

Govt accepting Rs 25 billion off-budget foreign aid annually

The government is accepting an annual of Rs 24.63 billion (\$225.87 million) annually in technical and other assistance from various bilateral and multilateral agencies that is not reflected in the annual budget.

According to a data of the Ministry of Finance, 18 government ministries and commissions are running 135 multi-year technical assistance projects worth a total of Rs 102.32 billion (\$938.21 million) as part of international development cooperation.

The spending of bilateral and multilateral agencies under technical and other cooperation for various government entities shows that a huge amount of foreign support is coming out of the national budgetary system.

Shree Krishna Nepal, a joint secretary at the Ministry of Finance, told Republica that the spending of multilateral and bilateral sources as technical assistance and other assistance through non-governmental international organizations (INGOs) is not reflected in the annual budget of the government. “The Ministry of Finance should be consulted and certain process should be completed before providing such assistance. However, that figure is not reflected in the annual budget,” said Nepal, who also heads the International Economic Cooperation Coordination Division at the MoF. “We have made public the assistance from these bilateral and multilateral agencies for greater transparency and accountability.”

These agencies utilize the technical assistance to support capacity development in implementing various projects.

The total annual budget of Rs 24.63 billion mobilized by these 18 government entities is slightly lower than half of Rs 58.82 billion of foreign grants that the Ministry of Finance has counted in the annual budget speech as the source to meet total expenditures of the country for the upcoming fiscal year 2018/19.

Ministry of Health and Population (MoHP) is receiving the highest amount of technical and other assistances from various bilateral and multilateral sources with the ministry mobilizing approximately Rs 7.39 billion (\$67.74 million) annually.

In total, the MoHP is mobilizing Rs 27.56 billion in foreign assistance in 33 multi-year projects. Some of the projects that the MoHP is running under the development assistance are National Health Sector Program-III upon the support of the UK, Health System Strengthening Project and SUAHARA-II with the support of the USA.

Ministry of Forests and Environment (MoFE) is second on the list mobilizing Rs 3.15 billion annually out of the budgetary system. The ministry is accepting foreign assistance of Rs 10.56 billion for 16 multi-year projects.

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Some of the big projects that is being run by the MoFE are Building Climate Resilience of Watersheds in Mountain EcoRegions by the ADB/NDF, Adaptation for Smallholders in Hilly Areas Project by IFAD, Building Resilience to Climate Related Hazards by the World Bank and Adapting to Climate Induced Threats to Food Production and Food Security in the Karnali Region of Nepal by Adaptation Fund.

Ministry of Finance itself is accepting a total of seven projects off the annual budget from various multilateral and bilateral agencies. The MoF is accepting assistance worth Rs 12.82 billion in total and Rs 2.89 billion annually for projects like Access to Finance for the Poor Program and Accelerating Investment and Infrastructure in Nepal from the UK.

Other government agencies to be benefited from the assistant are Election Commission, National Women Commission, National Reconstruction Authority, National Planning Commission and National Human Rights Commission.

Bilateral and multilateral agencies are also providing their support to Ministry of Industry, Commerce and Supplies, Ministry of Agricultural, Land and Cooperatives, Ministry of Women, Children and Senior Citizen and Ministry of Energy, Water Resources and Irrigation.

Ministry of Health and Population, Ministry of Home Affairs, Ministry of Urban Development, Minister of Water Supply and Water and Energy Commission are other government agencies that are mobilizing assistance from bilateral and multilateral sources.

Source: MyRepublica, 26th June 2018