

National and Sub-national Budgeting

Nepal

Initiatives and Achievements

- The climate change policy, 2011 of Nepal envisages that 80% of the climate budget reaches the local areas
- The 2011 Climate Public Expenditure and Institutional Review (CPEIR)
- Introduced National Climate Change Budget Code at central level in 2012
 - 2012/13 – 6.74% of the total annual development Budget
 - 2013 /14 – 10.3% -----do-----
 - 2014 /15 – 19.45% -----do-----
 - 2015 /16 – 19.1% -----do-----
 - 2016 /17 – 30.7% -----do-----
- Local Climate Change Adaptive Living Facilities (LoCAL) piloted in selected two districts
- District -CPEIR is being prepared
- Implemented Environment Friendly Local Governance Framework (EFLGF) and encouraged local government to allocate resources for climate change responsive activities

Achievements in Budget Planning

- Central government as well as local governments gradually translating the climate change policies of spending upto 80% budget at local level into actions
 - Study in 15 District Development Committees (DDCs) and 5 municipalities of Nepal in 2013 revealed that only 4% of the total annual development budgets were set aside for environment friendly development activities by local bodies.
 - Study carried out based on reviewing annual development plans of Environment Friendly Local Governance Program (EFLGP) implemented local bodies in June 2016 revealed that the in an average 15.03% of the total local bodies' budget were relevant to the pro-poor environment, climate change and disaster related activities
 - With the technical support of UNDP, MoFALD carried out District Public Expenditure and Institutional Review (DCPEIR) in 2016.
 - For the first time in Nepal, Training on Climate Change Budget Code and Tracking System for sub-national stakeholder mainly EFLGP implemented areas was conducted in Kathmandu in March 2017.

Issues

- Expenditure tracking and reporting of climate change budgets
- Different funding modality for local climate programs under local governments .
- Subject wise office, NGO and civil society organizations are making expenditure in climate change related activities but without coordination and consolidated reporting
- Local government has inadequate knowledge and understanding on climate change policies, budget and coding system
- Translation of climate change policies and climate change budget code into action need coordinated and concerted efforts of various organizations in the local level

Opportunities

- Availing integrated planning and budgeting guidelines helps mainstreaming climate change issues into local development planning and budgeting process as local government have more power than before
- Strengthening Environment Friendly Local Governance Framework that includes multi-disciplinary indicators including climate change mitigation and adaptation activities and demands coordination efforts
- Need a common framework to work central, provincial and local government to ensure effective tracking and reporting of climate change budgets at various level
- District CPEIR carried out by MoFALD with the support of UNDP in 2016, will be a baseline for climate change investment by local government in the days ahead

Thank you