

Nepal

Commitment to Human Capital - Scorecard

This scorecard presents a snapshot of the country's commitment to the human capital agenda and presents information on how the World Bank Group is supporting the government in the social sectors.

In Nepal the productivity as a future worker of a child born today is **49 percent** as much as it could be. The HCI has three components: survival to age 5, health, and education. For more information on human capital outcomes and the HCI, please see the country two-pager on www.worldbank.org/humancapitalproject

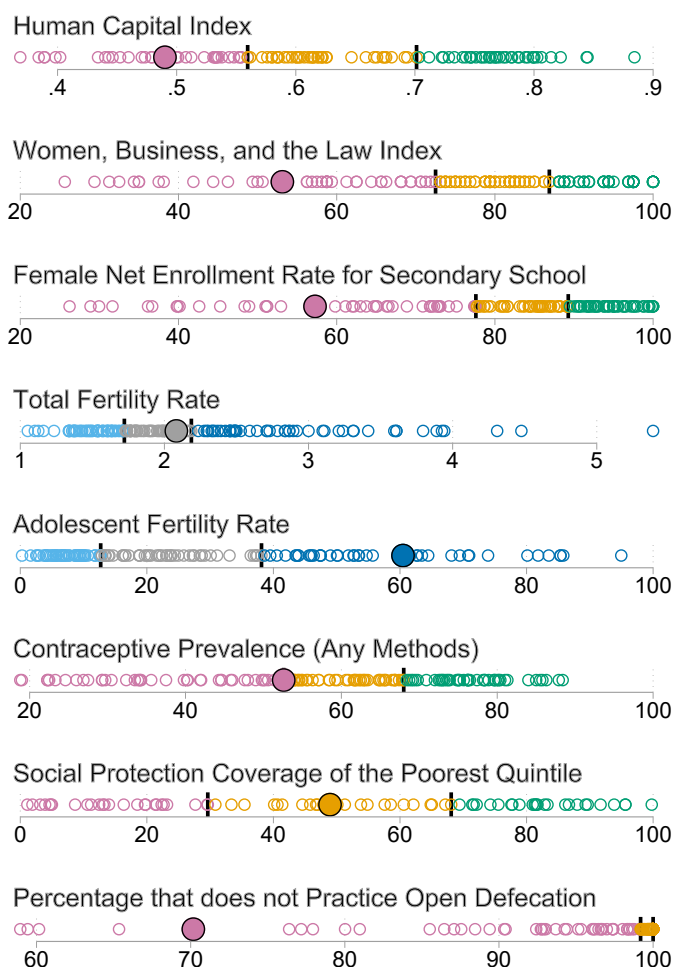
KEY OUTCOME AND OUTPUT INDICATORS TO MONITOR

- **Women, Business and the Law Index.** This index measures gender equality in the law (how the economic decisions women make are affected by the law), with a larger value showing higher gender equality. In Nepal, the value is **53** out of 100. This is lower than both the average for its region (58) and the average for its income group (68).
- **Net Enrolment Rate in Secondary School.** In Nepal, **57 percent** of girls of secondary-school age are enrolled in secondary school. This is lower than the average for its region (59) but higher than the average for its income group (29).
- **Total Fertility Rate.** In Nepal, the total fertility rate is **2.1** births per woman. This is lower than both the average for its region (2.6) and the average for its income group (4.7).
- **Adolescent Fertility Rate.** In Nepal, there are **60 births** per 1,000 women ages 15-19. This is higher than the average for its region (39) but lower than the average for its income group (94).
- **Contraceptive Prevalence.** In Nepal, **53 percent** of women ages 15-49 uses some form of contraceptive method. This is higher than both the average for its region (46) and the average for its income group (28).
- **Social Protection Coverage.** In Nepal, **43 percent** of the poorest quintile is covered by social safety nets. This is higher than both the average for its region (21) and the average for its income group (17).
- **Open Defecation.** In Nepal, **30 percent** of the population practices open defecation. This is higher than both the average for its region (12) and the average for its income group (27).

DOMESTIC RESOURCE USE AND MOBILIZATION

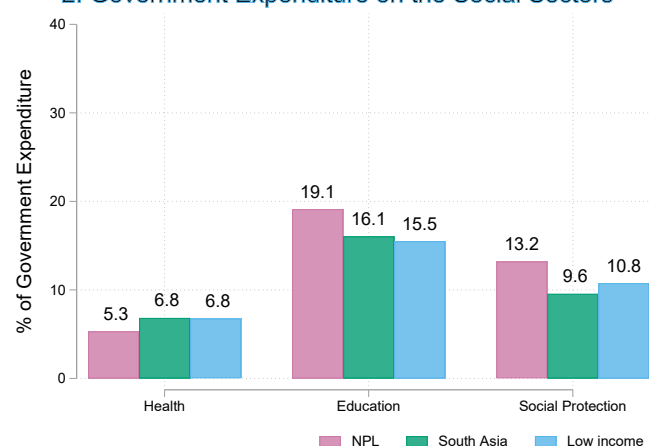
- **Health Spending.** Nepal spends **5.3 percent** of its government budget on health. This is lower than both the regional average (6.8) and the average for its income group (6.8).
- **Education Spending.** Nepal spends **19.1 percent** of its government budget on education. This is higher than both the regional average (16.1) and the average for its income group (15.5).
- **Social Protection Spending.** Nepal spends **13.2 percent** of its government budget on social protection. This is higher than both the regional average (9.6) and the average for its income group (10.8).

1. Key Indicators on Human Capital

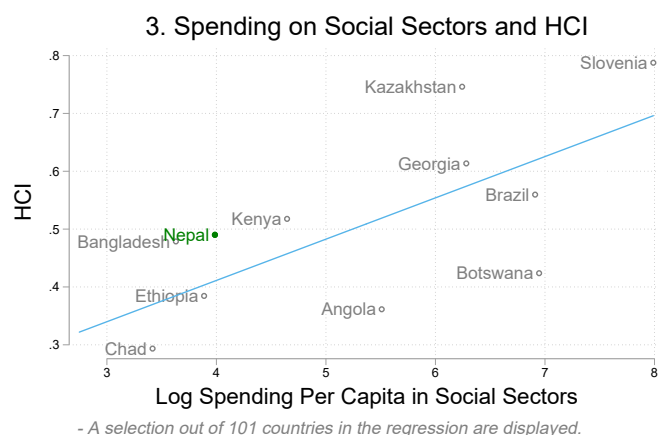


- Large circle=Nepal ; small circles=other countries.
 - Vertical lines separate terciles of the distribution.
 - Pink/light blue=1st tercile; orange/gray=2nd tercile; green/blue=3rd tercile

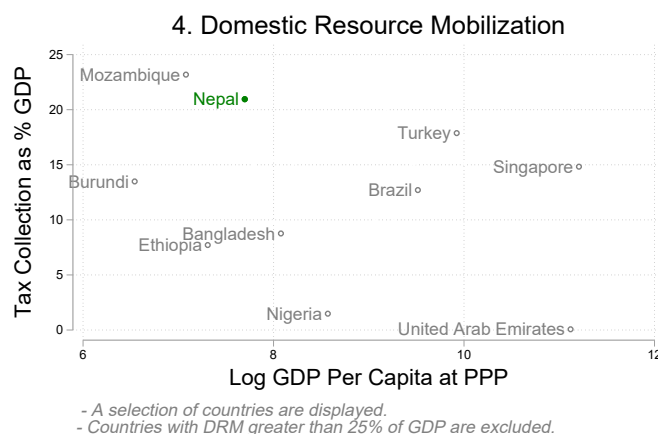
2. Government Expenditure on the Social Sectors



- **Efficiency of Spending.** The HCI in Nepal is **higher** than what would be predicted for its level of per capita government spending on the social sectors.



- **Domestic Resource Mobilization.** The tax revenue in Nepal is **21** percent of GDP. This is higher than both the regional average (13.2) and the average for its income group (14.3).



OTHER RELEVANT INDICATORS

- **Human Capital Project.** Nepal is part of a network of countries committed to the Human Capital agenda.
- **Building Human Capital.** The Country Policy and Institutional Assessment rating for building human resources in Nepal is **4.5** (1 is low and 6 is high). This is higher than both the regional average (4.1) and the average for its income group (3.5). This indicator assesses the national policies and public and private sector service delivery that affect access to and quality of health and education services.
- **Identification.** In Nepal, **26.5 percent** of the population does not have proof of identity. This is higher than the average for its region (22.4) but lower than the average for its income group (34.6).

- **Statistical Data on Human Capital.** In Nepal, the latest available data point on stunting rate is from 2016. Similarly, the latest available data point on Harmonized Learning Outcomes is from 2014.

HOW IS THE WORLD BANK SUPPORTING THE EFFORT?

The following table summarizes the World Bank's investments in Human Development for Nepal, including measures of volume, performance, and other relevant indicators.

World Bank Investments in HD				
Indicator	HD	Edu	HNP	SPJ
HD Portfolio				
USD (million)	831	531	150	150
% of total	3,270	2,089	590	590
Diff. from regional average %	+1,530	+1,032	+209	+289
Diff. from income group avg %	+225	+1,206	-627	-354
HD FY 20 Lending Program				
USD (million)	120	0	0	120
% of total	24	0	0	24
Diff. from regional average %	+16	-3	+0	+19
Diff. from income group avg %	-12	-3	-15	+6
HD Performance				
Average Development Outcome	5	5	5	4
Diff. from regional average %	+0.43	+0.74	+0.29	-0.13
Diff. from income group avg %	+0.30	+0.67	+0.44	-0.59
% Satisfactory DO	100	100	100	100
Average Implementation Progress	4	4	4	3
Diff. from regional average %	-0.18	+0.14	-0.52	-0.73
Diff. from income group avg %	-0.48	-0.22	-0.38	-1.39
% Satisfactory IP	83	100	100	0
Disbursement ratio	0	0	.	0
Diff. from regional average %	-2	-2	.	-2
Diff. from income group avg %	-6	-5	.	-7
Other indicators				
Average project size (USD mill.)	138	133	150	150
Diff. from regional average %	-17	-15	-39	+23
Diff. from income group avg %	+49	+67	+76	+53
% of portfolio that is co-TTLd	43	11	100	100
Diff. from regional average %	+4	-26	+59	+60
Diff. from income group avg %	+13	-14	+67	+65

Note: a) **Pink** indicates that the value is within the first tercile of the distribution for all the countries. **Orange** indicates that the value is within the second tercile. **Green** indicates that it is within the third tercile. b) FY20 lending program includes only projects rated A and B. c) DO and IP are on a scale of 1 to 6 where 1 is Highly Unsatisfactory and 6 is Highly Satisfactory. d) Data as of September 5, 2019.

This scorecard is intended to be a conversation starter on where a country is on various aspects of human capital development and the state of the World Bank's support in the social sectors. The choice of indicators is, to a large extent, driven by what is most relevant for the two regions with the lowest HCI scores (Sub-Saharan Africa and South Asia). As such, not all the indicators included here are relevant for each country. The scorecard should be complemented with other more context specific indicators.

The sources of data for the different indicators include: the Human Capital Project, the World Development Indicators, and the World Bank's internal system to monitor investments.

For more information, please contact the Human Capital Project team: HCP_Team@worldbank.org