all. Strengthening the energy infrastructure, including transmission and distribution networks, is crucial to meet the growing energy demand and ensure reliable electricity supply. Harnessing the country's vast hydropower potential requires significant investments, streamlined processes, and addressing social and environmental concerns. Promoting the adoption of renewable energy technolo-

gies, such as solar and wind power, in both on-grid and off-grid systems is essential for diversifying the energy mix and reducing dependence on fossil fuels. Enhancing energy efficiency measures across industries, buildings, and households can help optimize energy consumption and reduce costs. Addressing the affordability of clean energy solutions, particularly for low-income and marginalized communities, is crucial for ensuring equitable access. Strengthening institutional capacities, fostering private sector participation, and promoting regional energy cooperation are key enablers for achieving SDG 7. Addressing these challenges requires a comprehensive approach that involves policy reforms, infrastructure development, technological advancements, and innovative financing mechanisms.

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

Nepal has made limited progress in promoting inclusive and sustainable economic growth, employment, and decent work for all (SDG 8). The annual growth rate of real GDP per capita remains 1.02 percent only in 2022 against target of 4.5 percent of the same year. The annual growth rate of real GDP per employed person reached 4.5 percent in 2022, falling short of the target of 5.5 percent. The annual number of jobs in the tourism industry showed positive growth, reaching 371,140 in 2022, but still below the target of 514,700. The coverage of life insurance has increased significantly, with 19 percent of the population covered in 2022, surpassing the target of 14.3 percent. The proportion of adults with an account at a bank or other financial institution has decreased to 51.1 percent in 2022, falling short of the target of 64.3 percent.

*The **Micro-Enterprise Development for Poverty Alleviation (MEDPA)** program in Nepal stands as a beacon of hope for marginalized communities striving for economic empowerment. Launched under the auspices of the Ministry of Industry, Commerce, and Supplies, MEDPA builds upon the success of the Micro-Enterprise Development Programme (MEDEP) initiated by the United Nations Development Programme (UNDP) in 1998. Through comprehensive entrepreneurship training, access to microfinance, and tailored business support services, MEDPA empowers individuals to establish and grow their own micro-enterprises. By fostering entrepreneurship and creating sustainable livelihoods, MEDPA contributes to poverty reduction, economic growth, and improved living standards for vulnerable populations across Nepal.*

However, several challenges persist in achieving SDG 8. The proportion of informal employment in the non-agricultural sector remains high at 81.2 percent in 2022, indicating a lack of progress in transitioning to formal employment. The unemployment rate stood at 11.4 percent in 2022, above the target of 10 percent. The share of youth not in education, employment, or training (NEET) also remains high at 35.3 percent in 2022. The tourism sector, a key driver of economic growth and employment, has been severely impacted, with the contribution of tourism to GDP and visitor arrivals falling below the baseline values.

Nepal faces various challenges in promoting sustainable economic growth and decent work. The COVID-19 pandemic has had a significant impact on the economy, leading to job losses and reduced economic activities. Informality in the labor market poses challenges in ensuring social protection, job security, and decent working conditions for a large portion of the workforce. Skill mismatches and limited job opportunities, particularly for youth and marginalized

groups, contribute to high unemployment and underemployment rates. The tourism sector, which has the potential to generate employment and foreign exchange earnings, requires revival and diversification. Enhancing productivity, promoting entrepreneurship, and creating an enabling environment for private sector growth are crucial for sustainable economic development. Addressing these challenges requires a multi-faceted approach that involves policy reforms, skills development, job creation strategies, social protection measures, and targeted interventions for vulnerable groups.

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

Nepal has made moderate progress in building resilient infrastructure, promoting inclusive and sustainable industrialization, and fostering innovation (SDG 9). The country has shown improvement in road density, with the density of paved roads increasing to 0.12 km per square kilometre in 2022, meeting the target for that year. The proportion of manufacturing employment in total employment reached 15.1 percent in 2022, surpassing the target of 9.6 percent. Enrolment in science and technology as a proportion of total enrolment has also increased, reaching 10.9 percent in 2022, exceeding the target of 10.6 percent.

However, challenges persist in certain areas. The share of the manufacturing value added as a proportion of GDP remains low at 5.2 percent in 2022, falling short of the target of 10.5 percent. Similarly, the industry sector's contribution to GDP stands at 13.1 percent in 2022, below the target of 19.7 percent. Research and development expenditure as a proportion of GDP remains stagnant at 0.3 percent in 2022, indicating limited progress in fostering innovation. The number of patents registered also remains low, with only 11 patents registered in 2022, far below the target of 507.

*The **National Innovation Centre (NIC)** in Nepal, established in 2012, serves as a dynamic hub for fostering innovation, entrepreneurship, and technological advancement. Through its comprehensive programs and incubation facilities, NIC provides aspiring innovators and startups with the support and resources needed to transform their ideas into viable businesses. By nurturing a culture of innovation and creativity, NIC not only drives economic growth but also addresses societal challenges through innovative solutions. Moreover, NIC plays a pivotal role in facilitating collaboration between research institutions, industries, and the government, leading to the development of sustainable infrastructure and industrialization in Nepal. With its commitment to fostering innovation-led development, NIC stands as a catalyst for propelling Nepal towards a prosperous and technologically advanced future.*

Nepal faces several issues in its efforts to build resilient infrastructure, promote industrialization, and foster innovation. The country's infrastructure, particularly in rural areas, requires significant investment and upgrading to meet the growing demand and enhance connectivity. Inadequate transport networks, energy infrastructure, and digital connectivity hinder economic growth and development. The manufacturing sector faces challenges such as limited technological adoption, low productivity, and competitiveness. Promoting industrial growth requires addressing issues related to the business environment, access to finance, and skill development. Fostering innovation and technological advancement necessitates increased investment in research and development, strengthening intellectual property rights, and promoting collaboration between academia and

industry. Ensuring inclusive and sustainable industrialization requires addressing the needs of micro, small, and medium enterprises (MSMEs) and promoting eco-friendly practices. Addressing these challenges requires a comprehensive approach that involves infrastructure development, policy reforms, technological upgradation, skill development, and fostering an enabling environment for innovation and entrepreneurship.

Reduce inequality within and among countries

10 REDUCED INEQUALITIES

Nepal has made mixed progress in reducing inequality within the country (SDG 10). The income inequality, as measured by the Gini coefficient, has decreased to 0.31 in 2022, surpassing the target of 0.35 for that year. The share of the bottom 40 percent of the population in total consumption and income has increased to 25.7 percent and 20.4 percent, respectively, in 2022, meeting the targets set for that year. The Global Competitive Index score has also improved, reaching 5.1 in 2022, exceeding the target of 4.9.

However, challenges persist in certain areas. The Palma ratio, which measures income inequality between the richest 10 percent and the poorest 40 percent of the population, has increased to 1.34 in 2022, indicating a widening gap between the rich and the poor. The ratio of the wage index to the consumer price index remains stagnant at 2.02 in 2022, suggesting that wage growth has not kept pace with inflation.

Nepal faces various challenges in reducing inequality within the country. Despite prog-

ress in reducing income poverty, wealth inequality remains a significant concern, with a concentration of assets among a small portion of the population. Addressing the structural causes of inequality, such as unequal access to education, healthcare, and economic opportunities, is crucial. Ensuring inclusive growth and development requires targeted interventions for marginalized and vulnerable groups, including women, Dalits, and indigenous communities. Strengthening social protection systems, promoting decent work, and enhancing access to financial services are essential for reducing inequality. Addressing regional disparities and promoting balanced development across all provinces and local governments is necessary for inclusive growth. Strengthening progressive taxation, enhancing redistribution mechanisms, and promoting equitable access to resources and opportunities are key policy measures for reducing inequality. Addressing these challenges requires a comprehensive approach that involves policy reforms, targeted interventions, social protection measures, and empowering marginalized communities.

Dalit welfare programmes in Nepal stand as a beacons of hope in the nation's pursuit of reducing inequalities and fostering social inclusion. Launched by the government, this initiative is specifically designed to uplift the Dalit community, who have historically faced systemic discrimination and marginalization. Through targeted interventions spanning education, healthcare, housing, and economic empowerment, the DWP aims to address the socio-economic disparities faced by Dalits. By providing affirmative action policies, scholarships, vocational training, and community development projects, the program empowers Dalits to overcome barriers and participate fully in Nepal's social and economic life.

Make cities and human settlements inclusive, safe, resilient and sustainable

11 SUSTAINABLE CITIES AND COMMUNITIES

Nepal has made significant progress in making cities and human settlements inclusive, safe, resilient, and sustainable (SDG 11). The population living in slums and squatters has decreased to 200,000 in 2022, surpassing the target of 325,000 for that year. The percentage of households with roofs made of thatched or straw materials has reduced to 3.9 percent in 2022, exceeding the target of 12.5 percent. The proportion of households living in safe houses has increased to 54 percent in 2022, surpassing the target of 43.9 percent. The number of planned new cities has reached 54 in 2022, exceeding the target of 33.

*The **Earthquake Resilient Reconstruction and Rehabilitation Program (ERRRP)** in Nepal emerged after the 2015 earthquakes, aiming to rebuild with resilience. Through collaboration among government, NGOs, and international partners, ERRRP integrates earthquake-resistant techniques and inclusive community engagement. It not only reconstructs infrastructure but also strengthens social cohesion, fostering hope for a safer and more sustainable future in Nepal.*

Nepal has also made notable progress in reducing the impact of disasters on the population. The number of people affected by disasters has significantly decreased to 34,000 in 2022, surpassing the target of 145,000. Air quality in urban areas has improved, with the concentration of total suspended particulates and particulate matter decreasing to 80.7 μg/m3 and 48.9 μg/m3, respectively, in 2022, meeting the targets set for that year.

However, some challenges remain in achieving SDG 11. The concentration of PM2.5, a fine particulate matter that poses health risks, stands at 33.3 μg/m3 in 2022, slightly above the target of 30.7 μg/m3. Ensuring access to safe and affordable housing for all, particularly for low-income and marginalized communities, requires continued efforts. Addressing the challenges of rapid urbanization, such as congestion, inadequate infrastructure, and environmental degradation, is crucial for sustainable urban development.

Nepal faces various issues in making cities and human settlements sustainable and inclusive. Managing the rapid growth of urban population and ensuring adequate provision of basic services, such as water supply, sanitation, and waste management, is a significant challenge. Developing resilient infrastructure, including transport systems, housing, and public spaces, requires substantial investment and planning. Addressing the housing needs of the urban poor and preventing the proliferation of slums and informal settlements is crucial. Enhancing urban governance, promoting participatory planning, and strengthening the capacity of local governments are essential for effective urban management. Addressing environmental concerns, such as air pollution, waste management, and preserving green spaces, is necessary for creating sustainable and liveable cities. Promoting inclusive urban development that caters to the needs of all segments of society, including women, children, the elderly, and persons with disabilities, is essential. Addressing these challenges requires a comprehensive approach that involves integrated urban planning, infrastructure development, community engagement, and strong governance mechanisms.

Ensure sustainable consumption and production patterns

Nepal has made moderate progress in ensuring sustainable consumption and production patterns (SDG 12). The use of fossil fuel energy consumption has increased to 27.1 percent in 2022, surpassing the target of 13.7 percent for that year. The share of agricultural land used for cereal crop production has decreased to 76.3 percent in 2022, meeting the target set for that year. Soil organic matter content has remained 1.96 percent in 2022, against the target of 2.4 percent.

However, challenges persist in certain areas. The total carbon sink in forest areas has significantly decreased to 1,055 tons in 2020, falling far below the target of 2,707 tons set for 2022. Per capita wood consumption has increased to 0.5 cubic meters in 2022, indicating a regression from the target of 0.08 cubic meters. The recycling of plastics and the reuse of glass and metal products in manufacturing industries remain low, with only 25 percent and 7.2 percent of industries adopting these practices, respectively, in 2022.

The **"Plastic Bag Free Kathmandu Valley Campaign"** *is Nepal's bold step towards responsible consumption and production, combating plastic pollution. Through widespread awareness efforts and policy advocacy, the campaign rallies individuals, businesses, and policymakers to embrace eco-friendly alternatives to single-use plastics. By fostering sustainable consumption habits and reducing plastic waste, the campaign contributes to a cleaner, healthier urban environment in Nepal while aligning with global efforts to address plastic pollution.*

Nepal faces several issues in promoting sustainable consumption and production patterns. Encouraging the adoption of environmentally friendly agricultural practices and reducing the reliance on chemical inputs is a significant challenge. Improving resource efficiency and minimizing waste generation across various sectors, including industry, agriculture, and households, requires a shift in production and consumption patterns. Promoting sustainable forest management and preserving carbon sinks is crucial for mitigating climate change and maintaining ecological balance. Addressing the issue of increasing per capita wood consumption necessitates the promotion of alternative energy sources and sustainable forest management practices. Encouraging the recycling and reuse of materials in manufacturing industries requires policy interventions, technological advancements, and awareness-raising among businesses and consumers. Promoting sustainable public procurement practices and encouraging the adoption of eco-labelling and certification schemes can drive sustainable production patterns. Addressing these challenges requires a comprehensive approach that involves policy reforms, technological innovations, behavioural change, and collaboration among stakeholders, including government, private sector, cooperatives, civil society, and consumers.

Take urgent action to combat climate change and its impacts

Nepal has made noteworthy progress in several areas of SDG 13. The country has significantly reduced greenhouse gas emissions from the transport, industrial, and commercial sectors, surpassing the 2022 targets. Local Adaptation Plan of Action preparation has also exceeded expectations, with 241 plans prepared by 2022 compared to the

target of 60. Community Adaptation Plans and its implementation have also shown substantial progress, achieving or nearing the 2022 targets.

> The **"Renewable Energy for Rural Livelihood (RERL)"** program in Nepal is a beacon of sustainable development and climate action. Through collaborative efforts, RERL brings clean energy solutions to rural communities, reducing reliance on fossil fuels and mitigating greenhouse gas emissions. By distributing solar home systems, biogas plants, and improved cook stoves, RERL not only enhances energy access but also catalyses economic development and improves livelihoods in remote areas. In fostering resilience to climate-related challenges, RERL represents Nepal's commitment to building a greener and more prosperous future.

However, challenges persist in certain areas. Greenhouse gas emissions from the agriculture and energy sectors have shown setbacks, deviating from the intended targets. The development of climate-smart villages and climate-smart farming practices has been slower than anticipated, with only 45.6 percent and 29.2 percent progress towards the 2022 targets, respectively. Additionally, the proportion of schools covered by climate change education has seen no progress, remaining at 51.68 percent in 2022. The share of climate responsive budget as a percent of total annual budget has marginally increased from 5.2 percent in 2015 to 5.9 percent in 2022.

Nepal faces various challenges in achieving SDG 13. Building capacities among different tiers of government, and enhancing awareness at the grassroots level about the impacts of climate change and the need for integrated policy responses is crucial. Establishing cross-sectoral partnerships, addressing institutional capacity, financial, and technological barriers, transiting

toward clean energy, and enhancing fundamental data and research on climate change are also key challenges. Emphasizing disaster risk reduction and mitigation is essential for building resilience against climate-related hazards. Addressing these challenges requires concerted efforts from all stakeholders to accelerate progress towards the targets of SDG 13.

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

Nepal has made commendable progress towards achieving SDG 15. The country has successfully increased its forest area, reaching 45.31 percent of the total land area in 2022, surpassing the target of 45 percent. Community-based forest management has also shown remarkable progress, with 42.49 percent of dense forest areas under community management, exceeding the 2022 target. Protected areas have been maintained at 23.39 percent of the total land area, meeting the target. The conservation of lakes, wetlands, and ponds has seen significant improvement, with 3,571 conserved by 2022, surpassing the target of 3,254. The number of biological corridors has also increased to 11, meeting the 2022 target. These effort towards conservation contributed to protection of endangered animals such as the wild tigers and one-horned rhino.

However, some indicators have shown slower progress or even regression. The forest density, measured by the average number of trees per hectare, has remained stagnant at 430, showing no progress from the baseline. The conservation of rivulets

and riverbanks through bioengineering has seen minimal improvement, with only 2.2 km conserved by 2022, far below the target of 5,560 km. Mountain ecosystems covered by protected areas have also remained unchanged at 67.8 percent. The number of plant and animal species under conservation plans has increased, but the progress is still below the targets set for 2022.

*The **"National Parks and Wildlife Conservation Program (NPWCP)"** in Nepal is pivotal for biodiversity preservation and sustainable land management. Established by the government, NPWCP protects national parks, wildlife reserves, and conservation areas, safeguarding endangered species and habitats. Through habitat restoration, anti-poaching measures, and community engagement, NPWCP promotes sustainable resource use and empowers local communities as conservation stewards. By supporting research and monitoring, NPWCP enhances our understanding of ecosystems and informs future conservation strategies. In essence, NPWCP embodies Nepal's commitment to preserving its natural heritage for generations to come.*

Nepal faces several challenges in fully achieving SDG 15. Protecting fragile ecosystems, such as those in the Chure region, from the impacts of climate change while addressing livelihood concerns remains a significant challenge. Balancing ecosystem conservation with developmental needs, particularly in the context of infrastructure projects, is another key issue. Transitioning to clean energy sources for household use to reduce forest degradation is crucial. Ensuring equitable distribution of benefits from forest and biodiversity management, especially for women and marginalized communities, requires attention. Addressing these challenges necessitates a comprehensive approach involving scientific management, equitable policies, sustainable resource utilization, and collaborative efforts among stakeholders.

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

Nepal has made mixed strides in different aspects of SDG 16. The proportion of children experiencing psychological aggression or physical punishment has decreased from the baseline value of 81.7 percent to 77.6 percent in 2022, however it's far above the target of 44. The number of children trafficking to abroad per annum has drastically reduced to 23 in 2022, surpassing the target of 34. The proportion of young women and men aged 18-29 years who experienced sexual violence by age 18 has also decreased to 4 percent, meeting the 2022 target. Corruption perception among the population has reduced to 15 percent, aligning with the 2022 target. The proportion of government expenditures as a proportion of original approved budget has increased to 81.15 percent, nearing the target. Birth registration of children under 5 years of age has reached 77.2 percent, close to the 2022 target of 79 percent. The distribution of national identity cards has exceeded the target, with 8.76 million individuals receiving them by 2022.

The free consultation and support program against legal cases in the court for the impoverished and helpless groups (senior citizens, children, victims of armed conflict, women and children affected by domestic and gender-based violence) has been implemented in all districts. For the same purpose, district free legal aid offices have been established in 63 districts and are providing aforesaid services target groups.

However, some challenges persist. The transparency, accountability, and corruption scores in the public sector have remained stagnant at 3 out of 6, showing

no progress. Governance related indicator - the estimated value of control of corruption has slightly been improved, reaching -0.53 in 2022. The proportion of women in decision-making positions in public institutions has declined to 13.9 percent, falling below the baseline value. These areas require urgent attention and targeted interventions to achieve the desired progress.

> *The establishment of **Judicial Committees at all local levels** in Nepal signifies a pivotal step towards achieving Goal 16: Peace, Justice, and Strong Institutions. These committees play a crucial role in resolving disputes and delivering justice at the community level, providing accessible and responsive legal mechanisms. By promoting the rule of law, upholding human rights, and ensuring equitable access to justice for all citizens, the Judicial Committees foster social cohesion and strengthen democratic governance at the grassroots level, contributing to the establishment of a society based on peace, justice, and strong institutions in Nepal.*

Nepal faces various issues in its efforts to promote peaceful and inclusive societies and build effective, accountable institutions. Translating progressive legal provisions into practical implementation remains a challenge. Deep-rooted societal issues like caste-based discrimination persist despite legal measures. Ensuring access to timely justice, encouraging the reporting of violence, and strengthening local legal institutions are critical areas that need improvement. Limited use of technology and data in governance and the judicial system also hinders progress. Addressing these challenges requires a comprehensive approach involving legal reforms, awareness campaigns, capacity building, collaborative initiatives, and technological advancements to align with the aspirations of SDG 16.

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

Nepal has made progress in some aspects of SDG 17, while challenges remain in others. The proportion of individuals using the internet has increased significantly, reaching 70.2 percent in 2022, surpassing the target of 69.2 percent. This indicates a positive trend in expanding access to digital connectivity. The establishment of the macroeconomic dashboard has also shown progress, with three dashboards in place by 2022, against the target of four.

However, several indicators have shown slow progress or even regression. The share of federal government revenue as proportion of GDP reached 19.9 percent in 2022, falling short of the target of 24.2 percent. The proportion of the domestic budget funded by domestic taxes has regressed to 67.4 percent, missing the target of 77.9 percent. Official development assistance as a proportion of the total domestic budget has remained 15.0 percent, with respect to the target of 16.4 percent in 2022. Inward stock of Foreign Direct Investment (FDI) as a proportion of GDP has also remained low at 6.2 percent, below the target of 10.8 percent. The volume of remittances as a proportion of GDP has decreased to 22.8 percent, indicating a setback.

Nepal faces various challenges in achieving SDG 17. Enhancing the absorptive capacity of foreign aid requires addressing policy and institutional challenges. Attracting FDI necessitates the development of robust industrial policies and the creation of an enabling environment for investment.

Maximizing the impact of remittance inflows on the economy requires targeted strategies and partnerships. Strengthening domestic resource mobilization and improving revenue collection mechanisms are crucial for sustainable development financing. Encouraging technology transfer and knowledge sharing through partnerships with international organizations and research institutions is essential for capacity building and innovation. To address these challenges and accelerate progress towards SDG 17, Nepal needs to focus on several key areas. These include aligning foreign aid with national development priorities; developing strategies to attract and facilitate FDI; promoting safe and ethical migration and productive and innovative use of remittances; utilizing skills, knowledge, expertise of the migrant workers, student migrants and diaspora; strengthening partnerships for technology transfer and knowledge sharing; and enhancing domestic resource mobilization.

Similarly, utilization of the global and regional fora on migration and development to enhance migration governance and cross-regional collaboration is crucial. Collaborative efforts among the government, private sector, cooperatives, development partners, and civil society organizations will be crucial in achieving the targets of SDG 17 and fostering sustainable development in Nepal.

4.3 LNOB Analysis

Leaving No One Behind (LNOB) requires that the assessment of progress towards SDGs should go beyond national averages and capture the intersectionality of circumstances that uniquely identify the groups that are furthest behind in each SDG indicator at national and sub-national levels, as permitted by data availability. Extending progress assessment with an LNOB analysis are crucial for designing and implementing evidence-based and inclusive policies.

In line with operationalizing the National Framework and Action Plan for LNOB, this Section presents an overview of inequalities in SDG achievements in Nepal following ESCAP LNOB methodology, as well as of changes seen as per three rounds of Demographic and Health Surveys conducted between 2011 to 2022. This longitudinal aspect helps track progress and capture how access to opportunities among the groups that are furthest behind change over time relative to the average and to the groups that are furthest ahead.

The following figure provides an overview of the latest LNOB assessment using Nepal DHS, 2022. Nepal has made great strides in
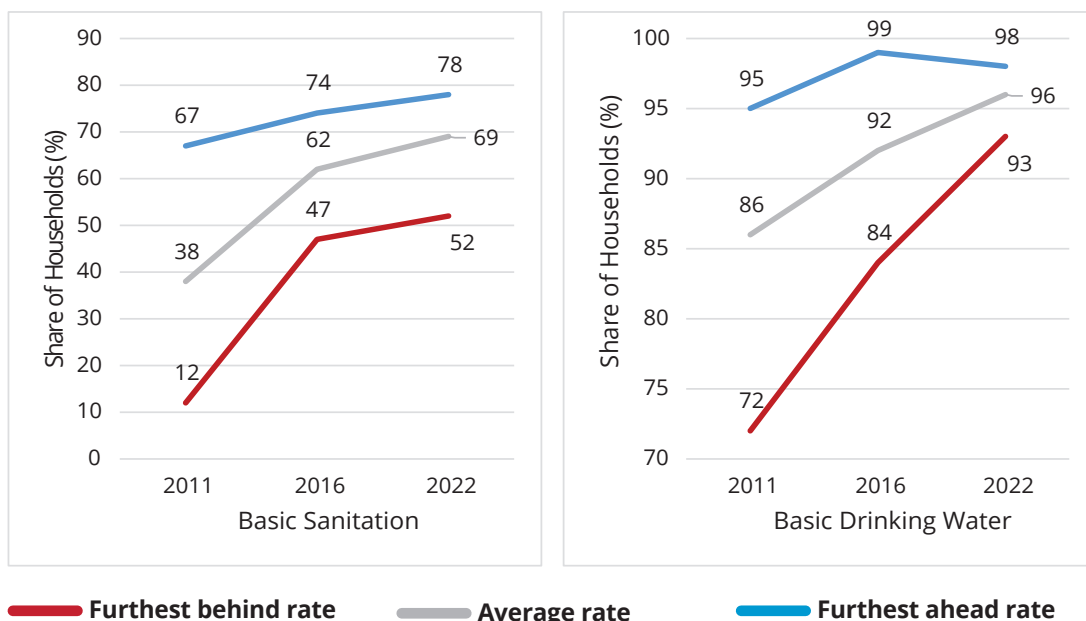
ensuring access to several basic opportunities such as basic drinking water and electricity. The gaps are minimal between those that are furthest behind and furthest ahead in these sectors. With continued policy action, such gaps can disappear by 2030. However, the gaps are still wide in access to clean fuels and usage of internet, where the furthest behind groups have much lower access to these important opportunities. As noted earlier in the review of SDG 2, the national average stunting prevalence has significantly decreased in Nepal; however, stunting is still prevalent among children in the group that is furthest behind.

LNOB assessment showing furthest behind and furthest ahead

Average rate — Furthest behind rate — Furthest ahead rate

Share of households/individuals (%)
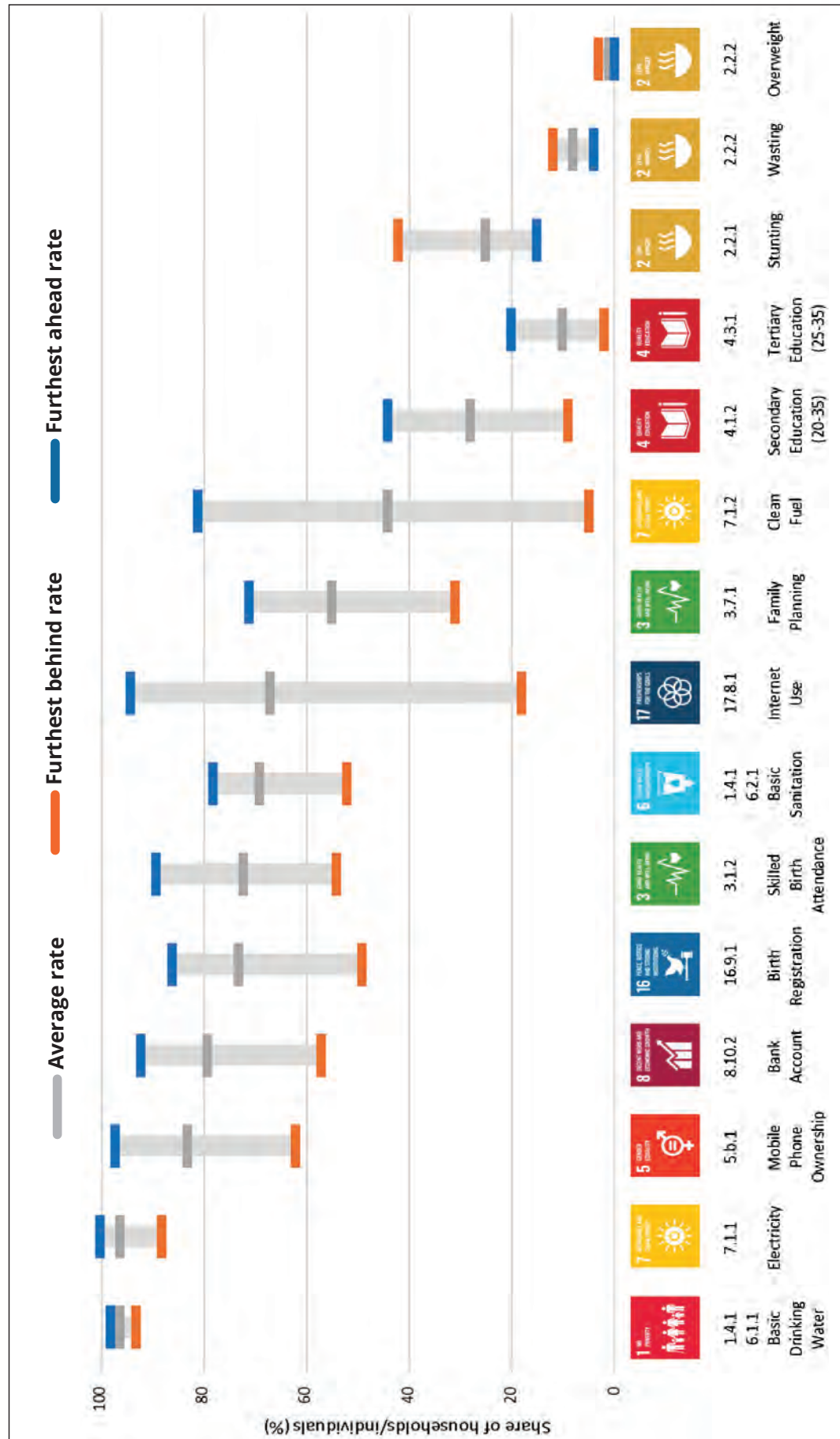
SDG 1 and 6: Access to Basic Water and Basic Sanitation[1]

Furthest behind rate ⸻ **Average rate** ⸻ **Furthest ahead rate**

Access to basic sanitation (SDG 1.4.1 and 6.2.1) among the furthest behind groups increased remarkably from 12 percent in 2011 to 52 percent in 2022. At the same time, the gap between the national average and the furthest behind reduced from 26 to 17 percent. At the sub-national level, Madhesh province has the lowest access to basic sanitation: only 60 percent. Madhesh also has the biggest gap between its furthest behind and furthest ahead groups, 35 and 80 percent respectively. This may need more targeted efforts.

Access to basic drinking water (SDG 1.4.1 and 6.1.1) is almost universal. The access

rate among the furthest behind groups has increased from 72 percent in 2011 to 93 percent in 2022. The gap between the national average and the furthest behind group has reduced from 14 percent to 3 percent during the same time period, meaning that the furthest behind households have mostly caught up with the average. The furthest behind group here consists of poorer households in rural areas in which members have lower education, and represents 13 percent of the households. At the sub-national level, over 90 percent of the furthest behind groups in all provinces have access to basic drinking water.

---

1. ESCAP elaborations based on up to 13,786 households surveyed in DHS from 2011 to 2022

SDG 2: Prevalence of Malnutrition among Children under 5 years of age[2]

Furthest behind rate — **Average rate** — **Furthest ahead rate**
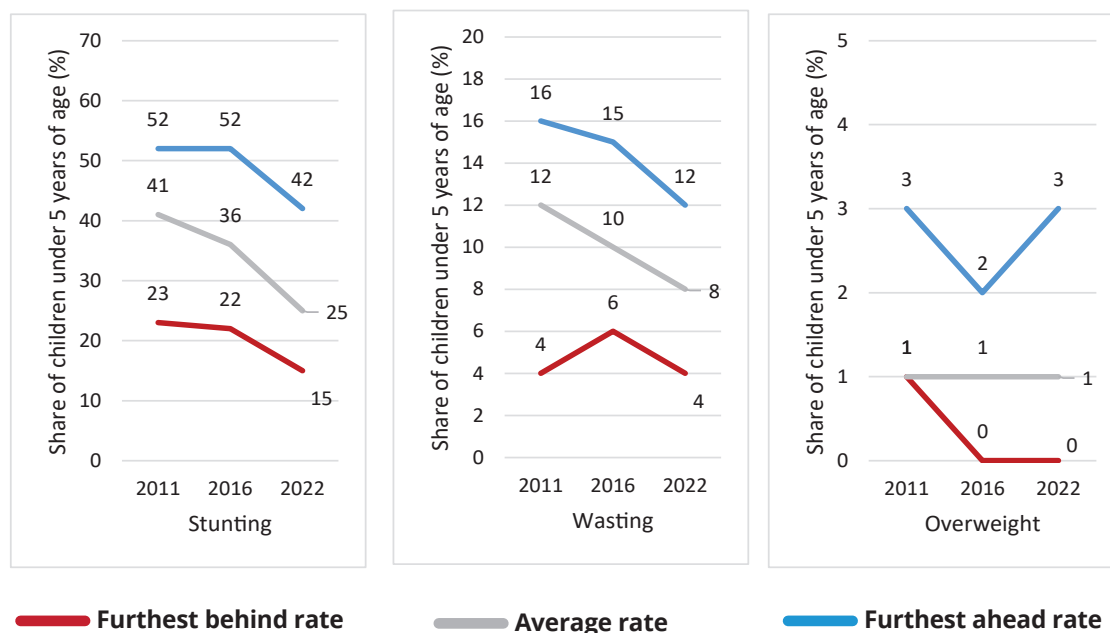
Stunting and wasting in children under 5 years of age are still prevalent. In 2011, 52 percent of children in the furthest behind groups were stunted, while 16 percent were wasted. However, significant progress was achieved between 2016 and 2022, when the prevalence of stunting among the furthest behind children reduced to 42 percent, and the prevalence of wasting reduced to 12 percent. The gap between the furthest behind group and the furthest ahead in stunting and wasting slightly decreased between 2011 and 2022. In 2022, the group that is furthest behind in stunting consists of children living in poorer and rural households with at least one sibling younger than 5. This group represents 10 percent of children under 5 in Nepal. The furthest behind group in wasting consists of children whose mothers have lower education living in richer households with at least one sibling younger than 5 years of age, constitutes 17 percent of children under 5. At the sub-national level, stunting was most prevalent in Karnali province on average (36 percent) and in the furthest group (52 percent). In Lumbini and Madhesh provinces, the prevalence rates of wasting exceeded 10 percent on average and 17 percent among furthest behind children. These provinces are more vulnerable in terms of child undernutrition. The prevalence of overweight among children under 5 is low with minimal gaps.

SDG 3: Women's Reproductive Health[3]
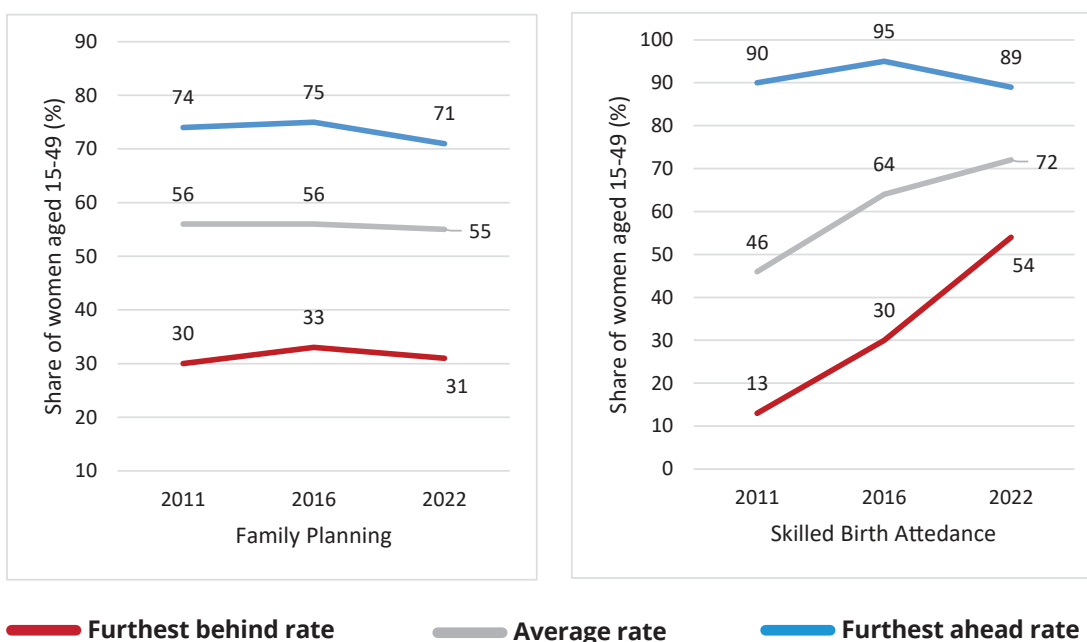
Family Planning

Skilled Birth Attedance

——— Furthest behind rate　　　**——— Average rate**　　　**——— Furthest ahead rate**

The proportion of women of reproductive age (aged 15-49 years) who have their need for family planning satisfied with modern methods (SDG 3.7.1) has not changed between 2011 and 2022. In 2022, the furthest behind group consists of women aged 15-24 with 0 or 1 child birthed. Among these only 31 percent have their family planning needs satisfied with modern methods. They represent 12 percent of women aged 15-49. At the sub-national level, despite an average access rate above the national average, Madhesh province has the widest gap: Only 11 percent of furthest behind women have their family planning needs satisfied with modern methods as compared to 86 percent in the furthest ahead group.
Significant progress has been made in expanding access to skilled birth atten-

dance (SDG 3.1.1). Access among the furthest behind women has increased from 13 percent in 2011 to 54 percent in 2022. The access gap between the national average and the furthest behind group has reduced from 33 to 18 percent during the same period, showing progress in reducing inequality. In 2022, the furthest behind group is characterized by women with lower education who gave birth to 3 or more children. They represent 20 percent of women aged 15-49 who had given birth in the past 5 years. At the sub-national level, Karnali province has the lowest access rate (61 percent) and the widest gap. Only 30 percent of furthest behind women had childbirth attended by skilled health personnel as compared to 82 percent in the furthest ahead group.

---

3. ESCAP elaborations based on up to 8,827 observations in DHS from 2011 to 2022

SDG 4: Access to Quality Education[4]
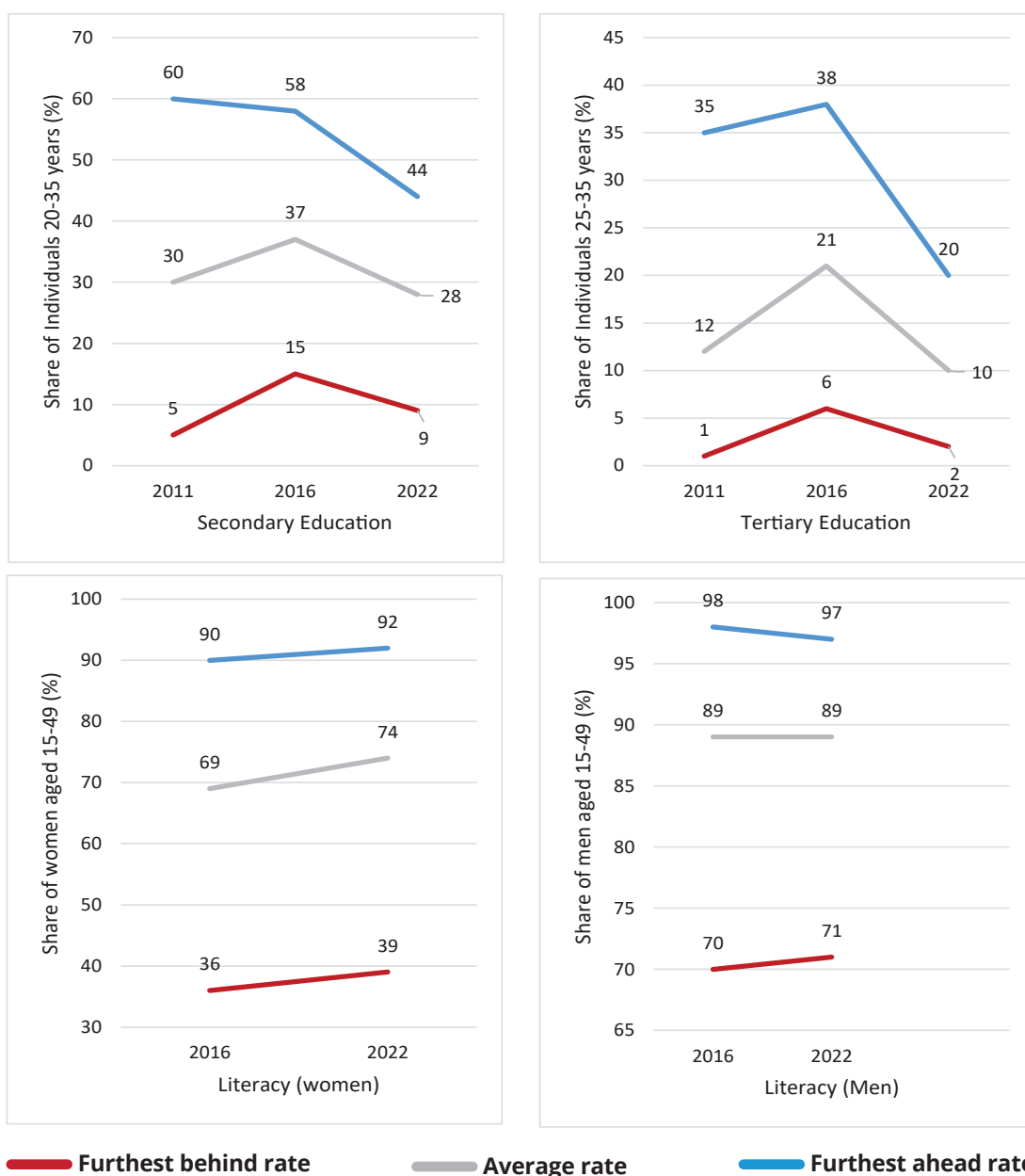
Completion of secondary education (SDG 4.1.2) and attendance of tertiary education (SDG 4.3.1) remain relatively low in Nepal. The average rates had increased between 2011 and 2016, but then regressed as of 2022.[5] The gaps between the furthest behind groups and the average reduced between 2016 and 2022, but the average rates regressed. The furthest behind group in secondary education completion in 2022 was characterized by poorer women living in urban areas, representing

---

4. ESCAP elaborations based on up to 11,523 observations in DHS from 2011 to 2022

5. The results for education attainment indicators should be interpreted with caution. DHS defined completion of secondary education as "completed grade 12 at the secondary level" in 2022 and "completed grade 10 at the secondary level" in 2011 and 2016.

11 percent of individuals aged 20-35. The furthest behind group for tertiary education attendance consists of poorer women, representing 20 percent of individuals aged 25-35. At the sub-national level, Madhesh province has the lowest secondary completion rate (17 percent) and only 2 percent of the furthest behind individuals completed secondary education here. The tertiary education attendance rate is lower than the national average in Madhesh, Lumbini, Karnali and Sudurpashchim provinces and inequality is relatively high there.

While the adult literacy rate (age 15-49) remained the same at 89 percent for men between 2016 and 2022, it increased from 69 percent to 74 percent for women, reducing the gender gap. The gap between the furthest behind and national averages did not change significantly for men and women. In 2022, the furthest behind are poorer men and women aged 35-49, representing less than 14 percent of men and women aged 15-49. At the sub-national level, all provinces except Madhesh have a male literacy rate above 90 percent and female literacy above 70 percent. In Madhesh province, 76 percent of men and 47 percent of women are literate, while only 38 percent of men and 8 percent of women in the furthest behind groups are literate.

SDG 5: Gender Equality and Women's Empowerment[6]

Furthest behind rate   **Average rate**   **Furthest ahead rate**
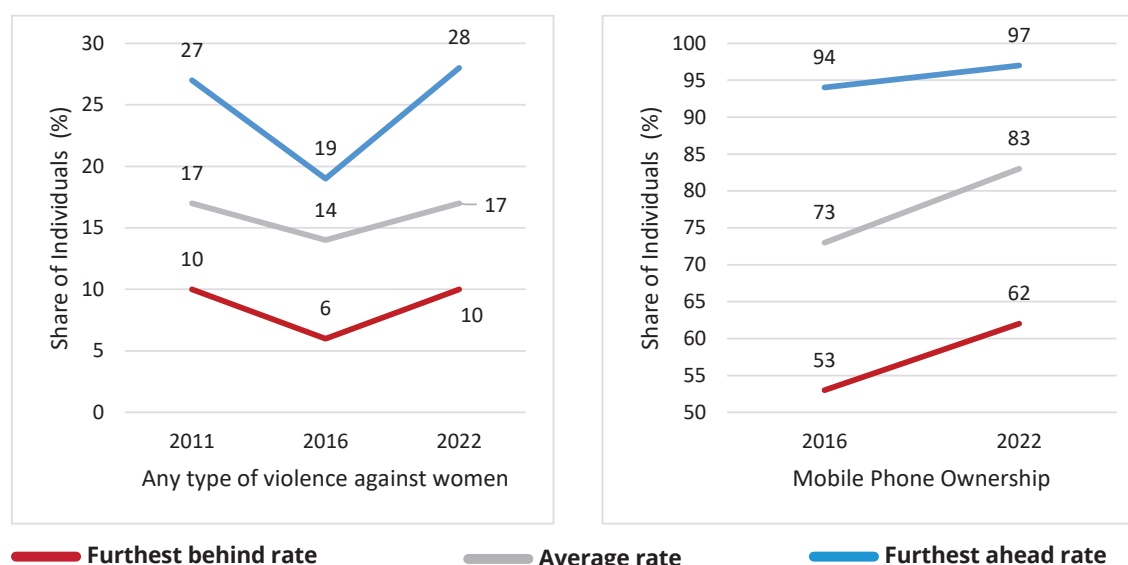
Under Gender Equality and Women's Empowerment, two indicators have been analysed from the LNOB perspective. Firstly, the prevalence of any type of violence against women in the past 12 months decreased between 2011 and 2016 but then slightly increased in 2022. Changes in the gaps were minimal. Women who were most likely to experience intimate partner violence (IPV) were aged 15-34, with lower education and living in urban areas. This group represents 20 percent of ever partnered women aged 15-49 in Nepal. At the sub-national level, women in Madhesh have a prevalence of 32 percent, while less than 20 percent women in other provinces experience any type of IPV. Almost one in two women (48 percent) in Madhesh province experienced violence in the furthest behind group (poorer women aged 15-34 with lower education).

---

6. ESCAP elaborations based on up to 19,758 observations in DHS from 2011 to 2022

Secondly, mobile phone ownership increased from 73 percent in 2016 to 83 percent in 2022. The gap between the furthest behind group and the national average stayed almost the same. In 2022, the furthest behind group was characterized by poorer men and women aged 15-24 or 35-49 with lower education living in urban areas. They represent 10 percent of individuals aged 15-49 in Nepal. At the sub-national level, Madhesh, Sudurpashchim and Koshi provinces have lower access levels and wider gaps than other provinces. Notably, in Madhesh province, the furthest behind group consists of poorer women aged 15-24 or 35+ with lower education, and gender is the most important circumstance in explaining the variation in mobile phone ownership in the province.

SDG 7: Access to Clean Energy[7]

Furthest behind rate   **Average rate**   **Furthest ahead rate**
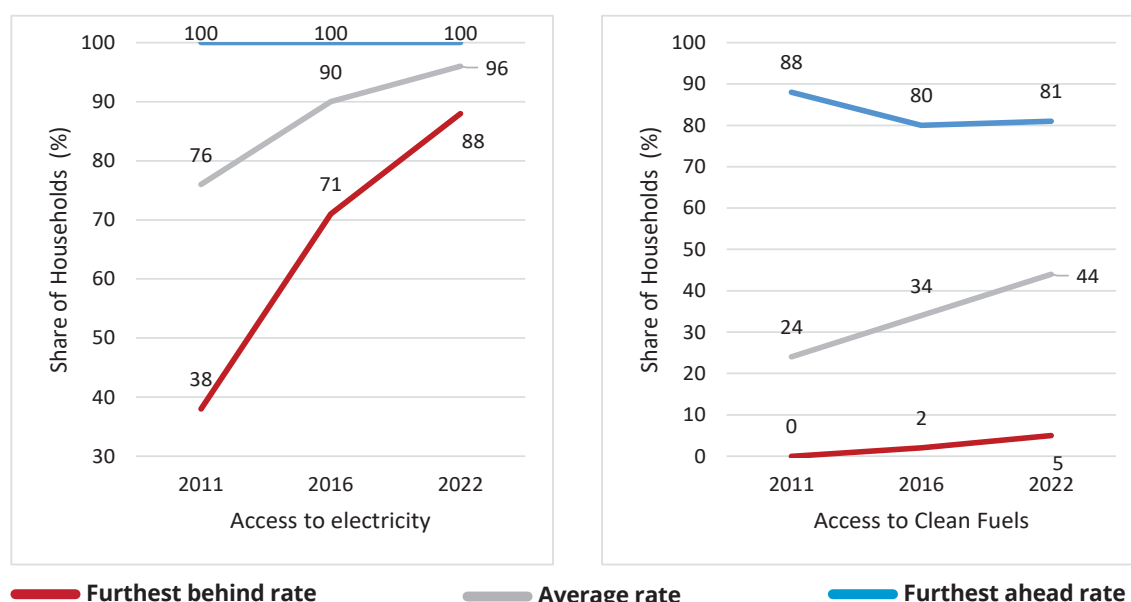
Access to electricity (SDG 7.1.1) increased from 76 percent in 2011 to 96 percent in 2022. The gap between the furthest behind and the national average decreased from 38 percent in 2011 to 8 percent in 2022, showing substantial progress in reducing inequality. The furthest behind group in terms of access to electricity (poorer households in rural areas in which household members only have lower education) constitutes 13 percent of households. At the sub-national level, Karnali province has the lowest average access rate (82 percent) and the widest gap, with only 72 percent of furthest behind households having access, as compared to 99 percent in the furthest ahead group.

Nationwide, access to clean fuels (SDG 7.1.2) among the furthest behind groups increased from less than 1 percent in 2011 to 5 percent in 2022. However, because the national average increased faster, from 24 to 44 percent, the gap between the national average and the furthest behind group increased from 24 to 39 percent points, as the national average improved even more during this time period. In order for the furthest behind households to catch up, targeted efforts are needed to accelerate the progress in improving their access. In 2022, the group that was furthest behind in access to clean fuels was characterized by poorer households, which comprised 40 percent of households in Nepal. At the sub-national level, Karnali and Sudurpashchim provinces have the lowest access rates and higher inequality.

7. ESCAP elaborations based on up to 13,786 households surveyed in DHS from 2011 to 2022

SDG 8: Bank Account Ownership[8]

Progress in financial inclusion is evident in Nepal, especially from 2016 to 2022. In 2011, 35 percent of households in the furthest behind groups owned a bank account. As of 2022, access of the furthest behind groups increased to 57 percent. Notably, the gap between the furthest behind groups and the average access rate decreased between 2011 and 2022, indicating that the most vulnerable households had been included in the overall progress. The furthest behind group in bank account ownership – poorer households in urban areas in which the household members have lower education –constitutes 14 percent of households in Nepal. At the sub-national level, Koshi and Madhesh provinces have the lowest rates, about 70 percent. Koshi province has the widest gap, with only 44 percent of furthest behind households have bank account ownership compared to 88 percent in the furthest ahead group.
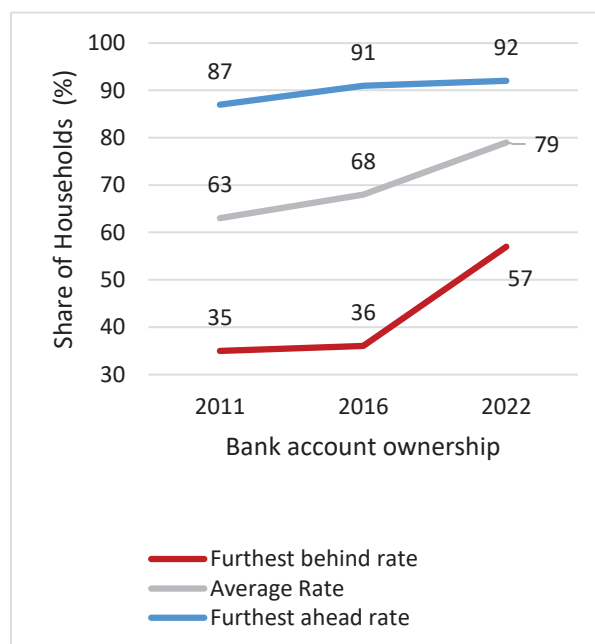
SDG 16: Birth Registration Completion[9]

As of 2022, 73 percent of children under 5 years of age have their birth registration completed (SDG 16.9.1). The birth registration completeness rate among the furthest behind children increased from 29 percent in 2011 to 49 percent in 2022. The gap between the average children and the furthest behind children has slightly decreased from 27 to 24 percent. In 2022, the furthest behind group were children under 1 year of age who represented 19 percent of the total children under 5 years of age. At the sub-national level, Koshi and Gandaki provinces have the lowest birth registration completeness rates, below 70 percent. Only about 30 percent of the furthest behind children in the two provinces have their birth registered, implying that 70 percent of children among the furthest behind are unregistered.
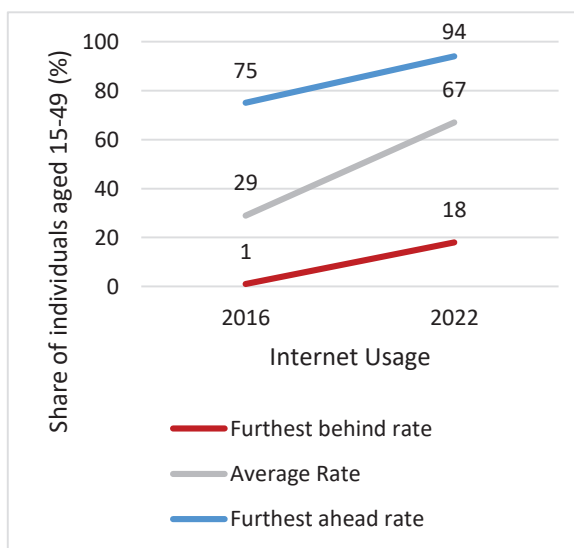

---
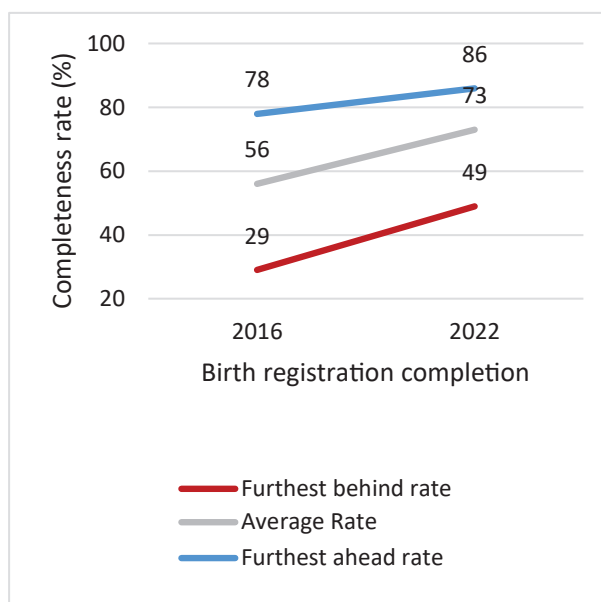
8.   ESCAP elaborations based on up to 13,786 households surveyed in DHS from 2011 to 2022
9.   ESCAP elaborations based on up to 5,267 observations in DHS from 2011 to 2022

SDG 17: Use of Internet[10]

Between 2016 and 2022 internet usage (SDG 17.8.1) in the furthest behind group has significantly improved from 1 percent to 18 percent. However, the gaps between the national average and the furthest behind groups has also increased from 28 to 49 percent, showing a widening gap in internet usage. In 2022, the furthest behind group, poorer individuals aged 35-49 with lower education, represents 11 percent of individuals aged 15-49 in Nepal. At the sub-national level, Karnali, Sudurpaschim and Koshi provinces have the lowest internet usage ranging from 48 to 59 percent and higher inequality. In these provinces, fewer than 15 percent of individuals in the furthest behind group have used the internet in the past 12 months.

10. ESCAP elaborations based on up to 19,758 observations in DHS from 2011 to 2022

Good Practices

Nepal has embraced the SDGs with a firm commitment to transforming the nation into a more equitable, prosperous, and resilient society. As a country with diverse geographical, cultural, and socio-economic landscapes, Nepal recognizes the importance of adopting holistic and inclusive approaches to achieve the 2030 Agenda. This chapter outlines some examples of key practices and strategies that Nepal has implemented to integrate the SDGs into its national development framework, highlighting innovative solutions, inclusive policies, and collaborative efforts that drive progress. These practices not only reflect Nepal's dedication to sustainable development but also offer valuable lessons for the global community. Note that all of the good practices presented here were designed not as a targeted intervention to increase Nepal's standing on particular SDG targets, but rather holistically contribute to the achievements of multiple SDGs.

5.1 Inclusive Democracy

Inclusive democracy is a significant practice in Nepal that supports the implementation of the SDGs 2030. Inclusive democracy ensures that all segments of society, regardless of their backgrounds, have a voice in governance and decision-making processes.

This approach aligns with various SDGs, fostering equality, reducing disparities, and promoting sustainable development across the nation. Here's how inclusive democracy in Nepal contributes to implementing the SDGs:

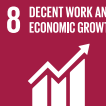|	
4 QUALITY EDUCATION	Inclusive democratic governance helps to develop public policies and programs in such a way that promote equal access to quality education for all, including marginalized groups and children with disabilities.
5 GENDER EQUALITY	An inclusive democracy encourages greater representation and participation of women in politics and decision-making. This can lead to policies and laws that support gender equality and women's empowerment.
8 DECENT WORK AND ECONOMIC GROWTH	By promoting inclusive economic policies, democratic governance can support job creation, economic opportunities, and fair labor practices that benefit all citizens, including vulnerable and marginalized populations.
10 REDUCED INEQUALITIES	Inclusive democracy promotes equitable representation and participation of marginalized groups such as women, ethnic minorities, Dalits, and people with disabilities in decision-making processes. This helps address social and economic disparities and ensures that the needs and perspectives of all citizens are considered.
11 SUSTAINABLE CITIES AND COMMUNITIES	Inclusive democracy can lead to better urban planning and management that takes into account the needs of all residents, including affordable housing and access to services.

13 CLIMATE ACTION	With inclusive governance, Nepal can implement environmental policies and initiatives that include perspectives from all groups, especially those most affected by climate change. For example, community based early warning systems reach every person and that the needs of the most vulnerable are met during climate induced disasters.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	By promoting transparency, accountability, and inclusive governance, democratic institutions can become stronger and more effective. Inclusive democracy can help build peaceful and just societies where the rule of law is upheld, and corruption is minimized.
17 PARTNERSHIPS FOR THE GOALS	Inclusive democracy fosters collaboration and partnership among government bodies, the private sector, cooperatives and civil society organizations. Such partnerships are essential for implementing policies and programs that support the SDGs.

Overall, inclusive democracy is essential for the successful and equitable implementation of the SDGs in Nepal. By ensuring that all voices are heard and represented in governance, the country can develop policies and programs that promote sustainable development and leave no one behind.

5.2 Social Security Program

Implementation of social security programs is a significant practice that aligns with the SDGs 2030. These programs aim to provide financial and social support to vulnerable populations such as the elderly, women, children, and people with disabilities. As of December 2023, eighty-seven targeted and universal social security schemes are being implemented to support marginalized and vulnerable citizens under the Integrated National Social Protection Framework. These programs are contributing to the achievement of SDGs from different sides.

1 NO POVERTY	Social security programs such as pensions, disability allowances, and other cash transfers help alleviate poverty by providing financial support to individuals and families in need, particularly the elderly and disabled.
3 GOOD HEALTH AND WELL-BEING	By providing health insurance programs, disability benefits, and maternal health support, social security programs improve access to healthcare and enhance overall well-being.
4 QUALITY EDUCATION	Scholarships and grants offered through social security programs enable children from low-income families to access education. This helps improve enrolment rates and educational outcomes.
5 GENDER EQUALITY	Social security initiatives often prioritize support for women, such as maternity benefits, widow pensions, and programs to combat gender-based violence. This support can empower women and promote gender equality.
8 DECENT WORK AND ECONOMIC GROWTH	Social security programs can foster economic stability by providing income security and supporting employment opportunities. This, in turn, contributes to inclusive and sustainable economic growth.

10 REDUCED INEQUALITIES	By providing financial assistance and support to marginalized groups such as ethnic minorities and low-income families, social security programs help reduce social and economic inequalities.
11 SUSTAINABLE CITIES AND COMMUNITIES	Social protection initiatives, including housing support and community development programs, help create more sustainable and inclusive cities and communities.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Social security programs contribute to social stability and cohesion by providing support and protection to vulnerable populations, thereby fostering peaceful and just societies.
17 PARTNERSHIPS FOR THE GOALS	Collaboration between government agencies, NGOs, and international organizations is crucial for the successful implementation of social security programs. These partnerships enhance the effectiveness and reach of the programs.

Overall, Nepal's social security programs are a key component of the country's strategy to achieve the SDGs. By addressing poverty, inequality, health, education, and empowerment, these programs play a crucial role in advancing the well-being and quality of life for Nepalese citizens.

5.3 The role of Local Government During the COVID-19 Pandemic

The role of local governments in Nepal during the COVID-19 pandemic provides an example of the importance of decentralized governance and community-level action, which are essential for implementing the SDGs in the country. Local governments were at the forefront of managing the crisis and played a key role in responding to the immediate needs of their communities. Their efforts in addressing the pandemic provide valuable lessons and best practices that can be leveraged to achieve the SDGs. Below is a summary of how local governments in Nepal contributed during the COVID-19 pandemic and how these actions support the SDGs:

1 NO POVERTY	Local governments distributed relief packages, including food and financial assistance, to vulnerable households that were economically impacted by the pandemic. This helped mitigate the immediate effects of income loss and food insecurity.
2 ZERO HUNGER	Local authorities coordinated with community organizations and NGOs to distribute food to those in need, ensuring that families had access to necessary nutrition during the crisis.
3 GOOD HEALTH AND WELL-BEING	Local governments organized testing, contact tracing, and quarantine facilities to control the spread of the virus. They worked with healthcare providers to offer treatment and support services to affected individuals. Local authorities also promoted awareness and implemented preventive measures such as mask mandates and social distancing.
4 QUALITY EDUCATION	When schools were temporarily closed during the pandemic, local governments supported remote learning initiatives to maintain educational continuity. They provided resources such as study materials and online classes, particularly focusing on students from marginalized backgrounds.

6 CLEAN WATER AND SANITATION	Local governments implemented measures to improve access to clean water and sanitation, crucial for preventing the spread of the virus.
10 REDUCED INEQUALITIES	Local authorities worked to provide targeted support to marginalized and vulnerable populations, such as Dalits, ethnic minorities, and people with disabilities. This helped ensure that aid and support reached those most in need.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Local governments collaborated with community leaders and civil society to manage the crisis effectively, promoting peace and stability during a challenging time.
17 PARTNERSHIPS FOR THE GOALS	Collaboration between local governments, NGOs, international organizations, private sector and cooperatives entities was crucial for delivering timely and effective support to communities. These partnerships facilitated the distribution of aid and healthcare services.

By taking charge of managing the local response to COVID-19, local governments in Nepal showcased the benefits of decentralization and community-based approaches. These best practices can be continued and built upon to strengthen local governance and support the implementation of the SDGs in Nepal, particularly in the areas of health, education, poverty reduction, and inequality.

5.4 Multi-Sector Nutrition Program (MSNP)

To address the multifaceted issues of malnutrition through a multi-sectoral approach, the Government of Nepal (GoN) developed the Multi-Sector Nutrition Plan (MSNP) in 2013 under the leadership of the National Planning Commission (NPC) and in collaboration with various sectoral ministries. Following the successful implementation of MSNP-I (2013-2017), the GoN developed MSNP-II (2018-2022) and MSNP-III (2023-2030). These plans aim to combat malnutrition in all its forms and are guided by the World Health Assembly 2025 and SDG 2030 targets, the UN Food Systems Summit Commitment 2021, and the Nutrition for Growth (N4G) Summit Commitment 2021.

1 NO POVERTY	The MSNP interventions support improving the nutrition and health status of the women, children, and adolescents. Local governments distributed cash grant to the vulnerable and marginalized HHs for income generation activities, which supported in increasing HH income and improved food availability and affordability.
2 ZERO HUNGER	Local government is implementing various nutrition sensitive agriculture and livestock interventions for improved food security at the HH levels. In addition, local governments implemented various nutrition specific interventions such as management of acute malnutrition, Vitamin A distribution, Iron and Folic Acid (IFA) supplementation, promotion of breastfeeding and growth monitoring among others which have contributed to reducing of child undernutrition.
3 GOOD HEALTH AND WELL-BEING	Local government implemented various interventions through the health sector, including antenatal care and post-natal care services, regular growth monitoring, family planning services, counselling on infant and young child feeding practices to mothers/care givers, immunization, sexual and reproductive health services, treatment of mild and severe acute malnourished child that contributed to reducing infant, child and maternal mortality.

4 QUALITY EDUCATION	Local governments supported schools in strengthening mid-day day meal program and ensured use of locally available nutritious food in the mid-day meal that in turn increased the school attendance, retention, and improved learning. In addition, schools have established nutrition corners, conducted various training on nutrition for ECD facilitators and parents, which have supported in strengthening early childhood centers for better learnings through responsive care and feeding practices.
5 GENDER EQUALITY	MSNP primarily targets women, children, and adolescent girls. Some of the key interventions implemented to address gender inequality and improve nutrition outcomes include the elimination of harmful norms and practices such as forced child marriage, menstrual seclusion, food taboos, and discriminatory care practices during pregnancy and delivery. It also addresses other gender-discriminative behaviors through social behavior change, such as inequality in the intra-household distribution of food. Various women's empowerment activities were also implemented to facilitate decision-making for seeking nutrition services for mothers and children.
6 CLEAN WATER AND SANITATION	Local governments implemented several interventions to improve access to clean water and sanitation, crucial for preventing child stunting and wasting as well as child morbid conditions such as diarrheal diseases. These included installation of safe drinking water and toilet facilities at school and community, distribution of water filters to vulnerable and marginalized HHs, orientation on positive WASH practices.
10 REDUCED INEQUALITIES	The primary focus of the MSNP is marginalized and vulnerable groups. Local governments worked to provide targeted support to the most disadvantaged and nutritionally vulnerable populations, such as Dalits, Janajatis, ethnic minorities, and those residing in hard-to-reach areas. This effort helped reach the unreached and support those most in need.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Local governments implemented various MSNP interventions to increase the production and productivity of nutrient-rich, diverse food; to promote climate-resilient agricultural practices; to protect indigenous crops; and to reduce food loss during post-harvest by engaging smallholder farmers and the private sector, among others. Additionally, various social behavior change interventions were implemented to promote food hygiene and safety, as well as to reduce food waste, contributing to responsible consumption.
17 PARTNERSHIPS FOR THE GOALS	MSNP brought together various government and non-government stakeholders to mainstream their efforts toward reducing malnutrition. Collaboration across different sectoral ministries, among all three tiers of government, and with development partners, NGOs, cooperatives, and private sector entities was crucial in delivering quality nutrition-specific and nutrition-sensitive services at the local level.

By leveraging the strengths of the MSNP framework and ensuring robust financial and technical support, Nepal aims to meet its SDG 2030 nutrition targets, improve health outcomes, and enhance socio-economic development. The MSNP stands as a model of good practice in implementing the SDGs, demonstrating how coordinated, multi-sectoral efforts can lead to significant improvements in public health and well-being.

5.5 Mid-Day Meal (MDM)

The Mid-Day Meal (MDM) program in Nepal is a significant initiative aligned with the SDGs 2030, particularly in the areas of education, health, and hunger alleviation. This program aims to improve the nutritional status of school children, increase school enrolment and attendance, and enhance overall educational outcomes. The program is implemented in all community schools targeting students from grades one to five.

The program aims to improve the nutritional status of schoolchildren, increase school enrolment and attendance, boost rural economy, and enhance overall educational outcomes. With a remarkable return of 9 USD for every 1 USD invested, school meals are a multi-sectoral game changers benefitting agriculture, education, health, nutrition, and social protection. Here is how the Mid-Day Meal program contributes to the implementation of various SDGs in Nepal:

1 NO POVERTY	MDM contributes to reducing poverty through providing an essential safety net for the vulnerable children and easing financial burdens on families. By sourcing the food locally to provide meals to schoolchildren, MDM program can foster economic stability for smallholder farmers and empower entire communities.
2 ZERO HUNGER	By providing meals to schoolchildren, the program directly addresses the goal of ending hunger and improving food security. The mid-day meal ensures that children receive at least one nutritious meal a day, which can contribute to their overall well-being and development.
3 GOOD HEALTH AND WELL-BEING	Proper nutrition is essential for children's growth and development. The mid-day meal helps improve children's health by providing them with a balanced diet, which can also contribute to their cognitive and physical development.
4 QUALITY EDUCATION	The program supports the goal of providing inclusive and equitable quality education by encouraging school attendance. When children receive meals at school, it can increase their motivation to attend and stay in school, thus improving their educational opportunities and outcomes.
5 GENDER EQUALITY	The Mid-Day Meal program can have a positive impact on gender equality by helping to bridge the gap in school attendance between boys and girls. Providing meals at school can reduce the burden on girls to help with household chores, enabling them to stay in school longer.
10 REDUCED INEQUALITIES	By offering a consistent and reliable meal at school, the program helps to address disparities in access to food and education, particularly for children from low-income and marginalized communities.
17 PARTNERSHIPS FOR THE GOALS	The success of the Mid-Day Meal program often relies on partnerships between the government, non-governmental organizations, and international organizations. Such collaborations can enhance the effectiveness and reach of the program.

Overall, the Mid-Day Meal program in Nepal is a key contributor to achieving the SDGs by addressing various interconnected challenges related to hunger, health, and education. By investing in the well-being of schoolchildren, the program supports a brighter future for Nepal and its young population.

5.6 Domestic Improved Cooking Stoves (ICS)

Improved cooking stoves (ICS) in Nepal have emerged as a key strategy for achieving the SDGs by 2030. These stoves offer a range of benefits, including increased thermal efficiency, reduced indoor air pollution, and a decrease in fuel wood consumption, all of which contribute to multi-

ple SDGs, such as good health and well-being, affordable and clean energy, and climate action.

Traditionally, Nepali households have relied on simple stoves made from clay, stone, or metal tripods. These traditional stoves are inefficient, consuming large amounts of biomass and producing high levels of indoor air pollution. This results in adverse health effects, particularly for women and children, who spend the most time in cooking areas.

Improved Cooking Stoves (ICS), particularly mud-brick ICS with or without chimneys, represent a significant advancement in cooking technology. These stoves are designed to improve the combustion efficiency of biomass while reducing exposure to indoor air pollution. Similarly, Metallic Improved Cooking Stoves (MICS) address the dual purposes of cooking and space heating, benefiting people living in high hills and remote areas. Rocket Stoves use efficient combustion of fuel at high temperatures and are easy to transport and build locally. So, it has gained popularity, especially in Terai settlements. Institutional Improved Cooking Stoves (IICS) are suitable for larger establishments such as hotels, hospitals, and schools. Starting from 1950s, more than 700,000 units of different types of ICS have been installed so far.

The promotion and use of ICS offer numerous benefits and contribute to the achievement of several SDGs in Nepal:

3 GOOD HEALTH AND WELL-BEING	Traditional cooking methods using open fires or inefficient stoves indoors lead to hazardous levels of indoor air pollution. This contributes to respiratory and cardio-vascular illnesses as well as other health issues, particularly among women and children who spend significant time near the cooking area. Improved cooking stoves results in improving overall health and well-being.
5 GENDER EQUALITY	Women are the primary users of cooking stoves in Nepal and bear the brunt of health risks associated with traditional cooking practices. Improved cooking stoves enhance their health and save time spent on cooking and gathering fuel. This can empower women by freeing up time for education, work, and other productive activities.
7 AFFORDABLE AND CLEAN ENERGY	Improved cooking stoves are more efficient and require less fuel compared to traditional methods. This reduces the demand for firewood and other biomass fuels, leading to cost savings and decreased environmental impact. It promotes the use of clean and affordable energy options for cooking.
13 CLIMATE ACTION	The use of improved cooking stoves contributes to a reduction in black carbon emissions. This supports climate action efforts by minimizing the environmental footprint of traditional cooking methods.
15 LIFE ON LAND	By reducing the demand for firewood and other biomass fuels, improved cooking stoves help in the conservation of forests and biodiversity. This can lead to more sustainable land management and preservation of ecosystems.
17 PARTNERSHIPS FOR THE GOALS	The implementation and promotion of improved cooking stoves in Nepal often involve collaboration between government agencies, NGOs, international organizations, and local communities. These partnerships help drive awareness and adoption of improved cooking technologies.

The implementation and promotion of improved cooking stoves illustrate how the country is taking significant steps towards achieving the SDGs by 2030. Through the adoption of ICS, Nepal is making progress in enhancing health, preserving the environment, and empowering women and marginalized groups. As the country continues to expand access to these stoves and refine their design, it serves as a model for other countries aiming to achieve sustainable development through similar interventions.

These are some of the good practices being implemented that have proven significant positive impacts on achieving SDGs. These practices could be shared to the global community as model interventions.

Emerging Challenges

As Nepal progresses towards achieving its SDGs, it is crucial to identify and address the emerging challenges that may hinder its efforts. This chapter aims to highlight the key challenges Nepal faces in its pursuit of sustainable development.

Poverty and Inequality: Despite significant progress in poverty reduction, Nepal still faces challenges in ensuring equitable distribution of wealth and opportunities. The COVID-19 pandemic exacerbated socio-economic disparities, pushing an estimated 1.2 million people into poverty (World Bank, 2020). The Nepal Living Standards Survey-IV (2022/23) has revealed that 20.27 percent of the population in Nepal lives below the national poverty line. The incidence of poverty is higher in rural areas (24.66 percent) than in urban areas (18.34 percent). The Gini coefficient for Nepal is 0.30, indicating a moderate level of income inequality that is significantly better than the global median. Addressing poverty and inequality is crucial for achieving SDGs 1, 2, 4, 5, and 10.

Unemployment and Underemployment: Nepal faces a significant challenge to create adequate employment opportunities, particularly for its youth. The unemployment rate among young people aged 15-29 years is 19.2 percent, which is more than double the overall unemployment rate of 8.1 percent (Nepal Labor Force Survey, 2017/18). Moreover, a large proportion of the employed population is engaged in informal and vulnerable employment. Similarly, inadequate employment opportunities have contributed as a push factor for migration, both internal and international, which has led to brain drain, labor shortages, and social cost of migration. Creating decent jobs and promoting inclusive economic growth are essential for achieving SDGs 1, 4, 5, and 8.

Healthcare Challenges: Nepal faces significant challenges in ensuring access to quality healthcare services, particularly in rural areas. The mountainous terrain and underdeveloped infrastructure hinder the delivery of medical care, and there is a persistent shortage of healthcare professionals. The COVID-19 pandemic has further exposed the vulnerabilities in the health system, leading to overcrowded hospitals and shortages of essential medical supplies. The rising prevalence of non-communicable diseases, mental health issues, and the impacts of climate change, which exacerbate health risks and disrupt services. Additionally, rapid urbanization and the rise of antimicrobial resistance pose new threats. Addressing these health sector challenges is crucial for achieving SDG 3 (Good Health and Well-being).

SDG Financing Gap and Debt Burden: Current financing levels are not sufficient for achieving of the SDGs by 2030. A revised estimate of the SDG costing and financing has identified a financing gap of NPR 755 billion on average each year during 2024-30 to achieve SDGs. This amounts to 11.1 per cent of GDP for the period. The annual average financing gap in the public sector is as high as NPR 426 billion for 2024-30, while the gap for the entire SDG period is NPR 2980 billion. On the other hand, rising levels of external debt has limited the ability of the government to invest in sustainable development priorities. Debt repayment often diverts funds from critical areas such as healthcare, education, and infrastructure. Addressing debt sustainability through debt relief, restructuring, and responsible borrowing practices is essential for freeing up resources for development investments and fostering economic stability. Meeting the 2030 targets thus calls for higher development cooperation from the external partners committed to supporting SDGs achievement.

Overall SDGs Investment Need and Financing Gap (NPR in billion)

Sectors	Total (2024-30)		Annual Avg. (2024-30)	
	Investment Need	Financing Gap	Investment Need	Financing Gap
Public Sector	13647	2981	1950	426
Private Sector	7273	2304	1039	329
Cooperatives and NGO sector	126	0	18	0
Household Sector	119	0	17	0
Total (Billion NPR)	**21165**	**5285**	**3024**	**755**
Total (Billion USD)	162.8	40.7	23.3	5.8
As percent of GDP			45.4	11.1

Source: Review of Nepal's SDGs Needs Assessment, Costing and Financing Strategy, 2024, NPC

The private sector financing gap amounts to NPR 329 billion on average during the period; and for the whole period (2024-30), it amounts to NPR 2304 billion.

Achieving the set targets for 2030 would require additional financing of USD 40.7 billion at current exchange rates to be mobilized through all the possible sources including as savings, borrowings and ODA throughout the remaining period from 2024 to 2030.

Climate Change: Nepal is highly vulnerable to the impacts of climate change, including extreme weather events and changing precipitation patterns. These challenges exacerbate existing vulnerabilities and hinder efforts to achieve sustainable development goals, particularly in sectors like agriculture, water resources, and infrastructure. Projected increases in global average temperatures, even if stabilized at 1.5°C will lead to more frequent and intense droughts, floods, and landslides. Additionally, unsustainable exploitation of natural resources, coupled with inadequate governance and regulation, contributes to environmental degradation, biodiversity loss, and degrading air, water and soil quality.

Unplanned Urbanization: Rapid and unplanned urbanization in Nepal strains infrastructure, services, and resources, leading to challenges like inadequate housing, environmental degradation, and increased disaster vulnerability. The lack of essential services such as water supply and sanitation results in poor living conditions and health hazards. Unplanned urban expansion encroaches on natural habitats, causing environmental damage, while the absence of proper urban planning heightens the risk of disasters like floods and landslides. Addressing these issues is crucial for SDG 11 (Sustainable Cities and Communities), requiring improved urban planning, sustainable infrastructure investment, and resilient urban development.

Digital Divide: Rapid technological advancements offer opportunities for sustainable development, but Nepal often lacks access to these technologies or the capacity to effectively utilize them. Divergence in access to digital infrastructure and technologies has created a digital divide across different sections of societies. According to Nepal Telecommunications Authority (2021), internet penetration in Nepal is 90.56 percent, but there are significant disparities between urban and rural areas, that extend to various marginalized communities in rural areas hampering their economic and social opportunities.

According to the 2021 census, 73.15 percent of households are own at least one ordinary mobile phone, 72.94 percent of households own at least one smart mobile phones. Only 15 percent households operate computers including laptops. Globally, Nepal ranks 142nd out of 176 countries in the *ICT Development Index (IDI),* with an IDI value of 3.37, significantly lower than the world average of 5.11 (ITU, 2022). The Inclusive Internet Index 2022 ranks Nepal

94th out of 120 countries, highlighting the challenges in internet availability, affordability, relevance, and readiness (*The Economist Intelligence Unit, 2022*). Bridging the digital divide and promoting digital literacy are crucial for achieving SDGs 4, 5, 8, 9, and 10.

Artificial Intelligence (AI) and Job Security: The increasing adoption of AI and automation technologies poses both opportunities and challenges for Nepal. While AI can enhance productivity and efficiency, it also has the potential to displace jobs. A study by the International Labor Organization (2018) estimates that 60 percent of jobs in Nepal are at risk of automation. Developing a skilled workforce capable of adapting to technological changes and creating new job opportunities is essential for achieving SDGs 4, 8, and 9.

Institutional Capacity: Nepal faces challenges in strengthening its institutional capacity to effectively plan, implement, and monitor sustainable development initiatives. Limited technical expertise, inadequate resources, and weak coordination among government agencies hinder the effective implementation of SDGs. A study by the Nepal Administrative Staff College (2018) highlights the need for capacity building, particularly at the local level, to ensure effective service delivery and SDG localization. Enhancing institutional capacity is crucial for achieving all SDGs.

Data Availability and Monitoring: The availability of reliable, timely, and disaggregated data is a challenge for Nepal in monitoring its progress towards the SDGs. Disaggregated data that includes indigenous people, Dalits, disabled people and other vulnerable and marginalized communities remains inadequate. Thus, strengthening statistical capacity, enhancing data collection mechanisms, and promoting data-driven decision-making are essential for achieving all SDGs.

Trade Barriers and Market Access: The upcoming graduation of Nepal from LDC status poses risks in accessing global markets due to tariffs and non-tariff barriers. Unfair trade practice further exacerbates these issues by disrupting global supply chains. Trade barriers, tariffs, and sanctions can obstruct the flow of goods and raw materials, causing shortages and price fluctuations, which impact consumer access to essential goods and economic stability. Enhancing market access for LDCs, promoting fair trade, and developing agile risk management strategies are crucial for stimulating economic growth, reducing poverty, and facilitating sustainable development. Additionally, boosting export capacity, trade diversification, and diplomatic efforts to ensure stability and cooperation are vital to navigate these complex challenges.

Demographic Shifts: Nepal is in the stage of higher demographic dividend at present. It is estimated to enter the aging population on about next 25 years. This has opened a lot of opportunities as well as development challenges. The youth and working age population comprising nearly two thirds of the total population provides an opportunity for higher labor supply while creation of sufficient jobs particularly for the educated youth becomes a big challenge. Production relations becoming transformative with the introduction of new technology, jobs creation for the mass labor force is an even greater challenge. Some public works programs have to be emphasized making basic jobs available to the labor force. Similarly, encouraging sustainable migration policies can help balance demographic disparities and support economic dynamism.

National Strategic Vision for SDGs Acceleration

The progress on the SDGs has provided an opportunity to identify areas for their accelerated implementation. Based on each goal's level of progress and alignment to the national priorities set by the Sixteenth Plan, eight thematic areas have been identified as the high priority areas to be achieved during the remaining period of SDGs implementation. Current status of progress against 2030 targets by priority area is represented in the figure below[11] :
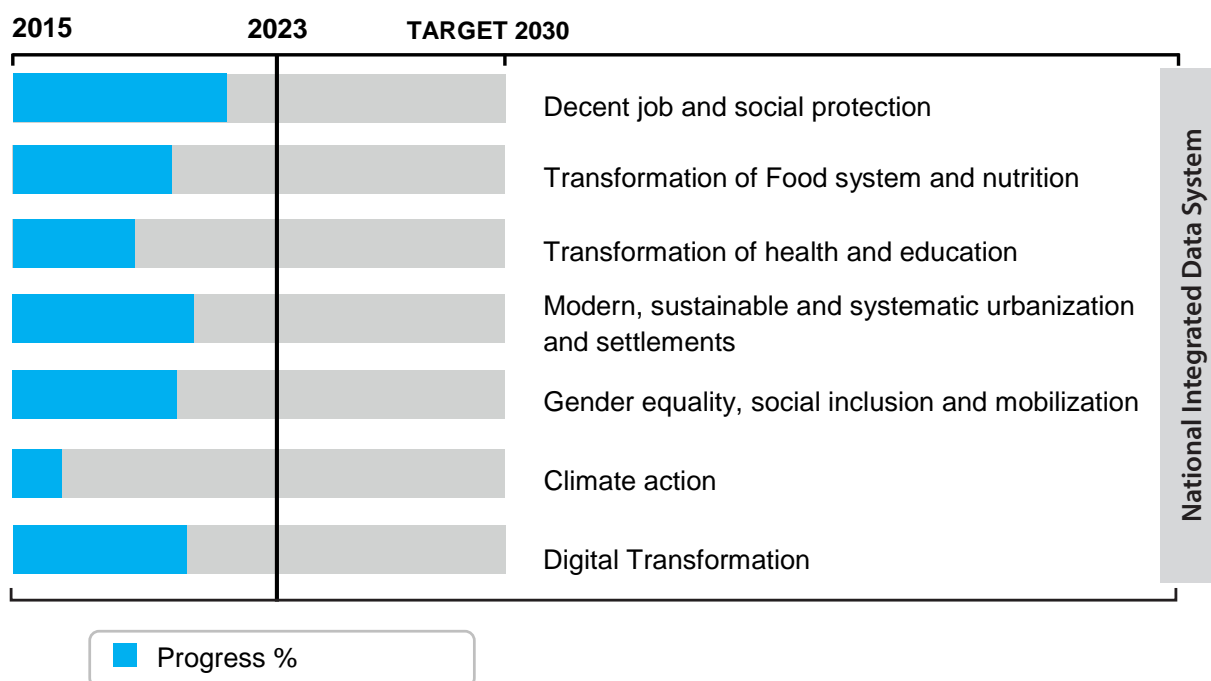
7.1 Decent Job and Social Protection

Introduction

The provision of decent jobs and robust social protection system is pivotal for fostering sustainable development and ensuring transition toward a just and equitable society. Formulating and implementing effective policies that promote job creation, ensure fair wages, and provide comprehensive social safety nets can contribute significantly to uplifting livelihoods and sustainably reducing poverty in Nepal. Regarding social protection, even after the expected coverage level, issues of adequacy and sustainability will persist.

Nepal has realised a notable achievement in ending poverty in different forms including MPI. The progress assessment of SDGs has shown that, with the current pace of progress, Nepal could meet the SDG targets namely, international poverty, national poverty, social protection, and resilience to disaster whereas access to basic services would require accelerated intervention.

2015	2023	TARGET 2030	
		Decent job and social protection	National Integrated Data System
		Transformation of Food system and nutrition	
		Transformation of health and education	
		Modern, sustainable and systematic urbanization and settlements	
		Gender equality, social inclusion and mobilization	
		Climate action	
		Digital Transformation	

■ Progress %

---

11. Based on ESCAP's progress assessment methodology

Decent job and social protection

GOAL 1 No poverty

1.1 International poverty
1.2 National poverty
1.3 Social protection
1.4 Access to basic services
1.5 Resilience to disasters

GOAL 8 Decent work and economic growth

8.1 Per capita economic growth
8.2 Economic productivity and innovation
8.3 Formalization of SMEs
8.5 Full employment and decent work
8.6 Youth NEET
8.7 Child & forced labor
8.9 Sustainable tourism
8.10 Access to financial services

MAINTAIN progress to achieve target
ACCELERATE progress to achieve target
REVERSE trend to achieve target

The midterm review of progress on SDGs has exhibited mixed result in indicators relating to decent job, economic growth, and reducing poverty. Progress towards SDG 8 is the lowest performing area in terms of progress toward 2030 targets. Out of the eight targets tracked for the progress, two targets namely, Formalization of SMEs and Youth not in Education, Employment or Training (Youth NEET), have regressed while performance in the remaining target also requires accelerated interventions.

Issues and Challenges

While the SDGs align with many of the fundamental rights enshrined in the Constitution of Nepal, a significant challenge lies in practically translating these rights into actionable steps that effectively contribute to reducing poverty and inequality. A key challenge in poverty reduction is the dearth of disaggregated data on identification of poor households. This has constrained the capacity of the government to implement targeted intervention which has been reflected in weak progress in access to basic services. Moreover, granting comprehen-

sive and institutionalized access to assets, skill development, employment opportunities, and financial resources for the poor remains an uphill task.

Each year Nepal's labor market witnesses the influx of almost half a million economically active individuals. Ensuring employment-oriented education, expanding the range of employment opportunities, fostering the creation of more productive jobs and reducing the prevalence of informality and inequality in the labor market are essential objectives to tackle weak labor force participation rate and unemployment. A pivotal challenge lies in accurately identifying sectors or subsectors with the potential for employment growth, while minimizing the mismatch between the labor supply and demand. Additionally, competitive capacity and job creation has been jeopardized with high cost of production and low labor and capital productivity. Limited domestic employment opportunities have led to a growing share of youth not in education, employment and training. Youths are migrating abroad for employment opportunities that are often risky and low skill occupations. Nonetheless, the youth migration in the short run has contributed in off-setting unemployment while creating the opportunity through remittances. Women and girls face barriers in access to education, decent work and income opportunities, as evident in their low labor force participation, higher share in informal employment and lower wages compared to men.

Strategic Interventions and Programs

Social Protection and Decent Jobs - one of the areas of accelerated intervention for achieving SDGs by 2030 - has remained key priority for realizing Nepal's development aspiration. *Integrated National Social Protection Framework, 2023* is under implementation. The Sixteenth Plan has prioritized productive employment, decent job and sustainable social protection as one of the priority areas for economic transformation. Likewise, the recently adopted *LDC Graduation Smooth Transition Strategy* has recognised productive capacity as well as social

inclusion and integration as strategic pillars for ensuring smooth transition. Nepal is currently revising the *National Employment Policy and Foreign Employment Policy. The Decent Work Country Program for Nepal, 2023-2027,* being implemented under the *United Nations Sustainable Development Cooperation Framework* aims to foster inclusive growth and decent work, implementation of fundamental rights at work and effective social dialogue. Nepal has recently joined as a pathfinder country in the United Nations Global Accelerator on Jobs and Social Protection for Just Transitions initiatives.

Under the aforementioned strategic frameworks, the following priority areas for decent job and social protection stand out:

Diversify Employment Opportunities: Adopt a comprehensive approach to expand the spectrum of available employment opportunities by identifying high employment elastic sectors and subsectors with growth potential. This involves supporting industries that are resilient to economic shocks, promoting entrepreneurship, and encouraging innovation.

Enhance Skill-Market Alignment: Bridge the gap between skill development and labor market demand through programs that offer relevant and up-to-date training to job seekers, aligning their skills with the needs of the job market.

Boost Productivity and Competitiveness: Given the substantial employment in the agricultural sector, increasing productivity is vital. Implement measures such as modernizing irrigation systems, providing improved inputs, introducing advanced farming techniques, and promoting sustainable agricultural practices. This will not only create more productive jobs in farming but also increase the overall output of the sector. Similarly, boost productivity in industrial sector and service sector through addressing supply side constraints, improving access to technology and investing in research and innovation.

Revamp Foreign Employment: While foreign employment contributes significantly to offset unemployment, steps will be taken to ensure safer and better-paying opportunities for Nepali workers abroad through collaboration with destination countries by improving working conditions, increasing the transparency of employment contracts, and offering skill training that aligns with international standards, thus enabling workers to secure higher-paying positions.

Promote Formal Economy: Encourage the transition from informal to formal economy by providing incentives such as tax benefits, easier access to financing, and regulatory simplification to businesses to formalize their operations. This shift will not only improve employment quality but also enhance social security coverage.

Invest in Digital Skills: Establish training programs that equip workers with digital competencies required for various job roles, including remote work, e-commerce, and technology-based services.

Promote Women's Employment: Focus on promoting gender equality in employment by implementing policies that address gender-based disparities. Encourage businesses to adopt inclusive hiring practices, provide support for women's entrepreneurship, and ensure safe and flexible working environments that accommodate the needs of women in the workforce. Expand alternatives to care services which would enable women to enter into the labor market.

Regular Labor Market Monitoring: Establish a robust labor market monitoring system to gather data on employment trends, job vacancies, and skill requirements. This information will provide insights for policymakers to make informed decisions, tailor interventions, and adjust strategies as needed.

Ensure availability of disaggregated databases: Improve the periodic surveys aiming to provide data for monitoring the progress on SDG, specifically on LNOB. Similarly, improve intergovernmental coordination among federal, provincial and local government to generate up-to-date and quality administrative data.

Increase social protection coverage: Improve the existing social protection schemes through consolidation of the programs. Widen the social protection coverage through implementation of the contributory and non-contributory social protection schemes. Gradually shift towards contributory social protection.

Conclusion

The pursuit of decent jobs and robust social protection systems is fundamental to achieving sustainable development and a just society in Nepal. Despite significant progress in poverty reduction, the midterm review of the SDGs highlights the need for accelerated efforts, especially in decent work and economic growth. Key challenges include insufficient disaggregated data, limited employment opportunities, and gender disparities in the labor market. Strategic interventions outlined in Nepal's development plans and international frameworks emphasize diversifying employment opportunities, enhancing skill-market alignment, boosting agricultural productivity, improving foreign employment conditions, promoting formal sector employment, investing in digital skills, and promoting women's employment. Regular labor market monitoring and expanding social protection coverage are crucial for informed decision-making and inclusive growth. Achieving these goals requires coordinated efforts across all levels of government and the active participation of various stakeholders.

7.2 Transformation of Food System and Nutrition

Introduction

Transforming Nepal's food systems to make it equitable, resilient, and sustainable putting nutrition at the core is crucial, especially given the weak progress towards achieving SDG 2, which aims to end hunger, achieve food security, improve nutrition, and promote sustainable agriculture. This also aligns well with the constitutional provision of ensuring the rightful food.

Food system transformation and nutrition

GOAL 2 Zero Hunger

- 2.1 Undernourishment & food security
- 2.2 Malnutrition
- 2.4 Sustainable agriculture
- 2.a Investment in agriculture

- **MAINTAIN** progress to achieve target
- **ACCELERATE** progress to achieve target
- **REVERSE** trend to achieve target

Nepal's struggle to achieve zero hunger is evident through regressive achievement in the investment in agriculture, growing food prices, continued prevalence of the undernourishment and malnutrition, weak food security and sluggish progress toward sustainable agricultural practices. Addressing these issues requires a system approach and comprehensive strategies that enhance food accessibility, affordability, nutritional quality and sustainable consumption while also promoting nature positive production for environmental sustainability. A food system approach is key to addressing these issues as it encompasses the entire range of actors and their interlinked value-adding activities involved in production, harvesting, processing, distribution, consumption, and also the disposal of the products that originate from agriculture and forestry.

Efforts must focus on integrating nutrition-sensitive approaches into agricultural policies, improving food supply chains, and fostering local food systems that support diverse, nutrient-rich, and affordable diets. Accelerating progress in these areas is essential to meet SDG 2 targets and ensure a healthier, more sustainable future for all.

Issues and Challenges

Decreasing Food Diversity and Low Nutritional Awareness: There is a decline in food diversity and a general lack of awareness about the importance of food and nutrition security. Many people are unaware of how to create nutritious meals, and there is a lack of widely available, appropriately composed nutritious food menus.

Changing Food Habits and Declining Local Food Culture: There is a growing trend towards consuming highly processed foods, which not only undermines traditional diets and local food cultures, but also contributes to nutritional deficiencies, and rising non-communicable diseases linked to poor dietary habits such as obesity, diabetes, and cardio-vascular diseases.

Low Productivity and High Post-Harvest Losses: The agricultural sector is dominated by subsistence farming with only a small numbers of pockets of commercial or semi-commercial farming, leading to limited economic scale and growth. Agricultural production levels are low, with significant post-production losses, reducing overall food availability and economic returns for farmers.

Climate Vulnerability and Resource Depletion: The food system is weak in climate resilience, frequently facing climatic shocks and disasters. Moreover, over-extraction of groundwater for irrigation purposes, compounded by climate change induced shifts in precipitation pattern, has led to rapid depletion of groundwater resources in many parts of the country.

Inadequate Agricultural Infrastructure and Market Systems: Limited infrastructure for storage, markets, and cold chains, along with low levels of mechanization, result in high production costs and weak market linkages. This, coupled with poor distribution systems, leads to high food prices and reduced competitiveness in the national market.

Strategic Interventions and Programs

Transforming food systems is pivotal for supporting the livelihoods of millions of small producers and individuals involved in value chains, ensuring their economic stability and growth. A key objective is the elimination and reduction of hunger and malnutrition, providing all populations with access to safe and nutritious food. This transformation promotes and creates demand for healthy and sustainable diets, while significantly reducing food loss and waste. Furthermore, it aims to build more sustainable, resilient, equitable, and inclusive food systems that can adapt to challenges and benefit all stakeholders involved. Article 36 of Nepal's constitution ensure the fundamental rights to food and food sovereignty for its citizens. Nepal is implementing the *Food System Transformation Strategic Plan (FY2024/25-2028/29)*. The key pathways for this transformation are taken up as major strategies for the food system transformation during the remaining period of SDGs implementation.

Ensure access to safe and nutritious food for all: Ensure policy coherence across agriculture, food security and nutrition, education, and health sectors is essential for a cohesive and effective food system transformation. Interventions to improve food governance to facilitate better coordination and implementation of policies, encouraging farmers and youths to engage in agriculture is required. This will help to intensify the production of affordable, safe, healthy, and nutritious food for all people in a sustainable manner, fostering a robust and resilient agricultural sector that meets the nutritional needs of the population while promoting environmental sustainability.

Shift to sustainable consumption patterns: Encourage the consumption of locally grown and seasonal foods to reduce reliance on imported and processed foods. Increase public awareness about the health benefits of diverse, nutrient-rich diets. Implement programs to minimize food loss and waste at all levels, from households to markets. Revive and promote traditional food practices and recipes that are inherently sustainable and nutritious.

Boost nature-based production at scale: Adopt climate-resilient agricultural systems and minimize land conversion and degradation through effectively implementing the *Land Use Act, 2019 and Land Use Policy, 2015.* Promote regenerative agriculture, conservation of agrobiodiversity, and revitalization of local indigenous food systems, supported by organic/ecological farming practices and soil fertility improvement techniques. Invest in value chain development, better agroecosystem management, and research for green technologies while providing subsidies to small farmers adopting sustainable practices.

Advance equitable livelihoods: Invest in research, development, and innovation to diversify food systems and enhance the entrepreneurship skills of both small-scale and commercial farmers, including small and medium-sized enterprises (SMEs). To advance equitable livelihoods, it is crucial to implement land use policies that ensure inclusive tenure and user rights, particularly for women, smallholders, and the poor. Strengthening the leadership and collaboration of federal, provincial, and local governments can improve agricultural production, market linkages, and infrastructure development, benefiting marginalized groups and enhancing crisis responsiveness. Additionally, promoting indigenous seed conservation, organic farming, and robust monitoring systems, along with raising awareness of local nutritious foods, can diversify food systems and create sustained employment and

income opportunities. This will help increase income from food value chains, improve livelihoods, and address food insecurity, ensuring no one is left behind.

Build resilience to vulnerabilities, shocks and stresses. Ensure sustained, long-term investments in developing resilient food systems and strengthening community capabilities to withstand shocks and stresses. Restructure the immediate relief programs to focus on seed distribution, food provision, and livelihood asset improvement, and recovery efforts to enhance food and nutrition security through improved production and market access. Take employment generation initiatives, such as linking employment programs to food systems to provide crucial support to the poor and vulnerable. Effectively enforce land use policies, social safety nets, evidence-based decision-making, and investments in resilient technologies and community empowerment for building resilience and ensuring equitable access to resources and markets.

Conclusion

Nepal's journey towards achieving zero hunger and sustainable food systems requires a comprehensive approach that addresses various challenges, including low productivity, changing food habits, climate vulnerability, and inadequate infrastructure. Strategic interventions such as promoting sustainable consumption patterns, boosting nature-positive production, advancing equitable livelihoods, and building resilience to vulnerabilities, serve as crucial pathways for progress. By implementing these interventions effectively and fostering collaboration among stakeholders, Nepal can work towards ensuring food security, promoting nutrition, and fostering sustainable development for all its citizens. Such concerted effort is essential for creating a resilient and inclusive food system that meets the needs of present and future generations.

7.3 Transformation of Health and Education

Introduction

Quality health and education services are considered to be the fundamental human rights and major components of sustainable development of any nation. Nepal has made significant progress in improving health and education outcomes over the past decades, as evidenced by the increased life expectancy, reduced maternal mortality, improved universal health coverage, improved literacy, enrolment rates, early childhood development, TVET and tertiary education and skills for employment. However, the country still faces numerous challenges in the education sector such as effective learning outcomes and equal access to education. Likewise, ensuring equitable access to quality healthcare, combating certain communicable diseases, non-communicable diseases, mental health challenges and substance abuse remain challenging. Building internationally comparable healthcare and education systems is the key concern of policymakers at present given weak performance in the area of research and development, quality human resource availability and the infrastructure gap in health and education.

The COVID-19 pandemic exposed vulnerabilities and inequalities in Nepal's health and education systems. This highlights the need for transformative changes to build resilience and accelerate progress towards the SDGs, which requires a holistic and inclusive approach. These efforts will address the underlying social, economic, and environmental determinants of health and education outcomes, while strengthening the capacity and resilience of the systems to deliver quality services to all.

Issues and Challenges

Inequitable access to healthcare services: Despite the expansion of healthcare infrastructure and services, significant disparities persist in the access to quality healthcare across geographic regions, socioeconomic groups, and marginalized communities. Rural and remote areas often lack adequate healthcare facilities, skilled healthcare providers, and essential medicines and supplies, leading to poor health outcomes and increased out-of-pocket expenditures for healthcare.

High burden of communicable and non-communicable diseases: Nepal continues to face a high burden of communicable diseases, such as tuberculosis, malaria, and waterborne diseases, while also experiencing the growing prevalence of non-communicable diseases, such as cardiovascular diseases, diabetes, and cancers. This double burden of diseases

Transformation of health and education

GOAL 3 Good health and well-being

- 3.1 Maternal mortality
- 3.2 Child mortality
- 3.3 Communicable diseases
- 3.4 NCDs and mental health
- 3.5 Substance abuse
- 3.6 Road traffic accidents
- 3.7 Sexual and reproductive health
- 3.8 Universal health coverage
- 3.a Tobacco control
- 3.b R&D for health
- 3.c Health financing and workforce

GOAL 4 Quality education

- 4.1 Effective learning outcomes
- 4.2 Early childhood development
- 4.3 TVET and tertiary education
- 4.4 Skills for employment
- 4.5 Equal access to education
- 4.6 Adult literacy and numeracy
- 4.7 Sustainable development education
- 4.a Education facilities
- 4.c Qualified teachers

MAINTAIN progress to achieve target
ACCELERATE progress to achieve target
REVERSE trend to achieve target

strains the healthcare system and requires a comprehensive approach to prevention, early detection, and management of both communicable and non-communicable diseases.

Inadequate financing of healthcare infrastructure: Nepal's health sector remains underfunded, with public spending on health as a percentage of GDP being one of the lowest in the region. The inadequate financing limits the ability to invest in healthcare infrastructure, equipment, and human resources, leading to gaps in service delivery and quality of care. The country also faces challenges in ensuring the maintenance and functionality of existing healthcare facilities and equipment.

Shortage and uneven distribution of skilled health workforce: Nepal faces a critical shortage of skilled healthcare professionals, particularly in rural and remote areas. The uneven distribution of the health workforce, coupled with inadequate training and support, affects the quality and accessibility of healthcare services. Attracting and retaining healthcare professionals in underserved areas remains a significant challenge.

Limited access to quality education: Despite progress in improving enrolment rates, many children in Nepal, particularly those from disadvantaged backgrounds, still lack access to quality education. Factors such as poverty, gender discrimination, disability, and geographic remoteness contribute to educational inequalities and limit opportunities for learning and development. Marginalized groups, such as girls, children with disabilities, and those from disadvantaged socioeconomic backgrounds, often face barriers to accessing and completing quality education. Factors such as social norms, discrimination, and lack of inclusive education policies and practices contribute to educational inequalities and limit opportunities for social and economic mobility.

Poor learning outcomes and skills mismatch: The quality of education in Nepal remains a concern, with many students failing to acquire the basic skills and knowledge necessary for their personal and professional development. The mismatch between skills acquired through the education system and the demands of the labor market contributes to high levels of youth unemployment and underemployment.

Inadequate education infrastructure and resources: Many schools in Nepal, particularly in rural and remote areas, lack adequate infrastructure, such as proper classrooms, laboratories, libraries, and sanitation facilities. The shortage of qualified teachers, textbooks, and learning materials further hinders the delivery of quality education. The limited use of technology and innovative teaching pedagogy also affects the learning experience and outcomes. Moreover, rural depopulation, especially in mountain and hilly areas due to migration encourages school merger as a policy intervention. However, this has posed a challenge to maintain school enrolment caused by increased distance.

Poor technology caused by low investment in health and education sector: Nepal's health and education sectors are not sufficiently funded to adopt the latest technology, equipment and human resources. This situation has prevented the sectors from achieving standard international levels. Even after the COVID-19 pandemic, the number of trusted labs is limited, even the number grew beyond the single one before pandemic. The education sector suffers from similar problems. Early childhood development programs are underfunded, teaching pedagogies are rarely based on labs and practices, and internet access is limited to only one third of schools. The outcome of Nepal's entire education is not contributing sufficiently to the country's production sector. Upgrading technology remains a major challenge both in health and education.

Weak governance and accountability in health and education systems: The health and education systems in Nepal face challenges in terms of governance, transparency, and

accountability. Weak regulatory frameworks, limited data and information systems, and inadequate monitoring and evaluation mechanisms hinder effective planning, resource allocation, and service delivery. Strengthening governance and accountability is crucial for improving the efficiency, effectiveness, and responsiveness of the health and education systems.

Strategic Interventions and Programs

Strengthen primary healthcare and community-based services: Invest in the expansion and improvement of primary healthcare facilities and community-based services, particularly in underserved areas. Prioritize the provision of essential healthcare packages, including maternal and child health services, communicable disease control, and non-communicable disease prevention and management. Promote the integration of health services and the use of community health workers to improve access and outreach.

Increase health financing and improve efficiency: Increase public spending on health to meet the WHO-recommended target of 5 percent of GDP. Explore innovative health financing mechanisms, such as health insurance schemes and performance-based financing, to improve the efficiency and sustainability of health spending. Strengthen financial management and accountability systems to ensure the effective use of resources and reduce waste and corruption.

Develop a skilled and motivated health workforce: Invest in the training, recruitment, and retention of a skilled and motivated health workforce, with a focus on addressing the shortage and uneven distribution of healthcare professionals. Provide incentives and support for healthcare workers in rural and remote areas, such as improved working conditions, career development opportunities, and performance-based rewards. Strengthen pre-service and in-service training programs to enhance the skills and competencies of the health workforce.

Promote health literacy and behavior change: Implement comprehensive health education and promotion programs to improve health literacy and encourage healthy behaviors among the population. Engage communities, schools, and media in disseminating information on disease prevention, nutrition, hygiene, and sexual and reproductive health. Address social and cultural barriers to accessing healthcare services and promote the empowerment of individuals and communities to make informed health decisions.

Ensure inclusive and equitable access to quality education: Implement targeted interventions to improve access to quality education for marginalized and disadvantaged groups, such as girls, children with disabilities, and those from low-income households. Provide financial support, such as scholarships and conditional cash transfers, to reduce cost barriers to education. Promote inclusive education policies and practices, such as the provision of accessible infrastructure, adapted learning materials, and trained teachers to support diverse learning needs.

Improve education infrastructure and learning environments: Invest in the construction, rehabilitation, and maintenance of school infrastructure, including classrooms, laboratories, libraries, and sanitation facilities. Ensure the availability of adequate learning materials, such as textbooks, educational technology, and teaching aids. Promote the use of innovative and learner-centered teaching methods, such as active learning, project-based learning, and the integration of technology in education.

Enhance teacher training and professional development: Strengthen pre-service and in-service teacher training programs to improve the quality and relevance of teaching. Provide ongoing professional development opportunities for teachers to enhance their knowledge, pedagogical skills, and use of technology in the classroom. Implement teacher performance evaluation and support systems to identify areas for improvement and provide targeted support and mentoring.

Promote skills development and vocational education: Strengthen the linkages between the education system and the labor market by promoting skills development and vocational education. Introduce career guidance and counselling services in schools to help students make informed decisions about their education and career paths. Engage industry and employers in the design and delivery of vocational education and training programs to ensure the relevance and quality of skills acquired.

Strengthen health and education information systems: Invest in the development and strengthening of health and education information systems to improve data collection, analysis, and use for evidence-based decision-making. Promote the use of digital technologies, such as electronic health records and education management information systems, to enhance the efficiency and effectiveness of service delivery. Ensure the interoperability and integration of information systems across different levels and sectors to support a holistic approach to health and education.

Foster multi-sectoral collaboration and partnerships: Promote multi-sectoral collaboration and partnerships among government agencies, private sector, cooperatives, civil society, and development partners to address the social, economic, and environmental determinants of health and education outcomes. Engage communities, parents, and students in the planning, implementation, and monitoring of health and education programs to ensure their relevance and responsiveness to local needs and priorities.

Conclusion

Transforming the health and education sector is essential for achieving the SDGs and building a prosperous, equitable, and resilient society. It is possible by addressing the key challenges and implementing strategic interventions and programs identified. It will require strong political commitment, more investment, and effective coordination among all stakeholders.

Strengthening the capacity and resilience of the health and education systems, promoting evidence-based policies, and fostering innovation and technology adoption will be essential for driving the transformation process. By embracing a holistic and inclusive approach to health and education transformation, Nepal can unlock the potential of its human capital, promote sustainable and inclusive economic growth, and build a brighter future for all its citizens, leaving no one behind in the pursuit of the SDGs.

7.4 Modern, Sustainable and Systematic Urbanization and Settlements

Introduction

Nepal is experiencing rapid urbanization, with 66.02 percent of the population residing in urban municipalities according to the 2078 Census. However, due to the broad geographic extent of municipalities, only 27.07 percent of the population is considered urban, underscoring the need for more systematic and qualitative urban development. The current urban landscape is characterized by disparities in infrastructure and services between municipalities, hindering the realization of the full potential of urbanization.

As the country continues to urbanize at an unprecedented pace, it faces the challenge of managing urban growth in a sustainable manner. Rapid urbanization is placing immense pressure on existing infrastructure, services, resources and capacity to plan and govern, leading to issues such as overcrowding, inadequate housing, and environmental degradation. Addressing these challenges requires a comprehensive approach that encompasses balanced spatial development, effective planning, and efficient resource management.

Issues and Challenges

Ensuring balanced, planned, and eco-friendly urbanization: Nepal's urban system is frag-

mented and unbalanced, with significant dispar-
ities between regions and municipalities. Good
spatial and sustainable infrastructure planning
and design at an early stage of urban develop-
ment is crucial. Strategic investments in regional
and urban planning are necessary to promote
equitable development and to create competi-
tive and liveable cities. Integrating environmental
considerations into urban planning and develop-
ment processes is crucial for achieving sustain-
able urbanization and liveable cities.

**Strengthening inter-sectoral coordination
and urban governance:** Effective urban gov-
ernance requires clear delineation of roles and
responsibilities among different tiers of gov-
ernment. Enhancing the capacity of local gov-
ernments and fostering partnerships with civil
society, the private sector, and communities
are essential for efficient service delivery and
participatory decision-making. Improving coor-
dination mechanisms and information systems
is vital for integrated urban development.

**Mobilizing urban investment and promot-
ing technological innovations:** Financing sus-
tainable urban infrastructure requires mobi-
lizing alternative financial resources, such as
public-private partnerships, green finance,
and blended finance. Encouraging techno-
logical innovations in urban planning, design,
and service delivery can enhance efficiency and
sustainability. Developing institutional capac-
ity and human resources in urban planning
and management is crucial for effective imple-
mentation.

**Addressing urban safety, security, and
disaster resilience:** Rapid urbanization has
led to increased safety and security concerns,
including crime, social inequalities, and unsafe
public spaces. Strengthening law enforcement,
promoting social inclusion, and improving
urban environments are necessary to ensure
safe and inclusive cities. Incorporating disaster
risk reduction measures into urban planning
and building resilient infrastructure is essen-
tial for mitigating the impacts of natural and
human-induced disasters.

Modern, sustainable and systematic urbanization and settlements

GOAL 6 Clean water and sanitation

- 6.1 Safe drinking water
- 6.2 Access to sanitation and hygiene
- 6.3 Water quality

GOAL 7 Affordable and clean energy

- 7.1 Access to energy services
- 7.2 Share of renewable energy

GOAL 11 Sustainable cities and communities

- 11.1 Housing and basic services
- 11.3 Sustainable urbanization
- 11.6 Urban air quality/waste management

- **MAINTAIN** progress to achieve target
- **ACCELERATE** progress to achieve target
- **REVERSE** trend to achieve target

**Managing informal settlements and provid-
ing affordable housing:** The growth of infor-
mal settlements and the lack of affordable
housing options pose significant challenges
to urban development. Developing strategies
for upgrading informal settlements, providing
basic services, and ensuring access to decent
housing for low-income and vulnerable groups
is crucial. Promoting innovative housing solu-
tions, such as cooperative housing and rental
housing, can help address the housing deficit.

Strategic Interventions and Programs

**Strengthen national and provincial urban
systems:** Develop strategic cities as economic
hubs and promote their unique identities and
competitive advantages. Enhance regional
balance and rural-urban linkages through tar-
geted investments in infrastructure and eco-
nomic corridors. Establish an integrated urban
information management system to support
evidence-based decision-making and monitor-
ing of urban development progress.

**Build sustainable, safe, and resilient urban
infrastructure:** Incorporate sustainability
principles and disaster risk reduction mea-

sures into urban planning and infrastructure development. Promote green spaces, water conservation, and renewable energy in urban areas. Implement integrated solid waste management systems and improve sanitation infrastructure. Strengthen building codes and enforce compliance to ensure the safety and resilience of urban built environments.

Promote urban investment and technological innovations: Mobilize alternative financing mechanisms, such as public-private partnerships, municipal bonds, and land value capture, to fund urban infrastructure projects. Encourage the adoption of smart city technologies and innovations in urban service delivery, such as intelligent transportation systems and e-governance platforms. Build institutional capacity and develop skilled human resources in urban planning, management, and governance.

Enhance inter-governmental coordination and urban governance: Clarify roles and responsibilities of different tiers of government in urban development and establish effective coordination mechanisms. Strengthen the capacity of local governments in urban planning, revenue generation, and service delivery. Promote participatory governance and engage citizens, civil society, and the private sector in urban decision-making processes. Establish transparent and accountable urban governance systems.

Implement major programs for inclusive and sustainable urban development: Develop strategic cities as engines of economic growth and promote their unique cultural heritage. Implement integrated urban infrastructure projects, including transportation networks, water supply, and sanitation systems. Upgrade informal settlements and provide affordable housing options for low-income and vulnerable groups. Promote sustainable waste management practices and environmental

conservation in urban areas. Strengthen institutional capacity and governance reforms for effective urban management.

Conclusion

Nepal is committed to achieving modern, sustainable, and systematic urbanization and settlements that enhance the quality of life for its citizens and contribute to inclusive economic growth. By addressing the key challenges through transformative strategies and targeted programs, Nepal aims to create liveable, competitive, and resilient cities that leave no one behind. Successful implementation of these interventions will require strong political will, effective inter-sectoral coordination, innovative financing mechanisms, and active participation of all stakeholders. With concerted efforts and collaborative action, Nepal can harness the potential of urbanization for sustainable development and build a prosperous future for its urban population.

7.5 Gender Equality, Social Inclusion and Mobilization

Introduction

Nepal's Constitution envisions an egalitarian society based on the principles of proportional inclusion and participatory justice, aiming to eliminate discrimination and ensure economic equality, social justice, and prosperity. The government has prioritized the protection, empowerment, and development of marginalized groups, communities, and classes, including women, Dalits, indigenous peoples, Madhesis, Tharus, Muslims, oppressed and backward classes, minorities, marginalized, sexual and gender minorities, farmers, laborers, children, persons with disabilities, senior citizens, and economically disadvantaged Khas Arya. To translate the constitutional provisions, the Government of Nepal has developed laws and policies including the *Gender and Social Inclusion Policy, 2077.*

Despite various policy, legal, and programmatic efforts, challenges persist in achieving substantive progress in gender equality, social justice, and inclusive transformation. For instance, women's participation in the labor force remains low at 26.3 percent, compared to men at 53.8 percent (Nepal Labor Force Survey 2017/18). While, due to out migration, for every hundred males in the working age population, there were 125 females, when it comes to employment, there were only 59 employed females for every 100 employed males. Deep-rooted patriarchal mind-set, religious, social, and cultural practices, traditions, and other forms of discrimination and exploitation continue to hinder the realization of desired outcomes. Overall, 23.8 percent of the total households have ownership of land or a housing unit or both (land and housing unit) in the name of female household member. The percentage of households with female ownership of both land and housing units is 11.8 percent which is an increase of 1.1 percent point compared to that of 2011.

Issues and Challenges

Eliminating harmful practices and discrimination: Eradicating harmful traditional practices, superstitions, and discrimination based on religion, social, and cultural traditions, as well as eliminating social structures, values, beliefs, and attitudes that perpetuate violence, discrimination, and exploitation.

Ending gender-based violence and ensuring justice: Ending all forms of gender-based violence, discrimination, and exploitation, while ensuring accessible and victim-friendly justice; effectively addressing the changing dimensions, forms, methods, and routes of human trafficking and smuggling for prevention and control.

Empowering marginalized groups and communities: Empowering marginalized groups and communities economically and socially

Gender equality, social inclusion and mobilization

GOAL 5 Gender equality

- 5.1 Discrimination against women and girls
- 5.2 Violence against women and girls
- 5.3 Early marriage
- 5.4 Unpaid care and domestic work
- 5.5 Women in leadership
- 5.6 Reproductive health access and rights
- 5.a Equal economic rights
- 5.b Technology for women empowerment

GOAL 10 Reduced inequalities

- 10.1 Income growth (bottom 40 per cent)
- 10.2 Inclusion (socioeconomic, political)
- 10.4 Fiscal and social protection policies
- 10.5 Regulation of financial markets

GOAL 16 Peace, justice and strong institutions

- 16.2 Human trafficking
- 16.5 Corruption and bribery
- 16.6 Effective institutions
- 16.7 Inclusive decision-making
- 16.9 Legal identity

MAINTAIN progress to achieve target
ACCELERATE progress to achieve target
REVERSE trend to achieve target

by addressing barriers to access basic needs, economic resources, decision-making power, and opportunities; improving the identification and classification of target groups and communities; and establishing an integrated data management information system for gender equality and social statistics.

Ensuring meaningful participation and representation: Ensuring meaningful participation of target groups and communities by enhancing coordination, cooperation, and partnerships among federal, provincial, and local governments; mainstreaming and internalizing the concerns of women and margin-

alized groups in policies, laws, plans, and programs; and institutionalizing an accountable governance system.

Valuing women's contributions and promoting gender equality: Developing a culture that values women's contributions by promoting women's leadership and participation in production sectors, economic empowerment, skill development, and employment generation; recognizing women's domestic labor and care work in national income; and linking women's knowledge, skills, and labor with production and productivity.

Strategic Interventions and Programs

Mainstream and localize gender equality and social inclusion: Internalize, mainstream, and localize gender equality, empowerment, social justice, and inclusion in policies, laws, plans, programs, and institutional structures across all levels and sectors, with special priority given to the concerns of women, children, senior citizens, persons with disabilities, sexual and gender minorities, and marginalized groups.

Strengthen coordination and partnerships: Strengthen coordination, cooperation, and partnerships among federal, provincial, and local governments, clarifying roles, responsibilities, and scope for targeted planning and program implementation; mobilize the private, cooperative, and non-governmental sectors for social and economic infrastructure development and investment.

Promote participatory and inclusive development: Ensure meaningful participation of target groups and communities by incorporating their needs, demands, leadership, and participation in the formulation, prioritization, implementation, and monitoring of policies, plans, programs, and activities; develop leadership and capacity of target groups, communities, and classes for balanced and inclusive development across provinces and local levels.

Provide special protection and social security: Provide special protection to highly impoverished, vulnerable, helpless, disabled, Dalit, and marginalized individuals, groups, and communities through targeted social security programs and priority access to public services; promote self-reliance through employment and income generation; and make social security/protection systems universal and sustainable.

Adopt life-cycle and multi-sectoral approaches: Adopt life-cycle and multi-sectoral approaches in policy, planning, and program formulation and implementation to ensure an environment for dignified living for every individual; enhance access, availability, and use of technology for the empowerment and mobilization of women, children, senior citizens, persons with disabilities, sexual and gender minorities, and other groups with special needs, while anticipating and addressing potential risks and violence arising from misuse.

Conclusion

Nepal is committed to achieving gender equality, social justice, and inclusive transformation by addressing the root causes of discrimination, marginalization, and inequality. Through transformative strategies and targeted interventions, the government aims to create an enabling environment where every individual and community can fully utilize their potential and participate in the development process. Successful implementation of these measures will require strong coordination, collaboration, and partnerships among all levels of government, civil society, the private sector, and development partners. By empowering and mobilizing marginalized groups and communities, Nepal strives to build an inclusive, equitable, and prosperous society, leaving no one behind.

7.6 Climate Action

Introduction

As global average temperatures soar to 1.5 degrees Celsius above pre-industrial or higher in the near future, Nepal recognizes that its development pathway will be closely intertwined with adaptation to and mitigation of climate change. On the one hand, Nepal will need to make far greater investments to protect its infrastructure, human settlements, livelihoods and biodiversity from extreme weather events and other changes brought about by a warming planet. On the other hand, the changing global response to climate change will provide Nepal with new opportunities that build on its ample clean energy sources and rich biodiversity. Even as climate change becomes an increasingly critical issue for the global community, Nepal aims to foster a resilient, self-sustaining, and comprehensive green economy while ensuring the continuity of environmental services.

Despite Nepal's negligible contribution to the emission of greenhouse gases and other drivers of climate change, both historically and at present, climate change presents the country with multifaceted challenges due to its complex geography, monsoon-dependent water supply, natural resource-based livelihoods, and the more rapid warming than global average that is taking place at high elevations. Climate change has impacts across all parts of Nepal, from rapidly retreating glaciers and increased risk of glacial lake outburst floods, to decreasing snow cover and permafrost, to more frequent extreme weather precipitation events and drier dry seasons, to more extreme heat waves in the lowlands. The consequences include increases in frequency and intensity of landslides, flash floods, debris flows, inundations, droughts, and forest shifts threaten food security, water supply, energy resources and biodiversity habitat, complicating the lives of marginalized communities, small farmers, women, children, and the elderly, who rely heavily on natural resources. Nepal is thus pri-

Climate action

GOAL 12 Responsible consumption and production

- 12.2 Sustainable use of natural resources
- 12.5 Reduction in waste generation

GOAL 13 Climate action

- 13.2 Climate change policies

GOAL 15 Life on land

- 15.1 Terrestrial and freshwater ecosystems
- 15.2 Sustainable forest management
- 15.3 Desertification and land degradation
- 15.5 Loss of biodiversity
- 15.9 Biodiversity in national and local planning

- **MAINTAIN** progress to achieve target
- **ACCELERATE** progress to achieve target
- **REVERSE** trend to achieve target

oritizing climate sensitivity and capacity building to enhance effective environmental protection and prepare for the impacts of future climate change.

Adapting to the impacts of climate change requires not just large-scale investments to secure the country's infrastructure from more extreme events and to deal with larger fluctuations in water availability, but also improved data and information, as well as capacity building. It requires sufficient data collection and analysis to clarify attribution of loses and damage to climate change and enable claiming international compensation. It also requires risk mapping and early warning systems. Ultimately, investments in adaptation will not be sufficient if global average temperatures continue to rise. With less than a decade left for the global community to drastically cut fossil fuel consumption if temperatures are to be stabilized at or below 1.5 degrees, it will be important for Nepal to play an active and visible role on the global stage to get other countries to reduce their emissions as well.

Mobilizing climate finance for fostering Green, Resilient, and Inclusive Development (GRID) is imperative. For this, the use of Green Bonds which can help in achieving the Net-Zero targets and eventually attaining the SDGs is important. The public, private, BFIs and other non-financial institutions of Nepal can issue Green Bonds to finance environmental projects. Similarly, establishing a Climate Fund, and making use of the Loss and Damage Fund as well as Carbon Trading is also important to tackle the issue of climate change. It is vital to orient the private sector investment towards the Sustainable Development Goals.

Similarly, the development of climate smart villages and climate smart farms are also progressing. In addition, the development and operationalization of climate change management information systems at provincial and local levels and enhancing the multi-hazard early warning system and climate services are also in progress.

The possibility to access to climate finance from international financing mechanisms such as the Green Climate Fund, Adaptation Fund, Green Environment Facility, and other multilateral and bilateral sources is gradually increasing.

Meanwhile, Nepal's rich biodiversity and domestic clean energy provide new opportunities for income through promotion of a green economy.

Issues and Challenges

Nepal faces significant challenges in climate action, starting with the need for **substantial policy reforms.** There is a need to take into account expected impacts and risks of climate change at all levels of planning and project design and decision making, from the federal to the local levels. This requires improved risk mapping and assessments, improved avail-

ability and access to critical data, early warning systems, and capacity building, particularly at local levels. There is also a need to create conditions that allow far better access and use of Nepal's abundant natural resources. Issues like the unregulated extraction of resources from rivers, groundwater exploitation, lack of environmental considerations in building codes, and inefficient electricity charges need addressing to promote a green economy and biodiversity-friendly policies.

The sustainable management of forests presents another major challenge. Concurrence between federal and provincial governments over forest management persists. Current forest laws are control-oriented, leading to unused and decayed forest resources. Private forests are not recognized as enterprises. Nepal is not able to use sustainable forestry as a part of the national bioeconomy, despite having close to 45 percent of its land area under forest coverage. Challenges also remain in using Nepal's achievements in the protection of forests for better access to global carbon markets. Despite the potential for sufficient supply through sustainable forest management, indigenous wood does not reach the Nepali market, leading to high imports. Forest resource-based entrepreneurship is minimal, and the use of environmentally unsuitable building materials is increasing. Addressing forest encroachment and invasive species is critical to increasing productivity and carbon reserves. Encouraging sustainable and professional forest management will support self-sufficiency in wood and provide raw materials for forest-based industries.

Improving institutional arrangements and capacity is crucial for effective climate action in Nepal. There is a need for mechanisms at local, provincial, and national levels to ensure coordination. Reliable and up-to-date data systems and bankable project portfolios are essential to increase access to climate finance and mobilize support. Collection of sufficient

meteorological, hydrological, and climatological data is also essential for the attribution of disaster damage to climate change for future claims for losses and damage – currently there are particularly large data gaps at high elevations. Developing skilled human resources for project preparation and implementation is also necessary, along with enhancing the government's institutional capacity at all levels to handle climate-related projects effectively.

Ensuring sustainable management of biological diversity and ecological systems is imperative. Protecting endangered wildlife and flora, improving wildlife habitats, and reducing human-wildlife conflicts are essential steps. Protecting watersheds to prevent the drying of water sources and reducing groundwater depletion are vital, as is better management of the country's air quality. Mitigating soil erosion, floods, landslides, and forest fires requires concerted efforts. Engaging local communities in biodiversity conservation and motivating conservation-focused human resources are also important.

Finally, **minimizing the effects of climate change and promoting adaptation and resilience** are critical. Aligning climate adaptation programs and budgets with national and international commitments is necessary. Increasing access to international climate finance and expanding capacity for climate change mitigation and adaptation are essential. Promoting clean renewable energy to reduce dependence on imported fossil fuels and protecting infrastructure from climate-related disasters are crucial for sustainable development. Raising awareness among policymakers, fostering individual and community-level awareness, establishing cross-sectoral partnerships, and enhancing disaster preparedness through, among other things, early warning systems and training drills will bolster Nepal's climate resilience. Nepal's abundant clean energy and its growing forest resources together challenge Nepal to take up the opportunity to achieve net zero carbon emissions faster than many other countries – this gives the country the moral underpinning to play a bigger role on the global stage in calling for world-wide mitigation and decarbonization – ultimately the only way to protect the country's assets and investments.

Strategic Interventions and Programs

Policy reform and institutional capacity expansion: Nepal's strategic interventions to accelerate SDGs focus on a comprehensive approach to addressing climate change, environmental protection, and economic sustainability. This includes mainstreaming climate change adaptation plans across all sectors and levels of policymaking and ensuring that climate risks are adequately taken into account in project design and decision making. Nepal is dedicated to expediting climate action while upholding the principle of shared but differing responsibilities and respective capabilities in line with the Paris Agreement, considering its own national circumstances. Nepal aims to achieve full net zero emissions by 2045 following a period of significantly reduced emissions. Additionally, Nepal seeks acknowledgment for its efforts in mitigating climate impact beyond its borders through clean energy trade. The country's Long-Term Strategy for Net-zero Emissions envisages bold policy decisions, social transformation, and technological progress, paving the way for a carbon-neutral, inclusive, and climate resilient future. Setting sectoral goals and integrating environmental protection into sectoral programs are essential. To ensure effective implementation, it is necessary to develop regional standards for climate-targeted budgets and to incorporate climate signals into local budgets. Additionally, curriculum development on environment and climate change, along with clarifying roles for various stakeholders, is critical for coordinated efforts at all levels.

Sustainable forest management and commercial use programs: These programs aim to classify forests into production and protected categories, manage forest fires, and

control invasive species. Enhancing the quality and productivity of forests, facilitating wood collection and marketing, and encouraging private sector involvement in forest development are crucial steps. Programs that link forest management with carbon accumulation and entrepreneurship will also be implemented. Additionally, the sustainable management of high value herbs, including their recording, conservation, and commercial production, will be promoted to boost local economies and biodiversity.

Sustainable conservation of biodiversity: This is vital for maintaining Nepal's ecological balance. Programs are focused on controlling wildlife poaching, ensuring safe habitats and food for protected species, and building infrastructure for biological pathways. Ensuring sufficient natural habitat and protected wildlife corridors will help mitigate human-wildlife conflict and support biodiversity. Enhancing Park administration, fostering international coordination in wildlife crime control, and expanding eco-tourism based on forests and protected areas will further biodiversity conservation efforts. Protecting watersheds and water resources through rainwater collection and water recharge campaigns will help provide adequate water, especially in urban and Terai regions.

Pollution control for a healthy society: This involves setting and updating pollution standards for all sectors, expanding pollution measurement capability – both ambient and at sources, and enhancing environmental monitoring and regulation. Effective compliance with environmental study reports, promoting clean green industries and prioritizing mass transportation using clean energy are essential. Waste management be improved through the involvement of the private sector and promoting practices like Reduce, Reuse, Recycle.

Prohibiting waste discharge into rivers and forests, taxing garbage going to landfills, and encouraging the use of organic fertilizers over chemical ones are key measures to control pollution and promote sustainability.

Promoting a green economy: Financial institutions will be encouraged to invest in green projects, and green finance practices like green bonds will be implemented. Incentives will be provided for investments that increase energy efficiency, reduce carbon emissions, and enhance adaptability. Adjusting a portion of environmental protection and adaptation expenses against taxes, reducing LPG subsidies, and encouraging the use of electric cooking and electric vehicles, and promoting industries that make use of sustainably harvested domestic natural resources will foster a greener economy. Additionally, promoting climate-smart agriculture, mandatory rainwater collection in building codes, and the use of local, environmentally friendly materials will support a transition to a sustainable and resilient economy.

Conclusion

As Nepal charts its path forward in climate action, a multi-faceted approach integrating policy reforms, capacity building, and community engagement is essential. By mainstreaming climate change mitigation and adaptation across all sectors, Nepal can enhance its resilience against environmental challenges. Sustainable forest management, biodiversity conservation, and pollution control are pivotal for environmental protection and economic sustainability. Promoting a green economy and fostering local adaptability will support Nepal's transition to a sustainable future. With a focus on international cooperation and strategic investments, Nepal can overcome its climate challenges, ensuring a resilient and prosperous future for all its citizens.

7.7 Digital Transformation

Introduction

Digital transformation in Nepal is crucial for accelerating progress towards the SDGs by 2030. It has implications for driving long-term success across multiple sectors such as education, health, gender inequality, governance, smart cities, and industries. By integrating digital technologies into its economy and society, Nepal can significantly advance its efforts to achieve the goals. The necessary digital infrastructure has been built through the effective implementation of the *Digital Nepal Framework.* The Digital Nepal framework envisions a future of digital governance, with focus on three national goals: Accessible modern infrastructure with intensive connectivity, sustainable production and productivity, and good governance. Proportion of population covered by a mobile network is 93 percent in 2022. Fixed broadband covers 47.7 percent of the population. The proportion of individuals using internet is 69.2 percent. Integrated electronic systems have been implemented to promote paperless public service delivery. The national Cyber Security Center has been established following the publication of *National Cyber Security Policy, 2023.* With the growing possibility of the IT industry in Nepal, an increasing number of Nepali youths are getting attracted to this sector. As IT jobs provide the leverage of remote work as well as higher-paying jobs, the IT sector has been emerging as one of the major career alternatives.

However, expanding and managing IT infrastructure remains a challenge, along with the need for innovative and entrepreneurial human resources. The country is exploring digital signatures in government service delivery and rendering public services electronically. Immediate challenges include launching the Sagarmatha Satellite and the 5G mobile network. Effective digital transformation

Digital Transformation

GOAL 4 Quality education

4.a Education facilities

GOAL 5 Gender equality

5.b Technology for women empowerment

GOAL 8 Decent work and economic growth

8.10 Access to financial services

GOAL 9 Industry, innovation and infrastructure

9.5 Research and development
9.c Access to ICT and the Internet

GOAL 17 Partnerships for the Goals

17.18 National statistics availability

MAINTAIN progress to achieve target
ACCELERATE progress to achieve target
REVERSE trend to achieve target

is essential for inclusive development and achieving the SDGs.

Managing digital risks and losses, as well as leveraging the potential of technology, requires investing in inclusive and accessible digital infrastructure to ensure meaningful connectivity for all.

Issues and Challenges

Digital Divide: Nepal faces several pressing issues and challenges in its journey towards digital transformation, starting with a large digital divide. The significant gap in internet access between urban and rural areas hampers inclusive development. While urban centers enjoy relatively better internet connectivity and digital literacy, rural areas often lag, restricting opportunities for education, economic activities, and access to digital resources. This gap exacerbates inequalities, preventing a large segment of the population from benefiting from the digital age.

Infrastructure deficiencies: The establishment and maintenance of digital infrastructure in remote regions are complicated by mountainous landscapes and susceptibility to earthquakes, landslides, and floods. Many remote areas lack reliable electricity and internet connectivity, which limits the effectiveness of digital initiatives aimed at improving services like healthcare, education, and governance. Without strong infrastructure, the promise of digital transformation remains unfulfilled for a large portion of the population.

Cybersecurity and privacy risks: As Nepal gets more digitally connected, cybersecurity becomes increasingly important. Nepal's digital ecosystem is vulnerable to cyber threats due to the lack of robust data protection and cybersecurity measures. As the number of online services increases, so does the risk of cyber-attacks on individuals, organizations, and government functions. Ensuring cybersecurity and protecting data privacy are critical to fostering trust and securing the digital environment necessary for sustainable development.

Digital skill gap: A large portion of the population lacks the advanced digital skills required to adopt and leverage digital technologies effectively. This skills gap obstructs economic growth and innovation, as businesses and services cannot fully utilize digital tools and platforms.

Policy and regulatory gaps: The lack of comprehensive digital policies and regulatory frameworks creates obstacles for innovation and growth. Nepal needs clear, forward-looking policies that support digital rights, foster innovation, and provide a conducive regulatory environment for digital advancement.

Strategic Interventions and Programs

To accelerate digital transformation, Nepal is prioritizing several strategic interventions and programs, beginning with enhancing digital infrastructure. The government plans to invest significantly in expanding high-speed internet access, particularly in remote and underserved areas. Initiatives like the National Broadband Policy are key to this effort, aiming to ensure that all citizens have reliable internet services. By bridging the digital divide, these efforts will foster inclusive digital growth, enabling more people to participate in the digital economy and access essential online services.

Research and Development: To strengthen the culture of formulating evidence-based policy making through research and development in collaboration with government and academic institution on innovative technology and practices developed in information and communication sector will be prioritized.

Promoting digital literacy and skills development: The government, in partnership with private sector partners and international organizations, will be implementing comprehensive digital literacy initiatives. These initiatives attempt to equip rural communities with essential digital skills, helping them to utilize digital tools and resources effectively. Additionally, vocational training centers are being established to provide advanced information Technical (IT) training, ensuring that the workforce is prepared for the demands of a digital economy. This dual approach addresses both basic digital literacy and specialized skills, creating a more digitally competent population.

Strengthening Nepal's cybersecurity framework: Comprehensive cybersecurity policies and frameworks are being developed, including the recent establishment of a National Cybersecurity Center. This center will enhance threat detection and response capabilities, ensuring that both citizens and businesses are safeguarded against cyber threats. Promoting awareness about data protection and cybersecurity best practices is also a priority, helping to build a culture of security and trust in digital transactions.

E-governance initiatives: Nepal is adopting various digital platforms for government services, aimed at making public services more efficient, transparent, and accessible. These initiatives align with the National E-Governance Plan, which seeks to transform how citizens interact with government agencies. By digitizing processes and services, the government hopes to reduce bureaucratic inefficiencies and provide faster, more reliable services to the public.

Encouraging innovation and entrepreneurship: The government is fostering a supportive environment for digital innovation through startup incubation programs and digital innovation hubs. These initiatives aim to nurture tech startups and encourage innovative solutions to local challenges. By supporting entrepreneurship and innovation, Nepal can stimulate economic development, create jobs, and develop homegrown solutions that address the unique needs of its population.

Digital Nepal framework implementation program: to build a digital ecosystem by modifying the infrastructure within the Digital Nepal framework; to develop the necessary digital transformational projects in the information technology sector; project banks are some of the examples of programs.

Conclusion

Digital transformation in Nepal is a key driver for achieving the SDGs 2030, promoting inclusive growth, enhancing service delivery, and fostering innovation. Addressing the challenges of the digital divide, infrastructure deficiencies, and cybersecurity is essential. With strategic interventions and collaborative efforts, Nepal is well-positioned to harness digital technologies for sustainable development, improving the quality of life for all its citizens. By embracing digital governance and innovation, Nepal can ensure a brighter and more equitable future.

7.8 National Integrated Data System

Introduction

The National Integrated Data System (NIDS) of Nepal is a pivotal initiative aimed at accelerating the achievement of the SDGs by 2030. Central to this effort is the National Statistical System (NSS), which plays a critical role in monitoring and assessing progress toward the SDGs. The NSS facilitates data collection, management, and analysis, providing essential information for evidence-based policymaking and development planning. Recent efforts to enhance the NSS underscore the government's commitment to improving data collection and monitoring for effective SDG implementation.

As Nepal strives to achieve global objectives of SDGs, the integration of data across various sectors becomes vital. The NIDS aims to consolidate data from different sources, ensuring accurate, timely, and comprehensive information to guide policymaking and implementation at all levels of government. By leveraging data integration, Nepal can enhance transparency, improve resource allocation, and monitor progress effectively, thereby fostering sustainable development.

The Statistical Act, 2022 envision the modernizing and strengthening the country's statistical system, enhancing the National Statistics Office's role, and establishing the National Statistics Council for oversight. The Act promotes transparent and ethical data collection, management, and dissemination, emphasizing the use of modern technologies and methodologies. It includes provisions for protecting data confidentiality, ensuring coordination among various agencies, and aligning with international standards. The Act mandates public access to statistical information, supports continuous capacity building, and outlines legal responsibilities to ensure accountability and high-quality statistical practices and results that cater to the needs of policy making and planning and tracking development indicators including the SDGs among others.

Issues and Challenges

Availability and timeliness of data: Despite the availability of multiple datasets, their linkages, regular update, and comprehensiveness of the data are the major challenges. This limitation significantly impacts the reliability of the integrated data system, as more recent data is crucial for accurate and relevant policymaking. Differences in data structures between older and recent surveys also pose a challenge, requiring additional efforts to harmonize and integrate disparate data sources effectively.

The quality, coverage, and usability of administrative data present another challenge. Existing administrative data often lacks the comprehensiveness and accuracy needed for effective SDG progress assessment. To ensure the reliability of SDG monitoring, it is crucial to enhance the quality and coverage of administrative data. Improvements in data collection methods, standardization of reporting protocols, and regular updates are necessary to create a robust administrative data system that can support comprehensive and accurate SDG monitoring.

Technological and capacity constraints further hinder the efficient functioning of the NIDS. Limited technological infrastructure and expertise in data management, along with insufficient capacity-building programs, restrict the ability to collect, analyze, and disseminate data effectively. There is a need for a robust data integration toolbox, which was constrained by limited time and resources. Ensuring that the necessary technological infrastructure is in place, along with the requisite technical skills among personnel, is essential for scaling up data integration efforts.

Reliance on model-based estimates due to the lack of up-to-date data affects the accuracy of SDG monitoring. Without current data, policymakers are forced to use model-based estimates that may not accurately reflect the present situation. This reliance on estimates can lead to misguided policies and resource allocation. Ensuring the availability of recent and reliable data is crucial for accurate SDG monitoring and effective decision-making.

Coordination across different levels of government is another major challenge. There are complexities involved in accessing and integrating data from various sources. Bureaucratic hurdles, lack of standardized data-sharing protocols, and inter-agency silos hinder the efficient flow of information. Strengthening inter-agency collaboration and establishing clear protocols for data sharing and integration are crucial for the success of a national integrated data system. Effective data integration requires seamless coordination among multiple governmental agencies and institutions to overcome these challenges and ensure efficient data collection and utilization.

Strategic Interventions and Programs

To address the challenges facing the National Integrated Data System (NIDS) and enhance its effectiveness in accelerating the SDGs in Nepal, several strategic interventions and programs are essential. These initiatives aim to improve data availability, quality, and utilization, ensuring comprehensive and accurate SDG monitoring and reporting.

Establishing a Centralized Data Repository: The creation of a centralized platform for accessing and analyzing key development data through the operationalization of the National Data Profile (NDP) will significantly improve data management and utilization. This repository will consolidate data from various sources, ensuring that policymakers have access to accurate, timely, and comprehensive information. By centralizing data, the NDP will facilitate easier data sharing and integration, reducing inconsistencies and enhancing the reliability of data used for SDG monitoring.

Enhancing Data Quality and Coverage: Investments in data governance, statistical infrastructure, and capacity building are necessary to improve the quality, coverage, and usability of administrative data, including Civil Registration and Vital Statistics (CRVS). Enhancing data collection methods, standardizing reporting protocols, and conducting regular updates will create a robust administrative data system. These improvements will ensure that data used for SDG progress assessment is comprehensive and accurate, addressing current gaps and inconsistencies.

Technological Innovations: Embracing technological innovations is crucial for improving data collection processes, storage, and analysis. Implementing advanced data management systems, cloud computing solutions, and cybersecurity measures will enhance the effi-

ciency and security of the NIDS. Additionally, leveraging technologies such as artificial intelligence and machine learning can help in analyzing large datasets, identifying trends, and generating insights for better decision-making. These technological advancements will lead to more efficient SDG progress assessment and resource allocation.

Capacity Building Programs: Implementing comprehensive training programs for statisticians and data collectors is essential for building capacity in data handling, analysis, and utilization. These programs will equip personnel with the necessary skills and knowledge to effectively manage and utilize data. Regular workshops, seminars, and training sessions will be organized to keep the workforce updated on the latest data management techniques and technologies. Enhanced capacity will ensure that data is collected, analyzed, and disseminated efficiently, supporting evidence-based policymaking.

Promoting Collaboration: Fostering collaboration among government agencies, international organizations, and civil society is critical for data sharing and best practices. Establishing clear protocols for data sharing and integration will facilitate seamless coordination and information flow among various stakeholders. Collaborative efforts will create a culture of data sharing, leading to a more holistic understanding of development progress and challenges. This integrated approach will enhance the effectiveness of the NIDS and support comprehensive SDG monitoring.

Restructuring Statistical Systems: Restructuring the federal, provincial, and local-level statistical systems is essential for ensuring coordinated and effective data collection and reporting processes across all administrative levels. Establishing standardized data collection frameworks and reporting protocols will

streamline data management and utilization. This restructuring will enable efficient data integration and provide a comprehensive view of development progress at all levels, contributing to more accurate and reliable SDG monitoring.

Conclusion

The National Integrated Data System (NIDS) is pivotal for Nepal's sustainable development, and its aim to meet the SDGs by 2030. Despite significant challenges, including data availability, technological constraints, and coordination issues, the strategic interventions and programs outlined provide a clear path forward. By establishing a centralized data repository, enhancing data quality and coverage, leveraging technological innovations, implementing comprehensive capacity-building programs, promoting collaboration, and restructuring statistical systems, Nepal can build a robust data ecosystem. This will not only support evidence-based policymaking and efficient resource allocation, but also ensure comprehensive and accurate monitoring of SDG progress. Through these efforts, Nepal is well-positioned to achieve sustainable development, improve governance, and enhance the quality of life for its citizens.

Conclusion and Post VNR Action Plan

8.1 Conclusion

Nepal's journey towards achieving the SDGs is marked by commendable dedication, substantial progress, and persistent challenges. This comprehensive assessment spanning various sectors reflects the country's commitment to addressing socio-economic, environmental, and political dimensions of sustainable development.

Since the adoption of the 2030 Agenda for Sustainable Development, Nepal has made significant strides in aligning its national policies, plans, and programs with the SDGs, demonstrating a strong commitment to sustainable development. Positive strides are evident in poverty reduction, food security, healthcare, education, gender equality, clean water, and sanitation, sustainable cities, and environmental conservation. The achievements are significant, with numerous indicators surpassing their 2022 targets, reflecting Nepal's earnest efforts. However, challenges such as data quality issues, coordination gaps, and negative progress in certain indicators underscore the complexity of the sustainable development landscape.

A dual perspective on progress, considering both the 2022 milestones and the 2030 long-term targets, provides a nuanced understanding. While an average of 58.0 percent progress towards the 2022 goals is notable, acknowledging the 41 percent of unachieved targets highlights the need for intensified efforts in the short term. The projection of achieving approximately 60.0 percent of the long-term goals by 2030 signifies a positive trajectory, but also indicates the necessity of sustained focus and strategic planning.

The VNR process has provided valuable insights into Nepal's SDG journey, highlighting the achievements made across various goals and targets. Nepal has made notable progress in reducing poverty, improving access to education and healthcare, promoting gender equality, and expanding infrastructure. The country has also taken steps to localize the SDGs, engaging provincial and local governments in the implementation process.

However, the VNR also identifies several challenges that need to be addressed to accelerate progress towards the SDGs. These include enhancing data availability and quality, strengthening institutional coordination, mobilizing adequate financial resources, and ensuring inclusive participation of all stakeholders. The COVID-19 pandemic has further exacerbated existing vulnerabilities and inequalities, necessitating targeted interventions to build back better.

The VNR emphasizes the importance of a whole-of-society approach, recognizing the crucial role of multi-stakeholder partnerships in achieving the SDGs. Nepal has actively engaged with civil society organizations, the private sector, academia, and development partners to foster collaborative efforts and leverage resources for sustainable development.

As Nepal proceeds on its sustainable development journey, more intensive emphasis is needed on inclusivity, adaptability, and resilience. Recognizing that sustainable development is an ongoing process, the country must remain vigilant in monitoring progress, adapting strategies to emerging challenges, and embracing innovative solutions. By doing so,

Nepal can not only fulfill its commitment to the SDGs but also pave the way for a more sustainable, equitable, and resilient development for the prosperous future of its citizens.

As Nepal moves forward, it is essential to maintain the momentum generated by the VNR process and translate the findings into concrete actions. The country must prioritize the implementation of the National Strategic Vision for SDG Acceleration and Post VNR Action Plans (PVAP) outlined in the VNR, ensuring that they are integrated into national and sub-national plans, policies, and budgets.

Nepal remains committed to the 2030 Agenda and the principle of leaving no one behind. By addressing the identified challenges, strengthening institutional mechanisms, enhancing data systems, and fostering inclusive partnerships, Nepal can accelerate progress towards the SDGs and build a more sustainable, equitable, and resilient future for all its citizens.

8.2 Post VNR Action Plan

To ensure effective follow-up and implementation of the VNR findings and recommendations, a Post VNR Action Plan is necessary. The following action plans will be outlined in key activities, timelines, and responsibilities to maintain the momentum and drive progress towards the SDGs as this VNR report is presented at HLPF. The key components of the Post VNR Action Plan will be as follows:

1. **Dissemination and Communication**
   - Translate the VNR report into Nepali language and disseminate it widely to stakeholders and the general public.
   - Organize press conferences, media briefings, and social media campaigns to share the VNR findings and next steps.
   - Engage with parliament, media, and key stakeholders to raise awareness and foster ongoing dialogue on SDG progress.

2. **Policy Coherence and Alignment**
   - Integrate the VNR findings and recommendations into national and sectoral plans, policies, and budgets.
   - Strengthen inter-ministerial coordination and policy coherence for SDG implementation.
   - Align budgetary processes with the SDGs through budget coding to ensure adequate resource allocation in SDGs implementation.

3. **SDG Localization and Sub-national Implementation**
   - Strengthen the capacity of provincial and local governments to integrate the SDGs into their plans, policies, and budgets.
   - Conduct province-specific SDG progress assessments and public expenditure tracking surveys.
   - Promote peer learning and knowledge sharing among sub-national governments to accelerate SDG localization efforts.

4. **Financing for SDGs**
   - Implement the revised SDG Need Assessment, Costing and Financing Strategy to mobilize domestic and international resources for SDG implementation.
   - Strengthen public-private partnerships and explore innovative financing mechanisms.
   - Engage with development partners to align their support with national SDG priorities.

5. **Stakeholder Engagement**
   - Organize regular multi-stakeholder forums, thematic roundtables, and consultations to discuss SDG progress and challenges.
   - Engage with development partners to mobilize technical and financial support for VNR follow-up activities.

6. **Capacity Building and Knowledge Sharing**
   - Conduct capacity building programs for government officials, parliamentarians, and other stakeholders on SDG implementation and monitoring.
   - Promote knowledge sharing and peer learning through regional and global platforms.
   - Establish an online knowledge portal to share best practices, lessons learned, and SDG-related resources in all federal, provincial and local levels.

7. **Data, Monitoring, and Reporting**
   - Enhance the national statistical system to improve data availability, quality, and disaggregation for SDG monitoring.
   - Align national and sub-national indicators with the SDGs and strengthen data collection and reporting mechanisms.
   - Conduct SDG progress reviews and present reports to parliament and other stakeholders.

The Post VNR Action Plan will be regularly monitored and reviewed to track progress and make necessary adjustments. Nepal is committed to implementing the action plan in a participatory and inclusive manner, ensuring the engagement of all relevant stakeholders.

By following through on the Post VNR Action Plan, Nepal aims to maintain the momentum generated by the VNR process, address the identified challenges, and accelerate progress towards the SDGs. The action plan will serve as a roadmap for Nepal's sustainable development efforts, guiding the country towards a more prosperous, equitable, and resilient future.

Annexes

Annex I: Main Messages[12]

Nepal has incorporated the 2030 Agenda for Sustainable Development in its national policies, plans and programs. It has been consistently working to localize these efforts at the sub-national and community levels. Collaborative endeavors of the government and stakeholders have helped in bringing significant socio-economic changes in the country.

Up to the midpoint of SDGs implementation (2022), an average progress of 41.7 percent has been achieved. Certain areas have witnessed remarkable progress, while a significant number of targets are either progressing too slowly or even regressing. Compared to the 2022 targets, 41 percent of indicators have exceeded their targets, 35 percent displayed some kind of positive progress, 20 percent have shown negative progress and 3 percent remain unchanged. Based on the current pace of progress observed between 2016 and 2022, the country is projected to attain about 60 percent of SDGs by 2030.

The progress on *poverty reduction* was very encouraging during the first four years, but around 4 percent of the people fell into extreme poverty due to the COVID-19 pandemic. Progress towards *zero hunger* remained a bit slow during this period. There is gradual progress on *healthy life and wellbeing;* however, incidence of anemia among women of reproductive age as well as under-5 children mortality worsened during the period. Similarly, basic water supply and sanitation facilities has increased, but more focus is needed on safe-water supply. A remarkable progress has been observed in access to electricity, per capita energy consumption, and adoption of cleaner cooking methods. In *decent work and economic growth,* there is positive progress in real GDP growth; however, employment-re-

lated indicators and financial inclusion faced setbacks. The road density has gone up during the period, while the progress in industrial sector lagged far behind.

Progress has been made in reducing income inequality; however, further emphasis is needed to bridge the gap between disadvantaged groups and the rest of the society to ensure equal access to resources, opportunities, and services. Significant progress has been observed in enhancing safe housing and planned new cities. Efforts are needed to minimize the environmental impact of changed consumption pattern. In climate action, reducing greenhouse gas emissions and preparation of local adaptation plans have exceeded the national targets. A notable achievement has been made in community-based forest management, afforestation, and the conservation of iconic species like tigers and rhinos. On peace, justice, and strong institutions, encouraging trends emerged in controlling child trafficking and sexual violence; however stagnant scores on transparency and accountability have become a setback. Thus, the overall progress made so far indicates the need for intensified and concerted efforts to enhance partnerships for achieving the remaining targets by 2030.

Nepal has prepared this 3rd Voluntary National Review (VNR) of SDGs in participation with representatives from line ministries, associations of the sub-national governments, private sector, cooperatives, civil society, human rights commission, and marginalized groups. The VNR focuses on accelerating the achievement of SDGs. The prioritized themes include *Decent Job and Social Protection, Food System Transformation, Transformation of Health and Education, Sustainable and Resilient Urbanization, Gender*

---

12. Submitted to UN-DESA on April 24, 2024

Equality, Social Inclusion, Climate Action, Digital Transformation, and Data Management. The Sixteenth National Development Plan, which is being implemented from FY 2024/25 has the vision of *"Good Governance, Social Justice, and Prosperity".* The plan emphasizes on the acceleration of implementation of the SDGs to achieve the national development goals.

The updated SDGs: *Needs Assessment, Costing and Financing Strategy (2024)* has estimated that total investment required for achieving the defined targets for the period of 2024-30 is US$ 163 billion, amounting to annual average of US$ 23 billion. The average SDG investment requirement reaches 45 percent of GDP in 2030. This requirement is obviously high but is achievable with mobilization of larger financing sources in productive areas thus improving the efficiency of investment.

Nepal is graduating from the LDC status in 2026, which will have significant implications to the country's trade, aid, and investment environment. Ensuring financing of the SDGs, capacity building, strengthening institutions and fostering collaboration to create a conducive environment for research, and innovation, will be essential in the coming years. This will help to fulfill the overarching aspiration of *"Leaving No One Behind"* and *"Reaching the Furthest Behind First".*

Annex II: Methodological approach for assessing SDGs Progress

This progress assessment utilized a combination of qualitative and quantitative assessment methods to assess the progress of SDG implementation in Nepal as shown in figure below.

1.5.1 Qualitative Assessment:

The following steps were involved in qualitative assessment.

- Carry out interactions, consultation meetings and workshops with planners, policy makers and key stakeholders particularly the SDGs focal persons of relevant organizations,
- Conduct desk reviews to assess the extent of SDGs internalization in national, provincial, and local plans, programs, and policies.
- Evaluate the government's efforts in various aspects, such as policy guidelines, baseline setting, needs assessment, re-

source allocation, prioritization, institutional mechanisms, partnerships, data, reporting, and monitoring systems.

Within the qualitative assessment framework, desk reviews and consultation with ministries and relevant institutions using a qualitative assessment tool were conducted. The relevant ministries and institutions supplied information based on the checklist/qualitative assessment tool. Both methods assessed the extent of SDGs integration in national, provincial, and local plans, programs, and policies. The focus was on assessing the government's efforts in developing policy guidelines and strategies, setting baselines, milestones, and targets, conducting needs assessments, allocating resources, prioritizing actions, establishing institutional mechanisms, fostering partnerships, ensuring data availability, reporting and

SDGs progress assessment framework

SDGs progress assessment
→ Qualitative assessment
  → Desk reviews (plans, policies and documents)
  → Stakeholder consultation (meetings, interactions and workshops)
→ Quantitative assessment
  → Collection, compilation, and analysis of data and indicators from credible Sources
  → Comparison of progress and targets for each indicator
  → Computation and assessment of progress indices for SDGs

strengthening monitoring systems. Additionally, these techniques provided insights about challenges of implementing each SDGs and way forward toward accelerating the progress in coming years.

1.5.2. Quantitative Assessment:

It involved the following steps.
- Collect recent data from multiple credible sources.
- Compare the progress of each indicator with the milestones set for 2022, considering the 2015 baseline.
- Calculate SDG progress indices for individual indicators, following ESCAP's methodology, and determine current progress of each indicator with respect to 2022 and 2030 targets.
- Calculate overall progress index of each goal and overall SDGs in relation to 2022

and 2030 targets, providing a quantitative assessment of progress.

Within quantitative assessment framework, it employed two distinct methods to assess Nepal's progress on the implementation of SDGs. It utilized publicly available and recent data from multiple reputable sources. This methodology for assessing Nepal's progress towards the SDGs acknowledges the limitation of data availability for the year 2022. As a result, the analysis utilizes the closest available data, which may not accurately reflect the status of that specific year. The study takes into account the sources and reference years of each indicator and interprets the data in relation to the milestone set for 2022 and target for 2030. While this approach provides valuable insights, it's important to consider the potential limitations of using data from different years when assessing progress towards the SDGs in 2022.

Goal	Sustainable Development Goals	Total indicators	Indicators for which data is available	Data availability (percent)
1	No Poverty	20	11	55.0
2	Zero Hunger	25	19	76.0
3	Good Health and Well-being	50	36	72.0
4	Quality Education	30	30	100.0
5	Gender Equality	22	21	95.5
6	Clean Water and Sanitation	12	7	58.3
7	Affordable and Clean Energy	10	8	80.0
8	Decent Work and Economic Growth	22	17	77.3
9	Industry, Innovation, and Infrastructure	12	10	83.3
10	Reduced Inequalities	14	12	85.7
11	Sustainable Cities and Communities	13	11	84.6
12	Responsible Consumption and Production	11	7	63.6
13	Climate Action	15	15	100.0
15	Life on Land	18	15	83.3
16	Peace, Justice, and Strong Institutions	17	10	58.8
17	Partnerships for the Goals	10	9	90.0
Total		**301**	**238**	**79.1**

The first approach compares the progress of each indicator with the milestones set for 2022, considering the baseline established in 2015. The analysis also highlights both the achievements and gaps towards the overarching goal by 2030. This comprehensive assessment helps identify areas requiring further attention and resources. Policymakers can utilize this information to prioritize and allocate resources to bridge the remaining gaps. The methodology provides valuable insights for evidence-based decision-making and targeted interventions, supporting Nepal's sustainable development efforts.

The second approach employs calculation of SDG progress indices for each individual indicator within the goal. This calculation is based on available data and is aimed at providing a quantitative assessment of progress. By assigning numerical values to the indicators, the indices enable a more precise and standardized evaluation of the advancements made in each specific area. Furthermore, the study also calculates an overall progress index for 2022 by aggregating the individual indicator indices. This overall index offers a comprehensive assessment of the overall SDG progress achieved thus far, considering the collective advancements across multiple indicators.

The SDG progress indices serve as valuable tools for monitoring and evaluating progress towards the SDGs. They provide a quantitative measure that allows for comparisons and benchmarking, enabling policymakers and stakeholders to gain insights into the relative strengths and weaknesses in different areas. These indices facilitate a more comprehensive understanding of the progress made in achieving the SDGs and help identify areas that require further attention and targeted interventions.

The formula for calculating the progress assessment index (I)[13] with respect to target is constructed as follows:

$$I = \frac{(\text{Current Value} - \text{Baseline Value})}{|(\text{Target Value} - \text{Baseline Value})|} xD; \text{ Where:}$$

D = 100 or -100 if the direction of progress is anticipated increasing or decreasing

Progress Index for any indicator with respect to intermediate target 2022 target is given by:

$$I = \frac{(\text{Progress in 2022} - \text{Baseline in 2015})}{|(\text{Target in 2022} - \text{Baseline in 2015})|} xD$$

This represents the extent of achievement made in a specific indicator in 2022, relative to its intermediate target set for the same year.

And Progress Index for any indicator with respect to long-term 2030 target is given by:

$$I = \frac{(\text{Progress in 2022} - \text{Baseline in 2015})}{|(\text{Target in 2030} - \text{Baseline in 2015})|} xD$$

This represents the extent of achievement made in a specific indicator in 2022, relative to its long-term target set for 2030.

For parity indicators, the value is:

$$I = 100 - \frac{|(\text{Target Value} - \text{Progress in 2022})|}{|(\text{Target Value} - \text{Baseline in 2015}|}$$

Furthermore, the anticipated progress for 2030 has been forecasted based on the observed growth between 2015 and 2022. The study has employed a geometric growth rate to forecast anticipated progress for 2030.

Therefore, the anticipated progress (AP) for 2030 is given by geometric growth model,

$AP_{30} = P_{22} (1+R)^{T2}$

Where P_{22} = Reported progress in 2022 and T_2 is time between 2022 and 2030, i.e., 8 years.

R= progress growth rate observed between 2015 and 2022, R = [$(P_{22}/P_{15})^{1/T_1}$ -1], P_{15} is baseline value of the given indicator in 2015 and T_1 is the time between 2015 and 2022, i.e., 7 years.

---

13. Please refer to https://data.unescap.org/resource-guides/progress-assessment-methodology

Handling progress index

If the country has progressed since 2015, the average overall normalized value under each goal provides an index between 0 and 100. But if the country has regressed, the value is negative and indicates the size of regression. The following rules are applied to different types of progress indicators:

Positive Progress: For indicators that have shown a positive sign but have not reached 100 percent progress, their values remain the same. This value represents the net progress achieved, indicating the advancement made towards the target.

Exceeding 100 percent Progress: In cases where indicators have exceeded 100 percent progress, their achievement is stated as 100 percent. This approach prevents potential distortion of the overall progress index. By capping the achievement at 100 percent, it acknowledges that the target has been met and avoids skewing the overall progress.

Negative Progress: Indicators that show negative progress, i.e., less than 0, have their achievement stated as 0. This signifies that the target has not been reached and reflects the lack of progress or a decline compared to the baseline. By applying these principles consistently, the overall progress index maintains its reliability and will accurately represents the progress made.

It ensures that indicators with varying progress levels are appropriately reflected, while avoiding distortions that may arise from values exceeding 100 percent or below 0 percent. By applying these adjustments, the analysis stabilizes the progress index within the desired range of 0 to 100, preventing it from exceeding these bounds.

The formula calculates the progress assessment index as the percentage of progress made between the baseline and target values. A value of 100 indicates that the target has been achieved, values between 0 and 100 indicate the remaining gap towards the target, and a value 0 indicates that there is no progress from the baseline. For example, if the progress of certain indicator was found 45 in 2022, it indicates that only 45 percent of the desired progress has been achieved in 2022.

To calculate the overall progress index based on individual indices, a weighted average approach as defined by the following general formula is applied:

Overall Progress Index $I = (w_1 * I_1) + (w_2 * I_2) + ... + (w_n * I_n)$; Where:

$I_1, I_2, ..., I_n$: Individual progress indices for each indicator.
$w_1, w_2, ..., w_n$: Weights assigned to each indicator, reflecting their relative importance or priority.

The individual progress indices (I_s) are calculated for each indicator using their respective formulas or methodologies. These individual indices represent the progress made for each indicator relative to their baseline and target values. In this study, equal weights(w) were assigned to each indicator. This approach simplifies the calculation and analysis process, although it does not account for the varying importance or impact of different indicators. Despite this limitation, the equal-weight approach enables a straightforward comparison and interpretation of the overall progress index.

Overall, the methodology for assessing Nepal's progress towards the SDGs in 2022 involves two main approaches: i) comparing advancements in each indicator with corresponding milestones and ii) calculating SDGs progress indices. The first approach analyzes individual indicators in relation to their milestones, providing a comprehensive assessment of advancements and alignment with reference points. The second approach quantitatively assesses progress using indices for each indicator and an overall progress index. These indices facilitate monitoring, benchmarking, and identification of priority areas. By combining the indices, the methodology enables a holistic evaluation of Nepal's progress towards the SDGs, informing evidence-based decision-making and resource allocation for accelerated progress.

Annex III: Goal Wise SDGs Progress

Goal No.	Sustainable Development Goals	2022 Progress towards targets (%)		Anticipated progress for 2030 (%)
		2022	2030	
1	No Poverty	78.1	54.1	78.6
2	Zero Hunger	68.3	44.9	71.5
3	Good Health and Well-being	48.7	41.5	56.8
4	Quality Education	66.1	43.9	71.1
5	Gender Equality	57.9	38.0	58.1
6	Clean Water and Sanitation	63.5	36.3	57.8
7	Affordable and Clean Energy	63.5	39.5	70.1
8	Decent Work and Economic Growth	31.5	19.7	34.7
9	Industry, Innovation, and Infrastructure	41.0	30.4	42.0
10	Reduced Inequalities	72.5	44.8	72.3
11	Sustainable Cities and Communities	97.2	76.1	89.0
12	Responsible Consumption and Production	38.6	29.5	43.1
13	Climate Action	55.3	43.4	53.9
15	Life on Land	69.3	59.9	67.5
16	Peace, Justice, and Strong Institutions	57.4	35.8	55.1
17	Partnerships for the Goals	34.9	22.3	37.7
Overall progress of SDGs		**58.6**	**41.7**	**60.5**

Annex IV: Indicator wise SDGs Progress

Goal 1: End poverty in all its forms everywhere

Indicator	Description of SDG Indicators	Baseline 2015	2019	Targets 2022	2030	Progress 2019	2022
1.1.1.1	Poverty $1.9 Per day (PPP value)	36.0	28.5	22.9	8.0	15.0	15.0
1.1.1.2	Per capita Gross National Disposable Income (GDNI) (US$)	766	821	1647	2500	1097	1755
1.2.1	Proportion of population living below the national poverty line	21.6	17.1	13.8	4.9	16.7	20.27
1.2.2	Multidimensional Poverty	30.1		28.2	10.0	30.1	17.4
1.3.1	Proportion of population covered by social protection floors/systems	8.1	27.3	41.7	80.0	17	47.0
1.3.1.1	Social protection expenditure in total budget (percent)	11.0	12.1	12.9	15.0	11.7	14.8
1.4.1.1	Households having access to market center within 30 min walk (percent of total)	45	57	66	90.0	44.7	44.7
1.4.1.2	Households covered by formal financial services (percent of total)	40	50.7	58.7	80	61.9	61.9
1.4.1.3	Households within 30 minutes travel time to health facility (percent of total)	61.8	69.3	75	80.6	49.3	77
1.4.2.1	Households having property/tangible assets in women's name (percent of total)	19.7	25.1	29.2	40.0	19.7	23.8
1.5.1.1	Loss of lives from disaster (number)	8891	331	268	100.0	968	320

Goal 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture

Indicator	Description of SDG Indicators	Baseline 2015	Targets 2019	Targets 2022	Targets 2030	Progress 2019	Progress 2022
2.1.1	Prevalence of undernourishment	36.1	27.3	20.6	3	8.4	5.4
2.1.2	Prevalence of moderate or severe food insecurity in the population, based on the Food Insecurity Experience Scale (FIES) percent	8.5	7.8	7	5	7.8	12.5
2.1.2.2	Prevalence of severe food insecurity (percent)	10.4	10	9	6	9.9	1.3
2.1.2.3	Prevalence of moderate food insecurity (percent)	29.5	28	26	19	22.7	11.2
2.1.2.4	Per capita animal source protein production (kg)	4.7	5.5	7.1	8.7	7.5	7.5
2.1.2.5	Per capita food grain production (kg)	320	376	418	530	376	381
2.1.2.6	Global Food Security Index (score)	42.8	57	66	90	46	56.9
2.2.1	Prevalence of stunting (height for age <-2 standard deviation from the median of the World Health Organization (WHO) Child Growth Standards) among children under 5 years of age	36	32	28.6	15	31.6	24.8
2.2.2	Prevalence of malnutrition (weight for height >+2 or <-2 standard deviation from the median of the WHO Child Growth Standards) among children under 5 years of age	11.3	8	7	4	10	7.7
2.2.2.1	percent of children under 5 years of age who are underweight (weight for age <-2SD)	30.1	20	18	9	24.3	19
2.2.2.2	Prevalence of anemia among women of reproductive age	35	26	24	10	40.8	34
2.2.2.3	Prevalence of anemia among children under 5 years	46	33	28	10	52.7	43
2.3.2.1	Land productivity (Mt./ha) USD	3278	4003	4646	7018	4022	4022
2.3.2.2	Livestock productivity- (Ltr/milking livestock)	600	-	845	1000	1200	1300
2.4.1.1	Round the year irrigated land in total arable land (percent)	25.2	40	50.5	80	33	39.64
2.4.1.2	Soil organic matter (SOM in crop land, percent)	1.96	2.79	3.37	4	2.80	2.83
2.a.1	Government expenditure in agriculture (percent of total budget)	3.3	-	3.34	4	2.21	2.41
2.b.2	Productivity of food grain (mt.tone/hq.) (Paddy/Wheat/Maize/Milet/Barley/Buckwheat)	-	-	3.21	4	3.21	3.3
2.c1.1	Food Consumer Price Index	114	120	144	208	135.97	159.28

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

Indicator	Description of SDG Indicators	Baseline	Targets			Progress	
		2015	2019	2022	2030	2019	2022
3.1.1	Maternal mortality ratio per 100,000 live births	258	125	116	70	239	151
3.1.2	Proportion of births attended by skilled health personnel	55.6	69	73	90	79.3	80.1
3.2.1	Under-five mortality rate	38	28	27	20	28	33
3.2.2	Neonatal mortality rate	23	18	16	12	16	21
3.3.1	Number of new HIV infections among adults 15–49 years old (per 1000 uninfected population)	0.03	0.022	0.018	0.014	0.015	0.014
3.3.2	Tuberculosis incidence (per 100,000 population)	158	85	67	20	111	126
3.3.3	Malaria incidence (per 1,000 population)	0.1	0.05	0.04	0.01	0.1	0.11
3.3.4	Hepatitis B prevalence (per 100,000 population)	2654	2654	2654	2566	2327	2214
3.3.5.1	Leprosy cases	2221	1693	1370	0	1019	2285
3.3.5.2	Kala-azar (Leishmaniasis) cases*	325	203	102	0	239	213
3.3.5.3	Lymphatic Filariasis cases	30,000	25,100	21,000	14,000	6,500	219
3.3.5.4	Dengue cases	728	455	228	0	698	54784
3.3.5.5	Active Trachoma Cases	136	65	73	0	136	4242
3.4.1.1	Mortality between 30 and 70 years of age from Cardiovascular disease, Cancer, Diabetes or Chronic respiratory disease (per 1000 population)	2.8	2.54	2.35	1.96	2.8	2.8
3.4.2	Suicide mortality rate (per 100,000 population)	16.5	14.5	9.7	4.7	17.8	23.4
3.5.2.1	percent of people aged 15 years and older having harmful use of alcohol (defined according to the national context)	2	1.9	1.9	1.8	2	2
3.6.1	Death rate due to road traffic injuries	19.86	9.93	8.94	4.96	15.92	9.4
3.7.1	Proportion of women of reproductive age (aged 15–49 years) who have their need for family planning satisfied with modern methods	66	71	74	80	56	55.1
3.7.1.1	a. Contraceptive prevalence rate (modern methods) (percent)	47	52	53	60	43	43

Indicator	Description of SDG Indicators	Baseline 2015	Targets 2019	Targets 2022	Targets 2030	Progress 2019	Progress 2022
3.7.1.2	b. Total Fertility Rate (TFR) (births per women aged 15-49 years)	2.3	2.1	2.1	2.1	2	2.1
3.7.2	Adolescent birth rate (aged 10-14 years; aged 15-19 years) per 1,000 women in that age group	170	56	51	30	63	63
3.8.1.1	a. percent of women having 4 antenatal care visits as per protocol (among live births)	60	71	75	90	56.2	80.5
3.8.1.2	b. percent of institutional delivery	55.2	70	74	90	77.5	79.4
3.8.1.3	percent of women attending three PNC as per protocol	20	50	65	90	16.4	44.2
3.8.1.4	percent of infants receiving 3 doses of Hepatitis B vaccine	88	90	93	95	86.4	98.6
3.8.1.6	percent of people living with HIV receiving Antiretroviral combination therapy	39.9	90	92	95	75	99.7
3.8.1.7	g. percent of population aged 15 years and above with raised blood pressure who are currently taking medication	11.7	31	39	60	19.8	70.7
3.8.1.8	h. percent of population aged 15 years and above with raised blood glucose who are currently taking medication	25	33	38	60	46	55
3.8.1.9	i. percent of households within 30 minutes travel time to health facility	61.8	75	75	90	49.3	77
3.8.2.1	a. percentage of out-of-pocket expenditure in total health expenditure	53	45	42	35.00	54.2	54.2
3a1	Age-standardized prevalence of current tobacco use among persons aged 15 years and older	30.8	26.18	24.33	15.09	16.5	28.9
3b1	Proportion of the target population covered by all vaccines included in their National programme	88	90	95	95.00	42.6	90.4
3b3.1	percent of government health facilities with no stock out of essential drugs	70	95	95	100	75	75
3c1	Health worker density and distribution (per 1000 population)	1.05	4.45	6	4.45	1.90	1.94
3c2	Total health expenditure as percent of GDP	5	5.6	6	7	1.9	5.3
3d1	International Health Regulations (IHR) capacity and health emergency preparedness (percentage)	77	82	85	95	44	44

Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Indicator	Description of SDG Indicators	Baseline	Targets			Progress	
		2015	2019	2022	2030	2019	2022
4.1.1.1	Net enrolment rate in primary education (percent)	96.6	98.5	99	99.5	97.2	97.1
4.1.1.2	Primary education completion rate (percent)	80.6	90.7	93.1	95	85.8	77.1
4.1.1.3	Proportion of pupils enrolled in grade one who reach grade eight (percent)	76.6	81.5	92	95	79.3	85.7
4.1.1.4	Ratio of girls (to boys) enrolled in grade one who reach grade eight	1.04	1.03	1.02	1	1.01	0.94
4.1.1.5	Ratio of girls (to boys) enrolled in grade one who reach grade twelve	1.1	1.04	1.03	1	1.05	0.99
4.1.1.6	Learning Achievement / Score (Math) for Class 5 (percent)	53.3	55	58	65	35	70
4.1.1.7	Learning Achievement / Score (Nepali) for Class 5 (percent)	63	66	70	75	34	60
4.1.1.8	Learning Achievement / Score (English) for Class 5 (percent)	53.6	57	60	68	41	41
4.1.1.9	Gross Enrolment in secondary education (grade 9 to 12) (percent)	56.7	72	90	99	71.6	83.4
4.2.2.1	Coverage of child grant for pre-primary education (number in '000)	506	596	620	700	No data	665
4.2.2.2	Attendance to early childhood education (Gross Enrolment) (percent)	81	85.8	89.4	99	84.7	94.9
4.3.1.1	Ratio of girl's enrolment in technical and vocational education	0.53	0.66	0.75	1	No data	0.75
4.3.1.2	Ratio of girl's enrolment in tertiary education (graduate level)	0.88	0.91	0.94	1	0.9	0.94
4.3.1.3	Scholarship coverage (percent of total students)	37	38.3	39.3	42	36	39.7
4.4.1 .2	Working age population with technical and vocational training (percent)	25	38	48	75	31	48
4.4.1.1	Youth & adults with technical & vocational training (number in '000, annual)	50	165	300	480	300	300
4.5.1.1	Gender parity index (GPI) (primary school)	1.02	1.01	1.01	1	1.06	0.99
4.5.1.2	Gender Parity Index (GPI) (secondary school)	1	1	1	1	0.95	0.94
4.5.1.3	Gender Parity Index (GPI) based on literacy (above 15 years)	0.62	0.72	0.8	1	0.65	0.8
4.6.1.1	Literacy rate of 15-24 years old (percent)	88.6	91.4	95	99	92	93.8
4.6.1.2	Literacy rate of 15-24 years old (women) (percent)	87.4	90.5	92.8	99	87.4	92.5
4.6.1.3	Public spending per student (Basic education in 'Rs. 000)	15	19	22	30	12	23.3
4.7.1.1	Human assets index	66.6	68.9	70.5	76	72	74.9
4.7.1.2	Gender development index (GDI)	0.53	0.58	0.61	0.7	0.897	0.942
4.a1	Schools with access to electricity (percent)	40		60	99	52.0	53.3
4.a2	Schools with access to internet (percent)	3.9	28.6	47.2	99	28	35.6
4.a3	Basic schools with access to "WASH" facilities (percent)	80	85	88.3	99	82.0	75.7
4.a4	Disability friendly schools (percent)	15		40	99	32.0	25
4c1.1	Proportion of teachers in basic education who have received at least the minimum organized teacher training, (percent)	95.5	96.5	97.5	100	77.4	97.5
4c1.2	Proportion of teachers in secondary education who have received at least the minimum organized teacher training, (percent)	95.4	96	97	100	77.1	97

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

Indicator	Description of SDG Indicators	Baseline		Targets		Progress	
		2015	2019	2022	2030	2019	2022
5.1.1.1	Wage equality for similar work (ratio of women's wage to that of men)	0.62	0.72	0.8	0.92	0.66	0.66
5.1.1.2	Gender Inequality Index	0.49	0.38	0.29	0.05	0.476	0.452
5.1.1.3	Gender Empowerment Measurement (Index)	0.57	0.6	0.63	0.69	0.62	0.62
5.2.1.1	Ever-married women aged 15-49 years who have ever experienced physical or sexual violence (percent) during previous 12 months	28.4	22.2	17.5	5	24.3	17.2
5.2.1.2	Children aged 1-14 years who experienced psychological aggression or physical punishment during the last one month (percent)	81.7	59.9	43.6	13.6	77.6	77.6
5.2.2.1	Women aged 15-49 years who experience Physical / sexual violence (percent)	26	19.1	13.9	6.5	11.2	12.2
5.2.2.2	Women and Girls Trafficking (number)	1697	725	650	325	946	200
5.3.1.1	Proportion of women aged 20-24 who were married or in union before age 15 (percent)	-	1.5	1	0	1.75	5.2
5.3.1.2	Women aged 15-19 years who are married or in union (percent)	24.5	18	13.1	4.1	19.3	21.3
5.4.1.1	Ratio of women to men participation in labor force	0.93	0.95	0.96	1	0.61	0.61
5.4.1.2	Average hours spent in domestic work by women	14	11.87	10.27	6	6	10
5.5.1.1	Women's representation in national parliament (percent)	29.5	33	34.4	40	33.5	33.6
5.5.1.2	Women's representation in provincial parliament (percent)	-	33	34.4	40	34.4	34.5
5.5.1.3	Women's representation in local government bodies (percent)	-	40.5	41	42	40.8	40.9
5.5.2.1	Women's participation in decision-making level in the private sector (percent)	25	30.3	34.3	45	29.61	29.61
5.5.2.2	Women's participation in cooperative sector (percent)	50	50	50	50	51	53
5.5.2.3	Women in civil service decision making positions (percent of total employees)	11	17	21.3	33	13.6	13.6
5.5.2.4	Ratio of women to men in professional and technical workers (percent)	24	28	31	40	25	25
5.6.1.1	Awareness about reproductive rights among girls and women (percent)- Proportion of women aged 15-49 years who make their own informed decisions regarding sexual relations, contraceptive use and reproductive health care.	59.5	68	74	90	57.5	62.6
5.a1.2	Women's ownership of agricultural land	26	29.7	32.5	40	33.93	34.4
5.b1	Use of Internet by women aged 15-24 years (percent)	19.60	40.50	56.20	98.00	34.97	76.50

Goal 6: Ensure availability and sustainable management of water and sanitation for all

Indicator	Description of SDG Indicators	Baseline	Targets			Progress	
		2015	2019	2022	2030	2019	2022
6.1.1	Proportion of population using safely managed drinking water services)	15	35	50	90	25	25.81
6.1.1.1	Basic water supply coverage (percent)	87	90.2	92.6	99	88	96.4
6.2.1.1	Proportion of population using safely managed sanitation services including a hand-washing facility with soap and water	30	46	62	90	61.1	61.1
6.2.1.2	Basic sanitation coverage (percent)	82	86.5	89.9	99	89.9	95.5
6.2.1.3	percentage of children under age 5 with Diarrhea in the last 2 weeks	12	8	6	1	10	10
6.3.1.1	Proportion of untreated industrial wastewater (percent)	99	75.3	57.5	10	95	95
6.3.1.2	percentage reduction of untreated domestic wastewater	99	99	96	70	96.8	96.8

Goal 7: Ensure access to affordable, reliable, sustainable, and modern energy for all

Indicator	Description of SDG Indicators	Baseline	Targets			Progress	
		2015	2019	2022	2030	2019	2022
7.1.1	Proportion of population with access to electricity	74	80.7	85.7	99	89.9	95
7.1.1.1	Per capita energy (final) consumption (in gigajoules)	16	18.1	19.7	24	20	21.92
7.1.2.1	Households using solid fuel as primary source of energy for cooking (percent)	74.7	65	55	30	68.6	53.9
7.1.2.2	People using liquid petroleum gas (LPG) for cooking and heating (percent)	18	23.6	27.8	39	34	34
7.1.2.3	Per capita electricity consumption (Kilo watt hour)	80	230	542	1500	260	380
7.2.1	Renewable energy share in the total final energy consumption	11.9	22.1	29.7	50	5	7.6
7.2.1.1	Installed capacity of hydropower (MW)	782	2301	5417	15000	1250	2767
7.3.1.1	Ratio of commercial energy use (MJ) to GDP	3.2	3.18	3.17	3.14	4.2	4.2

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

Indicator	Description of SDG Indicators	Baseline 2015	Targets 2019	Targets 2022	Targets 2030	Progress 2019	Progress 2022
8.1.1	Annual Growth Rate of Real GDP per capita (percent)	-0.9	3.6	4.5	7	5.6	1.02
8.1.1.1	Annual Growth Rate of Real GDP (percent)	2.3	3.6	4.5	7	-2.4	2.31
8.2.1	Annual growth rate of real GDP per employed person	1.6	3.8	5.5	10	7	4.5
8.3.1.	Proportion of informal employment in non-agriculture employment, by sex	70	54	42	10	81.2	81.2
8.5.2.1	Unemployment rate (percent)	-	11.4	10	8	11.4	11.4
8.6.1	Proportion of youth (aged 15-24 years) not in education, employment, or training	-	35.3	25	15	35.3	35.3
8.6.1.1	Youth unemployment rate of age 15-24 (percent)	-	21.4	20	15	24	38.1
8.7.1	Proportion and number of children aged 5-17 years engaged in child labor, by sex and age	-	47.8	33	15	15.3	15.3
8.9.1	Tourism direct GDP as a proportion of total GDP and in growth rate	2.6	4	5.1	8	2.7	2.0
8.9.1.1	Tourist arrivals (million)	0.8	1.6	1.9	3	1.2	0.6
8.9.1.2	Average expenses per visitor per day (USD)	70	48	65	100	48	40.5
8.9.1.3	Average length of stay (days)	13.2	12.7	15.5	17	12.7	13.1
8.9.2.1	Annual number of jobs in tourism industries ('000)	90	332.7	514.7	1000	200	371.14
8.10.1.1	Life insurance coverage (percent of population)	5	10.3	14.3	25	19	19
8.10.1a	Number of commercial bank branches per 100,000 adults	18	23	26	36	16	16
8.10.1b	Automated teller machines per 100,000 adult population (number)	11	17	21	33	16.1	16.1
8.10.2	Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider	34	51.3	64.3	99	40.3	51.1

Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

Indicator	Description of SDG Indicators	Baseline		Targets			Progress	
		2015	2019	2022	2030		2019	2022
9.1.1.1	Road density (km/sq. km)	0.55	1.3	1.35	1.5		0.63	0.63
9.1.1.2	Paved road density (km/sq. km)	0.01	0.07	0.12	0.25		0.11	0.12
9.2.1	Manufacturing value added as a proportion of GDP and per capita	6.6	8.8	10.5	15		5.65	5.2
9.2.1.1	Industry's share in GDP (percent)	15	17.7	19.7	25		14.47	13.1
9.2.2	Manufacturing employment as a proportion of total employment	6.6	8.3	9.6	15		15.1	15.1
9.5.1	Research and development expenditure as a proportion of GDP	0.3	0.62	0.86	1.5		0.3	0.3
9.5.2.1	Enrolment in Science and Technology in proportion to total enrolment (percent)	6.8	9	10.6	15		10.6	10.9
9.5.2.2	Number of patents registered	75	322	507	1000		2	11
9.b.2	Industrial value added per unit of capital	-	-	0.82	1		0.82	4.9
9.c.1	Proportion of population covered by a mobile network, by technology	94.5	96	97.1	100		137.55	93

Goal 10: Reduce inequality within and among countries

Indicator	Description of SDG Indicators	Baseline		Targets			Progress	
		2015	2019	2022	2030		2019	2022
10.1.1.1	Consumption inequality (measured by the Gini coefficient)	0.33	0.28	0.25	0.16		0.30	0.30
10.1.1.2	Income inequality (measured by the Gini coefficient)	0.46	0.4	0.35	0.23		0.32	0.31
10.1.1.3	Share of bottom 40 percent of population in total consumption (percent)	18.7	19.4	21.2	23.4		25.7	25.7
10.1.1.4	Share of bottom 40 percent of population in total income (percent)	11.9	13.1	14.7	18		20.4	20.4
10.1.1.5	PALMA Index	1.3	1.22	1.16	1		1.34	1.34
10.2.1.1	Social Empowerment Index	0.41	0.48	0.54	0.7		0.5	0.54
10.2.1.2	Economic Empowerment Index	0.34	0.43	0.51	0.7		0.45	0.51
10.2.1.3	Political Empowerment Index	0.65	0.7	0.74	0.85		0.71	0.74
10.4.1.1	Ratio of wage index to consumer price index	2.94	2.96	2.97	3		1.97	2.02
10.5.1.1	Proportion of farm households covered by microfinance (percent)	24	28.3	31.5	40		29	29
10.5.1.3	Global Competitive Index (Score)	3.9	4.1	4.9	6		5.1	5.1
10.c.1	Remittance costs as a proportion of the amount remitted	3.97	3.5	3.1	2		3.4	3.4

Goal 11: Make cities and human settlements inclusive, safe, resilient, and sustainable

Indicator	Description of SDG Indicators	Baseline		Targets		Progress	
		2015	2019	2022	2030	2019	2022
11.1.1.1	Population living in slum and squatters ('000)	500	400	325	125	200	200
11.1.1.2	Household units roofed with thatched/straw row (percent)	19	15.3	12.5	5	9.1	3.9
11.1.1.3	Proportion of urban population living in houses with roof of thatches	-	-	3.9	0	3.6	2.8
11.1.1.4	Households living in safe houses (percent)	29.8	37.8	43.9	60	40	54
11.3.2.1	Planned new cities (number)	10	23	33	60	27	54
11.5.1.1	Affected population due to disaster (number '00000')	22.3	8.57	1.45	0.5	0.27	0.34
11.6.2.1	Concentration of Total Suspension Particulates (µg/m3, 24 hours' average)	230	199.3	176.3	115	230	80.7
11.6.2.2	Concentration of Particulate Matters (µg/m3, 24 hours' average)	120	101.3	87.3	50	110	48.9
11.6.2.3	Concentration of PM2.5 (µg/m3, 24 hours' average)	40	34.7	30.7	20	50	33.3
11.6.2.4	Concentration of Sulphur Dioxide (µg/m3, 24 hours' average)	70	70	70	70	70	70
11.7.2.1	Proportion of women victims of physical or sexual harassment in previous 12 months	14	10.27	7.47	0	11.6	6

Goal 12: Ensure sustainable consumption and production patterns

Indicator	Description of SDG Indicators	Baseline		Targets		Progress	
		2015	2019	2022	2030	2019	2022
12.2.2.1	Use of fossil fuel energy consumption (percent of total)	12.5	13.2	13.7	15	15.5	27.1
12.2.2.2	Total carbon sink (tons) in forest area	2276	2522	2707	3200	1055	1055
12.2.2.3	Land use for agricultural production (cereal as percent of cultivated land)	80	78.7	77.7	75	76.3	76.3
12.2.2.4	Soil organic matter (percent)	1	1.8	2.4	4	1.92	1.96
12.2.2.5	Consumption of Wood per capita (cubic meters)	0.11	0.09	0.08	0.05	0.65	0.5
12.5.a	Re-cycling of plastics in manufacturing industries (percent of industries)	24.5	42.0	55.1	90	25	25
12.5.b	Re-use of glass and metal products in manufacturing industries (percent of industries)	7.2	29.3	45.8	90	7.2	7.2

Goal 13: Take urgent action to combat climate change and its impacts

Indicator	Description of SDG Indicators	Baseline 2015	Targets 2019	Targets 2022	Targets 2030	Progress 2019	Progress 2022
13.2.1.1	Green House Gas emission from transport sector (percent)	12	10.4	9.2	6	6.2	6.2
13.2.1.2	Green House Gas emission from industrial sector (percent)	12	10.4	9.2	6	9.3	9.3
13.2.1.3	Green House Gas emission from commercial sector (percent)	5	4.3	3.83	2.5	0.5	0.5
13.2.1.4	GHG emission (CH4) from Agri sector (Gg)	614	662.5	698.89	796	870	870
13.2.1.5	GHG emission (N2O) from Agri sector (Gg)	32.6	34.5	35.96	39.8	21	21
13.2.1.6	GHG emission (CO2) from Agri sector (Gg)	23014	24627.5	25837.2	29063	846	846
13.2.1.7	GHG emission (CO2) from Industrial sector (cement and lime) (Gg)	632	547.7	484.53	316	392	392
13.2.1.8	GHG emission (CO2) from energy sector (Industrial, transport & others) (Gg)	7959	6897.8	6101.9	3979	14751	14751
13.2.1.9	Local adaptation plan preparation (number of local levels)	4	36	60	120	68	241
13.2.1.10	Community level adaptation plan	31	231	381	750	342	200
13.2.1.11	Implementation of adaptation plan	-	15	30	60	68	42
13.2.1.12	Climate-smart villages	-	45	79	170	42	36
13.2.1.13	Climate smart farming	-	133	233	500	68	68
13.3.1.1	Proportion of schools covered by climate change education (percent)	80	85	89	100	90	51.68
13.b1.1	Climate responsive budget (direct) as a percent of total annual budget	5.7	4.1	7.7	10	4.4	5.9

Goal 15: Life on Land

Indicator	Description of SDG Indicators	Baseline 2015	Targets 2019	Targets 2022	Targets 2030	Progress 2019	Progress 2022
15.1.1	Forest area as a proportion of total land area	44.7	45	45	45	44.7	45.31
15.1.1.1	Forest under community-based management (percent of total dense forest areas)	39	39.8	40.4	42	42.7	42.49
15.1.2.1	Protected area (including forest, in percent of total land area)	23.2	23.3	23.3	23.3	23.39	23.39
15.1.2.2	Conservation of lakes, wetlands, and ponds (number)	1727	2599	3254	5000	1000	3571
15.1.2.3	Bio-diversity hotspot/corridor (forest conservation area) in Number	10	10	11	15	11	11
15.2.1.1	Handover of forests to leasehold forest groups (000 hectare)	44.6	44.6	44.6	44.6	45.4	45.89
15.2.1.2	Afforestation in public and private lands (hectare per annum)	-	5000	5000	5000	4000	11320
15.3.1.1	Forest Density (average number of trees per hectare)	430	487	530	645	430	430
15.3.1.2	Conservation of rivulets and riverbanks through bioengineering (km)	1675	3895	5560	10000	1461	1758.6
15.4.2.1	Mountain ecosystems covered by the protected areas (percent)	67.8	68.4	68.8	70	67.8	67.8
15.5.1.2	Community-led anti-poaching units mobilized (number)	400	400	400	400	126	570
15.5.1.3	Wild tigers (number)	198	205	210	225	235	355
15.5.1.4	Rhino (number)	534	600	650	783	645	752
15.9.1.1	Plant (floral) species under conservation plan (number)	3	33	36	54	7	7
15.9.1.2	Animal (fauna) species under conservation plan (number)	5	48	48	48	10	16

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

Indicator	Description of SDG Indicators	Baseline	Targets			Progress	
		2015	2019	2022	2030	2019	2022
16.2.1.1	Children age 1-14 years who experienced psychological aggression or physical punishment during the last one month) (percent)	81.7	60	44	0	77.6	77.6
16.2.2.1	Children trafficking to abroad per annum (reported number)	64	47	34	0	23	23
16.2.3	Proportion of young women and men aged 18-29 years who experienced sexual violence by age 18	-	-	5.8	3	5.8	4
16.3.1.1	Transparency, accountability, and corruption in public (score out of 6)	3	4	4	5	3	3
16.3.2.2	Good governance (Reported along a scale of -2.5 to 2.5. Higher values correspond to good governance) for control of corruption	-0.78	0	1	2	-0.82	-0.53
16.5.1.1	People's perception on corruption (percent of people with at least one instance in the past 12 months that require to give a bribe/present) (Corruption index score)	29	21	15	0	10	15
16.6.1	Primary government expenditures as a proportion of original approved budget, by sector (or by budget codes or similar)	76	81.1	84.9	95	77.9	81.15
16.7.2.1	Proportions of decision-making positions held by women in public institutions	15	20.3	24.3	35	13.9	13.9
16.9.1	Proportion of children under 5 years of age whose births have been registered with a civil authority, by age	58.1	66	79	100	77.2	77.2
16.9.1.1	Total no. of individual data collected for National identity card in 100,000 population (number)	-	-	74.8	100	-	87.6

Goal 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development

Indicator	Description of SDG Indicators	Baseline 2015	Targets 2019	Targets 2022	Targets 2030	Progress 2019	Progress 2022
17.1.1	Total government revenue as a proportion of GDP, by source	19.1	22	24.2	30	24.8	19.9
17.1.2	Proportion of domestic budget funded by domestic taxes	76	77.1	77.9	80	73.9	67.4
17.3.1.1	Official development assistance as a proportion of total domestic budget, (percent)	15.1	15.8	16.4	18	11.2	15
17.3.1.2	FDI as a proportion of GDP (Inward stock) (percent)	4.8	7.3	10.8	20	6.2	6.2
17.3.2	Volume of remittances (in United States dollars) as a proportion of total GDP	29.1	30.7	31.8	35	22.5	22.8
17.4.1	Debt service as a proportion of exports of goods and services	12.6	13.2	13.7	15	8.89	9.4
17.4.1.1	Outstanding Debt to GDP Ratio (percent)	26.5	28.8	30.5	35	30.3	42.7
17.8.1	Proportion of individuals using the Internet	46.6	59.5	69.2	95	65.9	69.2
17.13.1	Macroeconomic Dashboard		1	2	8	1	3

References

Central Bureau of Statistics [CBS]. (2011). *Nepal Living Standard Survey*. National Planning Commission, Government of Nepal, Kathmandu.

Central Bureau of Statistics [CBS]. (2018a). *National Economic Census*. National Planning Commission, Government of Nepal, Kathmandu.

Central Bureau of Statistics [CBS]. (2018b). *Nepal's Multidimensional Poverty Index Report*. National Planning Commission, Government of Nepal, Kathmandu.

Central Bureau of Statistics [CBS]. (2018c). *Nepal Multiple Indicators Cluster Survey*. National Planning Commission, Government of Nepal, Kathmandu.

Central Bureau of Statistics [CBS]. (2019a). *Report on the Nepal Labor Force Survey 2017/18*. Government of Nepal, Kathmandu.

Central Bureau of Statistics [CBS]. (2019b). *Nepal Industrial Census*. National Planning Commission, Government of Nepal, Kathmandu.

Central Bureau of Statistics [CBS]. (2020). *Nepal Multiple Indicators Cluster Survey 2019*. Government of Nepal, Kathmandu.

Economist Impact. (2022). *Global Food Security Index 2022*. Economist Impact.

FAO, IFAD, UNICEF, WFP, & WHO. (2023). *The State of Food Security and Nutrition in the World 2023*. Rome: FAO. [Online] Available at: https://doi.org/10.4060/cc3017en

Food and Agriculture Organization of the United Nations. (2020). *Global Forest Resources Assessment 2020: Main Report*. Rome: FAO.

GoN. (2022). *Nepal Sarkar Ko Niti Tatha Karyakram 2022/23 [Policy and Programme of Government of Nepal 2022/23]*. Government of Nepal, Kathmandu.

International Labor Organization. (2018). *The Future of Work in Nepal*. Kathmandu: ILO.

Ministry of Agriculture and Development [MoAD]. (2015). *Agriculture Development Strategy (2015 – 2035)*. Government of Nepal, Kathmandu.

Ministry of Agriculture and Development [MoAD]. (2023). *Monitoring Report on Implementation Status of Agriculture Development Strategy (2015-2035)*. Government of Nepal, Kathmandu.

Ministry of Education, Science and Technology [MoEST]. (2022). *School Education Sector Plan 2022/23-2031/32*. Government of Nepal, Kathmandu.

Ministry of Finance [MoF]. (2022). *Budget Speech 2022/23*. Government of Nepal, Kathmandu.

Ministry of Finance [MoF]. (2023). *Economic Survey 2022/23*. Government of Nepal, Kathmandu.

Ministry of Forest and Environment [MoFE]. (2023). *Annual Report 2022/23*. Government of Nepal, Kathmandu.

Ministry of Health and Population [MoHP]. (2016). *Nepal National Micro Nutrition Status Survey*. Government of Nepal, Kathmandu.

Ministry of Health and Population [MoHP]. (2017). *Nepal Demographic Health Survey, 2016*. Government of Nepal, Kathmandu.

Ministry of Health and Population [MoHP]. (2023). *Nepal Demographic and Health Survey 2022*. Government of Nepal, Kathmandu.

Ministry of Home Affairs [MoHA]. (2018). *National Policy for Disaster Risk Reduction 2018*. Government of Nepal, Kathmandu.

National Planning Commission [NPC]. (2015). *LDC Graduation Report*. Government of Nepal, Kathmandu.

National Planning Commission [NPC]. (2017a). *Nepal and the Millennium Development Goals: Final Status Report 2000-2015*. Government of Nepal, Kathmandu.

National Planning Commission [NPC]. (2017b). *Nepal Sustainable Development Goals Status and Roadmap: 2016-2030*. Government of Nepal, Kathmandu.

National Planning Commission [NPC]. (2017c). *Nepal's Sustainable Development Goals, Baseline Report 2017*. Government of Nepal, Kathmandu.

National Planning Commission [NPC]. (2017d). *Nepal National Review of Sustainable Development Goals 2017*. Government of Nepal, Kathmandu.

National Planning Commission [NPC]. (2020a). *Nepal Sustainable Goals, Progress Assessment Report 2016-2019*. Government of Nepal, Kathmandu.

National Planning Commission [NPC]. (2020b). *Nepal Human Development Report 2020*. Government of Nepal.

National Planning Commission [NPC]. (2020c). *Voluntary National Report on Sustainable Development Goals*. Government of Nepal, Kathmandu.

National Planning Commission [NPC]. (2023). *Medium Term Expenditure Framework (2023/24-2025/26)*. Government of Nepal, Kathmandu.

National Planning Commission [NPC] & UNDP. (2014). *Nepal Human Development Report 2014*. Government of Nepal.

National Planning Commission [NPC] & United Nations [UN]. (2013). *Nepal Millennium Development Goals: Progress Report 2013*. National Planning Commission and United Nations, Kathmandu.

National Statistics Office [NSO]. (2023). *National Population and Housing Census 2021, National Report*. Government of Nepal, Kathmandu.

Nepal Law Commission [NLC]. (2015). *Constitution of Nepal 2015*. Nepal Law Commission, Government of Nepal, Kathmandu.

Nepal Telecommunications Authority. (2021). *MIS Report*. Kathmandu: NTA.

Technical Notes and Methodology. (n.d.). *United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP)*. https://data.unescap.org/dataviz/methodology/technical-notes.html

UNDP. (2022). *Human Development Report 2021/22*. United Nations Development Programme, New York.

United Nations Development Programme. (2020). *Nepal Human Development Report 2020: Beyond LDC Graduation: Productive Transformation and Prosperity*. Kathmandu: UNDP.

United Nations Economic and Social Commission for Asia and the Pacific. (2022). *Asia and the Pacific SDG Progress Report 2022*. Bangkok: UNESCAP.

World Bank. (2020). *Nepal Development Update: Post-Pandemic Nepal - Charting a Resilient Recovery and Future Growth Directions*. Washington, DC: World Bank.

World Bank. (2021). *Climate Risk Country Profile: Nepal*. Washington, DC: World Bank.

World Health Organization. (2019). *Nepal National Health Accounts 2016/17*. Kathmandu: WHO.