Launching of the Report on Degree of Urbanization in Nepal

Press Release

1. In accordance with the Nepal Constitution, with the restructuring of the state into a three-tiered government, Nepal comprises 753 local units or municipalities. Among them, 293 are urban municipalities (including metropolitan and sub-metropolitan cities) and 460 are rural municipalities. In the current context, with the categorization of the urban municipalities, metropolitan and sub-metropolitan cities as urban areas, the difficulty in policy formulation is apparent. The predominance of areas with rural characteristics within metropolitan, sub-metropolitan, and urban municipal areas and on the other side the expansion of market centers in rural municipalities as small towns, underscore the necessity to contextually analyze and further redefine the dimensions of urbanization in Nepal.

2. According to the Census data of 2021, the urban municipality population is 66.17% and that of the rural municipality is 33.83%. This implies that Nepal has 66.27% urban areas, while does not provide further categorization into urbanizing or peri-urban municipalities. In this context, it has become necessary to study and contextualize the international practices to re-define the level of urbanization of these municipalities.

3. The **Degree of Urbanization (DEGURBA)** methodology was approved by the United Nations Statistical Commission to harmonize the definition of urban and rural areas globally. The Degree of Urbanization in Nepal report has been prepared by adopting this structured methodology, to classify Nepal's settlements at the ward level into Urban, Peri-Urban and Rural areas.

4. The key objective of this report is to adopt an internationally recognized methodology to generate globally harmonized and comparable urban and rural population dataset for Nepal, implement method of analysis that complements and does not replace the national system and is applicable across countries to help compute SDG data for reporting and generating globally comparable dataset and to generate disaggregated data analytics at the country level to derive inference that are critical for policy formulation and decision making to guide urbanization and development.

5. Hence, the Census data of 2021 population has been analyzed adhering to the scientific DEGURBA methodology. The application of DEGURBA entailed a multi-sectoral approach with technical advisory inputs from national and international experts and in close coordination with Ministry of Urban Development, Ministry of Federal Affairs and General Administration, National Planning Commission, Department of Urban Development and Building Construction, Department of Survey, Tribhuvan University, Municipal Association of Nepal, National Association of Rural Municipalities in Nepal and Regional and Urban Planner's Society of Nepal, with participation of their representatives in series of trainings, discussions and workshops.

Summary of the Results

6. Based on DEGURBA methodology, the rural, peri-urban and urban classification was done at the ward level, based on the threshold of population, population density, rasterized built-up area and contiguity of the characteristics.

7. The DEGURBA classification results for 2011 and 2021 Census data, contextualized in Nepal using 3-category, shows that the urban population has significantly increased from 22.31 % to 27.07% between 2011 and 2021. Likewise, the peri-urban population has also increased from 39.19% to 39.75%. Further, the rural population has decreased from 38.5% to 33.19% in the last 10 years. Majority of the population still resides in peri-urban areas that are regarded as 'urban', while in character are urbanizing. Yet, the rural population is still one third, while based on the trend, the migration from rural areas to peri and urban areas provides an insight of pressure on the urban areas to accommodate and for the rural areas to retain the population.

8. Further, based on the distribution of 3-Category classification in the ecological region, the rural population is concentrated in the Hill (66%) and Mountain regions (16%). Peri-urban population is concentrated in the Tarai region (85%) and urban population is concentrated in the Hill region (53%), which is skewed due to Pokhara Metropolitan and Kathmandu valley, followed by the Tarai region (39%).

9. The analysis of the 3-Category classification result against the municipalities demonstrates that in the rural municipalities, 58% of the population are in the rural cluster within 2,412 wards, while 36.1% are mostly in peri-urban areas (664 wards) and 5.9% of the population in the urban areas (139 wards). In urban municipalities, only 28.4% of the population are in urban areas (591 wards), majority that is 46% are in the peri-urban areas (1,285 wards) and still 25.4% in the rural cluster within 1,244 wards. In sub-metropolitan cities, 39% of the population are in peri-urban areas and 53% are living in urban categorized areas. In metropolitan cities, 17% are in peri-urban areas, 2.3% still in areas of rural characteristics and 80.7% in urban areas. The comparison indicates in urban municipalities, the main characteristic of the settlement is still peri-urban and a significant population in the rural landscape. Likewise, the total number of wards in rural municipalities are higher (3,685) when compared to the urban and peri-urban areas, noting it contains only 33% of the total population.

10. The population, when classified at the provincial level using the 3-Category classification, shows that the distribution of urban and peri-urban population (total 66.8%) is relatively skewed. The highest population concentration is in Madhesh province (19.9%), followed by Bagmati province (14.6%) and the lowest in Karnali province (1.2%). The data shows imbalance in distribution of the urban population with highest concentration in the Tarai province - in Madhesh and Lumbini. In Madhesh province, the majority of the wards (971) are of peri-urban characteristics. Bagmati is the second most urban province, where there are 672 rural wards in comparison to 449 wards in peri and urban areas. In Karnali province, 637 wards are of rural characteristics with 75 wards of urban and 6 of peri urban characteristics.

11. The results derived from the DEGURBA analysis, for 2011 and 2021 Census data, demonstrated relatable results and matched the expectations of the tool developers and users. The results also showed alignment with the local spatial realities, which were verified by the field visits.

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