

**Analytical Study of the Impacts and Functioning of Non-  
State Development Actors**  
**In Relation to Nepal's 2019 International Development Cooperation Policy  
(IDCP) And National Development Priorities**

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## EXECUTIVE SUMMARY

Non-state development actors in Nepal, including development partners, have played a significant role in addressing Nepal's development needs in health, education, poverty alleviation, gender and social inclusion, disaster management, and infrastructure development among others. They have been instrumental in promoting democracy and good governance too. Nepal has introduced several laws and policies to regulate the activities of the non-state development actors. The International Development Cooperation Policy, 2019 was a landmark policy that put 'results' at the center, and was expected to have a positive impact on the formulation, implementation and monitoring of aid-funded projects. The policy is to be reviewed every two years, but there was delay due to Covid-19 pandemic.

Most of local development stakeholders who were part of study were not fully aware of the IDCP policy and lacked detailed understanding of the different clause and how to materialize it. They were/are working with non-state development actors as continuation of existing practices but were not guided much by what the policy entails. The relationship between government and non-development actors has to be reflected, discussed and clearly mentioned in the policy documents and guidelines. There is lack of clarity to distinguish between bilateral agency, multilateral, I/NGO and their scope of work among different actors including palika level institutions which was also evident from the interviews of the study. After extensive engagement with relevant stakeholders representing development partners, International Non-Governmental Organizations, Non-Governmental organizations, Ministry of Finance, Social Welfare Council, and embassies' representatives via Focused Group Discussion and with local development implementors via Key Informant Interviews, the review identified some issues that have to be addressed going forward. Desk review of existing resources indicated that the government claiming stringent measures are/is needed to monitor the "irregularities", such as duplicity and corruption, seen in the activities of national and international NGOs. The NGO federation claimed that previous efforts by the government such as the National Integrity Policy were introduced which aimed at controlling the activities of NGOs and the civil society. There are instances of reports of duplication in the projects, lack of coordination with local authorities and meaningful participation of the government authorities. Therefore, it indicates the proper execution of policies like ICDP and other

regulations that are existing and greater need of dialogues and discussion forums among government actors and non-state development actors at all levels (federal, provincial and local) on best practices, issues faced and areas of collaboration and coordination.

This report presents the issues for consideration across three thematic areas: conceptual issues, priorities and alignment, and responsibilities and collaboration among different agencies.

## **ABBREVIATIONS AND ACRONYMS**

AIN	: Association of INGOs in Nepal
CBO	: Community-Based Organization
CSO	: Civil Society Organization
EDFC	: Effective Development and Financing Cooperation
EU	: European Union
FGD	: Focused Group Discussion
GON	: Government of Nepal
IDCP	: International Development Cooperation Policy
IECCD	: International Economic Cooperation Coordination Division
INGO	: International Non-Governmental Organization
KII	: Key Informant Interview
LDC	: Least Developed Countries
LDPM	: Local Development Partners' Meeting
MoF	: Ministry of Finance
NFN	: NGO Federation Nepal
NGO	: Non-Governmental Organization
NSDA	: Non-State Development Actors
SDG	: Sustainable Development Goals
SWC	: Social Welfare Council
UNDP	: United Nations Development Program
USAID	: United States Agency for International Development

# CHAPTER ONE

## INTRODUCTION

### 1.1 Introduction & Background

Non-state development actors in Nepal including I/NGOs, Civil Society Organizations and others have played a significant role in addressing development challenges such as health, education, poverty alleviation and disaster response. They have laid some foundations for vulnerable and marginalized groups in providing essential services. They also have been instrumental in promoting and protecting inclusive development by engaging women, youth and marginalized groups in decision-making process.

Since the 1980s a recognition of the essential role of non-state development actors has emerged as a change in the development paradigm. In reaction to state and market approaches, citizens were forced to undertake self-help activities. Despite its inherent limitations and problems, a non-state development actor's approach enables citizens to take charge of their own destinies and realize their full potential through organizations that either represent them, or can reach them more reliably than can government and market approaches. Through this approach, it is believed that the poorest can be reached more effectively, at less cost to effect equitable, fair and sustainable development. A non-state development actors approach enables tactful mobilization of internal and external resources to alleviate poverty, and to promote change and development<sup>1</sup>.

Non-state development actors are considered as a precondition to promote and facilitate democratization process in political sphere, and poverty alleviation and sustainable development in the economic sphere. Both sides of development are considered as inseparable and mutually reinforcing. Non-state development actors' organizations create a favorable environment in which democracy flourishes. Indeed, democracy should not be narrowly defined as a way of government only. It should be seen as a way of life and as a means to learn civility, i.e., the way citizens treat each other with respect and tolerance.

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<sup>1</sup> Van Rooy, A. (1998). *Civil Society and The Aid Industry: The Politics and Promise*, London: Earthscan Publications Ltd.

Seitz, L, J. (1995). *Global Issues: An Introduction*, Massachusetts: Blackwell Publishers Inc.

Furthermore, non-state development actors organizations may perform particularly important roles such as articulating a broad range of interests, meeting local needs, making demands on government, developing political skills of their members and the community at large, stimulating political participation, and in their watchdog roles they serve as checks on the relentless tendency of the state to centralize its power and to evade civil accountability and control<sup>2</sup>. Non-state development actors' organizations have the potential capacity to work for realization of government, which emanates from popular choice, consultation, negotiation and consensus politics. It is believed by donors that in order to deepen democratic process and to consolidate effective and democratic institutions of governments, non-state development actors organizations need to be strengthened. The existence of a broad non-state development actors is what is needed for long-term and sustainable democratic change<sup>3</sup> (Rooy, 1998:49).

A non-state development actors approach enables citizens to take charge of their own destinies and realize their full potential by utilizing their social capital, which includes people's mutual trust, the skill, cultural norms and rules, social networks, organizational facilities and the like. In other words, a non-state development actors approach avails the people with the opportunity for self-improvement and sustainable development. Besides, it enables to assist the poorest through organizations that either represent them, or can reach them more reliably than can government and market approach. In addition, the poorest can be reached more effectively, at less cost, and more innovatively than official donors or even home governments. Also, it can bring about equitable, fair, effective and sustainable social, political and economic development policies and their implementation<sup>4</sup> (Rooy, 1998; 33-39).

In this respect, Dejene and Getinet (1998)<sup>5</sup> argued that a non-state development actors approach can be used to mobilize the community more effectively in its bottom-up development to address mass poverty. Also, Seitz<sup>6</sup> has argued that, "the civil society

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<sup>2</sup> Koretn, D.C. (1990). Getting to the 21<sup>st</sup> Century: Voluntary Action and the Global Agenda, West Hartford: Kumarian Press.

<sup>3</sup> Van Rooy, A. (1998). Civil Society and The Aid Industry: The Politics and Promise, London: Earthscan Publications Ltd.

<sup>4</sup> *ibid*

<sup>5</sup> Dejene, A, & Getinet, A. (1998). Civil Society Organisations in Development: Indigenous Institutions in Cheha Woreda of Gurage Zone (Paper presented at ESSWA).

<sup>6</sup> Seitz, L, J. (1995). Global Issues: An Introduction, Massachusetts: Blackwell Publishers Inc.

approach presents a new participant in development and new motivations. By focusing on the benefits that occur when people exercise local initiative and function as a community".

With objectives of establishing necessary structures and building the capability of GON in mobilizing and managing development finance effectively and increase the availability and use of high-quality, comprehensive, and timely development finance data, EDFC II project aims to accelerate Nepal's achievement of the SDGs.

However, to maximize NSDA's impact, non-state development actors have a responsibility to create enabling environment that promotes collaboration, innovation and sustainability. This requires a firm partnership approach between the GON, NSDA, and other stakeholders to create an environment that supports their functioning and maximize their contribution to Nepal's development.

### **1.2 Purpose of the assignment:**

The main purpose of assignment is to support EDFC II in preparing streamline structures for proper functioning of NSDA-GON relation in achieving Sustainable Development Goals (SDGs).

### **1.3 Objective of the assignment:**

The main objective of the assignment is to:

- a) Better understand NSDA views regarding their contribution to Nepal's national and provincial- level development priorities.
- b) Gain deeper understanding of NSDA views regarding the GON's implementation of the IDCP, including the extent to which the introduction of the IDCP in 2019 has impacted NSDA activities, with a focus on provincial-level activities.
- c) Identify possible reforms/recommendations to the IDCP that would allow NSDA to play a more impactful role and to make a greater contribution to Nepal's development.

### **1.4 Scope of the Work:**

The main scope of the work for the experts will be as follows but not limited to:



- a) A desk review of key documents
- b) FGD with key NSDA peers, and partners and other stakeholders
- c) Prepare final report

### **1.5 Methodology and Tools**

The consultant executed all the pertinent available methodologies based on the different documents developed or being developed across the country by various agencies at different level using both qualitative and quantitative (number of documents developed addressing on specific disaster based or any other issues available) information to best serve the objectives of the assignment.

The consultant referred to all the relevant policy documents which has a direct and indirect bearing on the role of NSDAs and IDCP. Besides, a discussion seminar was conducted on 10 May 2023 at Hotel Basera in Kathmandu. The dialogue was on behalf of International Economic Cooperation Coordination Division (IECCD), Ministry of Finance. The Focused Group Discussion, titled ‘I/NGOs’ role in Nepal’s International Development Cooperation Policy, 2019’ was moderated by Dr. Hem Raj Subedi. The key objectives of the FGD were as follows:

- 1) to understand I/NGO views and their contribution to Nepal’s development,
- 2) understand I/NGO views on implementation of the IDCP, 2019 including its impact on I/NGO activities, at provincial and local levels, and
- 3) to identify possible reforms/recommendations to the IDCP.

The participants in the discussion forum represented NGOs, INGOs, SWC, Nepal government and development partners among others. The complete list of participants is attached in Annex 1.

Additionally, we also conducted interviews with 15 representatives of local governments representing all seven provinces and geographical regions. The interviews were conducted via phone between May 28 and June 05. The interviewees included mayor/deputy mayor, chief administrative officer or information officers. The complete list of participants is attached in Annex 2.

For the qualitative data analysis, consultant proposes a deductive approach<sup>7</sup> to analyze the data gathered through KII and review of existing reports. This includes theme-based generation and interpretation of phenomena backed by findings, examples, and justifications. All of the qualitative data collected from different data sources will be synthesized to prepare the report. The deductive approach involves identifying information from the collected data and classifying it into themes. These themes will be further consolidated to provide further insights into the relationship between various issues and concepts brought forth in the study. Narrative passages will be used to interpret and determine the meaning of themes and patterns.

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<sup>7</sup> Pearse, N. (2019, June). An illustration of deductive analysis in qualitative research. In 18th European conference on research methodology for business and management studies (p. 264).

## CHAPTER TWO

### AID AND NEPAL'S DEVELOPMENT

#### 2.1 Aid and Nepal's Development

Aid plays a pivotal role in supporting and catalyzing development in developing countries. It provides financial resources, technical expertise, and capacity building necessary to address socio-economic challenges. One of the key significances of aid in developing countries lies in its ability to combat poverty<sup>8</sup>. Aid helps uplift communities by providing resources for sustainable economic growth, improving access to education, healthcare, and basic necessities<sup>9</sup>. By investing in poverty reduction strategies, aid enables individuals and communities to break the cycle of poverty, fostering long-term development and improving living conditions<sup>10</sup>.

Another crucial aspect of aid is its role in healthcare and education. Aid contributes to strengthening healthcare systems, improving access to quality healthcare services, and combating diseases. It supports the construction of hospitals, training of healthcare professionals, and provision of essential medicines<sup>11</sup>. Similarly, aid facilitates educational initiatives by building schools, training teachers, and providing educational materials, empowering individuals with knowledge and skills for a better future<sup>12</sup>.

Infrastructure development is vital for economic growth and stability. Aid plays a significant role in building and improving infrastructure, such as roads, bridges, ports, and energy facilities. These investments enhance connectivity, facilitate trade, attract investment, and stimulate economic activities. By improving transportation networks and energy access, aid creates opportunities for economic development, job creation, and poverty reduction in developing countries<sup>13</sup>.

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<sup>8</sup> Alvi, E., & Senbeta, A. (2012). Does foreign aid reduce poverty?. *Journal of International Development*, 24(8), 955-976.

<sup>9</sup> Edwards, S. (2015). Economic development and the effectiveness of foreign aid: A historical perspective. *Kyklos*, 68(3), 277-316.

<sup>10</sup> Banks, N., & Hulme, D. (2012). The role of NGOs and civil society in development and poverty reduction. *Brooks World Poverty Institute Working Paper*, (171).

<sup>11</sup> Bartram, J., & Cairncross, S. (2010). Hygiene, sanitation, and water: forgotten foundations of health. *PLoS medicine*, 7(11), e1000367.

<sup>12</sup> Riddell, A., & Niño-Zarazúa, M. (2016). The effectiveness of foreign aid to education: What can be learned?. *International Journal of Educational Development*, 48, 23-36.

<sup>13</sup> Donaubauer, J., & Nunnenkamp, P. (2016). Is aid for infrastructure effective? A difference-in-difference-in-differences approach (No. 2034). *Kiel Working Paper*.

Aid also fosters global partnerships and solidarity. It promotes international cooperation, knowledge sharing, and diplomatic relations between donor and recipient countries<sup>14</sup>. Through aid, developing countries can access technical expertise, innovation, and best practices from developed nations. Additionally, aid contributes to addressing global challenges, such as climate change, migration, and inequality, by fostering collaboration and collective action among nations.

Aid has played a pivotal role in Nepal's development journey, supporting key sectors and addressing critical challenges<sup>15</sup>. One significant significance of aid in Nepal's development lies in infrastructure development. Aid has supported the construction of roads, bridges, schools, and healthcare facilities, improving connectivity and access to basic services. Enhanced infrastructure facilitates economic activities, trade, and tourism, stimulating growth and reducing regional disparities. Furthermore, aid has played a crucial role in developing energy infrastructure, such as hydroelectric projects, expanding access to electricity and promoting sustainable development<sup>16</sup>.

Aid has been instrumental in poverty reduction efforts in Nepal. It has supported programs focused on livelihood improvement, income generation, and social protection. Aid-funded initiatives have empowered marginalized communities, including women and ethnic minorities, by providing access to resources, skills training, and microfinance opportunities. By addressing the root causes of poverty, aid has helped uplift vulnerable populations, improve living conditions, and reduce inequalities.

Education and healthcare have also benefited significantly from aid in Nepal. Aid has supported the construction of schools, training of teachers, and provision of educational materials, promoting access to quality education. Additionally, aid has contributed to the development of healthcare infrastructure, capacity building of healthcare professionals, and access to essential healthcare services, enhancing the overall well-being of the population and reducing child and maternal mortality rates.

Aid has played a crucial role in disaster resilience and response in Nepal, a country prone to natural disasters. It has supported emergency relief efforts during earthquakes, floods, and landslides, providing immediate humanitarian assistance. Aid has also contributed to

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<sup>14</sup> Findley, M. G. (2018). Does foreign aid build peace?. *Annual Review of Political Science*, 21, 359-384.

<sup>15</sup> Karkee, R., & Comfort, J. (2016). NGOs, foreign aid, and development in Nepal. *Frontiers in public health*, 4, 177.

<sup>16</sup> *ibid*

long-term disaster risk reduction initiatives, including the construction of resilient infrastructure, early warning systems, and community-based disaster management programs, enhancing Nepal's ability to respond to disasters and minimize their impact.

## **2.2 Role of Non-State Development Actors (NSDA) in Nepal**

The early years of I/NGOs in Nepal can be traced back to the mid-20th century when several organizations from Western countries began engaging in development activities. These efforts aimed to address Nepal's pressing challenges in sectors such as healthcare, education, agriculture, and infrastructure development. During the 1980s and 1990s, as Nepal underwent a period of political transformation and democratization, I/NGOs shifted their focus towards advocacy for social justice, human rights, and inclusive development<sup>17</sup>. They played a significant role in supporting community-based initiatives, empowering marginalized groups, and fostering grassroots mobilization.

In recent decades, I/NGOs have been instrumental in Nepal's post-conflict reconstruction and peacebuilding processes<sup>18</sup>. They provided support during the Maoist insurgency and played a vital role in advocating for peace, reconciliation, and transitional justice. Furthermore, I/NGOs have been at the forefront of disaster response and resilience efforts in Nepal, responding to natural calamities and working towards building community resilience<sup>19</sup>.

The significance of I/NGOs in Nepal lies in their contributions to sustainable development, poverty reduction, and social progress. They have supported the government's efforts in areas such as education, healthcare, environmental conservation, gender equality, and governance. I/NGOs have often filled critical gaps, particularly in remote and marginalized communities, by providing services, expertise, and resources.

Moreover, I/NGOs have facilitated knowledge exchange, capacity building, and technology transfer, enabling local communities to take charge of their own development. They have fostered partnerships with government agencies, local NGOs, and community-

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<sup>17</sup> Khadka, N. (1997). Foreign aid to Nepal: donor motivations in the post-cold war period. *Asian Survey*, 37(11), 1044-1061.

<sup>18</sup> Thapa, M. (2015). The role of the European Union in conflict resolution in Nepal. *Stosunki Międzynarodowe*, 51(1), 83-92.

<sup>19</sup> Hillig, Z., & Connell, J. (2018). Social capital in a crisis: NGO responses to the 2015 Nepalese earthquakes. *Asia Pacific Viewpoint*, 59(3), 309-322.

based organizations, creating platforms for collaboration and collective action.

However, challenges such as coordination, sustainability, and accountability persist in the I/NGO sector. Efforts are continuously being made to ensure effective coordination and alignment with national development priorities.

It is imperative that INGOs are here to complement the government, not necessarily to challenge it. INGOs alert the government should it fall short of acting on its commitments. I/NGOS have a big role in improving social indicators pertaining to education, health and gender empowerment, among others. They complement the government in implementing sectoral programs and activities, also play a check, and balance role. Besides, they also help the government formulate policies that need to ensure fulfilment of international commitments.

However, in some areas, the I/NGOs need to advocate for issues which the government is unaware of, ignoring or not prioritizing. Advocacy has been a crucial contribution of the NSDAs in Nepal, especially in socio-economic areas, and the rights of marginalized and disadvantaged communities. It has also bore significant results in uplifting the said communities.

### **2.3 International Development Cooperation Policy (IDCP) 2019**

In this context, Government of Nepal introduced the International Development Cooperation Policy, 2019 to optimize the mobilization of Development Partners' capital and technology in national development efforts on the basis of national need and priority. The Policy would help mobilize international development assistance to fulfill the national aspiration of "Prosperous Nepal, Happy Nepali".

The focus of the IDCP, 2019 is on critical developmental issues. The policy strategizes achieving high economic growth through improved production and productivity and creating wider employment opportunities by promoting export-oriented production; have 'balanced development' that reaches all communities; orienting development aid to issues of critical importance to development of the country; align the cooperation with the national budget system and improve transparency; and discouraging models of cooperation whereby one development partner/agency implements on behalf of other development partners.

For about seven decades now, international development cooperation has been contributing to the overall development efforts of Nepal. Government of Nepal has been participating in all high-level fora on aid effectiveness. Mobilization and management of development cooperation will have to be synchronized with the federal governance structure enshrined in the Constitution of Nepal.

As per the Constitution of Nepal, all foreign aid flowing to Nepal will have to be transparent; aligned with the national interest and priorities; and reflected in the national budget. Despite improvements in the alignment of development cooperation with national systems and priorities, the progress of implementation has remained mixed.

I/NGOs have helped various sectors like poverty alleviation, capacity enhancement, resilience, and fostering a sense of duty and empowerment among citizens. However, their primary focus is on soft activities rather than more focused developmental activities, which can change people's income, healthcare, and education capacity.

The objectives of the IDCP, 2019 are as follows:

1. Mobilizing resources required to graduate from Least Developed Country status within the coming three years.
2. Graduating to middle-income country status, while achieving the Sustainable Development Goals (SDGs) by 2030, including through utilization of international development cooperation.
3. Mobilizing external resources in the sectors of national need and priority as per national development policies.
4. Enhancing national capacity through transparent and results-oriented mobilization of international development cooperation so as to gradually reduce aid dependency.

National context, priorities and strategies change based on the need of a state. In this context, it is important to review policy in a timely matter. Since 2019, there has been major changes in global, national and local politics. The world was under the Covid-19 pandemic for two years. It devastated economies around the globe, from which it is yet to recover fully. It also exposed the state of pandemic/disaster preparation, especially in

developing countries. It also exposed how key sectors such as education are affected by the pandemic.

Domestically, Nepal had federal and local elections. This is the second term for local level government under the new federalized context. In general, the local governments have had last five years of experience. With many policies and guidelines developed, the local governments will be more ready to do their jobs effectively.

In this context, it is important to review the National Development Cooperation Policy, 2019.

#### **2.4 Policy Formulation and Aid**

Through policy enforcement, NSDA organizations do keep in close connection with the people and government in order to form a better policy document. Their policy is focused on participation, policy change and participation in local and national level. According to most of NSDA it can assume that a policy lives through three distinct phases; it starts with the formulation, then comes the implementation and it ends with an evaluation phase. It is assumed that the more (meaningful) participation there is within the process and the longer NSDAs and community are allowed to take part in the different steps, the more ownership there will be among those actors towards the agreed policy. In the project cycle, NSDAs identifies five steps; the first step is the preparation of the formulation phase, the second the actual formulation, step three is the agreement on the formulation by approval, the fourth is the implementation and the fifth is the evaluation.

The government is supportive in the work with the project formulation in all stages. The donor community can also be important actor in all stages, but there is also room for considerable NSDA participation throughout the process. When conducting the analytical work, communities can be involved in analyzing the nature and causes of different social actions or consultative processes. The people themselves can be assisted in the work by NSDAs, donors or government. It is important that the task is initiated in a way that makes the selection of participant representative.

#### **- Policy Implementation and Evaluation process**



The implementation and evaluation phases both provide great opportunities for participation. NSDA must use the ladder of participation to analyze which different kinds of participation might be possible and appropriate or desirable at different stages of the process. Information sharing obviously has to take place throughout the whole process if any participation is to be possible. The media is given a great task when it comes to the dissemination of information to a wider audience, but it is also noted that the media can only carry out this task if they are given substantial information to disseminate. NSDA must view the governmental agency and local community as the principal actor responsible for providing the media with information but also acknowledges that other actors, such as local mechanisms, have an interest and a capability to use the media.

Initiation and control by stakeholders are the highest level of participation in this phase. It's seen as a limited but significant opportunity for NSDA initiatives, particularly when it comes to accountability and the phases of monitoring. This could include, for example, initiatives of citizen-lead monitoring and evaluation within a framework agreed upon by the authorities. It's believed that different actors have different levels of authority and control. Authority does not have to be vested in formal positions; neither does it have to be transparent. In a country the government might have all the formal authority, but if this country is heavily dependent on donor resources the staff participating from donor agencies might be in a position to influence and even dominate the process.

One fruitful way to divide ownership is to use the terms of external and internal ownership. In this case external ownership refers to the government and its relationship with external ownership such as the multilateral institutions i.e. the UN agencies and the bilateral donor agencies. The internal ownership is related to the way the project implementation process has been conducted in the community. Focus is on how different stakeholders such as the local community, local government agencies and the wider media both local and national have been involved in the process. By necessity the concept of ownership is closely connected to participation.

Strong focus on the social sectors is often an important step towards a specific orientation. Increases in employment and labor productivity provide the main link between economic growth and community development. In order to initiate community development, it is essential both to enhance the capacity of the economy to generate productive employment

- 19) The audits/public hearing required as per 3.10.8 could be reduced to 2 (or even 1) with the financial audit mandatory with a choice between social audit and public hearing, to cut costs.
- 20) It should be clarified whether Clause 3.10.10, suggesting that INGOs should use the Social Welfare Council's window for international development cooperation resources, applies to bilateral/multilateral Development Partners.
- 21) NDCP need to clarify if the Clause 4.5.2 is applicable to INGOs as well.
- 22) A representative from Prime Minister's Office should be a member of the policy implementation Meeting.
- 23) NDCP should clarify if the NSDAs have to bear the cost of allowances provided to the government/SWC officials for Local Development Partners Meeting.
- 24) NSDAs should be discouraged from providing allowances to participants to attract them to participate.
- 25) The NDCP should encourage the recruitment of local talent and local human and other resources as much as practicable.

## **CHAPTER THREE**

### **FINDINGS AND DISCUSSION**

#### **3.1 Conceptual Issues**

Conceptual clarity plays a vital role in the development of policy documents. It ensures that policymakers and stakeholders have a shared understanding of key concepts, objectives, and strategies. A policy document with clear concepts is essential for effective communication, coherent implementation, informed decision-making, and successful outcomes<sup>20</sup>. This essay discusses the significance of conceptual clarity in policy documents and its impact on policy development and implementation.

Conceptual clarity facilitates effective communication between policymakers, stakeholders, and the public. Clear definitions of concepts within a policy document ensure that ideas and objectives are accurately conveyed, avoiding confusion and misinterpretation. When everyone shares a common understanding of key concepts, it becomes easier to align perspectives, build consensus, and foster collaborative efforts towards policy goals.

Conceptual clarity contributes to the coherence of policy implementation. Well-defined concepts within a policy document enable policymakers to align objectives, strategies, and actions effectively. Clear conceptual frameworks ensure that all components of the policy work together harmoniously, reducing the likelihood of conflicting or contradictory measures. Policymakers can make informed decisions and design interventions that are consistent with the underlying concepts, thereby enhancing the policy's overall effectiveness.

Policy documents with conceptual clarity provide a solid foundation for informed decision-making. Clear concepts enable policymakers to identify the key factors, dynamics, and relationships relevant to the policy issue at hand. With a comprehensive understanding of these concepts, policymakers can evaluate various options, assess potential risks and benefits, and make evidence-based decisions. Conceptual clarity

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<sup>20</sup> Bringmann, L. F., Elmer, T., & Eronen, M. I. (2022). Back to basics: The importance of conceptual clarification in psychological science. *Current Directions in Psychological Science*, 31(4), 340-346.

empowers policymakers with the knowledge necessary to design and implement well-informed policies.

Conceptual clarity is crucial for measuring and evaluating policy outcomes. Precise definitions and operationalization of concepts allow for the development of measurable indicators and evaluation frameworks. Clear concepts enable policymakers to collect relevant data, monitor progress, and assess the impact of the policy. Without conceptual clarity, it becomes challenging to determine the effectiveness of policy interventions and make necessary adjustments.

Conceptual clarity promotes transparency and accountability in policymaking. Clear concepts provide a basis for establishing clear targets, benchmarks, and performance indicators within policy documents. This transparency allows policymakers to report progress openly and engage with the public in a meaningful way. When concepts are well-defined, policymakers can be held accountable for their actions and decisions, ensuring responsible governance.

In this context, there are a few conceptual issues that the IDCP, 2019 needs to address.

- a) The nature of relationship the Government of Nepal wants to establish with civil society organizations has to be clarified in the IDCP. Such relationship should not only be about the government regulating, monitoring, and controlling the activities of the organizations. The partnership should also recognise that non-state development actors are independent and can initiate own projects. They may only sometimes be aligned with the government due to their independence. However, the government and the NSDAs need to come together to develop common goals and collaborate to ensure that the national goals set by the government are met. At the same time, NSDAs could identify the gaps in the goals or implementation capacities of the government, and fill the gap.
- b) IDCP, 2019 defines "International Development Cooperation" as financial, technical and commodity assistance to be received from bilateral, multilateral, regional and global development partners for the development of various sectors. Similarly, it defines "Development Partners" refers to bilateral partners, multilateral organizations and global funds that provide financial, technical or commodity support for the development of various sectors. The definition in these

cases is narrow and are mutually contrasting. The definitions do not clarify if INGOs and NGOs/Community Based Organizations that source their funding from foreign development partners in their own capacity form a part of it.

- c) The term non-governmental organization is not defined. The usage seems to have been restricted to the NGOs which are registered with the Social Welfare Council. However, the face of civil society or non-state development actors is changing rapidly. There are community-based organizations such as professional associations, foundations, not-for-profit service providers, research institutes and academia. A broader definition/taxonomy and clear regulatory framework for different types of non-governmental organizations will be required, along with a clear regulatory framework for each type of CBOs.
- d) Confusion exists regarding the roles and responsibilities of bilateral agencies, multilateral agencies, international non-governmental organisations (INGOs), and local bodies. This finding is supported by interviews with various stakeholders, including Development Partners, I/NGOs, the Ministry of Finance, the Social Welfare Council, embassy representatives, and local development implementors.
- e) In 3.12.1, the term ‘best practices’ is not defined. In the earlier section, the best practices are used in context to ‘Paris Declaration’. However, it is not clear if the reference to ‘best practices’ in 3.12.1 is to the ‘Paris Declaration’.
- f) The IDCP, 2019 emphasizes on the provision of Paris Declaration, 2005. The government of Nepal has participated in other accords such as Accra Agenda, which needs to be recognized by the IDCP. The recommendations under these accords would help strengthen the IDCP.
- g) Nepal is slated to graduate from Least Developed Countries (LDC) in 2026the IDCP. This will bring about some changes in the foreign aid regime in Nepal. Therefore, the IDCP should factor in this development in the next IDCP.
- h) The IDCP, 2019 has South-South cooperation in 3.14. Was there any specific need to have a separate section for the South-South cooperation?

### 3.2 Priorities

Policy papers serve as critical blueprints for governments, organizations, and institutions to address societal challenges and achieve desirable outcomes<sup>21</sup>. The process of developing a policy paper involves identifying and analysing various issues and proposing potential solutions. However, without proper prioritization, the effectiveness of a policy paper can be compromised.

One of the primary reasons why prioritization is essential in policy papers is resource allocation. Limited resources, such as financial funds, manpower, and time, necessitate a thoughtful approach to address the most pressing issues. By prioritizing problems based on their severity and potential impact, policymakers can allocate resources efficiently. This ensures that critical issues receive the attention and resources they deserve, maximizing the policy's effectiveness.

Society faces an array of challenges, each varying in terms of urgency. Prioritizing issues in policy papers allows policymakers to identify and address urgent problems promptly. By doing so, they prevent the escalation of crises and mitigate potential damages. Moreover, focusing on urgent issues demonstrates a proactive approach to governance, fostering public trust and confidence in policymakers' ability to act decisively.

Prioritization facilitates a realistic assessment of each issue's feasibility and the likelihood of successful implementation. Policymakers can identify the necessary resources, political support, and technological advancements required for each policy recommendation. This evaluation ensures that the policy paper's proposals are practical and attainable, increasing the chances of successful execution.

Effective policies require broad support from stakeholders and the general public. Prioritizing issues helps identify those that resonate most with society, making it easier to build consensus and gather support. When policymakers address the most important concerns of their constituents, they are more likely to gain public backing and political consensus, essential ingredients for policy success.

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<sup>21</sup> Mitton, C., & Patten, S. (2004). Evidence-based priority-setting: what do the decision-makers think?. *Journal of Health Services Research & Policy*, 9(3), 146-152.

Prioritization enables policymakers to develop a strategic approach, aligning their actions with overarching goals. By concentrating on high-priority issues, policymakers can create a comprehensive strategy that targets the root causes of problems, resulting in more impactful and far-reaching outcomes.

In terms of prioritization of issues, section 3 of IDCP, 2019 lists the priorities. It includes the following:

- a) Physical infrastructure,
- b) Education, health, drinking water and sanitation,
- c) Enhancement of national production and productivity,
- d) Employment generation and poverty alleviation,
- e) Development of science and technology and transfer,
- f) Environmental protection and climate change,
- g) Disaster management,
- h) Areas identified as appropriate by the Government of Nepal to obtain foreign assistance from among the areas that are beyond the capacity of public, private, cooperative or community sectors.

The priorities identified in the IDCP are largely in line with national goals identified in fifteenth five year plan. The fifteenth five-year plan categorizes the goals into prosperity and happiness. Under prosperity, the goals include accessible modern infrastructure and intensive connectivity; development and full utilization of human capital potentials; high and sustainable production and productivity; and high and equitable national income. Under happiness, the goals included well-being and decent life; safe, civilized and just society; healthy and balanced environment; good governance; comprehensive democracy; and national unity, security and dignity.

Similarly, the goals of IDCP, 2019 are also largely in line with the Sustainable Development Goals. Nepal's key Sustainable Development Goals (SDGs) encompass a range of areas crucial for its development. These include eradicating poverty and hunger, ensuring access to healthcare and education, promoting gender equality, improving water and sanitation facilities, expanding access to clean energy, fostering sustainable economic growth, and creating sustainable cities and communities. Nepal should prioritize reducing poverty through social protection programs and income generation initiatives. Enhancing

food security and sustainable agriculture is crucial, as is strengthening the healthcare system and improving access to quality healthcare services. Promoting inclusive and quality education for all, with a focus on marginalized groups, is important. Gender equality should be promoted through empowerment and equal opportunities. Nepal should strive to provide access to clean water, sanitation, and affordable and clean energy sources. Sustainable economic growth, decent employment, and resilient cities are also priorities. By addressing these SDGs, Nepal can achieve inclusive, sustainable, and equitable development, improving the well-being of its people and ensuring a better future.

- A) However, there are some differences. The IDCP could benefit from adding issues of good governance and comprehensive democracy in the priority list. This will bring the priorities in the IDCP in line with Nepal's fifteenth five-year plan. Similarly, issues of human rights, and gender and social inclusion are not included in the IDCP. These issues are also critical elements of SDGs. Development partners, in collaboration with community-based organizations have supported Nepal government on these goals extensively. One of the participant's pointed "Few I/NGOs are doing a remarkable job in the field of women empowerment. They follow the participatory plan formulation process under the leadership of the local level while selecting the project. They consult with the local government to identify the actual needs and priorities of society. However, some I/NGOs only consult with the local government to show the formal process. Then, they often fail to maintain regular communication and update the local government on their work and impact on society".
- B) IDCP, 2019 lists 'physical infrastructure' as the first priority. However, this is unclear. It can be understood to mean large infrastructural projects such as highways or hydroelectricity development projects. However, such issues are part of other services such as education, health, drinking water, sanitation, infrastructure for economic boost etc. Therefore, 'physical infrastructure' as a standalone priority has to be re-examined.
- C) Generally speaking, the development partners (mostly the INGOs) are involved in supporting 'soft' development activities. They have supported efforts in WASH (water, sanitation and hygiene), education, gender and social inclusion, and good governance. Bilateral and multilateral development partners have supported the



development of infrastructure projects prioritized by Nepal government. In this context, it would be advisable to have a set of priorities set, but distinction made between the activities that the Nepal government will take on its own, seek partnership with the development partners, and left primarily for the development partners to lead. It will help clarify the role and expectations from development partners.

One of the participants raised the issue-“In our area, some NGOs have been actively involved in addressing health and drinking water issues, providing valuable support to communities in need. They have smooth coordination with the local government. However, few NGOs need to provide more transparency and information on their activities and intentions. This has been a significant concern. Hence, NGOs need to establish transparent communication channels and provide regular updates to the communities they work with”.

- D) Most local government officials are largely unaware of IDCP, 2019. Some have heard of it, but they barely have any knowledge of the policy details, including priorities, and the role of development partners. “I have not heard of the IDCP or know what it is”, quipped an elected official. Another government official said, “I have heard of the report but have not read what is in the report”. This was true largely across the board for the local level elected and government officials interviewed. Most local development stakeholders lacked understanding and awareness of the IDCP, particularly its individual Clauses and how they are being implemented/overseen. In many cases, Development Partners have continued to work with NSDAs despite limited policy guidance, suggesting a need for a revised IDCP and accompanying guidelines that better define the relationship between the government and NSDA. Therefore, it is critical that IECCD takes leadership to inform all relevant local government officials about the basic provisions in the IDCP.
- E) Development partners (mostly NGOs) often consult with local government bodies to identify priorities. However, many NGOs are limited by the donors to implement certain projects at local level. NGOs design projects based on the thematic areas of their organization and donors. Similarly, local government officials complain that most NGOs do not consult the local government agencies upon the completion of

the project, which limits the sustainability of the projects. This gap has to be narrowed by supplementing the IDCP with priorities identified at provincial levels at the least.

Some of the participants pointed that- “Most NGOs heavily depend on funding from donors, and as a result, they design their projects based on the thematic areas of their organization and those donors. However, there often must be a better match between the areas NGOs prioritize and what local communities need and request. People have been demanding physical infrastructures and hydropower projects in our society. However, I/NGO projects focus more on technical aspects, which may not directly address the immediate physical development needs of the communities”.

- F) There is a gap in understanding between the government and the NSDAs. The government perceives stricter monitoring would be required to address irregularities in I/NGO activities such as corruption, nepotism, and duplication among others. Contrarily, the NGO Federation believes that the IDCP and similar policy guidance serve to control NGOs and civil society activities. These findings suggest the need for more effective policy implementation and for more dialogue between governmental and non-NSDA at all levels.

### **3.3 Responsibilities and Collaboration Among Different Agencies**

A clear division of responsibilities among different agencies is essential in policy implementation for several reasons. First, clearly defining the roles and responsibilities of different agencies helps ensure efficient allocation of resources. Each agency can focus on its specific area of expertise, avoiding duplication of efforts and utilizing resources effectively. This leads to better coordination, streamlined processes, and optimized use of financial and human resources. One of the participants of the workshop noted that “There is a practice of a mixed model in our area, where NGOs collaborate with the local government. The existing NGO follows the participatory plan formulation process under the leadership of the local level. More projects are related to health and nutrition. Independent NGOs inform about their work updates and follow legal procedures while implementing projects”.

Second, clear division of responsibilities enhances accountability and transparency in policy implementation. When each agency has a defined role, it becomes easier to assign responsibilities and track progress. This promotes a culture of accountability, as agencies can be held responsible for their specific tasks. Transparency is also improved, as it is clear which agency is responsible for which aspect of the policy, facilitating better monitoring and evaluation.

Third, policies often involve multiple sectors and require a coordinated and integrated approach for effective implementation. When responsibilities are clearly divided, agencies can collaborate more efficiently, ensuring that their efforts align towards the common goal. This enables the pooling of resources, knowledge, and expertise from various agencies, leading to a more holistic and comprehensive implementation strategy.

Fourth, different agencies possess specialized knowledge and expertise in specific areas. A clear division of responsibilities allows agencies to leverage their strengths and focus on their respective domains. This ensures that policy implementation benefits from the expertise of each agency, resulting in more effective and informed decision-making.

Fifth, clear division of responsibilities facilitates smooth communication and coordination among different agencies. When each agency knows its specific role, it becomes easier to establish lines of communication and share relevant information. This reduces ambiguity, improves interagency collaboration, and minimizes potential conflicts or overlaps in responsibilities.

Finally, policies often require targeted interventions in different areas. With a clear division of responsibilities, agencies can concentrate on their designated tasks and deliver specialized interventions where needed. This targeted approach enhances the effectiveness of policy implementation and increases the likelihood of achieving desired outcomes.

As Nepal has federal structure since 2015 and has three levels of governments: federal, provincial, and local. The constitution largely defines the role of each level of government. In context of foreign aid, Article 59(6) schedule-6 of the constitution states that provincial governments can obtain foreign grants and assistance from various development partners with the consent of the federal government. However, the schedule 6 (2) of the constitution

bars the provincial and local governments from taking foreign loans, and local governments in particular are not allowed to receive foreign grants directly.

Provincial governments and local governments are critical in ensuring aid effectiveness and achieving the SDG goals. They also help manage the scattered smaller projects with high transaction costs. The new set-up also brings with it new challenges in form of registration and approval of I/NGOs from federal, provincial, and local governments. This has also brought about the clashes in the claimed domains of monitoring I/NGO activities. Each level also sees their engagement in the development work of I/NGOs, be it in setting priorities, monitoring their performance, ensuring their effective implementation or otherwise, sees a need to ‘monitor’ the activities of the I/NGOs. This has increased the bureaucratic hassles that I/NGOs have to go through, duplicating efforts and resources in unproductive administrative issues, and consuming crucial time which could be spent towards project implementation. In saying that, various factors such as lack of effective coordination, weak financial base, lack of professionalism, and lack of monitoring and evaluation, lack of transparency, lack of commitment among the NGO activists, and also the absence of public surveillance are the key issues for affecting NGO governance in Nepal<sup>22</sup> (Dhakal, 2007). Hence, the IDCP should help clarify the roles of each unit of federal structure and institutionalize the governance of the I/NGOs.

In this basis, the following are some issues with IDCP, 2019):

- A) IDCP, 2019 clause 3.1.10 states that ‘the government of Nepal will mobilize, implement, monitor and evaluate international development cooperation resources. While it has been clear that only the federal government can sign agreements with development partners, it is unclear how responsibilities for monitoring and evaluation are spread across different agencies. This has resulted in needs for multiple audits or permissions sought from multiple government agencies across the levels. The responsibilities of each government agency have to be clarified and streamlined.
- B) IDCP, 2019 Clause 3.2.11 states, “The Ministry of Finance will coordinate and take the lead in negotiations with Development Partners as and when required. The

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<sup>22</sup> Dhakal, T.N. (2007), Challenges of Civil Society Governance in Nepal, *Journal of Administrative Governance*, 2.

Ministry of Finance will prepare the Terms of Reference for negotiations”. While the MoF should take the lead and coordinating role, the engagement of other sectoral ministries relevant to the project(s) being discussed in negotiations with development partners would strengthen the negotiation process given their sectoral expertise.

- C) Clause 3.10.2 states that, “N/INGOs should prepare the project proposals which relate to international development cooperation in coordination with the relevant sectoral ministry.” IDCP should clarify if such coordination has to be done through the Social Welfare Council.
- D) IDCP, 2019 Clause 3.10.7 states that, “The administrative expenditure of projects to be carried out by INGOs will not exceed 20 percent of the total project cost. The expenditure ceiling will be calculated on the basis of total project cost.” The intention behind the clause is commendable. However, the clause raises issues on some projects, especially on purely technical projects, where the administrative costs are higher. Thus, an addendum to the clause to add some flexibility to the 20% ceiling on a case-specific basis upon written permission by relevant authority is recommended.
- E) Clause 3.10.8 requires social audit, financial audit and public hearing at local level. This adds significant administrative costs, and is of particular issue to small-budgeted projects. Therefore, financial audit and one of social audit or public hearing would help bring down the cost without compromising on accountability and transparency.
- F) Clause 3.10.10 states that, “While mobilizing international development cooperation through their own efforts, N/INGOs should use the window of the Social Welfare Council as per the prevailing laws.” It is not clear whether the requirement is the same for bilateral/multilateral development partner. Using the clause, the SWC demands that all projects be carried out via SWC. The role of SWC and the MoF on Government to Government (G2G) agreements has to be hashed out.
- G) The general global standard operating procedure is that bilateral or multilateral agreements signed between development partners and the MoF do not have to sign

agreements with other agencies such as SWC. The IDCP need to clarify and simplify this issue.

- H) Clause 4.5.2 states that, “Consultation shall be done with the Ministry of Finance for all phases of project management to be implemented under development cooperation.” It is unclear whether the INGOs are implicated in this clause.
- I) Clause 5.1 lists out the composition of policy implementation committee. An addition of a representative from the Prime Minister’s Office as a member would add value to the policy implementation committee and help coordinate among three levels of governments more effectively.
- J) Clause 5.3 states that, “A Local Development Partners Meeting will be held generally twice a year or as and when required. This mechanism will serve as a forum for regular dialogue and coordination between the Government of Nepal and the Development Partners pertaining to issues that may arise during the implementation of this policy or in the mobilization of development cooperation.” IDCP should clarify if the allowance to the participants has to be provided by the development partners, government of Nepal, or there is no provision of allowance. Similarly, IDCP should clarify that government officials, including SWC officials, shall not be provided any allowance by the development agencies for any kind of meetings.
- K) Local government officials observe that the development partners providing allowance to participants to local people in areas such as skills training and seminars have led to a ‘dependency’ mindset among the participants, who participate largely for financial remuneration. The IDCP is recommended to discourage such practice.
- L) The IDCP should encourage development partners to use local human and physical resources as much as practicable.

As raised by many NSDA’s programs and projects have significantly achieved the objective of accessing the local skill, uneducated, women and people in need. The local people have the opportunity to access financial services through the skills they have learned. Providing opportunity to apply for financial services to the local people has made significant change in beneficiary ability and capability of improving and expanding their own skill. There is also improvement in beneficiary business operating capacity which

indicates the achievement made in human capital development by the programs and projects through capacity building, training in vocational skill and small entrepreneurship, financial and business management. The capacity building efforts made by both organizations shows a positive change and there is progress in terms of having well-articulated aspirations, strategies, organizational skills and people management in the established cooperatives and organizations.

Also, some of the NSDAs also pointed that the vocational and skill development programs have contributed to positive outcomes, particularly in mitigating the effects of unemployment for those that directly benefited from the support activities. This included meeting the basic needs of people without skills and access to few skills. The programs are well managed with robust systems for training and managing volunteers, and well rooted and respected in the communities in which they work. They are generally meeting or exceeding their targets, and, overall, the project can be considered cost effective when judged by the number of beneficiaries receiving direct, intensive and ongoing support. The other strength was the involvement of people, not only as recipients of training, but as volunteers of programs and as active participants in reviews. Their involvement, along with program strategies such as community conversations that encouraged interpersonal dialogue and communication, was credited with breaking down stigma.

Addressing the social dimensions of development requires a good understanding of social relations and institutions, as well as promotion of democracy and human rights. Cultural specificity is an important factor in poverty reduction, both in the broad sense (in terms of how people's lives are understood and organized by themselves) and in a more narrow sense (how their understanding and views are expressed).

While they also focused their concern that NSDAs should ensure that their projects align with the development priorities and needs of the specific area or community. Their commitment and work performance should match. It saves their time and effort. Coordinating with the local government and identifying their needs, NSDAs can foster meaningful partnerships and create a positive impact.

The growth and achievements are not only related with one aspect, some of the growths have been seen in safety and growth in women's side as well. The projects intended to support women beneficiaries have considered, a large reduction in the time spent in

earning same amount of money. Apart, there have been reduced financial risks faced by women, women can engage in productive business activities and girls have more time to deal with their education. The gender related programs were effective in reducing gender-based violence and creating awareness of the community concerning GBV. Likewise, different vocational training packages were provided to women beneficiaries. This was very helpful in sustaining the lives of the beneficiaries. The study revealed that the programs has increased the social support and solidarity and improve self-esteem and confidence.

But they also raised that issue of accountability and transparency. They pointed that *“accepting foreign donations is useful, as it provides us with the finance, other resources, and expertise. But it is crucial to follow guidelines and regulations to be in place to ensure transparency, accountability, and effective utilization of these funds”*.



## CHAPTER FOUR

### CONCLUSION AND RECOMMENDATION

#### 4.1 Conclusion

Until the seventies, NSDAs had insignificant role in implementation of development projects or any influence in the policy. After seventies, the role shifted slowly and then NSDAs became prominent name in development sector. Murray and Overton (2011)<sup>23</sup>, believed that with the change in hold of NSDA's in development sectors, state's role and position were replaced. With variety of roles and responsibilities at their own disposal, NSDA's have now shown both positive as well as negative impact. Though, we cannot place all the NSDAs in one basket, yet the criticism on one may also correlate the other. Mistrust and polarization with national governments, overlooking at the forms of stress generated are common visible and some part yet not visible during the NSDA's intervention<sup>24</sup>. Also, sustaining government-initiated program or NSDA's initiated program when state's and NSDA's interest and objective meet has been major success in many states (White, 1999)<sup>25</sup>.

- There is awareness among both the government side as well as NSDAs about the performance and output of any plans and programs. Though, most of the NSDAs members who have been assigned to bring the programs to local people do not have significant knowledge about the IDCP. This may be due to lack of proper coordination among the donor agency with government agency and NGOs at the community level.
- The NGOs members and their performance must be linked with policies of all three levels so that proper functioning and monitoring can be streamlined. This comes as the NSDAs shows two distinct character of service provider and advocate. As service provider, it is their job to understand and cater the need of community people to supply their development needs. And as advocate, the NSDAs must aware community members about their wants, needs and other stuffs which people actually need.

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<sup>23</sup> Mitton, C., & Patten, S. (2004). Evidence-based priority-setting: what do the decision-makers think?. *Journal of Health Services Research & Policy*, 9(3), 146-152.

<sup>24</sup> Van Rooy, A. (1998). *Civil Society and The Aid Industry: The Politics and Promise*, London: Earthscan Publications Ltd.

<sup>25</sup> White, B. (1999). The European Challenge to Foreign Policy Analysis. *European Journal of International Relations*, 5:1, doi: 1354066199005001002.

- There are several areas where federal government do not match with both province and local government in terms of policy gap. These policy gaps are not consistently
- similar in every aspect, rather they are simple compilation of scattered problems. The policy gaps have hindered in performance as well as final assessment.

#### **4.2 Recommendation**

Based on the above findings, the report recommends the following with respect to the IDCP, 2019:

- 1) Nature of relationship between GON and Development Partners has to be clarified. NSDAs are independent actors acting in concert with the GON to achieve certain goals where interests align.
- 2) Further clarify the term ‘International Development Cooperation. Currently, it does not clarify if it refers to bilateral and multilateral development partners.
- 3) Define ‘non-governmental organization’. The face of NGOs is changing, with organizations such as professional associations, foundations, not-for-profit, research institutes, and academia have grown to be a valuable part of NGOs.
- 4) Define the ‘best practices’ as used in Clause 3.12.1. It is ambiguous as it stands.
- 5) Develop the concepts and recommendations based on other accords Nepal has participated and ratified such as Accra Agenda.
- 6) Clause 3.1.10 must clearly outline the responsibilities for monitoring and evaluation across different agencies to avoid multiple audits or permissions.
- 7) IDCP, 2019 Clause 3.2.11 states, “The Ministry of Finance will coordinate and take the lead in negotiations with Development Partners as and when required. The Ministry of Finance will prepare the Terms of Reference for negotiations”. While the MoF should take the lead and coordinating role, the engagement of other sectoral ministries relevant to the project(s) being discussed in negotiations with development partners would strengthen the negotiation process given their sectoral expertise.
- 8) IDCP needs to provide a strategy of how GON sees the change in role of I/NGOs approaching and after LDC graduation. Given the impending graduation of Nepal

from the Least Developed Countries (LDC) status in 2026, the IDCP should consider upcoming changes in Nepal's foreign assistance regime and incorporate these into a revised IDCP.

- 9) Explain why Clause 3.14 is relevant to have a standalone section in the IDCP, 2019.
- 10) IDCP should list good governance and comprehensive democracy among the major priority areas.
- 11) IDCP should re-examine the inclusion of 'physical infrastructure' as the first priority, and include the building of physical infrastructure. The development of physical infrastructure should be part of achieving other goals.
- 12) it would be advisable to have a set of priorities set, but distinction made between the activities that the Nepal government will take on its own, seek partnership with the development partners, and left primarily for the development partners to lead. It will help clarify the role and expectations from development partners.
- 13) It is critical that IECCD takes leadership to inform all relevant local government officials about the basic provisions in the IDCP.
- 14) IDCP should supplement national priorities with a subset of provincial prioritize.
- 15) IDCP has to clarify responsibilities for monitoring and evaluation spread across different agencies. This has resulted in needs for multiple audits or permissions sought from multiple government agencies across the levels. The responsibilities of each government agency have to be clarified and streamlined.
- 16) While the MoF should take the lead and coordinating role, the engagement of other sectoral ministries relevant to the project(s) being discussed in negotiations with development partners would strengthen the negotiation process given their sectoral expertise.
- 17) IDCP has to clarify if IDCP should clarify is the coordination with sectoral ministries (Clause 3.10.7) coordination has to be done through the Social Welfare Council.
- 18) Clause 3.10.7 that prohibits administrative cost to exceed 20 percent The NDCP could show some flexibility in some cases where the project leans heavily on technical support.

- 19) The audits/public hearing required as per 3.10.8 could be reduced to 2 (or even 1) with the financial audit mandatory with a choice between social audit and public hearing, to cut costs.
- 20) It should be clarified whether Clause 3.10.10, suggesting that INGOs should use the Social Welfare Council's window for international development cooperation resources, applies to bilateral/multilateral Development Partners.
- 21) NDCP need to clarify if the Clause 4.5.2 is applicable to INGOs as well.
- 22) A representative from Prime Minister's Office should be a member of the policy implementation Meeting.
- 23) NDCP should clarify if the NSDAs have to bear the cost of allowances provided to the government/SWC officials for Local Development Partners Meeting.
- 24) NSDAs should be discouraged from providing allowances to participants to attract them to participate.
- 25) The NDCP should encourage the recruitment of local talent and local human and other resources as much as practicable.

## **ANNEX**

### **Annex 1**

Focused Group Discussion on I/NGO's role in International Development Cooperation  
Report, 2019

Held on: 10 May 2023

Venue: Basera Hotel

Participants list:

- 1) Gunjan Jha, Galli Galli
- 2) Mandip Rai, USAID
- 3) Tejendra Paudel, USAID
- 4) Prabigya Baskota, Swiss Embassy
- 5) Mim Hamal, EU
- 6) Rosalba Tuses, EU
- 7) Rajendra Upreti, SWC
- 8) Rakesh Baiba, dZI
- 9) Anil Upadhyaya, AIN
- 10) Mitchell Leigh, UNDP
- 11) Bhawa Raj Regmi, NGO Federation
- 12) Ram Prasad Subedi, NGO Federation
- 13) Timila Rai, GoN
- 14) Nirmala Sharma, AIN
- 15) Durga Bhattarai, SWC
- 16) Madan Joshi, AIN
- 17) Arjun Kumar Bhattarai, NGO Federation
- 18) Khemraj Shrestha
- 19) Ram Raj Bhattarai, SWC
- 20) Rashmi Shrestha, Chandragiri Municipality

## **Annex 2**

### List of participants in KII

- 1) Ashok Rai, Palika Chairperson
- 2) Rajan Neupane, Grievance Hearing Officer
- 3) Madan Prasad Chauhan, Palika Chairperson
- 4) Krishna Lal Shrestha, Chief Administrative Officer
- 5) Hidam Lama, Palika Chairperson
- 6) Krishna Hari Paudel, Chief Administrative Officer
- 7) Surya Bahadur Gharti, Palika Chairperson
- 8) Tulsi Ram Acharya, Chief Administrative Officer
- 9) Mukti Nanda Rawal, Chief Administrative Officer
- 10) Mohan Maya Dhakal, Mayor
- 11) Lal Bhakti Shahi, Chief Administrative Officer
- 12) Lalmati Devi Katharia, Deputy Palika Chairperson
- 13) Ghanshyam Bohora, Chief Administrative Officer
- 14) Dhana Devi Thapa, Palika Deputy Chairperson
- 15) Khagendra Bharti, Chief Administrative Officer