

NEPAL

Extreme poverty rates in Nepal have decreased by over 80% since 2002. According to the latest estimates (2013), 8.5% of the population lives on less than PPP\$1.90 a day. The poorest 20% of the population holds 8% of the income.

- Remittances have increased 29-fold since 2000 and remain the largest international resource inflow
- Nepal in one of the 25 countries with lowest levels of government spending, equating to PPP\$490 per person in 2015
- Over a third of ODA is provided by two multilateral institutions, IDA and the ADB

Overview

HOW MANY OF THE
POOREST 20% OF
PEOPLE GLOBALLY LIVE
IN NEPAL?

6.9m

WHAT RESOURCES
ARE AVAILABLE?

Domestic public

US\$4.1bn

International

US\$8.2bn

HOW MUCH DOES THE
GOVERNMENT SPEND
PER PERSON?

PPP\$490

See Notes

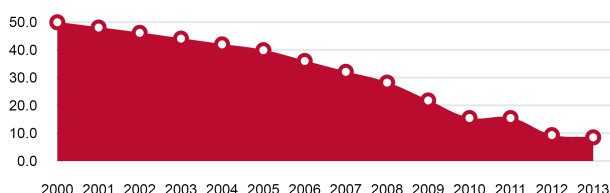
HOW DEEP IS
POVERTY?

2%

Depth of poverty

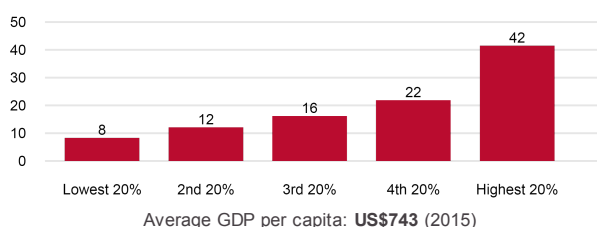
Extreme poverty in Nepal has dropped by over 80% between 2002 and 2013

% of population living on under \$1.90 per day



The poorest 20% of the population has 8.3% of total income

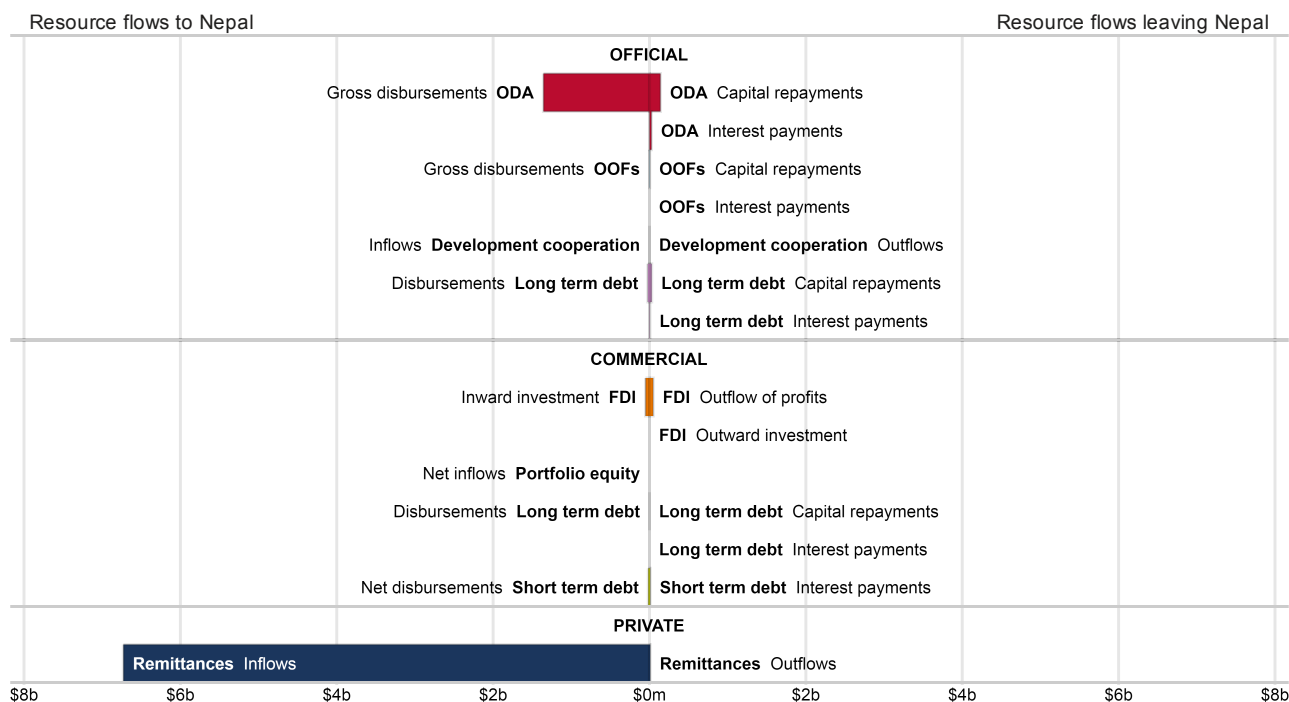
2010, share of income by quintile of population



Resource flows to and from Nepal

Inflows of remittances continued to increase in 2015 and account for 82% of all international financing

2015, international resource inflows and outflows (US\$ billions, constant 2015 prices)



Notes: We define extreme poverty as measured using the 2011 PPP\$1.90 extreme poverty line. Purchasing power parity (PPP) prices are the rate at which a country's currency would have to be converted into that of another country to buy the same amount of goods and services in each country. PPPs are constructed by comparing the cost of a common basket of goods in different countries. Depth of poverty is a measure of the average gap in incomes for people living below the poverty line spread across the population of the whole country, expressed as a percentage of the PPP\$1.90 a day poverty line. Poverty data in the overview boxes is for the year 2013. 'Domestic public resources available' refers to the total non-grant revenue either collected or projected to be collected by the government in the financial year 2015. Data on 'international resources available' also refers to the year 2015. Data on government spending per person is expressed in 2015 PPP\$, as estimated by the IMF, and refers to the year 2015 or most recent year prior. Acronyms: ADB: Asian Development Bank; GDP: gross domestic product; IDA: International Development Association; IMF: International Monetary Fund; ODA: official development assistance.

Government finance

Taxes account for 81% of total government revenue (including grants). Net financing is negative, as repayments were greater than disbursements. One-fifth of expenditure went towards capital spending.

Grant funding accounts for 9% of total government revenue

2015, latest year of actual revenue (US\$ billions, constant 2015 prices)

Total Revenue And Grants 100% of total US\$4bn	Revenue 91% of total US\$4bn	Non-Tax Revenue 10% of total US\$452m
		Tax Revenue 81% of total US\$4bn
	Grants 9% of total US\$402m	

External financing is almost all sourced from concessional borrowing

2015, latest year of actual financing (US\$ billions, constant 2015 prices)

Financing -100% of total US\$-342m	Net External Finance 50% of total US\$171m
	Net Domestic Finance -150% of total US\$-513m

20% of expenditure is capital spending, and interest payments make up 2%

2015, latest year of actual expenditure (US\$ billions, constant 2015 prices)

Total Expenditure 100% of total US\$4bn	Recurrent Expenditure 80% of total US\$3bn	Interest Payments 2% of total US\$90m
	Capital Expenditure 20% of total US\$864m	Pay And Allowances 18% of total US\$744m

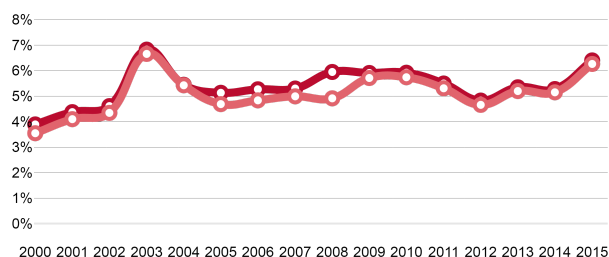
Notes: Year of data refers to the fiscal year 2015 running from July to June. The pink boxes represent negative values, typically showing repayments of loans under financing. Some labels have been omitted from these visualisations; for these, and those that are too small to read, please refer to the online country profile page on the Development Data Hub. For the specific source information see here: <https://github.com/devinit/digital-platform/blob/master/user-data/domestic/csv/domestic-sources.csv>

ODA

ODA disbursements to Nepal reached a high of US\$1.4 billion in 2015, a 43% increase on levels in 2014, and making up 6.4% of GDP. Over half of aid to Nepal in 2015 is disbursed in the form of cash, of which 32% is loans and equity and 23% was grants. IDA, ADB and the US are the largest three 2015 donors to Nepal. IDA's and ADB's predominant form of ODA was loans and equity. Humanitarian assistance is the largest recipient sector at US\$247 million, and levels were driven by the response to the 2015 Nepal earthquake; the UK is the largest donor to this sector. Health and infrastructure are the second and third largest sectors; with the US and ADB respectively the largest donors to each.

ODA relative to GDP increased by 21% in 2015, after remaining constant from 2013 to 2014

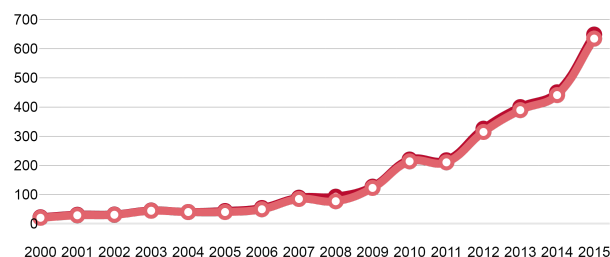
Gross ODA % of GDP



■ Total ODA as a % of GDP ■ Total ODA (excl-non-transfer) % of GDP

ODA per poor person has increased twelve-fold over the period 2006 to 2015

ODA per person living under \$1.90 a day



■ Total ODA per poor person ■ Total ODA (excl-non-transfer) per poor person

About a third of ODA is in the form of loans and equity while a tenth is technical cooperation

2015, gross disbursements

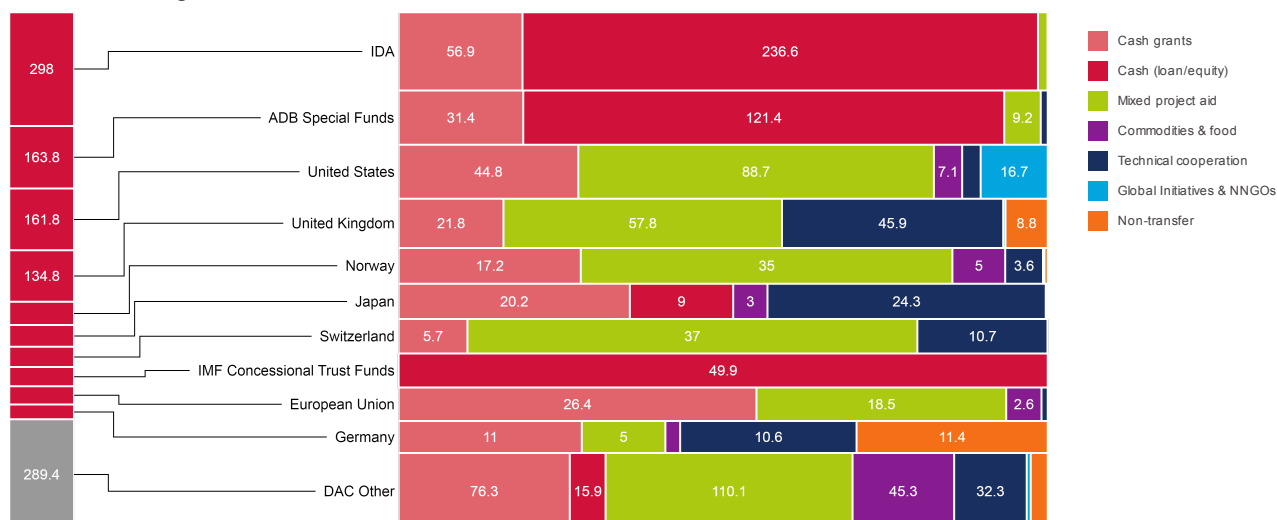


Note: NNGOs, Northern non-governmental organisations.

A tenth of ODA from the largest ten donors is technical cooperation, with the UK and Japan accounting for 69% of it

2015, US\$ millions, gross disbursements

Aid from the ten largest donors



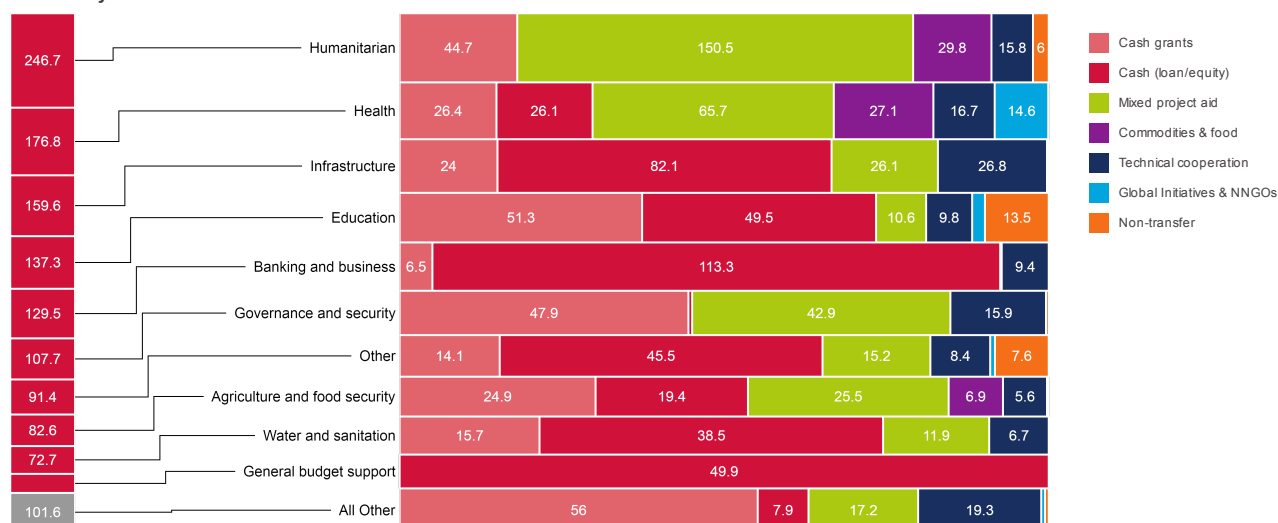
Note: ODA is equivalent to 0.48% of GDP in all developing countries and 0.76% in South and Central Asia in 2015. ODA per capita is equivalent to US\$13 in South and Central Asia. Acronyms: northern non-governmental organisations; UK: United Kingdom; US: United States.

What is aid spent on?

Most humanitarian and health ODA is reported as mixed project aid; 67% of infrastructure aid is cash

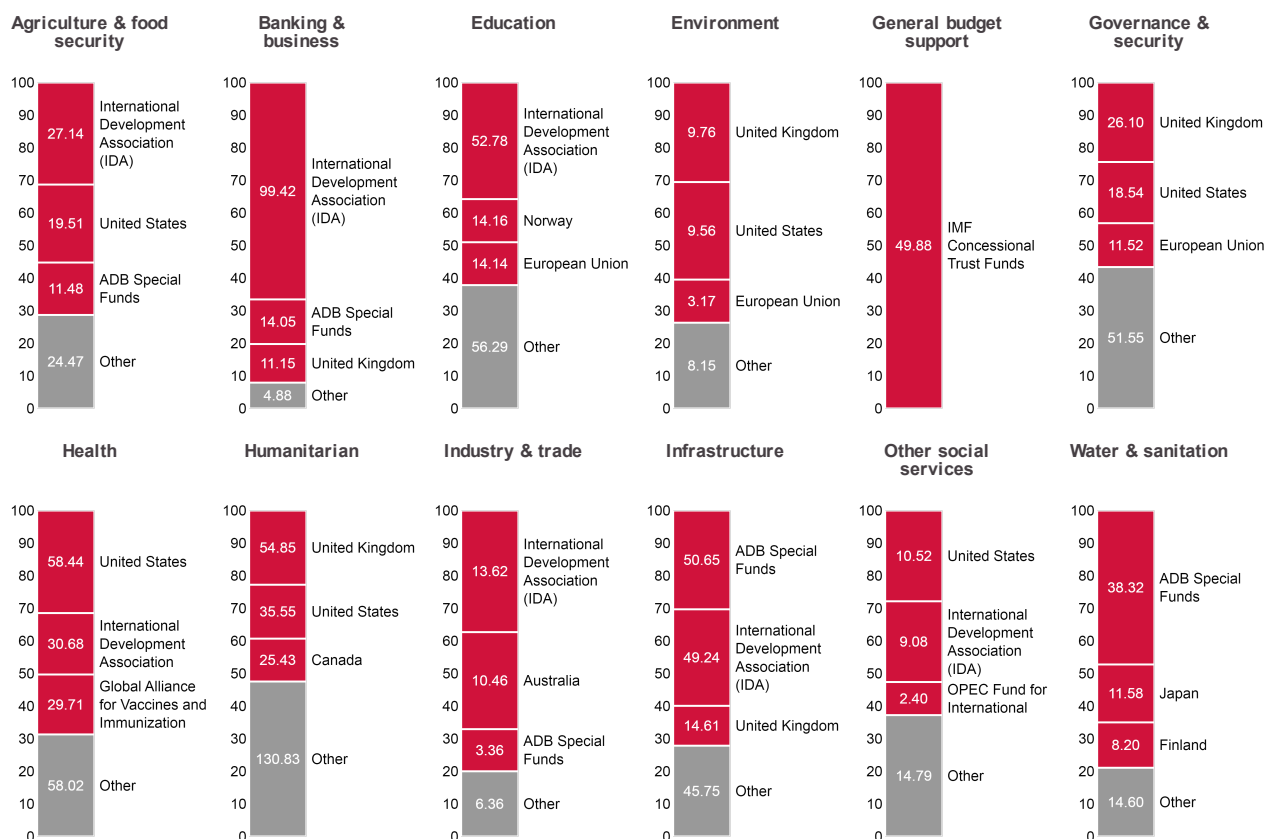
2015, US\$ millions, gross disbursements

Total aid by sector



IDA and Norway provide almost half of all education aid; the US and IDA provide half of all health aid

2015, gross ODA, % of total (US\$ millions disbursements in columns)



Notes: Data is from the OECD Development Assistance Committee (ODA and other official flows data), the World Bank (long-term debt, remittances, gross national income (GNI) and poverty), the UN Conference on Trade and Development (FDI), IMF article IV publications (domestic revenue and expenditure). Other official flows (OOFs) are typically loans that are either not sufficiently concessional to count as ODA, or are mainly in support of commercial objectives, such as donor exports. All data in US\$ is in 2015 prices. 'Other' sector aid includes multisector ODA, administrative costs, support for refugees in the donor country and unallocated or unspecified ODA. Acronyms: FDI: foreign direct investment; OECD: Organisation for Economic Co-operation and Development.