

Ministry's Engagement by Number of Projects and DPs (top 5)

Ministry	No. of Projects	Number of DPs
Ministry of Health and Population	83	21
Ministry of Physical Planning, Works and Transport Management	60	13
Ministry of Federal Affairs and Local Development	57	27
Ministry of Agriculture Development	41	16
Ministry of Women, Children and Social Welfare	39	15

Disbursement by Ministry (top 5)

Ministry of Education	US \$ 231.23 million
Ministry of Federal Affairs and Local Development	US \$ 163.37 million
Ministry of Physical Planning and Transport Management	US \$ 118.89 million
Ministry of Energy	US \$ 108.44 million
Ministry of Health and Population	US \$ 83.59 million

Geographic Distribution of Aid for FY 2011-12

Number of Projects by District (top 5)*

Kailali	51
Achham	50
Kathmandu	42
Dang	41
Dailekh/Sunsari/Surkhet	40

Number of Projects by District (lowest 5)*

Manang	5
Mustang	7
Gulmi	8
Arghakhanchi	9
Rasuwa	11

Disbursement by District (top 5)*

Lamjung	US \$ 20.14 million
Jhapa	US \$ 17.64 million
Dailekh	US \$ 15.14 million
Ramechhap	US \$ 12.49 million
Surkhet	US \$ 12.28 million

Disbursement by District (lowest 5)*

Gulmi	US \$ 1.06 million
Mustang	US \$ 1.35 million
Argakhanchi	US \$ 1.38 million
Bara	US \$ 1.50 million
Siraha	US \$ 1.83 million

Estimated Disbursements by Development Region *

Central	US\$ 115.0 million
Mid-Western	US\$ 106.6 million
Eastern	US\$ 90.2 million
Western	US\$ 69.0 million
Far-Western	US\$ 66.8 million

Disbursement aligned with National Development Plan

Social Development Policy	40%
Infrastructure Development Policy	29.9%
Macro-economic Policy and Economic Development Policy	19.3%
Peace, Rehabilitation and Inclusive Development Policy	4.6%
Not aligned on the TYP	3.6%
Good Governance and Human Rights	2.3%
Cross-cutting Issues	0.3%

Top 5 Ongoing Projects with Largest Commitment

School Sector Reform Program	US \$ 606 million
Nepal Health Sector Program	US \$ 254 million
Poverty Alleviation Fund II	US \$ 247 million
Melamchi Drinking Water Project	US \$ 226 million
Middle Marsyangdi Hydroelectric Project	US \$ 201 million

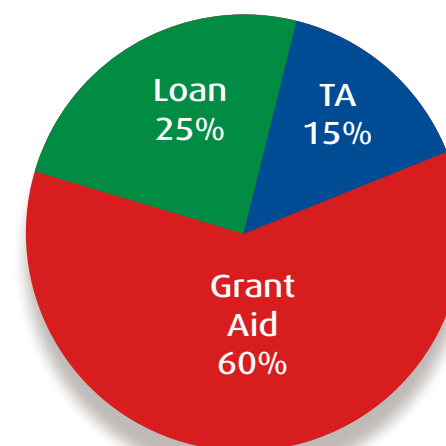
*Nationwide projects excluded

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Foreign Aid in Nepal

FY 2011-12



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Background

Foreign aid continues to play an important role in Nepal's socio-economic development, representing about 26 percent of the national budget. Nepal receives official development assistance from over 40 donors. In recent years, aid information has been widely sought by various users including journalists, students, researchers, line ministries, development partners and the general public. The International Economic Cooperation Coordination Division (IECCD) is very pleased to provide some key information on aid in Nepal based on its 2013 Development Cooperation Report. This will help governmental policy makers, line ministries, the private sector, the general public as well as development partners to understand overall aid scenario in Nepal.

Aid Management in Nepal

For the purpose of aid transparency and aid predictability, the Aid Management Platform (AMP), an online web-based information system has been set up in the Ministry of Finance. All development partners have been given access to this and they are reporting aid information into the system regularly. In addition, all line ministries, including the National Planning Commission, have been given access to this system. The Ministry of Finance is planning to make key aid information available to the public through its website in 2013 with the help of the AMP. This leaflet attempts to provide key information on external aid mobilized during fiscal year 2011-12.

The AMP has currently been a very effective tool for the collection and dissemination of information related to foreign aid flows. It has been custom-made for Nepal to meet its particular development planning and information needs. It has filled significant gaps in government knowledge about trends in aid allocation by DPs, the amount of aid

that is off budget, particularly technical assistance (TA), in addition to the extent of aid fragmentation and the predictability of aid. The first Development Cooperation Report based on AMP data was published in March 2012 and it gave a broad overview of foreign aid in Nepal along with some analysis of aid fragmentation, the use of technical assistance, and the alignment of programs with national policy. This is the second publication of its kind.

Volume of Foreign Aid Disbursements for FY 2011-12

Total Disbursement (including TA)	US \$ 1.04 billion
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Types of Donors	Amount	%
Multilateral	US \$ 630.2 million	57
Bilateral	US \$ 415.0 million	43

Multilateral Development Partners (top 5)

World Bank Group	US \$ 269.6 million
ADB	US \$ 193.4 million
UN Country Team	US \$ 108.1 million
EU	US \$ 43.9 million
Global Fund	US \$ 15.0 million

Bilateral Development Partners (top 5)

UK	US \$ 84.2 million
India	US \$ 50.6 million
Japan	US \$ 44.0 million
Norway	US \$ 41.6 million
Germany	US \$ 38.8 million

Sectorwise Disbursement of Foreign Aid (top 5)

Education	US \$ 229.0 million
Local Development	US \$ 153.5 million
Road Transportation	US \$ 116.7 million
Electricity	US \$ 106.8 million
Health	US \$ 85.0 million

Foreign Aid Disbursement by Type of Assistance

Type	Amount	%
Grants	US \$ 630.9 million	60
Loan	US \$ 254.7 million	25
TA	US \$ 159.5 million	15

Disbursements by Modality of Assistance

Project Support	55%
Sector Wide Approach	22%
Program Support	18%
Humanitarian Assistance	4%
Others	1%

Disbursements by On/Off Budget

On Budget	77%
Off Budget	23%

DPs Engagement by Number of Projects and Ministries (top 5)

Donor	Number of Projects	No. of Ministry/Agency
UN Country Team	220	25
ADB	87	15
EU	72	16
WB	42	17
UK	42	16