

Development Cooperation Policy, 2014: Major Contents and Points of Departures

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Outline

- Vision, Mission and Objectives
- Strategies
- Major Points of Departure
- Preferred Aid Modality
- Direct Implementation
- Implementation and Coordination Mechanism

Vision, Mission and Objectives

Vision: Mobilize external resources for socio-economic transformation and create a self-reliant economy.

Mission: Mobilize external resources efficiently and effectively.

Objectives: Mobilize dev. Cooperation to –

- Help realize the objectives of the periodic development plans
- Help graduation from LDC status by 2022
- Obtain real ‘value for external resources’

Strategies

- Broad-based, inclusive, sustainable growth
- Investments in infrastructure development
- Sustainability of the achievements in Social Development, MDGs,
- Post 2015 development agenda/sustainable development goals,

Strategies

- Best practices in line with global commitments
- Partnership with private sector
- Selectivity, Result, Transparency, Accountability
- Relatively self-sustaining economy

Major Points of Departure

- Threshold introduced to control fragmentation
- Preferred aid modalities-general budgetary support, sector budget support
- Alignment with national plan, priority and need
- Loan in larger infrastructure projects
- Use of country system, aid on-budget and treasury

Major Points of Departure

- No aid undermining national integrity, sovereignty, religious, ethnic and social harmony and security.
- Partnership with INGOs and NGOs with Transparency and accountability measures
- Shift from software to hardware
- South-south and Triangular Cooperation
- Clarity on tax and visa related provisions
- Domestic resource mobilization, aid for trade

Preferred Aid Modality

1. General Budgetary Support
2. Sector Budget Support
3. Aligned Projects-minimum costs, maximum elements of innovation and sustainability
4. Division of labor based on comparative advantage and untied
5. Use of country system, on-budget, on-treasury, International consultancy only when expertise is not available locally.

Direct Implementation

- High priority medium and large scale projects including hydropower, transmission line, highway, strategic road, bridge, railway etc.
- On-budget and regular reporting of financial details to concerned Ministry, AMP and MoF
- Implementation directed by the Government led steering committee.

Policy Implementation Mechanism

- A High-Level “Development Cooperation Policy Implementation Committee chaired by Hon. Finance Minister will guide the implementation of this policy
- The Committee comprises of VC, NPC, Chief Secretary, NRB Governor, Secretaries of MoF, Law, MoFA, MoWCSW, NPC and FCG as members and Joint Secretary, IECCD as member-secretary

Central Focal Point for Coordination

- Ministry of Finance is responsible for exploring and formalizing and coordinating development cooperation.
- Development partners should direct their communication regarding development cooperation mobilization only through MoF.
- Approval of National Planning Commission to propose projects.

Coordination Mechanism

- Nepal Development Forum
- Local Development Partners Meeting
- Nepal Portfolio Performance Review
- Joint Sectoral Review
- Joint Local Level Review

Thank You