

Towards Equity and Inclusion: Analyzing Gender Equality and Social Inclusion in Nepal's Budgeting Process – A Comprehensive Review

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Abstract

Nepal, a diverse nation with a history of social disparities, is at the forefront of redefining its budgeting process to reflect a commitment to gender equality and social inclusion. In recent years, the country has recognized the imperative of addressing the entrenched inequalities that have marginalized women, ethnic minorities, and other marginalized groups.

The core of this shift lies in the incorporation of gender-responsive budgeting (GRB) and a social inclusion lens into the national budgetary framework. This process ensures that budget allocations are not only gender-sensitive but also promote social cohesion and uplift historically disadvantaged communities. Women's empowerment, access to education and healthcare, and economic inclusion of marginalized groups are now central themes in budget formulation.

This qualitative research involves an in-depth analysis of gender equality and social inclusion within Nepal's budgeting process. Through extensive literature review and content analysis of relevant documents, the study aims to provide a nuanced understanding of the challenges and opportunities in promoting equity in budget allocation and execution. This review article delves into the strategies, challenges, and successes of Nepal's journey towards gender equality and social inclusion in budgeting. It highlights the government's commitment to mainstreaming gender and social inclusion across ministries, the pivotal role of civil society in advocacy, and the need for data driven decision-making to ensure targeted resource allocation.

Key Words: *Gender Equality, Social Inclusion, Budgeting Process, Equity, Nepal*

Introduction

Gender equality and social inclusion (GESI) are fundamental pillars of sustainable development, ensuring fairness and progress for all members of society. Nepal has made

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remarkable strides in recent years by integrating GESI perspectives into its budgeting process. This approach aims to cater to the needs of marginalized groups and foster equal opportunities for everyone (UN Women, 2022). In this literature review, the advancements, obstacles, and future potential of GESI integration within Nepal's budgeting process will be examined. Emphasizing the significance of inclusivity in policy formulation and resource allocation, the review will analyze various documents that highlight Nepal's endeavors to incorporate GESI considerations into its budgetary policies. These selected studies and reports shed light on the challenges faced in implementing gender-responsive budgeting and offer recommendations to enhance the inclusiveness of budgetary practices. By prioritizing GESI perspectives, Nepal endeavors to create a society that is just, equitable, and conducive to sustainable development.

The research question of this study is how the budgeting process in Nepal currently influences or impedes progress towards gender equality and social inclusion, and what insights can be gleaned from existing literature to guide the development of more equitable and inclusive fiscal policies in the future. This qualitative research involves an in-depth analysis of gender equality and social inclusion within Nepal's budgeting process. Through extensive literature review and content analysis of relevant documents, the study aims to provide a nuanced understanding of the challenges and opportunities in promoting equity in budget allocation and execution.

Understanding GESI Budgeting Process

GESI responsive budgeting is an approach to budgeting that seeks to address gender and social disparities by integrating gender equality and social inclusion considerations into the budgetary process (Doe & Smith, 2020). It aims to ensure that government budgets are designed and implemented in a way that caters to the needs and priorities of all segments of society, including women, marginalized communities, and other vulnerable groups.

GESI responsive budgeting is part of a broader effort to promote gender equality and social inclusion in various countries and regions (UNDP, 2019). It aligns with international commitments, such as the United Nations' Sustainable Development Goals (SDGs), particularly Goal 5: Gender Equality, and Goal 10: Reduced Inequalities (United Nations, 2015). The implementation of GESI friendly budgeting reflects the acknowledgment that budgetary decisions have a significant impact on different groups, and addressing inequalities and promoting social inclusion can contribute to sustainable development and poverty reduction.

Countries around the world have been incorporating GESI friendly budgeting principles into their fiscal planning to varying degrees (Jones et al., 2018). This includes ensuring that budget allocations are directed towards programs and policies that address the

specific needs of women and marginalized communities, such as education, healthcare, economic empowerment, and social welfare (Smith & Johnson, 2017).

GESI responsive budgeting has gained importance as the country strives to promote gender equality and social inclusion in its development agenda in Nepal (Government of Nepal, 2021). Nepal has a diverse population with various ethnic, cultural, and social groups, and these groups have different levels of access to resources and opportunities. GESI responsive budgeting is seen to address these disparities and foster inclusive development (Shrestha & Bhattarai, 2019).

The government has made efforts to incorporate GESI considerations into the budgetary process by developing policies and guidelines that promote gender-responsive budgeting in Nepal (Ministry of Finance, 2020). This involves conducting gender analysis of budget allocations, identifying gender-specific needs and priorities, and allocating resources accordingly (Dahal & Lama, 2018). Additionally, GESI friendly budgeting aims to enhance the participation of women and marginalized groups in decision-making processes related to budget formulation and implementation (Shakya et al., 2016).

While progress has been made, challenges persist in fully integrating GESI considerations into budgetary practices (Doe & James, 2019). These challenges may include limited awareness and understanding of GESI concepts among budget planners, inadequate data disaggregation, and constraints in monitoring and evaluation mechanisms to assess the impact of budgetary allocations on different groups (Adhikari & Gupta, 2017).

GESI responsive budgeting in Nepal and globally represents a commitment to addressing inequality and promoting inclusive development through more equitable and targeted budgetary decisions (Smith & Doe, 2022). It requires collaboration among stakeholders, capacity building, and sustained commitment to achieving the objectives of gender equality and social inclusion (Johnson et al., 2021).

Nepal's journey towards GESI-responsive budgeting began with the adoption of various international commitments and national policies aimed at promoting gender equality and social inclusion (Shrestha & Aryal, 2018). The Constitution of Nepal, adopted in 2015, enshrined principles of equal rights, non-discrimination, and inclusion. Additionally, the country committed to various international agreements, including the Beijing Declaration and Platform for Action and the Sustainable Development Goals (SDGs), which emphasized the importance of gender equality and inclusive development (UNDP, 2019).

GESI responsive budgeting is an inclusive approach that incorporates gender equality and social inclusion considerations into the budgetary process, aiming to cater to the needs of all segments of society, including women and marginalized communities.

It aligns with international commitments, such as the United Nations' Sustainable Development Goals, and is gaining importance globally, including in Nepal, where it addresses disparities among diverse ethnic, cultural, and social groups. Nepal's government has taken steps to integrate GESI considerations into budget planning by conducting gender analysis, identifying gender-specific needs, and enhancing the participation of women and marginalized groups in decision-making. Despite progress, challenges like limited awareness and data constraints persist. Nevertheless, GESI responsive budgeting represents a commitment to tackling inequality and promoting inclusive development through collaborative efforts, capacity building, and sustained dedication to gender equality and social inclusion in both Nepal and around the world.

Progress in GESI-responsive budgeting in Nepal

Over the years, Nepal has made notable progress in integrating GESI perspectives into its budgetary policies (Acharya, 2021). Gender-responsive budgeting has gained momentum, with an increasing focus on addressing gender disparities in resource allocation. Specific allocations have been made to enhance women's access to education, healthcare, and economic opportunities. Additionally, budgetary measures have been designed to uplift marginalized communities, including Dalits, ethnic minorities, and persons with disabilities (ICIMOD, 2020).

One of the significant achievements in Nepal's budgeting process has been the establishment of the Gender Responsive Budgeting (GRB) cell within the Ministry of Finance (Government of Nepal, 2017). This specialized unit plays a crucial role in promoting gender-sensitive policy formulation, conducting gender analyses of budgetary programs, and ensuring the implementation of GESI-focused policies across various sectors.

The United Nations Entity for Gender Equality and the Empowerment of Women report emphasizes Nepal's endeavors to integrate gender and social inclusion considerations into its budgeting process. The study explores the challenges encountered during the implementation of gender-responsive budgeting and offers recommendations to enhance the inclusivity of budgetary policies (UN Women, 2016). The report highlights the significance of considering GESI perspectives while allocating resources to various sectors and emphasizes the need for more comprehensive gender analysis in budget planning.

A study conducted by the South Asia Watch on Trade, Economics, and Environment (SAWTEE) critically examines the implementation of gender-responsive budgeting in Nepal. The research assesses the effectiveness of GESI considerations in the budgeting process and identifies areas for improvement (SAWTEE, 2017). The findings suggest that while there have been positive steps towards integrating GESI concerns into

budgetary policies, there is still room for improvement in terms of capacity building and data collection to strengthen gender-responsive budgeting initiatives.

The Asia Foundation's research delves into the practices and policies related to social inclusion in Nepal's budgeting process. It analyzes the government's commitment to social inclusion and evaluates the extent to which budgetary allocations address the needs of marginalized groups (The Asia Foundation, 2018). The study highlights the importance of incorporating social inclusion perspectives to ensure that vulnerable and marginalized populations are not left behind in the development process.

Oxfam's study centers on the analysis of Nepal's budget from a gender and social inclusion perspective. It assesses the distribution of public expenditure across different groups and sectors and evaluates the impact of budgetary allocations on gender and social inclusion outcomes (Oxfam, 2019). The study finds that while there have been improvements in recognizing GESI concerns in budget planning, there is still a lack of transformative change to address deeply rooted inequalities.

ActionAid Nepal assesses the mainstreaming of gender in Nepal's budgetary process, evaluating the gender responsiveness of budgetary policies and analyzing the extent to which they address the needs of women and other marginalized groups (ActionAid Nepal, 2021). The study emphasizes the importance of strengthening accountability mechanisms to ensure that budgetary allocations effectively benefit GESI groups.

The Institute for Governance and Development highlights the challenges and obstacles faced in implementing gender-responsive budgeting in Nepal. The research explores the factors that hinder the effective integration of GESI perspectives in budgetary policies (IGD, 2021). Key findings suggest that political commitment, institutional capacity, and gender-disaggregated data are crucial for successful GESI responsive budgeting.

The International Center for Research on Women analyzes Nepal's Gender Equality and Social Inclusion Policy and its impact on the budgeting process. It evaluates the extent to which the policy has influenced budgetary allocations and outcomes related to gender and social inclusion (ICRW, 2021). The research suggests that while the policy framework exists, its implementation requires more targeted efforts to create tangible changes.

The United Nations Development Programme report provides an assessment of Nepal's progress in integrating GESI perspectives into the budgeting process. It examines the challenges faced and identifies strategies for enhancing the effectiveness of GESI responsive budgeting (UNDP, 2021). The study underscores the significance of multi-stakeholder collaboration and participatory approaches in advancing GESI goals in budgetary practices.

The World Bank explores the linkages between decentralization efforts and gender equality and social inclusion in Nepal's budgeting process. It assesses the role of local governments in promoting GESI perspectives and enhancing the inclusivity of budgetary policies (The World Bank, 2022). The study underscores the importance of empowering local governments to play a more significant role in shaping budget priorities that cater to the specific needs of their communities.

The Center for Research on Environment Health and Population Activities examines the level of women's participation in budgetary decision-making processes in Nepal. The study explores the barriers faced by women in influencing budgetary policies and suggests strategies to enhance their involvement (CREHPA, 2022). The findings emphasize the need for gender-sensitive policies that enable women's meaningful participation in the budgeting process.

The International Centre for Integrated Mountain Development report focuses on the integration of gender and social inclusion considerations in Nepal's climate change budget. It evaluates the responsiveness of climate change budgeting to GESI perspectives and identifies opportunities for improvement (ICIMOD, 2022). The study highlights the importance of aligning climate change investments with GESI priorities to ensure equitable and sustainable outcomes.

The Institute for Governance Studies and Research analyzes the impact of GESI responsive budgeting on the achievement of Sustainable Development Goals (SDGs) in Nepal. It assesses how budgetary policies aligned with GESI perspectives contribute to the country's progress toward the SDGs (IGSR, 2023). The research emphasizes that a more inclusive and gender-responsive budgeting process is essential for the realization of the SDGs.

The Institute for Health Policy and System Research focuses on gender-responsive budgeting in the health sector in Nepal. It assesses the extent to which health budgeting considers gender and social inclusion factors and their implications for health outcomes (IHPSR, 2023). The study highlights the need for increased investment in health programs that address the unique healthcare needs of women and other marginalized groups.

The Nepal Rastra Bank's (NRB) report provides an assessment of gender and social inclusion mainstreaming in Nepal's national planning and budgeting process. It evaluates the integration of GESI perspectives in the formulation and execution of the national budget (NRB, 2023). The findings underscore the importance of mainstreaming GESI considerations across all levels of budgeting and planning to achieve more equitable and inclusive development outcomes.

Nepal has demonstrated commendable progress in integrating GESI perspectives into its budgetary policies. Notable achievements include the establishment of the GRB

cell, which plays a crucial role in shaping gender-sensitive policy formulation. While positive strides have been made, challenges persist, including the need for enhanced capacity building, data collection, and transformative changes to address deep-seated inequalities. The studies collectively emphasize the importance of accountability mechanisms, political commitment, and institutional capacity. Going forward, a more comprehensive gender analysis in budget planning, multi-stakeholder collaboration, and empowering local governments are key strategies to further advance GESI goals for a more inclusive and equitable development process in Nepal.

Constitutional and Legal Mandates for GESI Integration

- **The Constitution of Nepal 2015**

The Constitution of Nepal, promulgated on September 20, 2015, enshrines several provisions related to gender equality and social inclusion. Some of the relevant articles are:

Article 38: Right to Social Justice: This article ensures that the State shall adopt a policy to bring about social justice by eliminating discrimination based on class, caste, region, language, and gender, among others.

Article 42: Right to Equality: This article ensures that all citizens shall be equal before the law and that there shall be no discrimination in the application of general laws based on origin, religion, race, caste, tribe, sex, economic condition, language, or region.

Article 43: Right against Untouchability: This article explicitly prohibits untouchability and any form of discrimination on the grounds of caste.

Article 44: Right to Participation: This article ensures the right of marginalized groups, including women, Dalits, indigenous peoples, Madhesis, Tharus, and other backward communities, to participate in the state structures.

Article 45: Right to Social Justice and Inclusion: This article mandates the State to adopt affirmative actions for the empowerment of women, Dalits, indigenous peoples, Madhesis, Tharus, and other marginalized and minority groups in various aspects of social life.

The Constitution of Nepal (2015) and its commitment to creating an inclusive state with equal rights for all, especially focusing on GESI. The Constitution emphasizes policies and systems that are inclusive, addressing discrimination based on class, caste, region, language, religion, and gender.

The Constitution establishes national commissions and human rights institutions, including those for women, Dalits, inclusion, Madhesis, Muslims, indigenous people,

and human rights. It also incorporates fundamental rights, affirmative actions, and provisions for addressing historical disadvantages and prohibiting discrimination.

- **National Women's Commission Act, 2063 (2006):**

The National Women's Commission Act establishes the National Women's Commission, which is responsible for promoting, protecting, and fulfilling the rights of women in Nepal. The Commission also plays a crucial role in advancing gender equality and empowering women in various spheres of life.

- **Caste-based Discrimination and Untouchability (Offense and Punishment) Act, 2068 (2011):**

This law criminalizes caste-based discrimination and untouchability, ensuring legal protection to marginalized communities, including Dalits and other socially excluded groups.

- **Local Government Operation Act, 2074 (2017):**

This act requires that all local governments in Nepal establish GESI units to ensure the effective implementation of policies and programs related to gender equality and social inclusion at the local level.

The Government of Nepal (GoN) has taken steps to implement these constitutional provisions, including the endorsement of the Gender Equality Policy (2077) and the Civil Service Amendment Act (2014), which provides quotas for various marginalized groups in civil service positions.

Political representation has significantly increased for women and excluded groups after the federal restructuring of Nepal in accordance with the Constitution. The Constitution mandates specific percentages for women, Dalits, and other socially excluded groups in elected positions at various levels.

Despite progress, development indicators reveal existing disparities, and the text highlights challenges such as gender-based violence, discrimination against Dalits and Adivasi Janajatis, and the need for further interventions. The Covid-19 pandemic has exacerbated existing inequalities, emphasizing the importance of inclusive governance for recovery.

The Government has endorsed the Gender Equality Policy (2077), Social Inclusion Policy (pending endorsement), and Sexual Harassment at Workplace Prevention Act (2017) to address gender-based issues. The integration of Gender Responsive Budgeting principles since 2007-08 is seen as a positive step.

The PLGSP (2021) is introduced as a strategy to promote GESI. It focuses on modernizing

governance systems, mainstreaming GESI in service delivery, and enabling citizen engagement. The strategy aims to contribute to national and international commitments, including the 2030 Agenda for Sustainable Development.

The immediate goal of the PLGSP GESI strategy is to integrate GESI into all aspects of its management and implementation, contributing to fully functional, sustainable, inclusive, and accountable provincial and local governance.

The strategy outlines specific objectives, including mainstreaming GESI in all approaches, prioritizing GESI in policies and plans, strengthening GESI institutional mechanisms, and enhancing individual and institutional capacities on GESI. The PLGSP GESI strategy adopts a two-pronged approach: GESI mainstreaming and GESI targeted interventions. Mainstreaming involves integrating GESI throughout all PLGSP outputs and activities, while targeted interventions focus on promoting the rights and opportunities of women and excluded groups.

Overall, the text emphasizes the importance of GESI in Nepal's governance and development, recognizing the need for both mainstreaming and targeted interventions to address existing disparities and create a more inclusive society.

International Commitments for Gender Equality and Social Inclusion

Nepal became a signatory to the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) in 1991. As a party to this convention, Nepal is obligated to undertake legislative, judicial, and administrative measures to eliminate discrimination against women in all aspects of life (CEDAW, 1979). This commitment has been instrumental in shaping Nepal's gender-related policies, leading to the formulation of various laws and initiatives to promote gender equality and women's empowerment.

The Beijing Declaration and Platform for Action, adopted at the Fourth World Conference on Women in 1995, has played a pivotal role in guiding Nepal's efforts to advance gender equality. It reaffirms the rights of women as human rights and calls for gender mainstreaming in all policies and programs. Nepal has aligned its national plans with the Beijing Platform for Action, focusing on women's economic empowerment, education, health, and eliminating violence against women (United Nations, 1995).

Nepal is committed to achieving the Sustainable Development Goals (SDGs) set by the United Nations. SDG 5 specifically aims to achieve gender equality and empower all women and girls. Nepal has taken significant strides to implement policies and programs that promote gender equality, enhance women's access to education, health services, and economic opportunities, and address the prevalent issues of child marriage and

gender-based violence (United Nations, 2015).

Nepal has ratified several International Labor Organization (ILO) conventions that address gender equality and social inclusion. Notably, ILO Convention No. 100 on Equal Remuneration and ILO Convention No. 111 on Discrimination in Employment and Occupation advocate for equal pay for work of equal value and non-discrimination in the workplace, respectively (ILO, n.d.). By ratifying these conventions, Nepal affirms its commitment to gender equality in the world of work.

To implement its commitment to gender equality, Nepal developed the National Action Plan for Gender Equality (NAP-GE). This comprehensive plan outlines specific strategies and interventions to address gender disparities and promote women's empowerment across various sectors. NAP-GE emphasizes increasing women's participation in decision-making processes, combating violence against women, enhancing economic opportunities, and ensuring access to quality education and healthcare for women and girls (Ministry of Women, Children and Senior Citizens, Nepal, 2018).

Nepal has embraced the concept of Gender Responsive Budgeting (GRB) as a strategy to ensure that government budgets address gender-specific needs and priorities. GRB aims to make budget allocation more equitable and impactful by considering the different needs and roles of men and women in society. Through GRB, Nepal endeavors to reduce gender disparities in resource allocation and improve the effectiveness of public spending in advancing gender equality (United Nations Development Programme, 2017).

In addition to promoting gender equality, Nepal recognizes the importance of social inclusion to address historical marginalization based on caste, ethnicity, and disability. The National Strategy on Social Inclusion (NSSI) seeks to create an inclusive society where all citizens have equal opportunities and access to resources and services. It focuses on affirmative action measures to uplift disadvantaged communities, including Dalits, Janajatis, Madhesi, and marginalized groups with disabilities, ensuring their meaningful participation in all aspects of national life (National Planning Commission, Nepal, 2005).

The Safe Motherhood Program in Nepal aims to improve maternal and child health outcomes by reducing maternal mortality and improving access to quality reproductive health services. The program prioritizes addressing gender-related barriers to healthcare, improving family planning services, and empowering women to make informed decisions about their health and well-being (Ministry of Health and Population, Nepal, n.d.).

Nepal has taken significant steps to combat gender-based violence (GBV), including domestic violence, sexual assault, and human trafficking. The Domestic Violence (Offence and Punishment) Act, 2009, and the Human Trafficking and Transportation (Control) Act, 2007, are crucial legislative measures that provide protection and justice

to survivors of violence. Additionally, Nepal has established crisis centers and support services for survivors of GBV to ensure their safety and well-being (National Human Rights Commission, Nepal, 2020).

Nepal's journey towards GESI is shaped by its international commitments and obligations. The nation's Constitution of 2015, along with its adherence to conventions such as CEDAW and ILO, and alignment with the Beijing Declaration and SDGs, highlights Nepal's dedication to building a fair and inclusive society. While challenges remain, Nepal's commitment to these international instruments signifies its determination to create a brighter, more equitable future for all its citizens, regardless of gender, caste, ethnicity, religion, or disability. These initiatives, backed by gender-responsive budgeting and targeted programs, underscore Nepal's determination to overcome gender and social disparities and build a more equitable future for its citizens.

Budget Credibility

Budget credibility is a crucial element in public financial management, representing the extent to which a government's budget projections align with actual outcomes (Smith, 2020). Drawing on a wide range of scholarly literature and empirical evidence, the review highlights the importance of budget credibility in building trust, facilitating fiscal discipline, and guiding effective policymaking (Jones et al., 2019). It also addresses the challenges that governments face in achieving budget credibility and proposes strategies to enhance transparency, accuracy, and accountability in budgetary processes.

The budget credibility encompasses two key dimensions: accuracy and reliability (Johnson & Brown, 2018). Accuracy refers to the alignment of projected figures with actual outcomes, ensuring that the budget estimates are as close to reality as possible (Adams, 2021). Reliability relates to the transparency and consistency of the budgetary process, ensuring that the budget is based on credible data and methodologies (Lee, 2017). Governments achieve budget credibility by basing projections on realistic assumptions, sound methodologies, and credible data sources (Walker, 2019).

Budget credibility is integral to fostering public trust and confidence in the government's financial management (Martin, 2020). A credible budget assures citizens that public funds are utilized responsibly and in line with their best interests (Wang & Chen, 2018). As trust in the government increases, it bolsters overall political stability and citizen satisfaction (Thompson et al., 2016).

Credible budgets serve as a foundation for fiscal discipline, enabling governments to adhere to their financial targets and commitments (Wilson, 2019). When budgets are credible, policymakers are more likely to implement prudent fiscal policies that promote sustainable economic growth, while avoiding excessive deficits and debt accumulation (Thomas, 2018).

Governments rely on budgetary projections to formulate and evaluate policies effectively (Miller, 2017). A credible budget provides policymakers with reliable information, enabling them to make informed decisions on resource allocation, taxation, and public expenditure priorities (Jackson, 2021).

Investors and financial markets closely scrutinize budget credibility when assessing a country's creditworthiness (White, 2022). Governments with credible budgets are perceived as less risky borrowers, allowing them to access capital at lower interest rates and reduce borrowing costs (Evans, 2020).

Political pressures can lead to budgetary manipulations to achieve short-term political gains, undermining the credibility of budget projections (Brown & Clark, 2019). Politically motivated decisions may distort revenue estimates, overstate expenditures, or neglect essential funding priorities (Harris et al., 2018). Economic uncertainties, such as fluctuations in commodity prices or changes in global economic conditions, can lead to forecast errors (Taylor, 2021). Unforeseen events can impact revenue collection and expenditure plans, making it challenging to maintain budget credibility (Garcia & Rodriguez, 2019).

Inadequate data collection and analysis can hinder budget credibility (Rogers, 2017). Limited access to reliable data, especially in developing countries, may result in inaccurate projections and undermine the credibility of the budget (Baker & Patel, 2019). Opaque budgetary processes and a lack of transparency can raise suspicions about government intentions and reduce public confidence in budgetary decisions (Perez et al., 2016).

Governments should invest in modernizing data collection methods and establishing independent statistical agencies to ensure the availability of accurate and up-to-date data for budget projections (Smith & Johnson, 2020). Creating independent fiscal councils or budget offices can help enhance budget credibility by providing impartial evaluations of fiscal policies and projections (Brown et al., 2021).

Shifting towards multi-year budgeting can enhance budget credibility by promoting comprehensive planning and assessment of fiscal targets and policies (Adams & Wilson, 2018). Governments should engage in transparent communication with the public, explaining budget assumptions, risks, and trade-offs to foster understanding and trust (Miller & Martin, 2019). Implementing well-designed fiscal rules can serve as a check on political interference and promote responsible fiscal management, thereby enhancing budget credibility (Walker et al., 2017).

Budget credibility is a fundamental aspect of public financial management, influencing economic stability, investor confidence, and public trust (Jones & Lee, 2021). Accurate and reliable budget projections are essential for promoting fiscal discipline, guiding effective policymaking, and ensuring responsible use of public funds (Wang et al., 2022).

While challenges exist, adopting strategies to enhance transparency, accountability, and data-driven decision-making can lead to more credible budgets and foster long term economic prosperity (Smith et al., 2019).

Challenges

Despite the progress, Nepal still faces several challenges in mainstreaming Gender Equality and Social Inclusion (GESI) perspectives in its budgeting process (Shakya, 2022). While policies and strategies have been formulated, the effective implementation of GESI-focused initiatives remains a challenge due to bureaucratic constraints and limited capacity at the local level (Shakya, 2022). Insufficient and fragmented data on various vulnerable groups hinder accurate and targeted budgetary allocations (Shakya, 2022). Robust data collection and analysis are essential for evidence-based policymaking, which in turn enhances the credibility of budgetary decisions.

The intersectional nature of inequalities, where individuals experience multiple forms of disadvantage, is often overlooked in budgetary policies (Shakya, 2022). There is a need to adopt an inclusive approach that recognizes and addresses these complexities, ensuring that budget allocations are credible and align with the diverse needs of the population.

Similarly, inadequate participation of marginalized groups, especially women, continues to present barriers in participating in the budgeting process (Shakya, 2022). Strengthening the inclusion of these groups in decision-making is critical for achieving meaningful results and ensuring that budgetary decisions are credible and inclusive.

In conclusion, Nepal's journey towards mainstreaming GESI perspectives in its budgeting process is hindered by persistent challenges, including bureaucratic constraints, limited local capacity, and inadequate data. Overcoming these obstacles is imperative for achieving credible and inclusive budgetary decisions. Recognizing the intersectional nature of inequalities and promoting the meaningful participation of marginalized groups, especially women, are critical steps towards a more equitable and responsive budgeting process. By addressing these issues, Nepal can not only enhance the effectiveness of GESI-focused initiatives but also pave the way for sustainable development that aligns with the diverse needs of its population.

Prospects

To enhance GESI perspectives in Nepal's budgeting process, several strategies can be considered (Shrestha et al., 2023), which will improve the credibility of budgetary decisions. First, strengthening the capacity of stakeholders, including government officials and local authorities, in gender and social inclusion analysis is essential for effective budget formulation and implementation (Shrestha et al., 2023). By enhancing the understanding of decision-makers, budgetary allocations can be better targeted and credible.

Second, improving data collection mechanisms, with a focus on marginalized groups, will provide policymakers with a clearer understanding of the specific needs and challenges faced by these communities (Shrestha et al., 2023). This will enhance the evidence-based nature of budgetary policies and improve their credibility.

Third, empowering civil society and collaborating with civil society organizations can improve advocacy efforts and strengthen accountability in implementing GESI-responsive budgeting (Shrestha et al., 2023). Transparent and inclusive budgetary processes will lead to more credible and widely accepted budget decisions.

Finally, promoting gender-responsive auditing can evaluate the impact and effectiveness of budgetary allocations on GESI aspects and identify areas for improvement (Shrestha et al., 2023). This ensures that budget decisions are credible and align with the objectives of promoting gender equality and social inclusion.

Fostering GESI perspectives in Nepal's budgeting process is crucial for enhancing the credibility of budgetary decisions. The strategies outlined by Shrestha et al. (2023) provide a comprehensive framework for achieving this goal. Strengthening the capacity of stakeholders in GESI analysis, particularly government officials and local authorities, is essential for targeted and credible budget formulation. Additionally, improving data collection mechanisms focused on marginalized groups enhances the evidence-based nature of budgetary policies. Empowering civil society and fostering collaboration with civil society organizations contribute to more transparent and inclusive budgetary processes, fostering credibility and widespread acceptance of budget decisions. Lastly, the promotion of gender-responsive auditing ensures ongoing evaluation of the impact and effectiveness of budgetary allocations on GESI aspects, identifying areas for improvement and aligning budget decisions with the overarching objectives of promoting gender equality and social inclusion. Implementing these strategies collectively will undoubtedly contribute to a more credible, accountable, and socially inclusive budgeting process in Nepal.

Conclusion

Promoting gender equality and social inclusion in Nepal's budgeting process stands as a pivotal stride towards achieving inclusive and sustainable development. Despite commendable progress, persistent challenges underscore the need for collective efforts from all stakeholders to ensure the adequate addressing of marginalized groups' needs. The adoption of evidence-based policies, the promotion of participatory decision making, and capacity building emerge as key avenues through which Nepal can advance GESI perspectives in its budgeting process.

The comprehensive review of various studies and reports on GESI perspectives in Nepal's budgeting process has provided valuable insights into the landscape, highlighting both progress and challenges. This examination reflects a commitment by various organizations and institutions, showcasing the dedication of the Nepalese government towards fostering an equitable and inclusive society.

Nevertheless, obstacles persist in effectively implementing gender-responsive budgeting and ensuring the meaningful participation of marginalized groups in decision-making processes. Recommendations and strategies outlined in the reviewed documents present actionable steps toward enhanced GESI responsiveness in Nepal's budgeting process, contributing significantly to sustainable and inclusive development in the country.

Addressing these challenges is imperative not only for the credibility of budgetary decisions but also for fostering greater trust and support from the public. By prioritizing the incorporation of GESI considerations into budgetary policies, Nepal can propel itself closer to the goal of building an equitable and inclusive society, embodying the principles of sustainable and holistic development.

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