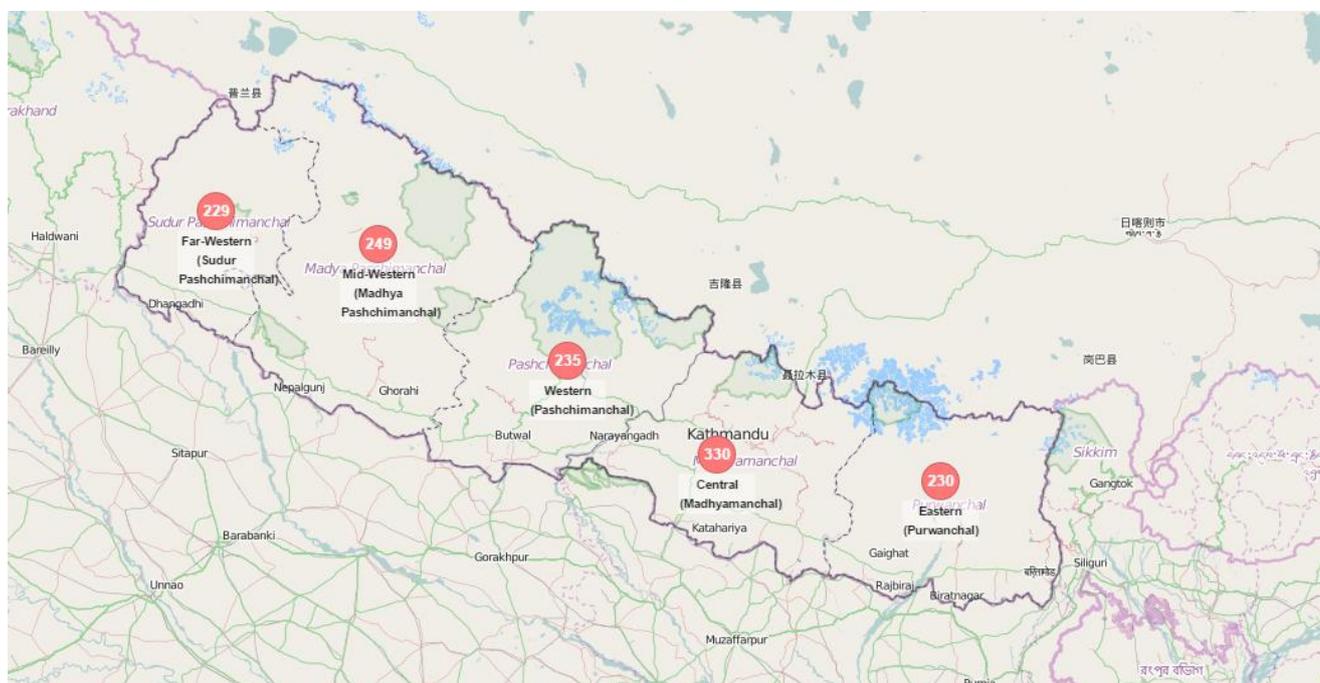


Data Use Case Study: Using foreign aid data to improve policy making in Nepal

Madhu Marasini is the joint secretary of the Ministry of Finance's International Economic Cooperation Coordination Division (IECCD) in Nepal. Madhu collects and uses aid data from donors to ensure that the government is aware of the financial flows that are coming into the country. Having this awareness will enable Nepal to achieve sustainable economic growth and eventually graduate from aid dependency. In partnership with Development Gateway, Madhu and his team created the [Aid Management Platform \(AMP\)](#), which collects and makes information on aid publically available, helping to guide the coordination of development efforts in Nepal.

This profile is part of a series looking at how data is being accessed and used in different contexts produced by Development Initiatives with financial support from the William and Flora Hewlett Foundation.



View of where projects are being implemented throughout Nepal

Madhu's demand for data and information

"The AMP has supported obtaining data in a myriad of ways that help us gain a diverse perspective on the Nepalese aid scenario."

Since aid data has become available and more accessible in the AMP, Madhu and the IECCD have been able to carry out more detailed analysis of the data. They recently used the data to produce a comprehensive annual report (the Development Co-operation Report), which provides a detailed insight into Nepal's aid landscape.

Examples of Madhu's Data Use

- **Redirection of aid money:** Madhu's use of aid data in the Development Cooperation Report helped the Nepalese government to understand where aid money was being directed. Upon discovering

that aid spending did not correlate with the national priorities outlined in Nepal's 13th Three Year Plan, the government was able to take action to direct more financial resources towards the areas highlighted in the plan as being important for Nepal's long-term sustainable development, such as infrastructure and employment creation.

- **Reformation of Nepal's aid policy:** A new policy (the Development Cooperation Policy, 2014) was created based on the objective evidence that the data provided. Having the data available meant that policy discussions could be led by evidence, and result in forward-looking policies. As well as ensuring that development assistance will align with national priorities, the new policy sets new thresholds for foreign assistance.
- **Setting new thresholds for foreign assistance:** One of Madhu's key findings from the analysis of the aid data was that money was being allocated towards a range of small stand-alone projects, rather than larger and more coherent initiatives (US\$959 million was being funnelled into 508 different projects). On reflection of this new information, the Ministry of Finance was able to set minimum thresholds for the amount of foreign assistance that can be used in one project. This means that smaller amounts can be pooled to form larger, integrated projects focused around national priorities.

Challenges to Madhu having better information

Although the AMP gives a broad range of information about foreign assistance in Nepal, **gaps in the data** mean that the complete picture of the aid landscape cannot be fully understood, for example there is little information about the financial flows of international non-governmental organisations (INGOs) and private foundations. These gaps prevent the government from knowing how much money is spent in any given sector, hindering the most effective allocation of their own funds.

One of the major challenges that the IECCD has faced is that a lot of organisations receiving and providing aid often **lack transparency and accountability mechanisms**, meaning that the information concerning what they do with the money is not available. They are trying to overcome this by registering INGOs with the AMP and training them to provide detailed information about their financial activities.

Whilst the AMP has helped to collect, host and share the data, the tracking aid flows is still very complex. There is currently **limited technical expertise** in the IECCD to manage the AMP, but it is hoped that sharing and use of the data by a wide range of groups will increase as data literacy and technical expertise is developed over time.

This case study is available online at: <http://devinit.org/#!/post/using-foreign-aid-data-to-improve-policy-making-2>. A longer-form version of this case is available from DI's Access to Information programme.

Access to Information Programme, Development Initiatives

North Quay House, Quay Side, Temple Back, Bristol, BS1 6FL, UK
Switchboard: +44 (0) 1179 272 505 | Email: info@devinit.org | Web: www.devinit.org