Nepal

Aid Efficiency At a Glance – 2026

WORLD BANK GROUP
Development Finance

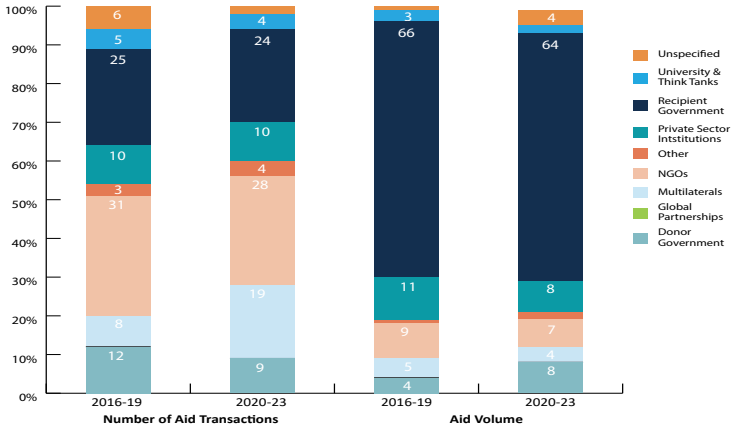
HIGHLIGHTS FOR 2016-23[1]

1. In Nepal, the aid volume increased by 16%, and the number of donor agencies grew steadily by 2% in 2016-23.
2. Nepal had 176 donor agencies on average in 2016-23.
3. During 2020-23, 24% of total transactions and 64% of the volume were provided through the government, compared to 29% and 73% for lower middle income countries overall in 2020-23.
4. The number of transactions grew by 19%, while the size of transactions declined by 3% in 2016-23.
5. 160 out of 178 donor agencies provided the bottom 10% of aid in 2020-23.

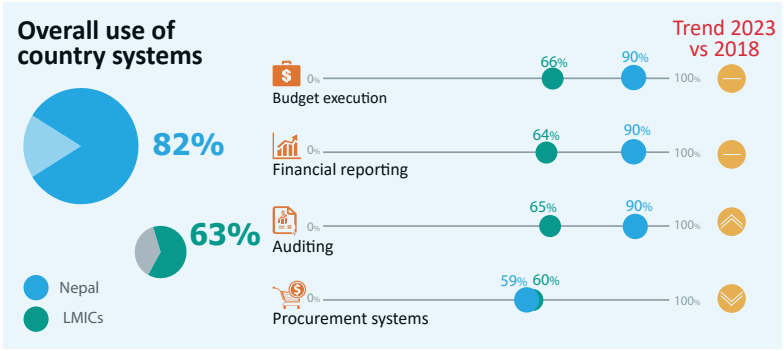
KEY INDICATORS OF AID PROLIFERATION, FRAGMENTATION & CIRCUMVENTION

Description	2016-19	2020-23	% Δ in 2016-23	Comparable % Δ in 2016-23 for LMICs
1. Aid volume ($ million)	6,998	8,094	16%	21%
2. Number of official donor agencies	174	178	2%	11%
3. Number of transactions	7,750	9,220	19%	27%
4. Transactions, size ($ million)	0.90	0.88	-3%	-5%
5. Government channels: % of total transactions	25%	24%	-1%	-1%
% of aid volume	66%	64%	-3%	10%
6. Share of aid volume through pooled funds and other aid types	18%	23%	5%	11%

SHARE OF AID FLOWING THROUGH GOVERNMENT

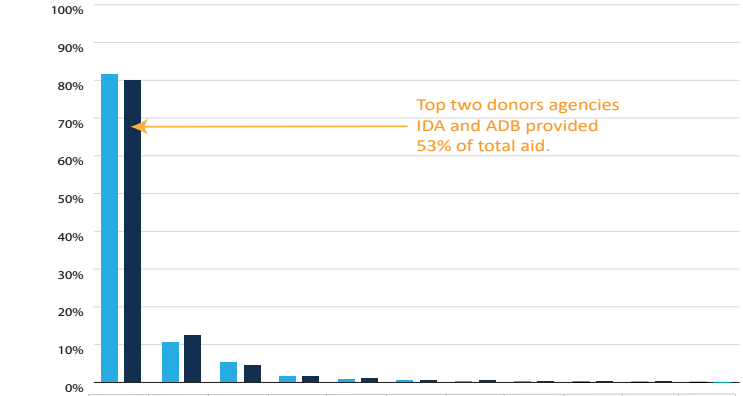


TRENDS IN USE OF COUNTRY SYSTEMS[2]



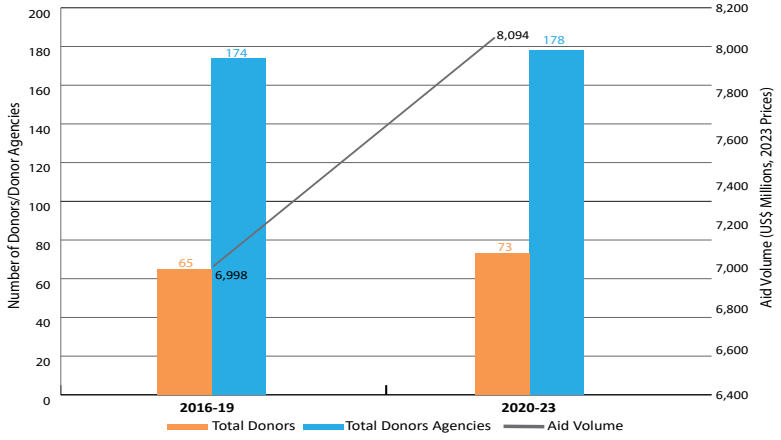
TRENDS IN AID PROLIFERATION AND FRAGMENTATION FOR 2016-23

SHARE OF AID FLOWS BY TOP DONORS AGENCIES

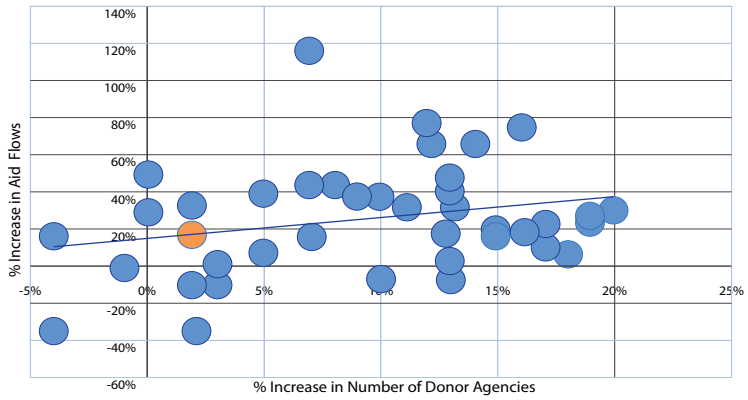


	Top 10	11-20	21-30	31-40	41-50	51-60	61-70	71-80	81-90	91-100	100>
2016-19	81.44%	10.40%	5.14%	1.40%	0.69%	0.39%	0.24%	0.15%	0.09%	0.04%	0.02%
2020-23	79.91%	12.33%	4.24%	1.56%	0.82%	0.46%	0.29%	0.17%	0.10%	0.06%	0.07%

AID FLOWS AND COUNT OF DONOR/DONOR AGENCIES



CORRELATION BETWEEN % CHANGE IN AID FLOWS AND % CHANGE IN NUMBER OF AGENCIES[3]



SHARE OF AID FLOWING THROUGH POOLED FUNDS AND OTHER AID TYPES[4]

Funding Instrument / Aid Type (share in %)	Nepal	
	2016-19	2020-23
Budget Support	13.29%	20.63%
Basket Pooled Funding	1.95%	0.83%
Specific Purpose Contributions	2.43%	1.40%
Sub-Total	**17.68%**	**22.86%**
Project Type Interventions	79.28%	74.35%
Experts and Technical Assistance	2.06%	1.59%
Sub-Total	**81.34%**	**75.94%**
Unspecified	0.98%	1.21%
Total	**100.00%**	**100.00%**

1. Aid is defined as Country Programmable Aid Official Financial Flows (CPAOFF), which is based on the OECD's definition of Country Programmable Aid (CPA) and on OFF. It reflects the amount of aid that involves a cross-border flow and is subject to multi-year planning at the country/regional level.
2. The chart is based on data from the Global Partnership for Effective Development Cooperation (GPEDC), whose income group classifications and methodology may differ from those of the World Bank as they apply the UN classification for Least Developed Countries (LDCs).
3. The orange dot represents Nepal and the blue dots represent other LMIC countries. X axis corresponds to % change in the number of donor agencies between 2016-19 and 2020-23; Y-axis represents % change in the aid volumes between 2016-19 and 2020-23. The two variables have a relatively weak correlation (<10%). Nepali is below the trend line. The trend line reflects the average direction of growth in aid volumes, which was much higher than the increase in donor agencies in LMICs.
4. Basket pooled funding: Contributions to funds in which donors relinquish exclusive control and share responsibility with other stakeholders. Specific purpose contributions: Bilateral contributions to funds with a defined sectoral, thematic, or geographical focus.