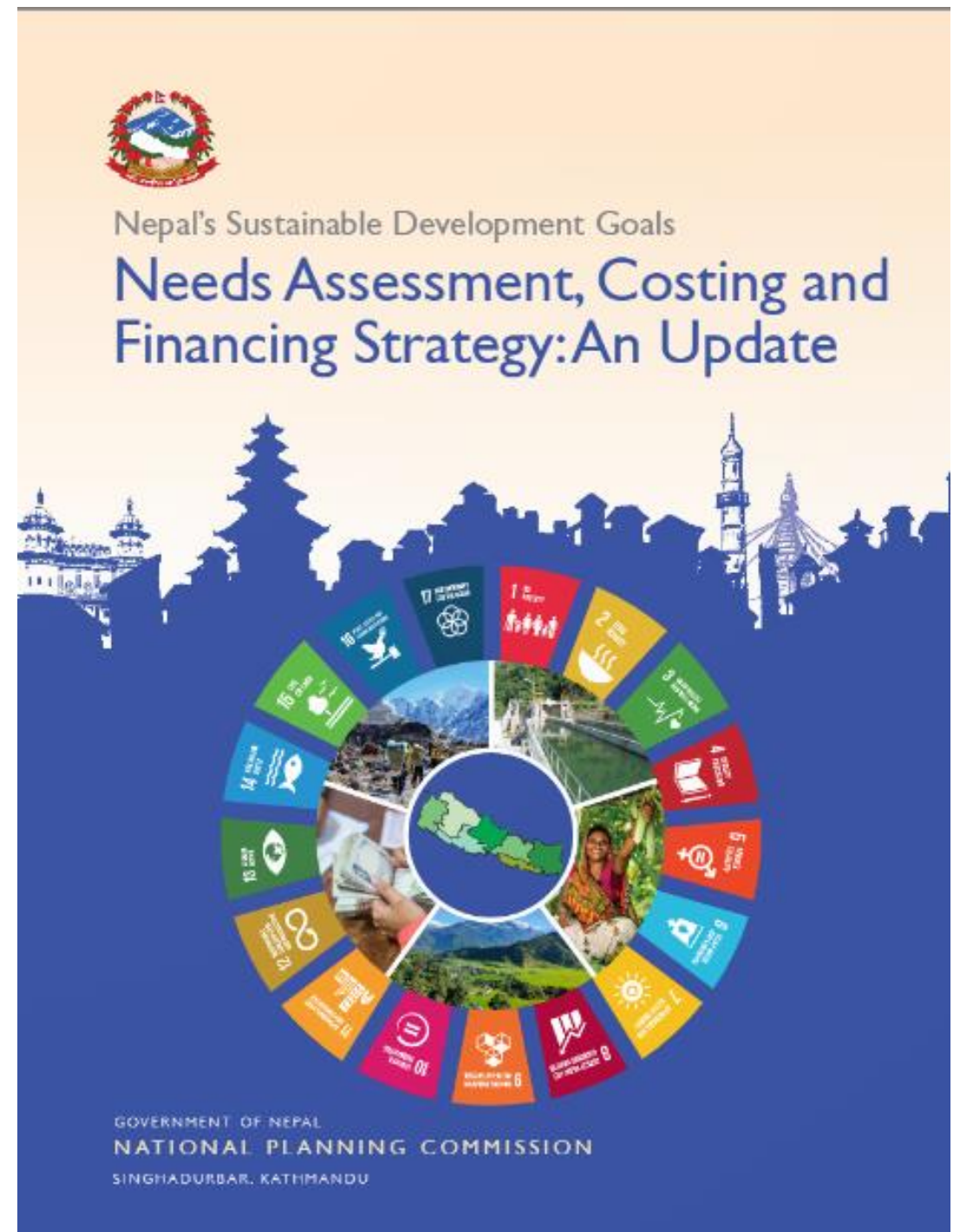


Financing Mechanism for SDGs Localization in Nepal

**NASC
2082**



SDGs Localization

SDGs implementation in sub-national level i.e Provinces and Local Levels

Ownership

Internalization

Implementation

Monitoring and
Evaluation

How?

Through 4Is:

Identification

Institutions

Instruments

Investment

Overall SDG Investment Requirement

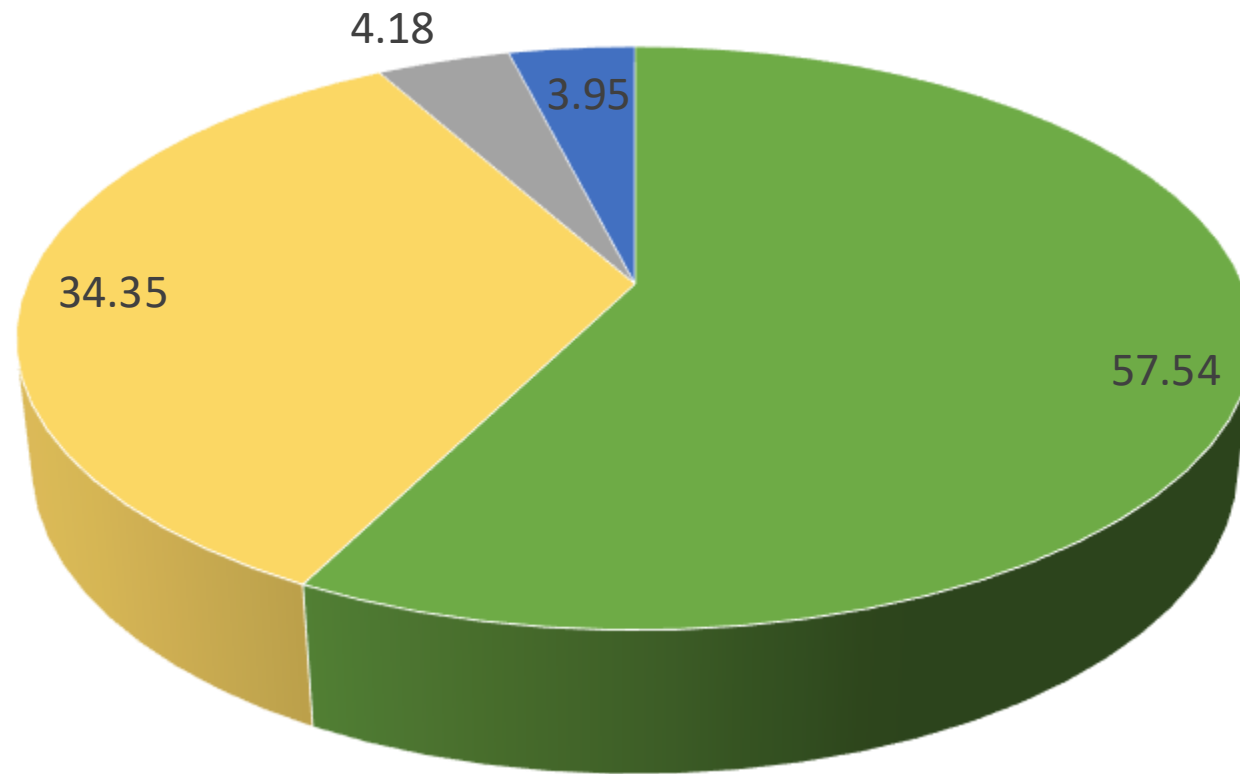
Amount: NRs (billion)

SDGs/ Period	2023	2030	Total 2024-30	Ann. Avg (2024-30)	Share (%)
Total required Investment	2202.47	3632.04	21164.74	3023.53	100.0
Of which: Province	24.899	42.67	264.84	33.11	1.3
Local	224.644	385.00	2389.45	298.68	11.3

Total Investment Requirement (2024-30): 45.4 % of GDP

SDGs Financing

Investment Share (Percent)



■ Public Sector

■ Private Sector

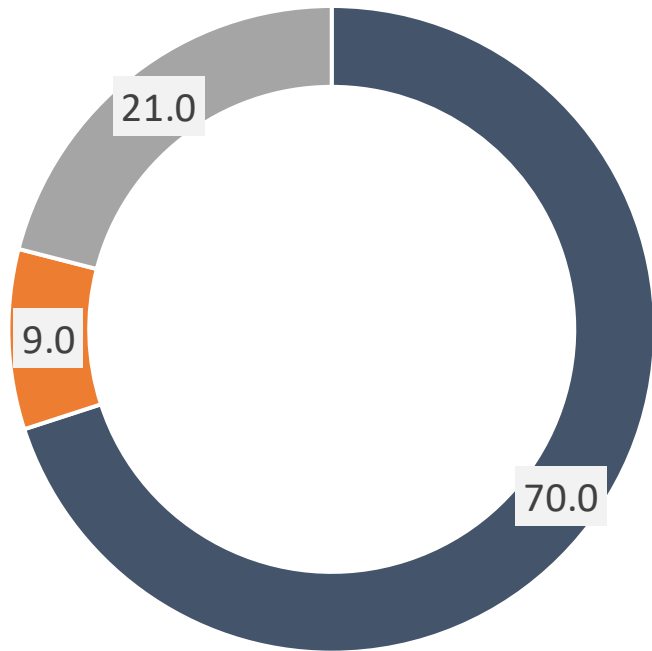
■ Cooperative, NGO Sector

■ Household Sector

Public sector Financing

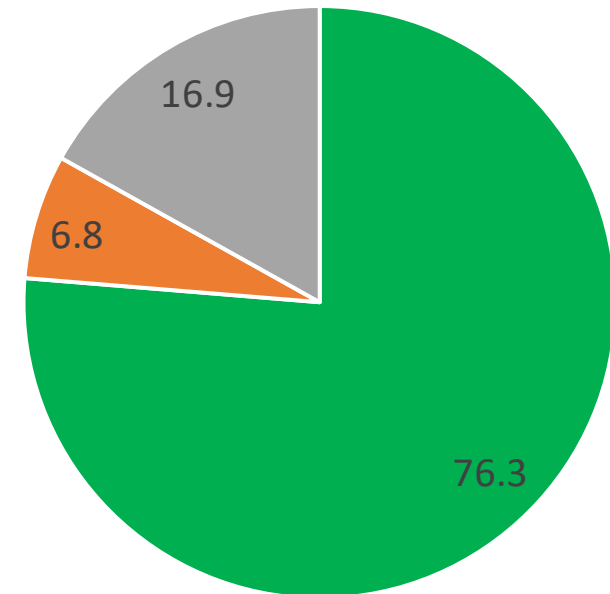
Share OF Federal, Provincial and Local Governments in Public Finance and Investment in SDGs (%)

SDG investment share (%)



■ Federal ■ Provincial ■ Local

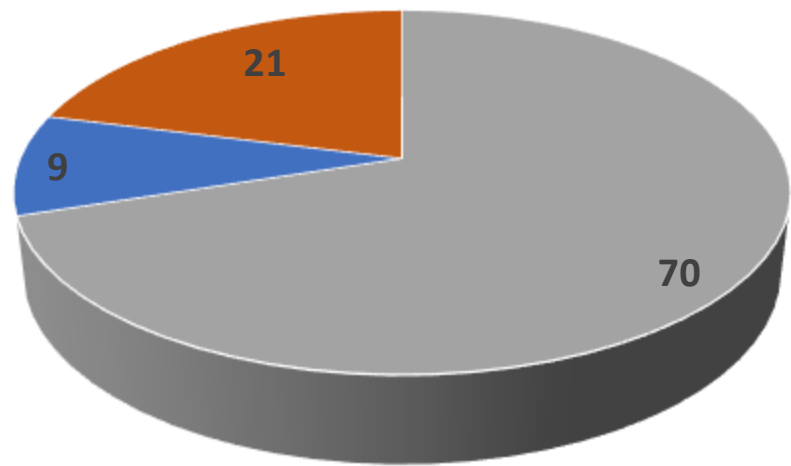
Investment share from Own Source Revenue (%)



■ Federal ■ Provincial ■ Local

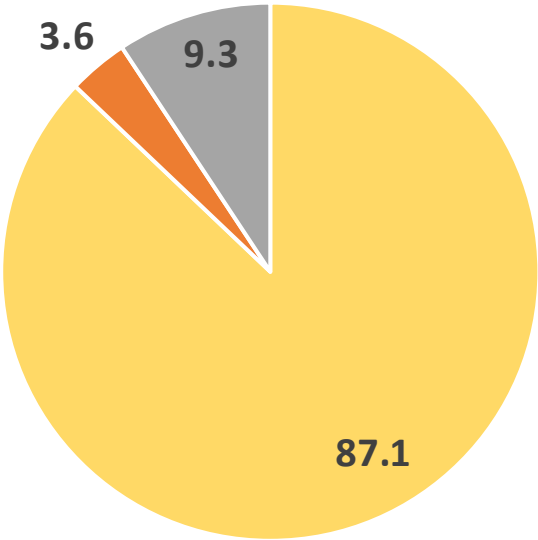
Share OF Federal, Provincial and Local Governments in Public Finance and Investment in SDGs (%)

Investment share from domestic Borrowing (%)



■ Federal ■ Provincial ■ Local

Investment share from ODA (%)



■ Federal ■ Provincial ■ Local

Public Financing Gap in 3 tires of government

In NRs. billion

Items	2023		2030	Total 2024-30	Avg 2024-30
Financing Gap at Federal Level	71.2		69.0	600.9	85.8
Financing Gap at Province Level	3.8		5.3	45.1	6.4
Financing Gap at Local Level	35.5		54.4	349.4	49.9

SDGs Financing Gap in Provinces

In NRs. billion

Items	2023	2030	Total 2024-30	Avg 2024-30
Province revenue and Domestic Borrowing (available for SDGs)	106.0	169.6	979.4	139.9
Province Required Investments	116.7	188.2	1096.1	156.6
Province domestic financing gap	10.7	18.7	116.6	16.7
Province domestic financing gap % of province investment requirement	9.2	9.9		10.7
ODA (available for SDG areas)	6.8	13.3	71.5	10.2
Province Financing Gap	3.8	5.3	45.2	6.5
Province Financing Gap as % of Province Investment Requirement	3.3	2.8	-	4.3

SDGs Financing Gap in Local Level

In NRs. billion

Particulars	2023	2030	Total 2024-30	Avg 2024-30
Revenue and Domestic Borrowing (available for SDG areas)	219.1	350.2	2023.4	289.0
Local Required Investments	272.3	439.2	2557.4	365.3
Local domestic financing gap	53.2	88.9	534.0	76.2
ODA (available for SDG areas)	17.7	34.5	184.6	26.4
Total Available Resources	236.8	384.7	2208.0	315.4
Local financing gap after ODA	35.6	54.5	349.4	49.9
Local Financing Gap as % of Local investment requirement	13.1	12.4	-	13.8

Financing Mechanism in Province and Local Level

- Resource mobilization strategy at the provincial level
 - Focus on OSR
 - Optimum utilization of natural resources
 - Intergovernmental Fiscal Transfers
 - Intergovernmental Co-financing
 - Collaboration and coordination with private sector, NGOs, CBOs, cooperatives
 - Internal borrowing
 - Official Development Assistance
 - Public Private Partnership (PPP)
 - Public Community Participation (PCP)

Financing Strategies in Province and Local Level

- Revenue mobilization in federal level
 - Integration of off-budget operations into a comprehensive budgetary framework
 - Expanding coverage of user fees/charges
 - Involving private sector in public service provision
 - Widening the tax base by eliminating exemptions and broadening coverage
 - Revising tax rates and base
 - Updating reference prices and cross-checking transaction values
 - Controlling revenue leakage
 - Forging effective coordination among revenue enforcement agencies
- ODA mobilization
 - Bilateral and multilateral grants and loan
- Public Finance Efficiency, Expenditure Switching, and Synergy for achieving SDGs
- Partnership for implementation