

Nepal Public Financial Management Profile



Introduction

This note presents a series of charts which provide an **overview** of the Nepal's recent public financial management (PFM) performance based on this country's 2015 Public Expenditure and Financial Accountability (PEFA) assessment. Comparisons are made between Nepal's performance and the performance of the other twenty-three countries that had PEFA assessments published in 2014-2015. All analyses have been prepared using results reported from using the 2011 PEFA methodology.

Overall PFM performance

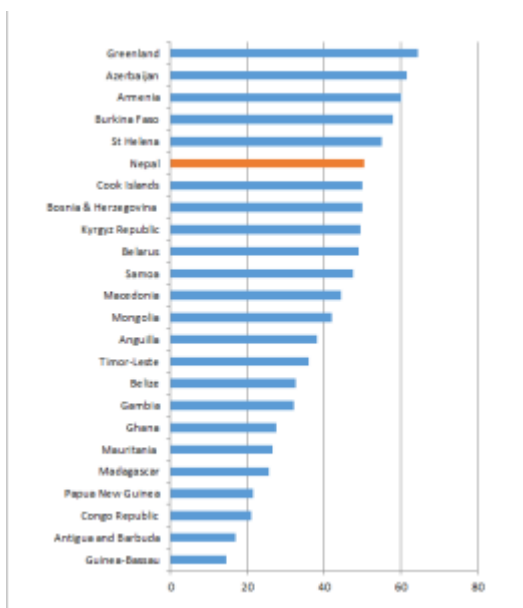
Individual country PFM performance has been determined by applying the following points scale to reported individual performance indicator (PI) scores as presented in Table 1. No points were allocated to PIs that were not scored because either data was unavailable, a D score was given or the PI was not applicable.

Table 1: PI scoring methodology

| PEFA PI score | Points allocated |
|---------------|------------------|
| A | 3 |
| B+ | 2.5 |
| B | 2 |
| C+ | 1.5 |
| C | 1 |
| D+ | .5 |
| D | 0 |

The graph in Figure 1 below shows Nepal's overall score was ranked 6th out of the twenty-four countries.

Figure 1: Aggregate PEFA scores for 24 countries



Details of the distribution of overall country scores across PFM performance categories, as determined by PFMConnect, are presented in Table 2. Nepal's overall score was 50.5 points.

Table 2: Distribution of country PFM performance levels

| PFM performance | Overall Scores | Number of countries |
|-----------------|----------------|---------------------|
| Very strong | 66.37-84 | 0 |
| Strong | 49.57-66.36 | 8 |

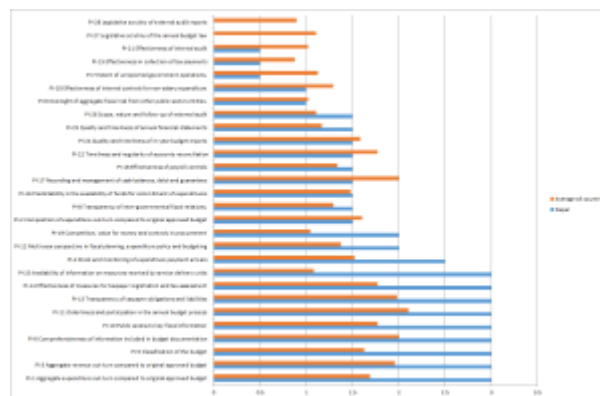
| | | |
|-----------|-------------|----|
| Moderate | 32.77-49.56 | 7 |
| Weak | 15.97-32.76 | 8 |
| Very weak | 0-15.96 | 1 |
| Total | | 24 |

Nepal’s overall PFM performance is classified as “strong”.

PI performance

The graph in Figure 2 below shows the scores for Nepal’s individual PIs compared with the average score recorded for each PI across the twenty-four PEFA assessments we have studied. Please note that no scores were recorded for the top two indicators in Figure 2 as these PIs (PI-27, PI-28) received D scores (because Parliament did not meet during the period reviewed for the PEFA assessment).

Figure 2: Nepal PI score comparisons



Download a pdf version of Figure 2 here ([Nepal PIs](#)) to review individual PI scores in more detail.

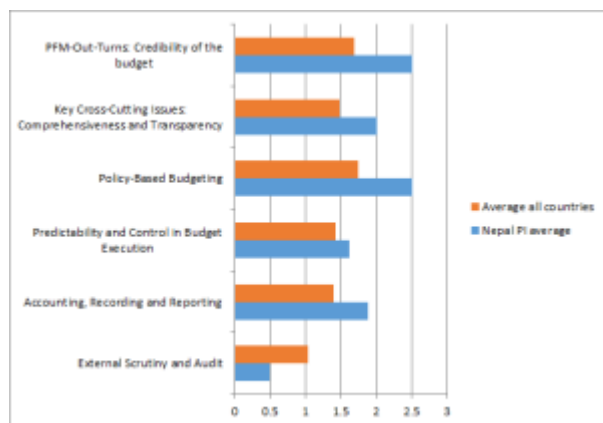
All twenty-eight PIs were assessed. Seventeen PIs had scores above the country average whilst eleven PIs had scores below the country average.

Performance across key PFM activities

The graph in Figure 3 below shows the average scores for the six key PFM activities compared with the average score

recorded for these activities across the twenty-four country PEFA assessments we have studied.

Figure 3: Nepal key PFM activity comparisons



Five key PFM activities recorded scores above the country average whilst the remaining one key PFM activity recorded a score below the country average.

PEFA ASSESSMENT

You can download the 2015 PEFA assessment for Nepal [here](#).