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From Form to Function: Isomorphic Mimicry, Planned Development Endeavors, and Implementation Outcomes in Nepal's Federal Periodic Planning

Abstract

Despite nearly seven decades of periodic development planning experience, implementation gaps remain pervasive and hinder the attainment of the planned development outcomes. While the literature has established that actual outcomes have differed significantly from the targets specified in development plans, the institutional processes underpinning this chronic implementation problem have been studied less systematically. This study examines Nepal's periodic planning regime, from the First Five-Year Plan (1956–1961) to the Fifteenth Periodic Plan (2019/20–2023/24), through the interpretive frame of isomorphic mimicry. Relying on a qualitative longitudinal design, this study uses documentary analysis and process tracing to investigate changes in planning institutions, governance reform efforts, and implementation outcomes over time. This study operationalizes the concept of isomorphic mimicry through four observable indicators: the adoption of internationally propagated planning models, an increase in the number of formal planning institutions, the presence of persistent plan-performance gaps, and repeated institutional reforms without corresponding improvements in implementation capabilities. The findings show that as Nepal's periodic plans became more integrated into global development objectives, literacy, poverty, human development, and income per capita improved. However, implementation capability trailed substantially behind the plan's aspirations throughout. The study emphasizes the argument for planning-related isomorphism and demonstrates that improving institutional skills is an essential condition for transforming planning objectives into meaningful development outcomes.

Keywords: Periodic developmental planning; isomorphic mimicry; execution outcomes; Nepal

Introduction

The evolution of planned development roles as a policy instrument can be traced back to state-led development activities in the early 1900s, specifically the Soviet Union's *Papatileka* program, which began in 1928 and 1929 to assess optimal resource distribution methods for maximum production. The Soviet Union used its centralized planning system to maintain economic stability during the 1930s global economic depression, policies, federalism, governance, public policy, and administrative reforms, with a particular focus on improving public service delivery, strengthening inclusive governance, and understanding the experiences of marginalized communities in the civil service. Through his research and professional work, Dr. Bhul contributes valuable evidence-based insights into the effectiveness of affirmative action policies and representative bureaucracy and remains committed to advancing governance reforms that promote transparency, accountability, inclusivity, and effective public institutions in Nepal.

which caused major economic decline in Western countries (Davies, 1989). Between 1947 and 1948, the United States and the United Kingdom carried out national reconstruction plans by implementing the Marshall and Master Plans to restore their respective national economies. The historical examples highlight how different forms of planning procedures function because they show how organizations establish official plans, but the actual outcomes differ.

In Nepal, the institutionalization of planned development began in the mid-20th century through the first long-term development proposals, which *Juddha Shumsher JBR* created as a 20-year plan and *Padma Shumsher JBR* developed as a 15-year plan. However, these plans were not fully implemented. The first official plan was the Five-Year Periodic Plan, which Prime Minister Tanka Prasad Acharya launched in 2013 BS to develop communication and transportation infrastructure with a budget of NPR 330 million, of which the plan used 65 percent during its duration (National Planning Commission [NPC], 2021). Nepal completed its fifteenth periodic plan during six decades of existence, while the Sixteenth Plan now operates to develop social inclusion and regional development, sustainable growth, good governance, and poverty alleviation (Silwal, 2024; Timilsina, 1986).

After more than 70 years of planned development efforts, Nepal remains unable to execute its established policies according to their intended purposes. The country has achieved significant improvements because its literacy rate increased from 2.5% to 76.2%, its poverty rate dropped from approximately 50% to 15.1%, and its per capita gross national income reached USD 1,410. The planned targets of the organization have remained unmet for two main reasons: structural inefficiencies and external shocks originating from the COVID-19 pandemic and the Russia–Ukraine conflict (NPC, 2025). The Fifteenth Plan established a 9.6% economic growth target, which the actual economic growth achieved during its first four years reached only 2.4%. The agricultural sector shrank from 25.6% to 24.6%, industrial output decreased from 14.3% to 13.0%, and service provider activities expanded from 60.1% to 62.4% (Silwal, 2024). Isomorphic mimicry exists because organizations choose to implement international best practices through their official procedures, yet these practices do not create any actual positive results (Pritchett et al., 2010).

The planning-execution gap needs to be understood because it shows how well governance functions, which requires improvement to help Nepal develop. The periodic plans established monitoring systems that enabled educational improvements, health advancements, and social equity development; however, the system still maintains ongoing problems that stem from monitoring system weaknesses, institutional capacity limitations, and crisis response deficiencies (Aryal & Dhakal, 2024; Gupta, 2021). This study uses isomorphic mimicry to evaluate the relationship between planned initiatives and their actual outcomes. The study investigates three main questions, which include the following elements: How does isomorphic mimicry manifest in Nepal's planning processes? What is the scope and objective of the scheduled development projects? What connections exist between these projects and their actual results? The study evaluates Nepal's planned development history over the last 70 years through a comprehensive analysis, which faces limits because of secondary data unavailability and inconsistent data, and it fails to provide an in-depth study of local governance systems.

Literature Review and Theoretical Framework

The Concept of Isomorphic Mimicry and Planned State Development

Isomorphic mimicry is a phenomenon whereby most reforms aimed at strengthening public institutions in developing countries lead to organizations that are structurally similar to those in more capable states but lack the capacity to implement reforms and policies at the same pace. According to DiMaggio and Powell (1983), institutions become similar through coercive, normative, and mimetic mechanisms in response to pressure to adopt the best practices in the world, using Institutional Theory as a foundation. Inspired by this idea, Pritchett et al. (2010, 2013) and Andrews et al. (2017) show that governments often imitate successful planning and management systems or reform policy and organizational designs in part to signal commitment to donors, win legitimacy abroad, or simply because international standards are presented in a "do the right thing" framing, irrespective of the state's existing capacity (both political and administrative, fiscal, and technical). As a result, reforms become mainly symbolic in value, as organizations mimic their design but remain structurally inadequate for policy implementation. This gap between institutional structure and performance defines isomorphism mimicry and explains why recurring reform initiatives have failed to improve state performance with successive institutional remodeling (Andrews et al., 2017; DiMaggio & Powell, 1983; Khisthovani, 2025; Kourtelis, 2021; Krause, 2013; Pritchett et al., 2010, 2013).

According to Andrews et al. (2017) and Khisthovani (2025), this persistent "isomorphic mimicry" process leads to "capability traps," in which governments bring in best practices from anywhere around the world, but they never really build the local know-how or capability that is needed for success in implementation. While externally driven reforms do not bolster administrative learning capabilities, they prompt superficial institutional compliance to satisfy donor demands, while the processes of addressing context-specific problems and engaging in adaptive governance are often superseded (Blum, 2014; Krause, 2013). To overcome these traps, Andrews et al. (2017) developed the problem-driven iterative adaptation (PDIA) process, which focuses on locally specified problems, experimentation, institutional learning, and gradual build-up of capabilities rather than the transplant of an alien institutional model. The approach to national planning presented here benefits greatly from such a framework, given the observation that sophisticated planning models, when coupled with capable institutions, coordination, and continuous learning, are likely to result in enhanced capacity for effective implementation, not simply a copycat model of internationally adopted planning systems that provide an additional layer of institutional legitimization while not addressing capacity deficiencies (Andrews et al., 2017; Blum, 2014; Krause, 2013; Khisthovani, 2025; Kourtelis, 2021; Masocha & Fatoki, 2018; Pritchett et al., 2013).

Operationalizing Isomorphic Mimicry in Development Planning

Although isomorphic mimicry is extensively debated in the development administration field, little research has tested the notion in a long-term national development plan. The mere existence of implementation gaps does not illustrate isomorphic mimicry, since policy results might have been affected by political instability, economic crises, financial problems, frequent personnel changes, institutional fragmentation, natural catastrophes, and other international shocks. Therefore, it necessitates identifiable indicators to separate the symbolic adoption of an institution from the normal failure of implementation. Drawing upon the writings of Andrews et al. (2017), Pritchett et al. (2010, 2013), and DiMaggio and Powell (1983), this study presents a four-dimensional interrelated framework for conceptualizing planning-related isomorphic mimicry as the increasing use of internationally promoted planning frames, the spread of formal planning institutions, the persistent gap between the planning agenda and its actual implementation outcome, and recurring attempts at institutional reform to address chronic implementation issues.

This operational framework contributes to the existing literature by differentiating between planning-related isomorphism and generic public sector reforms, rather than positing that every planning deficit signifies isomorphic practices. Instead of asserting that every planning deficit is a result of institutional mimicry, it tests whether the trajectory of Nepal's planning-international reception of 'appropriate' models of planning; generation of progressively more complex institutional frameworks; escalating scale of planning aspirations; persistence of deficits-has systematically followed the pattern forecast by capability trap theory (Andrews et al. 2017; Pritchett et al. 2010). The operational framework also allows for contrasting competing approaches by conceding the potential role of various political conflicts, institutional redesign, external economic shocks, or natural disasters in particular plans. However, if similar planning deficits remain under various political regimes and socio-economic environments, they will be more credibly characterized as instances of planning-related isomorphism rather than isolated planning blunders (Andrews et al., 2017; DiMaggio & Powell, 1983; Khisthovani, 2025; Kourtelis, 2021; Krause, 2013; Pritchett et al., 2010, 2013).

Evolution of Planned Development Endeavors, Implementation Outcomes in Nepal

Nepal officially adopted planned development with the creation of the National Planning Commission in 1956 (2013 B.S.) and the formulation of the First Five-Year Plan, although planning proposals by *Juddha Shumsher JBR* and *Padma Shumsher JBR* were mostly unimplemented due to a lack of political stability, administrative bottlenecks, and poor institutional frameworks (Timilsina, 1986). Since then, 16 periodic plans have embodied changing priorities in line with evolving international development paradigms. Early plans focused on agriculture, infrastructure development, industrialization, state intervention, and economic development. Plans have increasingly incorporated poverty alleviation, social inclusion, inclusive development, balanced regional development, citizen involvement, ecological integrity, good governance, and an inclusive economy (Aryal & Dhakal, 2024; Silwal, 2024). The sixteenth periodic plan (2025-2030) integrates federalism, climate action, and sustainable development goals, prioritizing productive employment, social justice, and inclusive prosperity (NPC, 2024). This indicates increasing harmony between Nepalese plans and development theories accepted at the international level.

Although increasingly complex planning frameworks have been introduced periodically, their implementation results have continued to be mixed. While the Fifteenth Periodic Plan made gains in areas such as literacy, poverty alleviation, and average per capita gross national income, economic growth averaged merely 2.6 percent as opposed to the target of 9.6 percent that was set, and structural transformation was minimal (NPC, 2023; Silwal, 2024). Implementation challenges were compounded by the COVID-19 pandemic and the Ukraine-Russia war, which affected investment, production, and public service delivery and unveiled weaknesses in the state's coordination and implementation capabilities (Dangi et al., 2021; Karn, 2021). By adopting an integrated policy framework via aligning the Sixteenth Periodic Plan with the SDGs by focusing on education, health, gender, poverty, environment, industry, employment, justice, and good governance among different layers of government (NPC, 2024; Gupta and Sigdel, 2024), this research moves beyond understanding these persistent implementation gaps across the last seven decades through merely the framework of isomorphic mimicry and assesses whether the gaps are indicators of fundamental issues of state capacity under varying contexts (Pritchett et al., 2010; Dangi et al., 2021; Sapkota & Malakar, 2021).

Methods

Research Design: Using a qualitative longitudinal research design, this study investigates the dynamics of periodic development planning in Nepal from the First Five-Year Plan (1956–1961) to the Fifteenth Periodic Plan (2019/20–2023/24). A longitudinal research design was suitable because it allows capturing change and continuity in the institutional patterns of planning over successive planning cycles, rather than focusing on a single period of plan implementation. The research design is anchored in isomorphic mimicry, a theoretical framework that offers a lens through which to assess whether increasingly sophisticated planning frameworks have been matched by advances in implementation capacity. This study focuses on long-term patterns of planning ambition, institutional reform, and implementation performance across various political and developmental environments, rather than framing planning-implementation gaps solely as evidence of institutional mimicry. This research design, therefore, offers opportunities to identify recurrent patterns in institutional behavior that might be responsible for enduring gaps between planning and performance, while also taking into account changing governance frameworks and development priorities (Andrews et al., 2017; NPC, 2024; Pritchett et al., 2013).

Data Sources and Documentary Analysis: The study employs documentary analysis of government plans and policy documents along with secondary statistical and literature resources. Official planning and policy documents consist of Nepal's periodic plans and their implementation and review reports of the National Planning Commission, macroeconomic and social data of the Ministry of Finance, Nepal Rastra Bank, National Statistics Office, and various international organizations, such as the World Bank, Asian Development Bank (ADB), OECD, UNESCO, and UNDP. They also include peer-reviewed studies on development planning, governance, and institutional reforms in Nepal. This analysis of official documents permits cross-plan comparisons between objectives set, policy and institutional changes designed, and actual results achieved, while allowing the researcher to triangulate evidence from diverse sources. Despite dependence on secondary data, the limitation posed by differences in specific indicator measurements among planning periods is addressed through triangulation, ensuring more robust and reliable empirical findings (ADB, 2021; Bowen, 2009; World Bank, 2023).

Analytical Framework and Process Tracing: Using a combination of process tracing and theory-guided pattern matching, this analysis asks whether Nepal's planning reforms followed a sequence of causal steps hypothesized by isomorphic mimicry. The process tracing of key institutional shifts, including the establishment of the National Planning Commission, several rounds of planning reforms, the uptake of MDGs and SDGs, and federalism, will focus on how the reforms shaped implementation capability over time (George & Bennett, 2005). The empirical analysis addresses isomorphic mimicry with four indicators of evidence: the adoption of externally supported planning structures, increased formal planning institutions, persistent failure of implementation to reach planning goals, and repeated reforms that did not lead to long-term improvements in implementation capacity. Alternative explanations such as political instability, federalism, natural shocks, and COVID-19 will also be considered to evaluate whether the implementation gaps reflect contextually bound, temporary shocks, or more embedded institutional capacity trap(s) (Andrews et al., 2017; George & Bennett, 2005; NPC, 2024; Khisthovani, 2025; Kourtelis, 2021; Krause, 2013; Pritchett et al., 2013).

Results

Analytical Framework: Indicators of Isomorphic Mimicry

In this study, the concept of isomorphic mimicry serves as an analytical tool to investigate whether Nepal's planned development has led to the adoption of internationally acceptable planning institutions instead of enhancing effective implementation capabilities. Instead of assuming the phenomenon of isomorphic mimicry, this study conceptualizes this phenomenon through specific observable measures, drawn from theories of institutionalization and literature on development administration, to analyze the changing form of policy formulation, reforms in the institutional framework, implementation experience, and its compatibility with the international development agenda in successive periodic plans of the country, thereby determining whether institutional reforms had a substantive impact on the development of effective governance or enhanced formal compliance with standards of external validity (Andrews et al., 2017; DiMaggio & Powell, 1983; Khisthovani, 2025; Pritchett et al., 2013).

Following the analytical framework, the analysis of Nepal's planned development scrutinizes whether the observed development process demonstrates substantive institutional deepening or regular cyclical attempts at symbolic institutional reform. This set of indicators can be used to provide an index to quantify the correlation between planning reform, capacity to implement, and outcomes, thus allowing for an assessment of how relevant isomorphic mimicry might be to the development planning process in Nepal (Andrews et al., 2017; Pritchett et al., 2013).

Implementation Performance across Successive Plans: Paradigm Shift in Nepal's Planned Development

Institutionalization of Planned Development (1956–1990)

Nepal's first planned development program was initiated by National Planning Commission (NPC), which started working in 1956 to operate as a center for the planning of national development. The First Five-Year Plan (1956/57 – 1960/61) aimed to bring about economic development and the social uplift of the people and made all possible efforts towards the development of the agricultural sector as well as of roads, electric power, and essential public services. The Second through Seventh periodic plans between 1960 and 1990 during the *Panchayat* period worked to develop specific sectors while creating job opportunities, improving agricultural output, building industrial strength, and maintaining regional development balance (Timilsina, 1986). The initial plans showed some progress toward their goals, but central decision-making, institutional capacity limitations, and poor monitoring systems created barriers to their success. The 1961/62 planning holidays caused operational disruptions, which showed the fundamental implementation process deficiencies within the organization. The existing patterns demonstrate the initial stages of isomorphic mimicry because organizations develop formal plans that do not achieve operational effectiveness.

Democratic Transition and Liberalization (1990–2015)

The restoration of multiparty democracy in 1990 established a new planning framework that Nepal started to use for its development projects. The Eighth Plan (1992/93–1996/97) established economic liberalization, private sector development, participatory governance, and sustainable development as its main objectives (Aryal & Dhakal, 2024). The primary goals of the organization became poverty reduction, human resource development, and employment creation. The Ninth to Thirteenth Plans (1997/98–2015/16) established their development goals according to the Millennium Development Goals (MDGs), while their major focus areas included social inclusion, decentralized development, agricultural modernization, industrial growth, water and power development, and governance reforms. The plans have brought about concrete advancements that have enhanced human development measures and improved infrastructure and social service delivery. The plan's targets remained unfulfilled because of ongoing issues, including political instability, conflicts, insufficient technical skills, and organizational inefficiencies.

Federalism and Multi-tier Governance (2016–2024)

The Constitution of Nepal (2015) established a federal government system that required new methods for conducting regular planning activities. The Fourteenth Plan (2016/17–2018/19) established a pathway to federalism that focused on three objectives: complete economic growth, social fairness, and financial success. The Fifteenth Plan (2019/20–2023/24) aimed for 9.6% GDP growth but faced unprecedented disruptions from the COVID-19 pandemic, global shocks such as the Russia-Ukraine war, natural disasters, and internal political instability. The development framework of Nepal showed its weaknesses through multiple indicators, including an economic decline of -2.4% during 2019/20, GDP losses that surpassed NPR 600 billion, interruptions to tourism and industrial sectors and educational and public transport services, and the subsequent increase in poverty. The GDP sectoral distribution showed minimal changes because agriculture contributed 22.3%, industry produced 6.5%, and services accounted for 62.9% of the total economic output. These results demonstrate that federal and SDG planning approaches remain unfinished because of existing implementation difficulties (Karn, 2021; NPC 2023).

Paradigm Shifts and Lessons for Functional Development

Nepal's development planning shows three main shifts in its development planning process: (1) a centralized sector-based planning system that existed from 1956 until 1990, (2) a democratic liberalization period that lasted from 1990 until 2015, and (3) a federalism system that implements Sustainable Development Goal (SDG) requirements through its three governance levels since 2016. The social services and infrastructure systems, together with human development initiatives, have progressed; however, operational results still fall short of established plans because organizations lack capacity, partners fail to work together, and their systems remain exposed to external disturbances, which create an isomorphic mimicry effect (Pritchett et al., 2010). The Sixteenth Plan (2025–2030) operational strategies through institutional capacity building, local governance enhancements, participatory planning development, and SDG integration seek to solve existing challenges. The Nepalese experience shows that successful planned development needs complete policy frameworks, strong implementation systems, monitoring frameworks, and flexible governance systems that turn planning objectives into actual outcomes.

Planned Development Endeavors History of Nepal

Nepal's development path has maintained its connection to periodic planning, which functions as the main tool for government development projects because it provides a national development framework that enables different government bodies to work together while the government uses its resources to inform both national and international audiences about its development plans. Since the mid-1950s (2013 BS), successive governments have relied on these national plans to articulate development priorities, guide sectoral investments, and shape policy direction while simultaneously navigating complex political transitions, shifting economic ideologies, and evolving global development discourses. The plans have demonstrated how the country shifted its development priorities from infrastructure development and basic service expansion during its initial years to present-day objectives, which include poverty reduction, governance reform, federalism, and Sustainable Development Goals alignment, while planning processes have grown more advanced, and the implementation of periodic plan goals continues to face challenges.

Figure 1 provides the seven decades of evolution of Nepal's planning from simple infrastructure-focused planning to highly developed rights-based planning guided by SDGs and federalism. However, a historical account suggests that a perpetual gap has persisted, where overambitious plans frequently come up against the realities of structures. The case of the actual economic growth of the 15th Plan falling short of the predicted 9.6%, at a simple average of 2.4% of its growth, due to a series of shocks, further demonstrates the inherent structural fragility in Nepal. Looking through the lenses of organizational theory, this trend reflects isomorphic mimicry; the NPC has often displayed a very high capacity to imitate global trends, for example, the complex formal templates, technical schematics, and language of international development planning on study. However, these frameworks seldom deliver transformational change in the socioeconomic sphere, as the domestic administrative capability of the state is absent to deliver on them. The persistent challenges over seven decades, including systematically low absorption of capital expenditure capacity, low capacity for monitoring and evaluation, and vast gaps in subnational fiscal capacity, show that Nepal has focused on adopting international models of globally recognized structures, primarily for external validation from development partners. In this, it has chosen to pursue symbolic compliance at the cost of developing local implementation capacity.

Table 1. 70 Years of Planned Development Endeavors and Paradigm Shift in Nepal's Development

Plan No.	Plan Name	Plan Tenure	Major Focus Areas	Major Targets (Selected)	Major Achievements / Outcomes	Challenges and Observations
—	Pre-planning period	Before 1956 / Before 2013 BS	Feudal administration, ad hoc development	No quantified targets	Limited infrastructure development; absence of national coordination	Lack of planning institutions and data systems
1	First Five-Year Plan	1956–1961 / 2013–2018 BS	Infrastructure, transport, communications	Establish planning system; road expansion; administrative reform	Creation of NPC; initiation of highways, air transport, and communication networks	Weak institutional capacity; low absorption of capital
-	Plan Holiday	1961–1962 / 2018–2019 BS	No plan -One Fiscal Years	-	-	Administrative transition and planning realignment
2	Second Three-Year Plan	1962–1965 / 2019–2022 BS	Agriculture, irrigation, rural development	Increase food production; irrigation expansion	Irrigation schemes and agricultural extension programs expanded	Low productivity; subsistence agriculture dominance
3	Third Five-Year Plan	1965–1970 / 2022–2027 BS	Social equity, basic services	Expand education and health coverage	Growth in schools and primary health posts	Regional and rural–urban disparities
4	Fourth Five-Year Plan	1970–1975 / 2027–2032 BS	Regional balance, employment	Reduce regional inequality; employment generation	Introduction of regional development concepts	Weak monitoring and evaluation systems
5	Fifth Five-Year Plan	1975–1980 / 2032–2037 BS	Regional development, decentralization	Promote balanced growth	Strengthening of regional planning offices	Limited fiscal decentralization
6	Sixth Five-Year Plan	1980–1985 / 2037–2042 BS	Basic needs approach	Improve access to health, education, water	Expansion of basic social services	Sustainability and quality concerns
7	Seventh Five-Year Plan	1985–1990 / 2042–2047 BS	Growth acceleration, productivity	Raise GDP growth rate	Infrastructure expansion; productivity gains	Political instability affected continuity
-	Plan Holiday	1990–1992 / 2047–2049 BS	No plan -Two Fiscal Years	-	-	Democratic transition period
8	Eighth Five-Year Plan	1992–1997 / 2049–2054 BS	Liberalization, participation	Promote private sector; market reforms	Economic liberalization; private investment growth	Rising inequality; weak regulation
9	Ninth Five-Year Plan	1997–2002 / 2054–2059 BS	Poverty alleviation	Reduce income poverty	Poverty-targeted programs expanded	Armed conflict disrupted implementation
10	Tenth Five-Year Plan	2002–2007 / 2059–2064 BS	Poverty reduction, governance	Reduce poverty below 30%	Measurable poverty decline	Conflict and governance breakdown
11	First Three-Year Plan	2007–2010 / 2064–2067 BS	Post-conflict recovery	Reconstruction and stability	Peace process and rehabilitation programs	Institutional fragility
12	Second Three-Year Plan	2010–2013 / 2067–2070 BS	Economic stabilization	Restore growth momentum	Infrastructure rebuilding	Coordination failures
13	Third Three-Year Plan	2013–2016 / 2070–2073 BS	Federal transition	Institutional restructuring	Federal groundwork laid	Earthquake (2015) shock
14	Fourteenth Three-Year Plan	2016–2019 / 2073–2076 BS	Federalism implementation	Strengthen local governments	Establishment of subnational structures	Local capacity and fiscal gaps
15	Fifteenth Five-Year Plan	2019–2024 / 2076–2081 BS	Prosperity, SDGs, inclusion	Avg. growth 9.6%; poverty ≤15%; HDI improvement	Literacy ~76.2%; poverty ~15.1%; GNI per capita USD 1,410	Growth averaged ~2.4%; COVID-19 and external shocks
16	Sixteenth Five-Year Plan	2025–2029 / 2081–2086 BS	Good governance, social justice, prosperity	Avg. growth ~7.3%; literacy 85%; poverty ~20%	Early-stage implementation; policy alignment with SDGs	Risks of repeating implementation gaps

Note. Various documents from the First to the Sixteenth periodic plans, NPC, collected by the Author (2025).

Table 2. Major Implementation Outcomes of last 15 Periodic Planning in Nepal

Plan	Year / Nepali FY	Time Period	Estimates Investment (NPR crore)	Actual Expenditure (NPR crore)	Average Economic Growth (%) Target	Actual Outcome (%)
First	1956–61 (2013–2017 BS)	5-year	33	21.44	–	–
Second	1963–65 (2019–2021 BS)	3-year	60	59.68	–	–
Third	1966–70 (2022–2026 BS)	5-year	250	177.90	–	2.2
Fourth	1971–75 (2027–2031 BS)	5-year	344	331.56	4.0	2.6
Fifth	1976–80 (2032–2036 BS)	5-year	920	887.06	–	2.3
Sixth	1981–85 (2037–2041 BS)	5-year	2175	1558.28	4.3	4.4
Seventh	1986–90 (2042–2046 BS)	5-year	2900	2677.20	4.5	4.9
Eighth	1993–97 (2049–2053 BS)	5-year	17033	11348	5.1	4.9
Ninth	1998–2002 (2054–2058 BS)	5-year	37271	31037	6.0	3.6
Tenth	2003–07 (2059–2063 BS)	5-year	60982	–	6.2	3.4
Eleventh	2008–10 (2064–2066 BS)	3-year	51138	–	5.5	4.7
Twelfth	2011–13 (2067–2069 BS)	3-year	102370	–	5.5	3.9
Thirteenth	2014–16 (2070–2072 BS)	3-year	147156	–	6.0	3.1
Fourteenth	2017–19 (2073–2075 BS)	3-year	242496	–	7.2	7.4
Fifteenth	2020–24 (2076–2080 BS)	5-year	922929	–	9.6	2.6

Note. Various documents from the First to the Sixteenth periodic plans, NPC (2025).

Table 2 shows that the budget execution gap between planned and actual spending increases as plans have a larger size and the systems mature. The gap between budget execution, actual expenditure, actual investment, actual returns, and planned figures all indicate a rise from the Sixth Plan onward, with a larger size and simpler plan formulation from the Eighth Plan. As more resources were applied and plans became larger and execution-cum-accountability issues began to be felt, it led to a large budget execution gap. Second, the actual growth outcomes compared to the planned rates show considerable lags. Many plans have consistently lower performance than desired goals, irrespective of their ability to mobilize financial resources. In the Sixth, Seventh, and Fourteenth Plans, the actual rates have come close to or somewhat exceeded the targets, but they were exceptions due to special beneficial conditions from outside the state. In most plans, planned investment coupled with the planned goal of economic growth is not utilized as an investment function in the form of growth capacity to systematically improve it in the framework of a fully operational system.

Table 2 is corroborated by Fig. 1, indicating growing discrepancies between the planned and actual growth over the years, particularly during the recent plan periods. Deviations between planned and actual results emanate from external factors in the international agendas of development, such as high growth trajectories and SDGs, which start infiltrating planning documents. The Fifteenth Plan illustrates two contradictory forces: one that has overshot all the benchmarks and one that is below all the estimates because of external shocks and operational lacunae. Evidence from the table and graph clearly suggests that planning systems are embracing global benchmarks, but actual achievements are bound by existing institutional, political, and administrative structures. The continuity of this gap in performance over the last several decades clearly indicates that Nepal needs to switch from symbolic to actual planning to meet local needs and sustain development.

Planned Targets versus Actual Achievements

The analysis of planned developmental targets together with actual achievements shows the essential value of evaluating how effective Nepal's periodic development planning process is. The First Five-Year Plan, initiated in 1956 and ending in 1961, established its first set of targets, which the government used to measure progress until 2020, when the Fifteenth Five-Year Plan began its period through 2024. Historical evidence shows that the actual results for the coding of expected outcomes that diplomats had set as their targets showed frequent deviations from these diplomatic targets. The assessment of organizational performance over three decades compares estimated investments and actual expenditures with performance indicators to show both the achieved goals and ongoing deficiencies. The assessment shows that organizations follow isomorphic mimicry through the adoption of formal structures and global standards without obtaining matching operational outcomes.

Table 3. GDP Size (NPR crore, constant prices)

Plan	Plan Period	GDP Size (NPR crore)
1st	1956–1961	NA
2nd	1963–1965	560
3rd	1966–1970	867
4th	1971–1975	1657
5th	1976–1980	2335
6th	1981–1985	4659
7th	1986–1990	10341
8th	1993–1997	26998
9th	1998–2002	35220
10th	2003–2007	55470
11th	2008–2010	70660
12th	2011–2013	79320
13th	2014–2016	91020
14th	2017–2019	345590
15th	2020–2024	570700

Note. NPC Plan Reviews, MoF, NRB, and CBS/NBS National Accounts.

Table 3 and Figure 2 reflect, on an aggregate and chronological level, the growth of Nepal's GDP (constant price, NPR crore) in terms of the scale of the economy over subsequent periodic plans and the country's macro growth trend over the long term, from 560 crore in the Second Three-Year Plan (1963-1965) to 570,700 crore in the Fifteenth Five-Year Plan (2020-2024) (refer to Table 3). As can be seen from Figure 2, before the Eighth Five-Year Plan, the pace

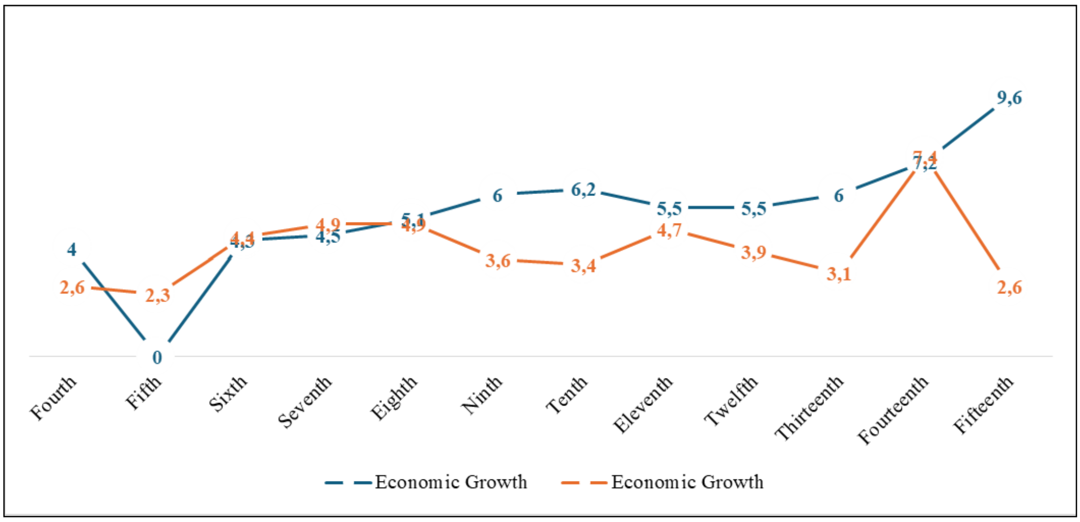

Figure 1. Economic Growth (in percentage)
Source: Processes by Author

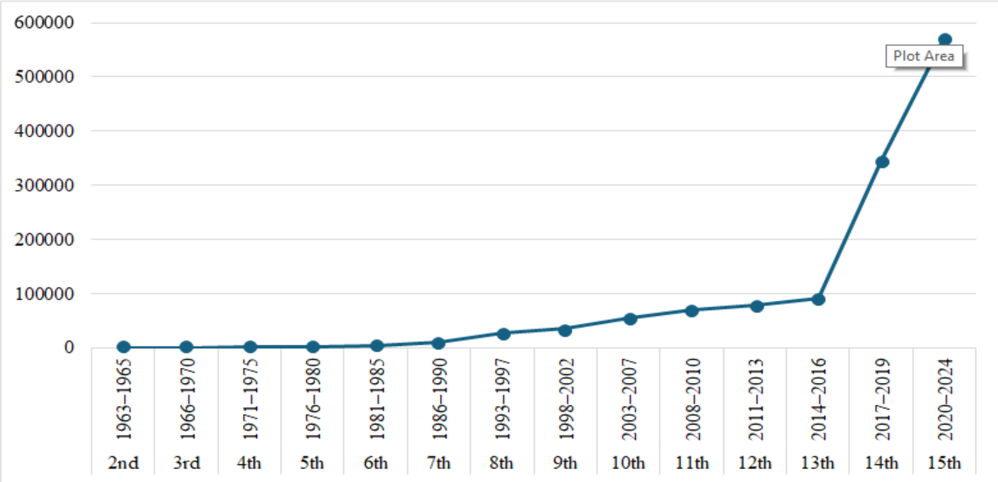

Figure 2. GDP Size (NPR crore)

of GDP growth was incremental due to constraints imposed by poor administrative capacity, political instability, and implementation issues that frequently failed to reach planned targets. From the Eighth Five-Year Plan onward, GDP growth accelerated, especially between the Fourteenth and Fifteenth Plans, from 345,590 to 570,700 crores, possibly in conjunction with opening up the economy to greater private sector participation and convergence with international development paradigms. Unfortunately, high GDP did not translate into equally significant growth in development outcomes, as seen in the Fifteenth Plan, which aimed to grow at an average annual rate of 9.6% but was able to achieve only 2.6% (refer to Table 3 and Figure 2). Table 3 and Figure 2 thus collectively highlight both the sustained aggregate growth in Nepal's macroeconomy as well as the consistent failure in the implementation process, indicative of the continued prevalence of isomorphism through mimicry in its development planning.

Figure 3 depicts the trends in per capita income (PCI, USD) and its targets and achievements as per the respective periodic plans for Nepal from the 1st Plan (1956-60) to the 15th Plan (2020-24), as displayed in Table 4. During the earlier period (1st to 7th Plans, 1956-90), PCI remained less than USD 100, which was because of a low economic base and slow growth in individual income. However, during the later period starting from the 8th Plan, the PCI started to gradually improve on average from USD 220 in the 8th Plan to USD 1456 in the 15th Plan, and the targets were steadily raised from USD 235 in the 8th Plan to USD 1,944 in the 15th Plan.

Table 4. Per Capita Income (USD)

Plan	Plan Period	PCI Target	PCI Achievement
1st–7th	1956–1990	NA	<100
8th	1993–1997	NA	220
9th	1998–2002	300	240
10th	2003–2007	350	300
11th	2008–2010	450	420
12th	2011–2013	600	550
13th	2014–2016	800	730
14th	2017–2019	1,000	1,047
15th	2020–2024	1,595	1,456

Note. NPC; MoF; NRB; World Bank WDI; UNDP HDR.

Figure 3 also shows this path. We can see a high convergence between the target and actual achievements for almost all planning periods. The minor gap between the target and actual achievement for the 9th to 13th plans means that the actual PCI did not catch up to the targets, which is due to the incapability of converting economic policy to individual income growth. The 14th Plan (2017-2019) means that the actual PCI is higher than the planned one. The actual PCI in the 14th plan was $1,047, while the target was $1,000, and the economy performed well. Similarly, the 15th plan represents a very large growth in the economy, where the actual PCI is $1,456, while the target PCI is $1,595. This signifies that even though the economy has expanded significantly, the targets set continue to lag behind performance.

Tables 5 and 4 clearly show the dynamics of poverty reduction in Nepal under subsequent periodic plans. The figure suggests that the decline in poverty from the 1st to 7th Plan (1956-1990) is from above 50 percent in each plan in the early years up to 20.27 percent in the 15th Plan (2020-2024). Earlier plans made their first gains in poverty reduction by using infrastructure development alongside agricultural growth and the expansion of basic services. From the 8th Plan (1993-1997) onwards, the decline is steeper, and during most periods, the planned and achieved targets are very close to each other, as in the case of the 9th Plan (1998-2002), where the target and achievement were both 38 percent. However, from the 12th Plan (2011-2013) onwards, actual results have deviated from the targets, which were an ambitious 21 percent in the case of the 12th Plan, and the 15th Plan target was 9.5 percent, and the actual outcome was below. The 15th Plan set an ambitious poverty reduction target of 9.5%, which resulted in an actual outcome of 20.27%, highlighting ongoing challenges from structural and implementation bottlenecks. Overall, Tables 5 and 4 demonstrate that the poverty rate has considerably reduced in Nepal during the last few decades, yet the constant gap between the planned targets and actual outcomes proves the importance of setting practical targets with a pragmatic plan for implementation with adaptive measures of social policy.

Table 6 shows the enduring long-term policy commitment of the Nepalese state toward the reduction of income inequality, with equally enduring difficulty in realizing stated policies. After equity concerns in the Tenth Plan (2003-2007) were generally stated

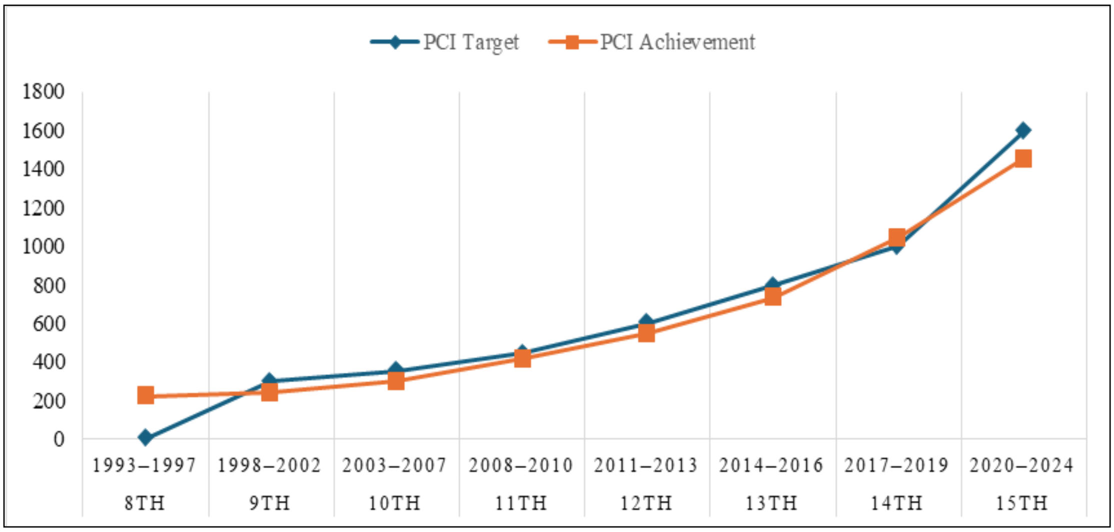

Figure 3. Per Capita Income- PCI

Table 5. Poverty Rate (%)

Plan	Plan Period	Poverty Target	Poverty Achievement
1st–7th	1956–1990	NA	≥50
8th	1993–1997	Reduce poverty	42
9th	1998–2002	38	38
10th	2003–2007	≤30	30.8
11th	2008–2010	≤28	25.4
12th	2011–2013	≤21	23.8
13th	2014–2016	≤18	21.6
14th	2017–2019	≤17	18.7
15th	2020–2024	≤9.5	20.27

Note. NLSS, NPC; MoF; NRB; World Bank Poverty Assessments.

and a Gini ratio of 0.41 was recorded, subsequent plans provided increasingly explicit and stringent targets (culminating at a 2020-24 target for the Fifteenth Plan of 0.29). The trend of a consistently decreasing measured inequality of up to 0.30, while indicative of a real distributive gain, cannot entirely overcome evidence of consistent and recent failure to meet plan targets marginally in both the Fourteenth and Fifteenth Plans, indicating that while policy has continuously adapted to formulate world-aligned plans and increasingly strict targets for equity (suggesting isomorphic mimicry of plan concepts from beyond Nepal), the institutions of the state have not been able to live up to stated policies.

Table 7 provides a longitudinal picture of literacy development among those aged 15 years and older from 1956 to 2024 in Nepal, revealing the trajectory of progress and the structural limitations of human capital development over time. From the First to the Fifth Plan (1956-1980), the progress was gradual, from 8.9% to 23.3%. This suggests an early and relatively indiscriminate phase of educational development, constrained by modest institutional capacity and resource availability. There was a relatively successful match between the planning intentions and outcomes in the Sixth to Eighth Plans (1981-1997), where literacy rose from 23.3% to a planned 48.0%, achieved during the Eighth Plan, indicating a close correspondence between planning, implementation, and outcomes. As the ninth plan (1998-2024) initiated this aspiration game, an obvious "aspiration gap" could be noticed where the ambitious literacy targets were proposed by the state on the basis of international best practices, with the goal of reaching 92.5% literacy during the 14th plan, but actual achievement was significantly below,

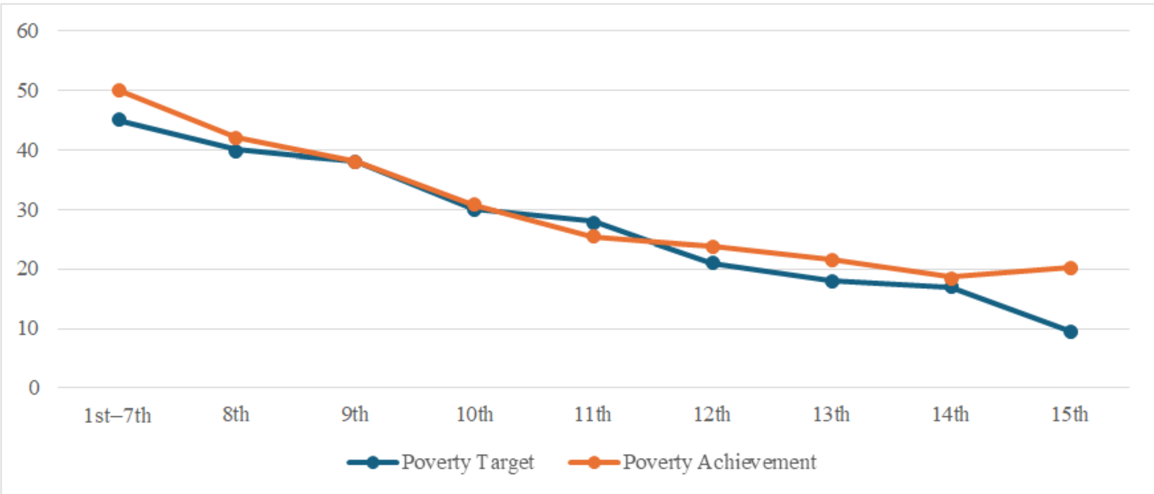

Figure 4. Poverty in Percentage
Source: Processes by Author

Table 6. GINI Coefficient

Plan	Plan Period	GINI Target	GINI Achievement
1st–9th	1956–2002	NA	NA
10th	2003–2007	Improve equity	0.41
11th	2008–2010	Improve equity	0.35
12th	2011–2013	≤0.33	0.33
13th	2014–2016	≤0.32	0.32
14th	2017–2019	≤0.30	0.31
15th	2020–2024	≤0.29	0.30

Note. CBS/NBS; World Bank Inequality Database; NPC.

Table 7. Literacy Rate (%) –15 years and Above

Plan	Plan Period	Target (%)	Achievement (%)
1st	1956–1961	NA	8.9
2nd	1962–1965	NA	10.0
3rd	1965–1970	NA	13.9
4th	1971–1975	NA	18.0
5th	1975–1980	NA	23.3
6th	1981–1985	32.4	29.0
7th	1985–1990	39.0	39.6
8th	1992–1997	48.0	48.0
9th	1998–2002	70.0	54.1
10th	2003–2007	63.0	56.0
11th	2008–2010	76.0	60.0
12th	2010–2013	75.0	62.0
13th	2013–2016	75.0	65.5
14th	2016–2019	92.5	68.7
15th	2019–2024	85.0	77.4

Note. Population Censuses, UNESCO, MoF, and NPC Social Sector Reviews. (2025)

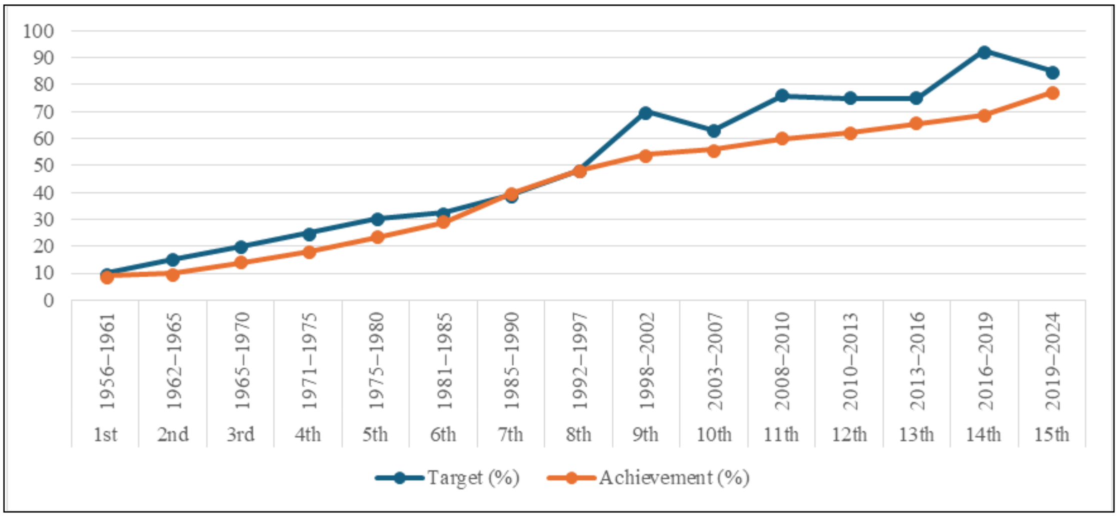

Figure 5. Literacy in Percentage
Source: Processes by Author

with 23.8 percentage points below the goal (77.4% vs. 85% during the 15th plan). As shown in Table 7, Nepal has achieved sustained improvement in terms of the literacy rate and the expansion of educational opportunities. Nevertheless, it has yet to attain the projected targets in human capital development, largely because of systemic bottlenecks and the limited capacities of the state and human resources to realize human capital development agendas in a functional way in the country.

Table 8 and the trends in Fig. 6 also allow us to analyze Nepal's development progress across planning phases in more detail (Ninth Plan (1998-2002) to the Fifteenth Plan (2019-2024)). Nepal's human development progress, as measured by the HDI, increased from 0.453 in the Ninth Plan to 0.622 in the Fifteenth Plan. Similar to the literacy trends presented in Table 7, HDI development phases can also be distinguished: the broad development phase (Ninth to Eleventh Plans); for instance, the Ninth Plan had a goal of improving HDI and led to real progress from 0.453 to 0.537. Subsequent phases (Twelfth to Fifteenth Plans) saw a shift toward numerical targets in the plans. The Twelfth Plan aimed for an HDI of 0.550 and achieved a real outcome of 0.583, while the Fifteenth Plan set a target of 0.630 and achieved a result of 0.622. These figures are close, whether below or above targets, confirming a pattern that has been seen previously, that is, structural constraints and administrative shortcomings are not entirely overcoming their limitations to achieve full functional realization of planning objectives and have led to a similar "aspiration gap" between targets and real achievements, like in literacy results.

Analysis of Nepal's longitudinal periodical plans (1956-2024) indicates the presence of a perennial structural dichotomy between development plans' "form and function." This can be observed in the presence of isomorphic mimicry in Nepal's development process. Nepal's planning framework evolved from the original infrastructure-based approach to the highest international standards of planning systems, which have brought economic achievements, such as GDP growth, and social targets, such as literacy and poverty reduction. However, Nepal's actual achievements show continuing gaps relative to their ever-growing plans' aspirations. The highest gap (aspiration gap) was observed in the 9th to 15th plans, when the government targeted an economic growth of 9.6 percent to achieve just 2.6 percent during the 15th Plan and a per capita income of 1595 USD, which reached only 1456 USD (Tables 2 and 4). This explains how the state possesses

Table 8. Human Development Index (HDI)

Plan	Plan Period	HDI Target	HDI Achievement
1st–8th	1956–1997	NA	NA
9th	1998–2002	Improve HDI	0.453
10th	2003–2007	Improve HDI	0.483
11th	2008–2010	Improve HDI	0.537
12th	2010–2013	0.550	0.583
13th	2013–2016	0.570	0.586
14th	2016–2019	0.600	0.602
15th	2019–2024	0.630	0.622

Note. UNDP Human Development Report. NPC.

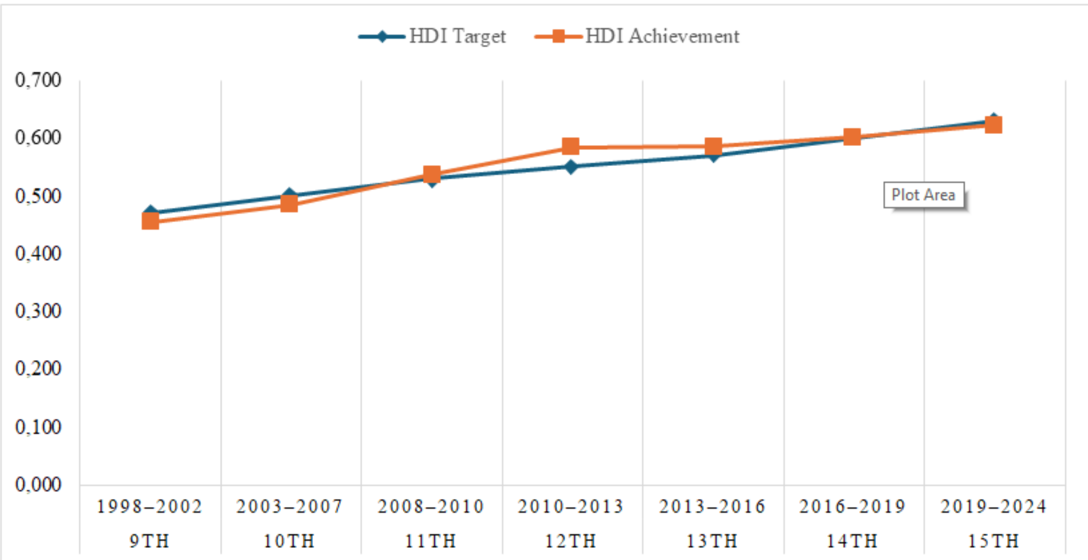

Figure 6. Human Development Index (HDI)
Source: Processes by Author

an efficient understanding of developmental signs when there are persistent gaps in the Gini coefficients and a literacy gap of 23.8 percent during the 14th plan due to failure in administrative and technical execution. This data illustrates that Nepal has made achievements in terms of human development along with expanding its macro-economy but is merely operating as a ceremonial progress symbol in excess of its own ability to deliver authentic and sustainable development. Successful governments need to shift from demonstrating symbolic policies to operating effective mechanisms for dealing with reality.

Evidence of Planning-related Isomorphic Mimicry

Overall, the longitudinal evidence suggests that periodic planning in Nepal appears to be characterized by features that align with planning-related isomorphic mimicry, although caution should be applied in this regard because the overall political and economic situation must be considered. Over consecutive planning periods, developmental paradigms, beginning with a strong infrastructure focus, have evolved toward more abstract models that correspond to globally accepted agendas on poverty reduction, human development, MDGs and SDGs, RBM, and federal governance reforms. Simultaneously, planning institutions proliferated, and developmental goals became increasingly aggressive; however, the ability to implement these goals did not increase as rapidly. While overall GDP, literacy, poverty reduction, per capita income, and the HDI increased substantially over the long haul, ambitious targets remained partially unmet throughout successive planning rounds, particularly from the Ninth Plan onwards. This persistent mismatch between the ambitions of the planning process and their implementation likely reflects how rapidly administrative capabilities lagged behind institutional modernization, in keeping with the first three dimensions of planning-related isomorphic mimicry rather than mere instances of implementation deficiency.

However, the evidence is inconsistent with the idea that all implementation shortfalls are the result of isomorphic mimicry alone. Certain planning periods were subject to external shocks, including armed conflict, changes in government, the 2015 earthquake, federalization, the COVID-19 pandemic, and global economic fluctuations, which had an impact on implementation capacity. However, these alone fail to explain the planning-performance gaps over almost seven decades, spanning various political regimes and institutions. Rather, the documentary record shows that in almost every reform period, new, more inclusive planning structures and more extensive commitments to development norms were made, but with limited impact on implementation capacities. This cycle of reforms, expanding planning, and persistent implementation shortcomings is consistent with Andrews et al.'s (2017) capability trap and provides more support to frame Nepal's cycle of periodic planning as an example of planning-related isomorphic mimicry rather than explaining implementation problems simply by recourse to transient external shocks.

Discussion

From Planning Ambition to Implementation Capability: The Aspiration Gap

Overall, Nepal's periodic planning experience indicates a welcome move towards increasingly sophisticated planning models that include poverty alleviation, inclusion, good governance, federalism, and sustainable development goal aspirations, moving away from its previous infrastructure focus. As development planning sophistication in Nepal has improved in parallel with the increasing international acceptance of various development models, evidence also suggests that improvements in the quality of planning have been unaccompanied by equal gains in administrative and institutional implementation capacity. Repeated patterns of aspirational implementation shortfalls may therefore be interpreted not as isolated failures in the planning process itself, but as a result of increasingly fast-expanding aspirations outstripping limited institutional, administrative, and fiscal capacity to deliver those plans. The results contribute to the argument that development planning success must be evaluated not only in terms of its policy formulation quality but also in terms of the available state capacity to meet planning objectives and translate plan aspirations into tangible long-term development impacts (Andrews et al., 2017; Gupta & Sigdel, 2024; NPC, 2024; Khisthovani, 2025; Kourtelis, 2021; Krause, 2013; Pritchett et al., 2013).

Planning-related Isomorphic Mimicry as an Institutional Explanation

These findings offer convincing evidence that Nepal's planning system conforms to many characteristics associated with planning's isomorphic mimicry: over time, each successive periodic plan adopted the same range of international planning models, namely the MDGs, SDGs, results-based management, participatory planning, and a range of governance reforms, resulting in the growth of the institutional legitimacy of Nepal's formal, complex, and technical-based national planning. Repeated institutional reforms did not result in equivalent increases in Nepal's planning implementation capacities, meaning that institutional form outpaced institutional function. Crucially, this finding is derived not only from the existence of implementation deficits but also from the consistently similar cycle evident for multiple plans: the adoption of an international model, increasing planning ambition, repeated institutional reforms, and a persistent implementation problem. Thus, this research contributes to the research of Andrews et al. (2017) and Pritchett et al. (2013), showing that isomorphic mimicry works not only through the processes of the administration but also through long-term planning cycles, and through which an organization can adopt practices that conform to international legitimacy without corresponding increases in organizational capacity to act (DiMaggio & Powell, 1983; Meyer & Rowan, 1977).

Competing Explanations and Structural Constraints

While planning-related isomorphic mimicry offers a convincing institutional explanation, the analysis also shows that implementation results are shaped by salient contextual circumstances. Nepal's development pathway has been affected by armed conflict, political instability, frequent government transitions, the 2015 earthquake, economic blockades, federal restructuring, COVID-19, and global economic uncertainties, all of which have influenced implementation at different times (Dangi et al. 2021; Karn 2021; UNESCO 2024). However, these help account for performance differences in specific plans but not for consistent implementation deficits over some seven decades. Similar constraints seem to appear in the context of varied political structures, development strategies, and governance systems, pointing to systemic institutional deficiencies. Disjointed intergovernmental coordination, inadequate administrative capacity, ineffective monitoring mechanisms, inertia in the bureaucracy, and poor implementation capacities seem to represent lasting institutional deficits accentuated rather than created by externally driven events. This perspective helps consolidate the case that planning-related isomorphic mimicry constitutes a better explanation of the persistent planning performance deficits in Nepal than any purely short-term political or economic disturbance (NPC 2020; Sapkota 2024).

Theoretical and Policy Implications

This study adds to the literature by framing planning-related isomorphism mimicry as a unique version of institutional mimicry in the context of long-term national development planning. This differs from ordinary isomorphic mimicry, where planning institutions do not copy administrative procedures but borrow externally recognized planning templates, development agendas, and governance structures without strengthening implementation capacity. This distinction further extends the logic of the capability trap by showing how planning institutions can also serve as platforms for symbol compliance when national planning is ambitious and exceeds national capacity over a long period (Andrews et al., 2017; Pritchett et al., 2013). At the policy level, the findings recommend that for periodic plans, the focus should shift towards strengthening national institutional capacity by setting realistic goals, adopting flexible implementation practices, strengthening monitoring and evaluation, improving coordination, and building human capacity, both administrative and technical, as follows: Such reforms are consistent with the underlying spirit of Problem-Driven Iterative Adaptation (PDIA), which suggests the development of capability rather than more general adoption of institutional templates to be imported from outside (Andrews et al., 2017).

Conclusion

This study analyzed Nepal's successive decades of development planning over seven decades to determine whether the enhancement of planning institutions is correlated with enhanced implementation capacities. The long-run analysis revealed that Nepal's planning regime has incrementally incorporated more complex developmental agendas, such as international development agendas, poverty alleviation strategies, MDGs, SDGs, and reforms related to federal governance structures. This has led to remarkable advancements in various indicators of development, such as literacy, poverty reduction, per capita income, and human development, over the last few decades. Nonetheless, the disparity between planning aspirations and actual implementation performance persisted during every planning regime. Although specific plans were hindered by political instability, natural disasters, federal reorganization, and COVID-19, the country's implementation deficit in development planning is unlikely to be attributed entirely to these conditions. Instead, there is a discernible consistent trend in which planning aspiration far exceeds the country's ability to implement it, offering strong empirical support for the explanation of isomorphic mimicry related to development planning (Andrews et al., 2017; DiMaggio & Powell, 1983; NPC, 2024; Pritchett et al., 2013).

This study makes three contributions to the existing literature. First, it introduces measures for operationalizing isomorphic mimicry and relates international policy adoption, institutional reform, implementation capacity, and recurrent planning-performance gaps. Second, it elaborates on the idea of planning-related isomorphic mimicry and suggests that long-term developmental planning could become closer to internationally valid aspirations faster than the build-up of administrative capacity, thereby increasing the gap between aspirational and capability levels within succeeding planning cycles. Third, neither research federalization nor institutional reform can break the capability trap in isolation without a consistent and significant commitment to building the implementation of intergovernmental coordination, monitoring and evaluation (M&E) systems, fiscal decentralization, and adaptive institutional learning (AIL). For the Sixteenth Periodic Plan of Nepal, its journey towards attaining SDGs and building a climate-resilient and sustainable development beyond the LDC graduation should take into account a more context-sensitive capacity building for a sustained and progressive forward march, with federal, provincial, and local plans paying sufficient heed to developing capacity while the planning aspirational goal is high in order for the periodic plans to shift beyond policy legitimation into being instruments of delivery to lead Nepal's form to function as also put by Andrews et al. (2017), Gupta & Sigdel (2024), Khisthovani (2025), Kourtelis (2021), Krause (2013), and NPC (2024).

Declaration of interest

The authors declare no conflicts of interest.

Generative AI Disclosure Statement

The authors used AI only for language improvement and formatting.

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