

ANNUAL REPORT 2009

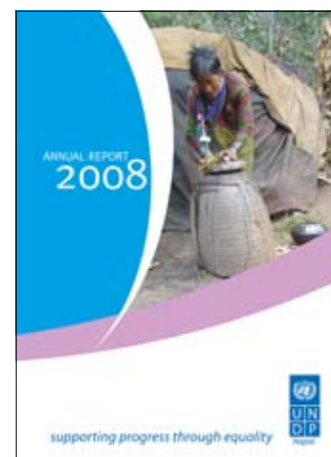
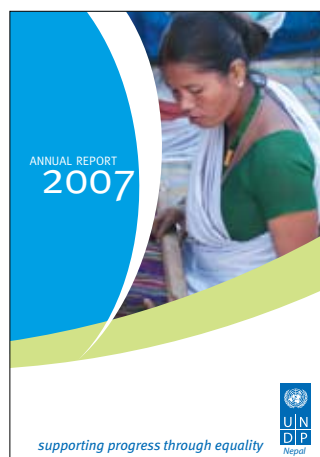


supporting progress through equality





Cover photo: In Nepal, almost 70% of UNDP's development assistance aimed at poverty reduction goes to programmes that benefit women.



THE UNITED NATIONS DEVELOPMENT PROGRAMME

The United Nations Development Programme (UNDP) is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. It is on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and its wide range of partners.

World leaders have pledged to achieve the Millennium Development Goals, including the overarching goal of reducing poverty in half by 2015. UNDP's network links and coordinates global and national efforts to reach these Goals. UNDP focuses on helping countries to build and share solutions to the challenges of Democratic Governance, Poverty Reduction, Crisis Prevention and Recovery, Energy and Environment and HIV/AIDS.

UNDP helps developing countries attract and use aid effectively. In all its activities, it encourages the protection of human rights and the empowerment of women.

UNDP in Nepal

Since 1963 UNDP has worked with the Government and people of Nepal to reduce poverty. The organization's current programme of assistance is detailed in the Country Programme Document (2008-2010) and focuses on the following areas:

- Peace building;
- Transitional governance;
- Sustainable livelihoods; and,
- Energy, environment, and natural disaster management.

Gender and social inclusion, HIV/AIDS, climate change, and capacity development are cross-cutting issues in these four areas.

Foreword

I am very pleased to introduce the UNDP Nepal Annual Report, which documents some of the contributions made by UNDP towards building a sustainable peace and achieving the Millennium Development Goals (MDGs) in the past year. 2009 saw a substantial increase in UNDP's activities with a 39% increase in expenditure from the previous year. Most of this increase is related to UNDP's work in support of Nepal's complex transition from conflict to peace — in particular to supporting the building of an inclusive constitution as well as to assisting the process of discharging minors and late recruits from Maoist army cantonments. The establishment of the Centre for Constitutional Dialogue in Kathmandu at the beginning of the year and the village outreach campaigns organized by the centre were especially significant, contributing to building awareness of thousands of Nepalis about key constitutional issues that are now under debate.

With five years to go to 2015, increased support has also been directed towards poverty-focussed initiatives aimed at achieving the MDGs — in particular those goals proving more elusive for Nepal, such as reversing the spread of HIV, increasing employment and conserving the environment. Our wider concern remains that progress towards the MDGs is equitably shared between men and women, between Nepal's diversity of caste and ethnic groups, and between rural and urban communities. Many of the initiatives we supported continued therefore to target traditionally disadvantaged sections of society, with our micro-enterprise and rural energy projects making significant in-roads in this regard. Our efforts to promote gender equity are highlighted in Chapter 9 of this report. 2009 also saw the launch of our most recent Nepal Human Development Report, which looks at the complex question of state transformation and human development.

I take this opportunity to thank our many partners in government, in civil society and in the communities where we work, who deserve much of the credit for our 2009 achievements. I acknowledge the continuing support of our donors and the hard work put in by the UNDP teams throughout 2009. It is our sincere hope that our work in 2010 will show even greater results in step with the increasing expectations of the Nepali people at this historic time.



Robert Piper
UNDP Resident Representative, Nepal

Acronyms and abbreviations

A2J	Enhancing Access to Justice project	m	million
AEPC	Alternative Energy Promotion Centre	MDG	Millennium Development Goals
Aid	Developing Capacities for Effective Aid Management and Coordination project	MEDEP	Micro-enterprise Development Programme
AIDS	acquired immunodeficiency syndrome	MoCS	Ministry of Commerce and Supplies
APPN	Assistance to the Peace Process in Nepal	MoEST	Ministry of Environment, Science and Technology
AusAID	Australian Agency for International Development	MoF	Ministry of Finance
AVDC	Assessment of VDC Block Grants in Nepal	MoFSC	Ministry of Forests and Soil Conservation
BCPR	Bureau of Crisis Prevention and Recovery (UNDP)	Mol	Ministry of Industry
BNP	Bardiya National Park	MoLD	Ministry of Local Development
CDM	Clean Development Mechanism	MoPPW	Ministry of Physical Planning and Works
CPAP	Country Programme Action Plan (CPAP)	MoPR	Ministry of Peace and Reconstruction
CPRSN	Crisis Prevention and Recovery Support to Nepal	MW	megawatt
Danida	Danish International Development Assistance	na	not applicable
DDC	district development committee	NAPA	National Adaptation Programme of Action to Climate Change
DFDP	Decentralized Financing and Development Programme (UNCDF)	NBSM	Nepal Bureau of Standards and Metrology
DFID	Department for International Development (UK)	NPTF	Nepal Peace Trust Fund
DGTF	UNDP's Democratic Governance Thematic Trust Fund	NPC	National Planning Commission
DLGSP	Decentralized Local Governance Support Programme	NRB	Nepal Rastra Bank
DRRN	Disaster Risk Reduction in Nepal	OCHA	Office for the Coordination of Humanitarian Affairs (UN)
EAFS	Enhancing Access to Financial Services project	OHCHR	Office of the High Commissioner for Human Rights (UN)
EC	European Commission	PPP	public-private partnerships
ECCCA	Enhancing Capacities for Climate Change Adaptation and Disaster Risk Management	PPPUE	Public-Private Partnerships for Urban Environment
EIF	Enhanced Integrated Framework (WTO)	QIPSI	Quick Impact for Peace Support Initiative
ENTREC	Enhancing Nepal's Trade Related Capacity	REDP	Rural Energy Development Programme
ERI	Early Recovery Initiative	SAHPTC	Scaling up Access to HIV Prevention, Treatment and Care
ERRRP	Earthquake Risk Reduction and Recovery Preparedness	SCNHRC	Strengthening the Capacity of National Human Rights Commission
ESP	Institutional Strengthening and Professional Development Support for the Election Commission of Nepal project	SDC	Swiss Agency for Development and Cooperation
GEF	Global Environment Facility	SGP	GEF's Small Grants Programme
GLOF	glacial lake outburst flood	SNLFS	Support to the Nepal Labour Force Survey
HIV	human immunodeficiency virus	SNPHA	Support to the National Programme on HIV/AIDS
HPC	Himal Power Limited	SNV	Netherlands Development Organization
ITF	UNDP's Integrated Framework Trust Fund	SPCBN	Support to Participatory Constitution Building in Nepal project
ILO	International Labour Organization	SPMCNPC	Strengthening Planning and Monitoring Capacity of NPC project
IUCN	World Conservation Union	STI	sexually transmitted infections
JICA	Japan International Cooperation Agency	UCPN-M	Unified Communist Party of Nepal
KERP	Koshi Early Recovery Project	UNCDF	United Nations Capital Development Fund
kW	kilowatt	UNDP	United Nations Development Programme
LGCDP	Local Governance and Community Development Programme	UNFPA	the United Nations Population Fund
LMDG	Localization of MDGs in District Planning and Monitoring	UNICEF	the United Nations Children's Fund
LRP	Livelihood Recovery for Peace Programme	UNMIN	United Nations Mission in Nepal
		UNOPS	United Nations Office for Project Services
		UNPFN	United Nations Peace Fund Nepal
		UNV	United Nations Volunteers
		VDC	village development committee
		WTLCP	Western Terai Landscape Complex Project
		WTO	World Trade Organisation

Contents

- 1. Overview 2009 5**
- 2. Consolidating peace and supporting progress towards the MDGs 12**
- 3. Building peace 16**
- 4. Transitional democratic governance 22**
- 5. Livelihoods 34**
- 6. Energy, environment and climate change 40**
- 7. Reducing risks from natural hazards 50**
- 8. Halting and reversing the spread of HIV/AIDS 55**
- 9. Gender equality and women's empowerment 60**
- 10. Resources and partnerships 66**
- Annex 1: UNDP supported projects and programmes, 2009 68**

1. Overview 2009

UNDP's priorities

UNDP Nepal's over-riding priorities in 2009 continued to be to help consolidate peace after the end of the 1996–2006 armed conflict and to support Nepal's long term development by reducing poverty and helping the country achieve the Millennium Development Goals. Chapter 2 details how almost all the projects supported by UNDP in 2009 are contributing towards these priorities.

In 2009, UNDP worked in partnership and collaboration with communities, the government, bilateral and multilateral agencies, civil society, academia and the business community to implement 35 projects to:

- build peace;
- support transitional democratic governance;
- support sustainable livelihoods;
- promote clean sources of rural energy;
- conserve the environment;
- mitigate the damaging effects of climate change
- reduce the risks from natural disasters; and
- slow the spread of HIV/AIDS.

The main achievements of these projects in 2009 were as follows:

Peacebuilding

- **Facilitating the discharge process** — Throughout 2009 UNDP worked with other UN agencies to maintain a stand-by capacity, which was deployed in December 2009 when the discharge of the 4,008 disqualified Maoist army personnel began. (APPN and CPRSN projects)
- **Fostering political consensus** — Began a new initiative with leading politicians and civil society members to overcome the lack of political consensus which has hindered the progress of the peace process (CPRSN). A separate initiative trained 111 female and 20 male assembly members on negotiating through consensus. (SCBPN)
- **The functioning of the Constituent Assembly** — Helped the operations of the Constituent Assembly (CA) by refurbishing workspaces, providing vehicles and other equipment and training assembly members on constitutional issues. (SCBPN)

Box 1.1: Highlights of 2009



19 January 2009: The opening of the Centre for Constitutional Dialogue



17 August 2009: Launch of the fourth Nepal Human Development Report



16 December 2009: Signing of the 1612 Action Plan by the Government of Nepal, the Unified Communist Party of Nepal (UCPN-M) and the United Nations for the discharge of disqualified Maoist army personnel

- **Resources for constitution building** — Established and ran a technical resource centre (the Centre for Constitutional Dialogue) that provided a neutral dialogue space and a much-used facility for interactions between assembly members, experts, civil society and the interested public on constitutional matters. There were 30,000 visits to the centre in 2009 to attend 84 seminars and 244 interactions and to use its resources. (SCBPN)
- **Citizen's participation in constitution making** — Supported the running of 2,274 democratic dialogues in 1,576 village development committees (VDCs) across Nepal that built the awareness of more than 125,000 people about constitutional issues. These meetings produced 2,000 submissions, which were compiled into 18 submissions presented to the thematic committees of the Constituent Assembly. (SCBPN)
- **Broadcasts for peace and constitution making** — Supported the weekly *Sajha Sawal* debates for radio and television, where members of the public question politicians and bureaucrats about their performance, and the *Katha Mitho Sarangiko* drama serial, which informs and inspires the public about issues to do with the peace process. (SCBPN)

Transitional democratic governance

- **Access to justice for the poor** — Supported the establishment of community mediation committees in 20 VDCs and court referred mediation centres in 7 districts to give women, poor and marginalised people access to timely and affordable justice. A total of 540 community leaders (30% women) and 559 judges and lawyers (30% women) were trained to manage these dispute resolution mechanisms and on gender based violence. The committees mediated 73 cases whilst the centres referred 400 cases for mediation, thus freeing up the courts to deal with more serious cases. (A2J)
- **Free and fair elections** — Supported the Election Commission Nepal to produce its strategic plan for 2009–2013, to train 231 commission staff on holding free and fair elections and to mobilise \$5.5 million from Danida and the Nepal Peace Trust Fund to establish a more transparent and efficient voter registration system. (ESP)
- **Respect for human rights** — Launched a second round of support to help the National Human Rights Commission establish itself as an independent institution for protecting and promoting human rights. (SCNHRC)
- **Harmonised UN support for local governance** — Launched a new UN Joint Programme with five other UN agencies to support the government to implement the Local Governance and Community Development Programme (LGCDP), thus harmonising support to this important sector.
- **Performance-related grants** — Witnessed the fruition of previous UNDP and UNCDF governance support with the institutionalisation of a system where the amount of annual block grants from central to local government depends on the performance of local bodies. The results of this exercise in 2009 (partly funded by UNDP) suggest that it is motivating DDCs to improve their performance. (DFDP and Joint Programme for LGCDP)
- **Strategies and guidelines for local governance** — Supported the production of seven draft guidelines and manuals of which the government's Gender Equality and Social Inclusion Strategy, the block grant guidelines and performance assessment manuals were approved in 2009. These documents put in place the framework for mainstreaming the good practices they prescribe into local governance. (Joint Programme for LGCDP)



Training mediation committee members (Biratnagar)

- **Services to needy communities** — Funded local communities to implement 1,077 community infrastructure projects (including 318 school buildings and 263 drinking water supply schemes), which are benefiting 163,601 people from some of Nepal's poorest communities that have been affected by conflict, the Koshi floods of 2008 and the diarrhoea epidemic of 2009. QIPSI also trained 2,700 user committee members on account keeping. (QIPSI)
- **Improved access to services in towns and cities** — Trained 318 municipality staff, entrepreneurs, community representatives and other stakeholders to manage public-private partnerships (PPPs). Project advocacy led to the ministries of physical planning and tourism setting up PPP units as single contact points for PPP-related work. (PPPUE)
- **Planning for development and poverty alleviation** — Supported the production of the Nepal Human Development report 2009 (with the National Planning Commission), which addresses key issues of state transformation and their linkages with human development and peace. Also supported the second Nepal Labour Force Survey (through ILO) and a study on VDC block grants, which provided important information for local government guidelines. This work provides valuable data and analysis on key issues for Nepal's policy makers and donors. (SHDI, AVDC and SNLFS)
- **MDG based planning** — Supported, with SNV, the integration of the achievement of the MDGs into local planning in six of Nepal's most disadvantaged districts and began work with the National Planning Commission to achieve the same thing in the next periodic plan. (SPMCNPC and LMDG)

Livelihoods

- **New entrepreneurs** — Trained 8,457 poor rural people who went on to establish 5,677 new micro-enterprises. Amongst these trainees 68% were women, 25% Dalit, 69% youth (16-35 years) and 26% were HIV positive or injecting drug users. (MEDEP)
- **The MEDEP model** — Inspired and supported the government to incorporate the MEDEP way of developing micro-enterprises into its industrial policy, with central and local government starting to implement this policy in 2009 by providing NR 830 million of funding to new mechanisms to support micro-enterprise development. (MEDEP)



A candle making business supported by MEDEP

- **Trade integration strategy** — Supported the government to develop a National Trade Integration Strategy to address the hindrances to and promote opportunities for Nepal's export trade; and assisted the Ministry of Commerce and Supplies to access the Enhanced Integrated Framework (EIF) window for developing the capacity of key trade related institutions. Also helped finalise Nepal's new Trade Policy and develop action plans to implement it. (ENTREC)
- **Livelihood Recovery for Peace programme** — Launched a large new area-based programme in three conflict-affected Terai districts to promote social cohesion and reduce poverty. (LRP)

Rural energy

- **Rural energy** — Connected 6,768 new households to a reliable source of clean energy as 27 new micro-hydro power schemes producing a total of 668 kW of electricity were completed with community participation. Also trained 3,000 local people how to operate and maintain them. REDP was commended as a best practice for expanding the poor's access to energy at the second Global South-South Development Expo in Washington DC. (REDP)

- **Smart subsidies** — Carried out a study on smart subsidies for installing micro-hydro, which, if its recommendations are implemented, should lead to more poor communities in remote areas getting access to micro-hydropower. (REDP)

The environment

- **Environmentally-friendly livelihoods** — Trained 748 wetland dependant people and 400 poor forest-dependant households on livelihood skills whilst protecting local biodiversity. Provided small grants to a further 1,009 such households for income generating activities and encouraged 772 local farmers to adopt environmentally friendly farming practices. (CSUWN and WTLCP)
- **Biodiversity conservation** — Witnessed the fruition of previous project work with the government's declaration of a reserve in Bardiya to preserve Nepal's last population of the Blackbuck gazelle. Also supported local farmers to conserve 10 valuable local crop varieties in community seed banks. (WTLCP)
- **Coordinated landscape management** — Supported the formation of a multi-stakeholder forum for the coordinated management of the Ghodaghodi Lake wetlands complex (CSUWN). WTLCP's advocacy led to the government introducing a compensation scheme for farmers whose livelihoods are damaged by wildlife and to the production of a draft strategy for the more coordinated management of wildlife corridors. (WTLCP and CSUWN)
- **Protection by local communities** — Trained 10 buffer zone committees, which represent the user groups around Koshi Tappu and Ghodaghodi lake, on financial management, wetland values and gender and social inclusion; supported young people in 13 localities around Ghodaghodi lake to run anti-poaching units and raised awareness about wetland conservation through weekly radio programmes in local languages. (CSUWN)
- **Local conservation initiatives** — Supported 41 local conservation initiatives, with 13 conserving important wildlife and plant species, 10 promoting technologies that reduce carbon emissions and save forests, 7 conserving wetlands and 8 rehabilitating degraded land. Many of these projects also strengthened livelihoods. (SGP)
- **Climate change adaptation** — Supported the government's six thematic groups to carry out vulnerability assessments in eastern, central and western Nepal and carried out other important preparatory work towards producing the national adaptation plan of action on climate change. (NAPA)
- **Food production and climate change** — Joined with FAO to begin a new initiative to reduce the negative impacts of natural disasters and climate change on agriculture. (ECCCA)

Reducing risks from natural hazards

- **Mainstreaming disaster risk reduction** — Supported the mainstreaming of disaster risk reduction across sectors with the approval of the National Strategy for Disaster Risk Management in Nepal and the establishment of two new focal desks for disaster risk reduction in ministries (with the 12 such desks implementing 17 priority disaster risk reduction activities). Along with other donors UNDP helped prepare flagship programme documents on the priority areas for disaster risk reduction in Nepal, which provide a strong basis for attracting further donor funding. (DRRN)
- **Earthquake-resilient buildings** — Supported more earthquake resilient buildings by preparing guidelines for evaluating the vulnerability of buildings; by training 196 technicians on earthquake-resilient design, retrofitting and building techniques; and by demonstrating the vulnerability of non-reinforced brick buildings. This and previous work led to three municipalities beginning to impose the Nepal National Building Code on new buildings. (ERRRP)
- **Koshi flood early recovery** — Helped the victims of the Koshi floods of August 2008 by supporting the coordination office for early recovery and by providing income generating training to 1,178 flood victims and over 35,000 days of paid employment to them to build and restore 244 community infrastructures including rebuilding roads and restoring drinking water supplies to flood-affected communities. (KERP and QIPSI)

Halting and reversing the spread of HIV/AIDS

- **Expanded HIV services** — Supported the establishment of 26 new centres to test for HIV and treat sexually transmitted infections (STIs) and 4 centres to provide anti-retroviral therapy. Also trained 663 service providers on HIV/AIDS-related counselling, testing and treatment and provided more than \$2 million of testing equipment and medical commodities to run the centres — all funded by the Global Fund Round 7 HIV grant to Nepal.
- **Reaching the most-at-risk** — In partnership with 50 NGOs reached 1,030,299 migrant workers and their family members and 26,677 men who have sex with men with tailored messages on HIV/AIDS, behaviour change communication and condom promotion. Provided counselling and HIV testing services to 36,842 migrants, their families and men who have sex with men and treated the sexually transmitted infections of 32,921 men who have sex with men. Provided 3,400 injecting drug users with rehabilitation and harm reduction services and 2,203 people living with HIV with care and support in 26 community based care homes. These achievements met 465% of the national goal for rehabilitating injecting drug users, 60% of the goal for harm reduction amongst drug users and 42% of the national outreach goal to men who have sex with men.
- **Strengthening the national system** — Supported the Nepal Red Cross to upgrade its 56 blood banks covering all Nepal's 75 districts, with them screening 136,580 units of blood in 2009; and helped the National Centre for AIDS and STD Control to develop and upgrade treatment protocols and other important manuals and guidelines.

Gender equality

- **Raised the voice of women assembly members** — Built up the knowledge and skills of women CA members leading to the establishment of Nepal's first ever caucus of women MPs. This caucus has become *the* forum for cross-party dialogue by women members to press for the minimum agenda for women in the constitution. (SCBPN)

- **Mainstreaming gender at the policy level** — Advocated and supported the production of the Gender Equality and Social Inclusion Strategy for local governance (approved in 2009) and the establishment of a Gender and Social Inclusion Section in the Ministry of Local Development (established in 2009) to implement the strategy. (Joint Programme for LGCDP)
- **Promoting women decision makers** — Promoted women's involvement in decision making across all projects with, for example, QIPSI requiring at least one-third women's participation in user committees, REDP promoting gender balance at all levels of rural energy organisations and through project activities (a 2009 audit found 41% of its energy-based enterprises were owned by women) and by WTLCP insisting on women's involvement in decision making with 44.6% of such positions in its user groups being occupied by women.
- **Curbing gender based violence** — Supported the setting up of women-only paralegal committees in 70 VDCs and legal aid desks in four district police offices with the paralegal committees mediating cases and educating 2,100 community leaders on gender-based violence and rights. (A2I)
- **Women's economic empowerment** — Trained 5,835 women on entrepreneurship, most of whom went on to establish enterprises (MEDEP), and trained 81 women living with HIV/AIDS and ex-injecting drug users who went on to establish 56 enterprises. (SAHPTC)



2009 programme

A complete list of the 35 projects supported in 2009 is given in Annex 1. These projects are also listed in a table in each of Chapters 3 to 9 in order of their 2009 expenditure.

Of the total expenditure of \$36.9 million in 2009 the highest proportion went on peacebuilding and the second highest on slowing the spread of HIV/AIDS. All areas except transitional governance saw significantly larger expenditure in 2009 than the previous year (see Figure 1.1), although transitional governance would also have increased if the constitution building work was classified under this heading.

Of these amounts 40% came from bilateral and multilateral donors, with the British Government's Department for International Development (DFID) and the Government of Norway as the largest contributors. Forty-nine percent came from UNDP sources and 19% from the Global Fund, the Global Environment Facility, the Nepal Peace Trust Fund and other UN agencies (Figure 1.2). See Chapter 10 of this report for more details of resources and expenditure. Major new funding was provided by UNDP's Bureau for Crisis Prevention.

Large new projects were launched for human rights (SCNHRC), MDG-based planning (SPMCNPC), local governance (Joint Programme for LGCDP), aid management (Aid), livelihood recovery in conflict and flood affected areas (LRP and KERP), climate change adaptation (ECCCA) and HIV prevention (SAHPTC).

The working environment

All of the above work went ahead in a challenging environment amidst Nepal's transition from conflict to peace and development. The lack of political consensus led to only halting progress on the peace process with delays in constitution building and the discharge of the Maoist ex-combatants. This lack of political consensus, together with the competing demands of many ethnic, regional and other interest groups, led to frequent bandhs (shut-downs) and strikes across the country. This, together with the fragile law and order situation, especially in the Terai, disrupted the field activities of many UNDP-supported projects in 2009.

Figure 1.1 UNDP 2009 and 2008 expenditure by thematic area (\$ million)

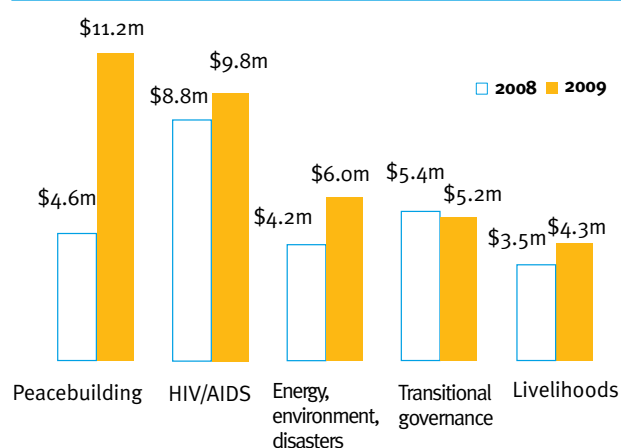
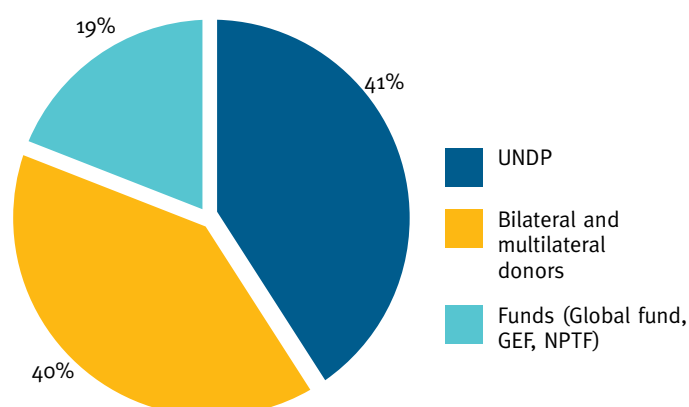


Figure 1.2 Sources of 2009 expenditure (through UNDP on UNDP-supported projects)



One of the main challenges that UNDP Nepal continues to face is the transfer of government staff from a subject area in which they have developed substantial expertise and knowledge, with support from UNDP, to other areas where their skills and knowledge are not so relevant. This undermines the effectiveness of UNDP capacity building support.

In 2010

In 2010 UNDP will continue to support Nepal's transition to peace and development by supporting the crucial tasks of producing a constitution for a more socially and regionally inclusive Nepal and by helping facilitate the discharge, rehabilitation and reintegration of the Maoist ex-combatants.

Alongside this we will strengthen our efforts to support the achievement of the MDGs, both at the policy and grassroots levels by:

- scaling up our work on disaster risk reduction and mitigating the negative impacts of climate change;
- helping strengthen Nepal's governance systems by supporting improved voter registration, the more effective use of the country's large aid receipts and local governance;
- further strengthening the capacity of the Human Rights Commission and promoting access to justice for the poor through mediation, paralegal services and measures to curb gender based violence;
- promoting employment and livelihoods for the most marginalized;
- supporting the implementation of the new constitution;
- strengthening the role of women in decision making and their access to livelihoods, services and justice; and
- exploring new partnerships with other UN agencies and funding partners.



2. Consolidating peace and supporting progress towards the MDGs

The following matrix explains how UNDP's projects are making a large contribution to the achievement of the MDGs and the successful carrying out of Nepal's peace process.

2009 project(s)		Contributions to peace and the MDGs
Peace building		
1	Assistance to the Peace Process in Nepal (APPN)	The successful carrying out of the peace process is a precondition for progress across all the MDGs and for Nepal's development. This project is supporting a key part of the peace process — the discharge, rehabilitation and reintegration of Maoist personnel.
2	The constitution building project (SPCBN)	The promulgation of a new constitution will be a major landmark in the peace process, with peace being a precondition for accelerated progress towards all the MDGs. This project supports the widest possible participation in the drafting of the constitution.
Transitional governance		
3	Strengthening the National Human Rights Commission (SCNHRC)	Fewer human rights abuses will lead to a more democratic and equitable society where all Nepalis, regardless of caste, ethnicity and religion, can gain equal access to services and realise their full potential. This project and previous support is helping reduce the number and seriousness of human rights abuses — fundamental to consolidating peace and achieving the MDGs.
4	The Election Commission strengthening project	Although Nepal has made good progress towards most of the MDGs, this progress would have been greater if there had been peace and a stable multiparty democracy. This project is contributing towards every citizen taking part in electing the next national and local governments.
5	Enhancing access to justice project (A2J)	Restoring the rule of law and ensuring access to justice for all is essential for a lasting peace. This project is enabling women and poor and marginalised people to claim their rights, and is helping them improve their livelihoods by more easily solving disputes, thus contributing to the poverty MDG (MDG 1).

2009 project(s)	Contributions to peace and the MDGs
6 Local governance and community development projects (QIPSI, Joint programme for LGCDP)	Progress on almost all the MDGs will benefit from local governments more effectively delivering education, health and other services. The decentralisation of government is also a key factor for overcoming the resentments that local needs are often ignored in central government plans and programmes; and for providing a peace dividend at the local level — something that the QIPSI project has already done.
7 Public Private Partnership for Urban Environment (PPPUE)	Public-private partnerships provide a very suitable mechanism for improving access to services in Nepal's crowded towns and cities as well as for rebuilding infrastructure destroyed during the conflict and for building new infrastructure. The project is contributing towards MDG Target 11 of "achieving by 2020 a significant improvement in the lives of at least 100 million slum dwellers". This target defines slum dwellers as people who live in sub-standard dwellings without proper access to water and other basic facilities.
8 Planning for development and poverty alleviation (SHDI, SNLFS, AVDC, SPMCNPC, LMDG)	Progress towards the MDGs is crucial for overcoming the underdevelopment that was a root cause of the 1996–2006 armed conflict. The Nepal Human Development Report 2009, the Nepal Labour Force Survey 2009 and the VDC block grant study provide data and analysis to help the government and donors better target their development interventions for more impact across the MDGs. Support to the NPC and Karnali's DDCs is mainstreaming the achievement of the MDGs into national and local planning processes.
9 Effective aid management and coordination project (Aid)	Better managed aid with lower transaction costs and less duplication and overlap will make more money available for development activities to meet the MDGs and for the government to deliver a peace dividend.
Livelihoods	
10 Micro Enterprise Development Programme (MEDEP)	MEDEP reduces poverty and hunger (MDG 1) by increasing the incomes of poor rural households. It empowers women (MDG 3) as most of the district micro-entrepreneurs group associations and half the business development service-providing organizations it promotes are headed by women and most new women entrepreneurs gain a strengthened role in household decision-making. It improves school attendance and the health of women and children as women's incomes go mainly on food, clothing, and education for their kids and to pay for health care (MDGs 2, 4 and 5). It promotes environmental sustainability (MDG 7) by working with forest user groups to promote environmentally-friendly enterprises.

2009 project(s)		Contributions to peace and the MDGs
11	Livelihood Recovery for Peace Programme (LRP)	A conflict-poverty nexus seriously hinders development in parts of Nepal. LRP aims to build social cohesion and improve livelihoods across three Terai districts that have suffered most from violence and coercion associated with the Madhesi rights movement. This area has the largest gap between the rich and the poor and the project's targeting of the area's poor should lift thousands out of poverty (MDG 1).
12	Enhancing Nepal's Trade Related Capacity (ENTREC)	Developing Nepal's trade potential is one of the best ways for Nepal to strengthen its economy and provide more jobs — both fundamental to alleviating poverty (MDG 1) and overcoming the underlying causes of the 1996–2006 conflict.
13	Enhancing Access to Financial Services (EAFS)	Access to affordable credit is crucial for poor people to break out of the vicious cycle of poverty and bring the number of Nepalis living below the poverty line down to Nepal's MDG 1 target of 21% by 2015. Access to formal sources of credit decreased during the conflict due to the security situation. Increasing access is a key to building prosperous communities that don't need to fight for their rights.
Energy and environment		
14	Rural energy projects (REDP and KiND)	REDP and KiND contribute to MDG 1 by powering improved rural livelihoods, to MDG 2 by lighting children's studies, to MDGs 3, 4 and 5 by removing the wood-collecting burden from women and smoky wood burning stoves from their homes and to MDG 7 by lessening reliance on greenhouse gas-emitting and forest-depleting sources of energy. They contribute to the peace process by decentralising decision-making to give communities more control over their development.
15	GEF Small Grants Programme (SGP)	Most SGP projects contribute to the environmental sustainability MDG (MDG 7) and are reducing carbon emissions. Many have also improved rural livelihoods thus contributing to MDG 1 and to improving the economic situation of rural people — crucial for sustainable peace.
16	Western Terai Landscape Complex Project (WTLCP)	WTLCP is working for environmental sustainability (MDG 7) by making poverty reduction (MDG 1) a key way of getting local people to conserve and improve animal and plant habitats outside the protected areas. The conflict saw increased tiger and rhino poaching and a large drop in tourist numbers. The project's contribution to local livelihoods and promoting tourism will help peaceful development.
17	Conservation and Sustainable Use of Wetlands (CSUWN)	This project conserves the biodiversity of Nepal's wetlands by building sustainable environmentally-benign livelihoods for the many poor people who rely on and live around these areas. The successful implementation of the project will contribute to MDG 7 for environmental sustainability and MDG 1 for reducing poverty.

2009 project(s)	Contributions to peace and the MDGs
18 Mitigating the effects of climate change (NAPA and ECCCA)	Climate change is likely to increase hunger and poverty in developing countries such as Nepal (MDG 1) by reducing food production, by causing more natural disasters (to which the poor tend to be most vulnerable) and by causing malaria (MDG 6) to spread. These two projects are helping identify and implement measures to mitigate these potential threats.
Disaster risk reduction	
19 Disaster risk reduction projects (DRRN and ERRRP)	The vulnerability of many of Nepal's poor to natural disasters is a large impediment to the achievement of the MDGs. It is poor and marginalised people who tend to live on steep landslide-prone slopes, on low-lying flood-prone areas, in flimsy dwellings that collapse during earthquakes and who have the least resources to recover. The disproportionate impact of natural disasters on poor people keeps them in poverty and below the MDG thresholds. These projects are mainstreaming disaster risk reduction into planning across sectors and making buildings more earthquake-resilient.
20 Koshi Early Recovery Project (KERP)	UNDP's coordination of early recovery work and assistance to rebuild livelihoods is helping prevent the victims of the 2008 Koshi floods from sinking into poverty (MDG 1).
HIV/AIDS	
21 Support to the national HIV/AIDS response (SNPHA and SAHPTC)	UNDP's support to the national HIV/AIDS programme has played a crucial role in reducing the rates of infection among the at-risk groups to put Nepal on-target to achieve MDG 6 of having halted by 2015, and begun to reverse, the spread of HIV/AIDS. These projects are crucial for preventing an epidemic from developing in the general population, which would undermine development across the MDGs.

3. Building peace

During 2009 an absence of political consensus led to limited progress on the implementation of the Comprehensive Peace Agreement and the Agreement on Monitoring the Management of Arms and Armies of November/December 2006. These agreements marked the formal end of 10 years of violent conflict between the Communist Party of Nepal (Maoist) and Nepal's government. This lack of consensus was marked by the resignation of the Prime Minister in May 2009 after which a new coalition government was formed without the United Communist Party of Nepal-Maoist (UCPN-M). The delayed progress on the discharge and rehabilitation of disqualified Maoist combatants and the drafting of the new constitution characterised the many challenges to sustaining the peace process (see Box 3.1).

UNDP's response

Since late 2006 UNDP has provided key technical support to implement the peace agreements alongside UNMIN's support to the political negotiations. Almost a third of UNDP's expenditure in 2009 went on the peacebuilding initiatives in Table 3.1. Most of this was targeted at addressing the challenges in Box 3.1 and in particular on the discharge and rehabilitation of disqualified Maoist personnel and the drafting of the new constitution. Important assistance also went to supporting the government's Nepal Peace Trust Fund.

Successful implementation of the peace process is an overriding priority for Nepal's political and socio-economic development. Apart from the initiatives described in this chapter, much of the rest of this report and specifically Chapter 2 shows how almost all the projects UNDP supported in 2009 contributed to consolidating peace by strengthening local democracy, improving people's livelihoods, providing opportunities at the local level and in other ways. The quick impact for peace (QIPSI) and the Livelihoods Recovery for Peace (LRP) projects are providing infrastructure and livelihoods support to households badly affected by the conflicts and who have been neglected by previous

Box 3.1: Main challenges to completing the peace process

- Completing the constitution drafting process on time while ensuring meaningful popular participation.
- Uncertainty about how best to meet the demands of different groups in the new constitution.
- Extending the benefits of the peace process to marginalised groups.
- Enhancing the limited government capacity to implement the peace agreements.
- Uncertainty regarding the future of the Maoist combatants.
- Establishing constructive engagement with groups who are increasingly frustrated and whose agitation may increase local conflict, particularly in the Terai and the eastern hills.

development interventions. The achievements of QIPSI and LRP are described in Chapters 4 and 5. LRP is targeting three Terai districts where coercion and violent conflict related to Terai and Madhesi issues continue to pose grave challenges to the lives and the economy of Nepal's southern plains.

Table 3.1: UNDP support to the peace process in 2009

Project	Duration — all phases (implementor)	2009 expenditure (donors)	Status/focus
Support to Participatory Constitution Building in Nepal (SPCBN)	May 08–Dec 10 (UNDP)	\$7,177,706 (UNDP, Denmark, DFID, British Embassy, Norway, Austria)	Supports the functioning of the Constituent Assembly (CA) and enables the participation of all sectors of society in drafting the new constitution.
Assistance to the Peace Process in Nepal (APPN)	Jan 07–Aug 10 (UNDP)	\$3,167,388 (UNPFN, UNDP, DFID, Norway)	Providing technical support to the government for the discharge and rehabilitation of Maoist combatants and other key tasks in the peace process.
Crisis Prevention and Recovery Support to Nepal (CPRSN)	May 08–Dec 10 (UNDP)	\$854,875 (UNDP)	Supporting UNDP's development of new peacebuilding initiatives and to operate its Peace Building and Recovery Unit.

Participatory constitution building

A new constitution that brings Nepal's traditionally excluded groups into the political and social mainstream is crucial for the fundamental resolution of the conflict, to prevent new insurgencies erupting in the future and for Nepal's future development. The Constituent Assembly began work in May 2008 to produce a new constitution by the May 2010 deadline. Throughout 2009 the support to participatory constitution building project provided technical assistance to the Constituent Assembly and invaluable support to a broad range of stakeholders that increased knowledge on constitutional issues, promoted widespread, balanced and meaningful public involvement in constitution making and helped the assembly function efficiently and effectively. This all contributed to the substantial democratization of the constitution making process. The large contributions the project made to promoting women assembly members' participation in constitution building are covered in Chapter 9.

Alongside the following achievements, UNDP coordinated donor support for constitution building by hosting regular meetings of donors and implementing partners to consider emerging issues and address overlaps and duplication. This resulted in generally good coordination in directing support and shared analysis of the rapidly changing situation.

Resources for constitution building

Since opening on 19 January 2009, the Centre for Constitutional Dialogue (CCD) has provided a technical resource centre, a neutral dialogue space and a facility for interactions between assembly members, experts, civil society and the interested public. The centre was established close to the premises of the Constituent Assembly with support from UNDP and other donors. In its first year some 30,000 visitors attended seminars and interactions and used the library, the centre's on-line resources and legal services. The 84 seminars and 244 interactions organised and hosted in 2009 increased the knowledge of assembly members and other stakeholders on the range of issues to do with drafting the constitution. The most common themes covered in the CCD's seminar series were state restructuring and social inclusion (Table 3.2).

Table 3.2: CCD seminar series on major constitutional themes (Feb. 2009–Feb. 2010)

Topics	No.	Participants			
		Total	CA members	Male	Female
State restructuring	23	962	279	762	200
Social inclusion	16	566	143	419	147
Fundamental rights	14	456	119	323	133
Access to justice	6	214	43	181	33
Minority rights	6	254	80	185	69
Gender	4	183	38	105	78
Other	15	474	144	358	116
Grand total	84	3,109	846	2,333	776

Citizens' participation

A crucial part of the agreed constitution building process is to give Nepal's citizens the chance to contribute to its formulation. In 2009 the project supported 91 NGOs representing marginalised groups to run an outreach programme. These NGOs conducted 2,274 democratic dialogues (*loktantrik sambad*) in 1,576 VDCs across Nepal that built the awareness of more than 125,000 people (52% male and 48% female) about constitutional issues. Most of these meetings culminated in participants agreeing on the priority issues for the new constitution. This process generated more than 2,000 submissions, which were then compiled into 18 submissions which were subsequently presented to the assembly's thematic committees (see photo).

The television and community radio programmes supported by the project and produced by the BBC World Service Trust



A democracy dialogue in Banke district, 2009



A representative of the Madhesi NGO Federation submitting the Madhesi people's agenda to the Chairperson of the State Restructuring Committee

also raised public awareness about the constitution making process and contributed to its democratization. In 2009, 52 episodes of the *Sajha Sawal* (Common Questions) discussion programme were broadcast on Kantipur television and 114 FM radio stations. A national survey in early 2009 found that 5.6 million people had listened or watched the programme. *Sajha Sawal* panellists have included the Prime Minister, the Maoist leader, ministers and heads of constitution-writing committees being questioned by ordinary citizens on subjects including army integration, land reform, federalism and affirmative action. The project also supported 72 episodes (48 originals) of the radio drama *Katha Mitho Sarangiko*, which were broadcast on over 114 FM radio stations reaching 2.3 million people, 87% of whom live in rural Nepal. Many episodes such as those in Box 3.2 have stimulated debate and become talking points in communities. The project also supported the Association of Community Radio Broadcasters to produce a weekly radio programme in seven languages on the Constituent Assembly and a daily news bulletin.

Support to the assembly

In 2009 the project helped the assembly overcome its limited facilities, expertise and funding in the following ways:

- The large size of the assembly (with 601 members compared to the 205 member parliament that preceded it) and the new demands placed on the assembly, its committees and the Secretariat were addressed by refurbishing their working spaces, providing equipment and vehicles and supporting the functioning of the media centre. This made it possible for the assembly to carry out its mandate and for members to maintain contact with their constituencies.
- The project addressed the limited experience of most assembly members on producing a constitution by running the above-mentioned workshops and interactions on the key issues including on indigenous people's rights, financial sector reform under federalism and constitution building. Most assembly members attended at least one session. The project also provided expert advice to individual and groups of assembly members on 60 occasions.
- Project support for the assembly's Secretariat to draft an application led to the Nepal Peace Trust Fund (NPTF) granting \$3.6 million to support the assembly's first phase of public outreach, which will collect feedback on the first draft of the constitution.

Box 3.2: A peacebuilding drama



The main narrator of the drama entertaining children with his sarangi (Janakpur, May 2009)



The producer discussing a scene in a Terai farmhouse (April 2009)

The award winning drama, *Katha Mitho Sarangiko* (Sweet Tales of the Sarangi) supports the constitutional process with well-researched, strong and realistic storylines recorded on-location. Most storylines focus on social equality and inclusion — issues that the new constitution must address. In April the programme started receiving much more feedback after a magazine programme was added at the end of each episode. The following are two examples of episodes that prompted many responses from listeners:

The VDC Secretary was broadcast in April/May telling the story of a journey across eastern Nepal by the central character in the series — the wandering minstrel Dilu Gandharba. These episodes covered many of the core issues that have affected life in Eastern Nepal since the end of the armed conflict by portraying a man trying to get Nepali citizenship, the experiences of a torture victim and Tharu protests, all in the aftermath of the Koshi floods.

The Regional Journalist was broadcast in August/September. It told of a struggling journalist in the remote and poor region of Karnali who breaks a big story on food aid, which leads to changes in the law. The recordings involved many local people and attracted a large response. This drama portrayed the geography, the political problems and linguistic diversity of Nepal plus the many challenges faced by journalists working amidst great adversity to keep citizens informed. It held out hope that the many Nepalis who live in remote areas can influence decision making in far-off Kathmandu.

Supporting other parts of the peace process

Discharge and rehabilitation

A key political development in 2009 was the start of the discharge from the cantonments and the rehabilitation of Maoist army personnel who had been disqualified on the grounds of having been minors at the time of the ceasefire or having been recruited after the ceasefire date. On 16 December, the UCPN-M, the Government of Nepal and the United Nations signed a landmark time-bound action plan for the discharge and rehabilitation of the disqualified Maoist army personnel. UNDP had supported the verification process in 2007, which disqualified 4008 minors and late recruits.

The delays to the discharge process saw UNDP throughout 2009 working with other UN agencies (UNMIN, UNICEF, and UNFPA) to maintain a stand-by capacity in readiness for the discharge and the subsequent rehabilitation of the ex-combatants. UNDP worked closely with all national actors and participated in the government's steering committee to coordinate discharge and rehabilitation. It also updated the Reintegration Preparedness Plan, signed agreements with service providers to deliver training in vocational skills, health-related vocations, education (formal and non-formal) and micro-enterprise development in order to rehabilitate discharges. Other goods and services were also procured for the rehabilitation packages.

UNDP's continuous engagement with the discharge process throughout 2008 and 2009 and the state of readiness meant that the December 2006 action plan was able to be implemented immediately following its signing.

Building collaborative leadership

In 2009 UNDP began a new initiative to help build the consensus, vision and collaboration among Nepal's leaders in order to address and resolve many of the challenges associated with the peace process.

A brainstorming retreat in Nagarkot in September with leading politicians, government officials and civil society representatives discussed how cross-party collaborative leadership could be developed to overcome the adversarial nature of politics that hinders peacebuilding and politics in general in Nepal. At this closed door meeting, an international expert on strengthening



Disqualified Maoist personnel in Rolpa cantonment being briefed on how the discharge and rehabilitation process will proceed (November 2009).

leadership in conflict settings facilitated a discussion on the core values, opportunities and challenges for peacebuilding in Nepal and on the potential utility and relevance of collaborative politics. An inclusive steering committee has since been formed to help design a longer term programme to strengthen collaborative skills and opportunities. This initiative complements UNDP's work with Constituent Assembly members to build up their consensual negotiating and decision making skills (see Box 9.1 in Chapter 9).



Strengthening peacebuilding institutions

In 2009 UNDP also supported key institutions responsible for peacebuilding. It supported the:

- the Ministry of Peace and Reconstruction (MoPR) to formulate a capacity development strategy based on the capacity assessment, 2008; and
- the Nepal Peace Trust Fund with technical advice and assisted it to produce its action and work plans for 2009.

The NPTF had received more than \$95 million of contributions from the government and donors by the end of 2009, which are going to support a range of nationally-led peacebuilding initiatives. UNDP, collaborating with MoPR, also designed initiatives to support the functioning of local peace committees.

In 2010

The successful discharge of disqualified Maoist army personnel in January and February 2010 means that UNDP and other UN agencies will be focusing on the providing for their rehabilitation and reintegration. UNDP, with guidance from its steering committee, will complete the design and begin implementation of an initiative to support collaborative skills and capacities among Nepal's leaders. Furthermore, building on its assessment on local peace committees, UNDP aims to support strengthening

mediation and dialogue at the local level.

In 2010 the constitution building project will:

- support the CA's public outreach programme on the draft constitution (once it is produced) and support NGOs to collect feedback from all Nepal's 3,915 VDCs and 240 constituencies;
- continue providing technical support and analysis of the documents produced by the CA and consider requests for strengthening leadership skills and consensus building, especially amongst politicians;
- engage with key stakeholders about the implementation of the new constitution;
- build up the skills of the least educated women and those from marginalised social groups to improve their comprehension of constitutional issues, gender, and women's rights; and
- begin work to establish the CCD as a permanent institution to support democratic dialogue for implementing the new constitution.

Lastly, UNDP recognises the imperative that its programmes must be conflict-sensitive — designed and implemented with full understanding of the interaction between interventions and the peacebuilding and conflict dynamics in Nepal. UNDP is collaborating with UNICEF and the UN Resident Coordinator's Office to develop capacities to mainstream conflict-sensitivity throughout its programming.

The UNDP/UNFPA Executive Board visiting the Nawalparasi cantonment (April 2009)



4. Transitional democratic governance

Nepal is in a state of transition between the end of a major armed conflict and the introduction of a new constitution for a more democratic and inclusive system of governance. To assist in this transition, UNDP continued in 2009 to help build democratic institutions that protect rights and provide basic services to Nepal's citizens. This chapter also covers the progress on promoting more effective aid.

Strengthened state institutions

Modern democratic states need strong institutions that protect citizens from human rights abuses, that deal fairly with criminals and their victims and that efficiently organise and run democratic elections. In 2009 UNDP strengthened the apex state institutions

for elections and human rights and promoted access to justice through the projects in Table 4.1. The beginning of new support to the National Planning Commission are covered later in this chapter whilst the large contributions UNDP made to strengthening the Constituent Assembly are described in Chapter 3.

Table 4.1: UNDP support to key state institutions in 2009

Project	Duration — all phases (implementor)	2009 expenditure (donors)	Overall status/focus
Institutional Strengthening and Professional Development Support for the Election Commission of Nepal (ESP)	Aug 08–Jul 11 (UNDP)	\$691,709 (DFID, UNDP, JICA)	Supporting the government agency responsible for running elections to develop its capacity in the period between elections.
Enhancing Access to Justice for Consolidation of Peace in Nepal (A2J)	Aug 08–Dec 10 (The Supreme Court)	\$591,208 (UNDP)	Supporting the justice sector to establish paralegal and community mediation committees, strengthen court-referred mediation, improve pilot courts, reform laws and counter gender-based violence.
Strengthening the Capacity of National Human Rights Commission (SCNHRC)	Aug 09–Dec 11 (NHRC)	\$18,129 (Finland, Danida, British Embassy, SDC, UNDP)	A second round of support to help the National Human Rights Commission establish itself as an independent institution for protecting and promoting human rights.

Access to justice

The Enhancing Access to Justice for Consolidation of Peace in Nepal project (A2J) is making Nepal's justice system more accessible to women and to poor and socially marginalised people. In 2009 it helped reduce violence against women, set up mechanisms for dealing with minor cases outside the formal court system and supported legal reforms. This project's large contributions to curbing gender-based violence are covered in Chapter 9.

Access to justice for the poor — In 2009 the project supported three initiatives to improve access to justice for women and poor and socially marginalised people, such as the cases in Box 9.2 in Chapter 9. The following dispute resolution bodies are already taking a significant caseload off the district courts.

- Community mediation was introduced in 20 VDCs of four districts by training 540 community leaders on how to resolve disputes. In 2009 these committees resolved 73 of the 103 cases they dealt with on land partition, family quarrels, domestic violence and other matters that are best dealt with outside the formal court system.
- Court referred mediation centres were established in five Terai and two Midhills districts after the project had trained 175 lawyers as mediators. In 2009 district courts referred 400 cases to these centres — cases that the courts decided were best handled through mediation. Eighty of them were settled.
- The 70 women's paralegal committees formed in 2009 are described in Chapter 9.

Alongside this, the project's training of 200 judges, prosecutors and lawyers and 184 court staff on executing court judgements, on court referred mediation and on gender-based violence made them more aware about the special needs and vulnerabilities of women and poor crime victims. The training of 61 district judges on forensic science and land measurement and 57 court staff on information technology enabled them to carry out their work more efficiently.

Legal reforms — In 2009 the project supported the finalisation of the mediation bill, which was passed by the Cabinet in January 2010, further reviews of the draft new Civil and Criminal Codes and the reviewing of 14 laws on education, legal aid, child rights, livelihood and



Paralegal committee members informing local women about their rights (Kailali)

citizenship with recommendations for improvements submitted to the ministry of law and justice. The project also helped carry out a capacity assessment of the Judicial Council and Office of the Attorney General and the holding of eight regional workshops for 550 judges and other stakeholders on the Supreme Courts' strategic plan for developing Nepal's courts.

Free and fair elections

A three year long project began in 2008 to improve Nepal's electoral systems in the period between the April 2008 elections to the Constituent Assembly and the national and local elections that are due once the new constitution is introduced. In 2009 the project helped the commission map out its future development and built up the professionalism of its staff.

Strategic plan — In March the commission made public its five-year strategic plan (2009–2013). The plan's goal is to increase voter participation in elections and prevent abuses by introducing electronic voting, wheelchair access to voting centres, mobile voting centres for the ill and elderly and voter identity cards. The plan was prepared and disseminated with project support. Twenty government representatives, 72 district election officers, 25 politicians and 47 donor representatives were subsequently orientated on the commission's plans and resource needs for the next five years.

Training — During 2009 seven BRIDGE (Building Resources in Democracy Governance and Elections) training modules were delivered to 231 election commission staff and other stakeholders from across Nepal. The modules covered electoral systems, voter registration, social inclusion and dispute resolution. Furthermore, six election commission staff were trained on delivering BRIDGE training courses, which means that the commission now has the in-house capacity to deliver these trainings. The main challenge here is for the commission to retain trained staff. The project also built up the computer and English language skills of 53 commission staff.

Voter registration — Experiences from the 2008 general election demonstrated the need to improve the system for registering voters to prevent voting in other people's names. In 2009 the project helped the commission mobilise resources for introducing voter registration cards with fingerprints and photos by helping prepare project proposals and coordinating with donors. This led to Danida pledging \$500,000 under a separate initiative to pilot this kind of voter registration in seven VDCs in five districts and the Nepal Peace Trust Fund pledging \$5 million for a nationwide voter registration project under the commission.

Respect for human rights

Discrimination and other human rights abuses remain commonplace in Nepal and particularly affect women, Dalits, Janajatis, Madhesis and other marginalised communities. From 2002 to 2008 UNDP and 10 other donors supported the National Human Rights Commission to establish itself as an independent institution for protecting, promoting and respecting human rights. This constitutional body has an important role to play in the aftermath of the conflict as very few human rights abusers have been punished and the settlement of outstanding cases is crucial for a lasting peace.

Amongst its other achievements, this previous project successfully supported the commission to set up a system for handling complaints, with results being realised throughout 2009. Out of 209 cases investigated in 2008, the commission submitted 82 recommendations for action to the government in 2009, of which 37 have been implemented including those in Table 4.2. Most of these recommendations followed on from monitoring visits by the commission. In many cases NHRC is an important player alongside civil society in bringing about change.

Table 4.2: Examples of NHRC recommendations implemented in 2008 and 2009

NHRC recommendations:	Implemented in 2009:
The Armed Police Force remove its base from the premises of Lilaja Thakur Primary School in Saptari, which it had established during the conflict.	The Armed Police Force vacated the school in 2009.
To provide compensation and to rehabilitate the families of 23 people killed during the Madhesi movement in 2007 and 2008	The Commission was informed by the government that each of these families was provided with NR 1 million compensation.
To abolish the Haliya system of agrarian bonded labour.	On 6 September 2008 the government formed a committee to look into this system and to abolish it.
To abolish the Kamlari system of bonded labour of young girls.	The Ministry of Local Development directed its Local Development Officer to stop this system.
NHRC directed key state institutions to act against gender-based violence.	The Home Ministry instructed regional and district administrative offices to conduct awareness campaigns against gender-based violence.

The importance of the commission was reaffirmed when five donors launched a new \$1.9 million support programme in August 2009. The project's goal is to support the implementation of the commission's strategic plan, 2008–2010 with inputs and advice from the UN Office of the High Commissioner for Human Rights in Nepal (OHCHR).

In 2009 the Strengthening the Capacity of National Human Rights Commission project began by equipping the new Human Rights Treaty Monitoring Division with computer facilities to enable it to monitor Nepal's observance of its international treaty obligations. The commission also supported the production of reports on human trafficking and Nepal's progress on implementing the Comprehensive Peace Agreement, 2006. The project also supports the commission to forge its links with civil society organisations and in 2009 supported them to raise public awareness about respecting human rights.

Strengthening local governance

The extensive support that UNDP and UNCDF have provided to developing local governance in Nepal

entered a new phase in 2009 with the launch of the UN Joint Programme for the Local Governance and Community Development Programme (LGCDP). Under this programme UNDP and UNCDF and four other UN agencies are supporting the government to strengthen the supply and demand sides of local governance so that local bodies supply socially inclusive and gender sensitive quality services whilst local communities hold local bodies to account and demand better services. Also in 2009, the public private partnerships project continued to support municipal governments to improve services in partnership with the private sector and QIPSI provided crucial support to impoverished communities. Table 4.3 lists the main direct support to this sector in 2009. UNDP's contributions to the improved governance of rural energy and natural resources covered in Chapter 6.

The following work went ahead against the continuing challenges of the absence of elected representatives in local bodies, the lack of full-time secretaries in many VDCs, the difficult security situation in the Terai and frequent bandhs (forced shutdowns), strikes and demonstrations.

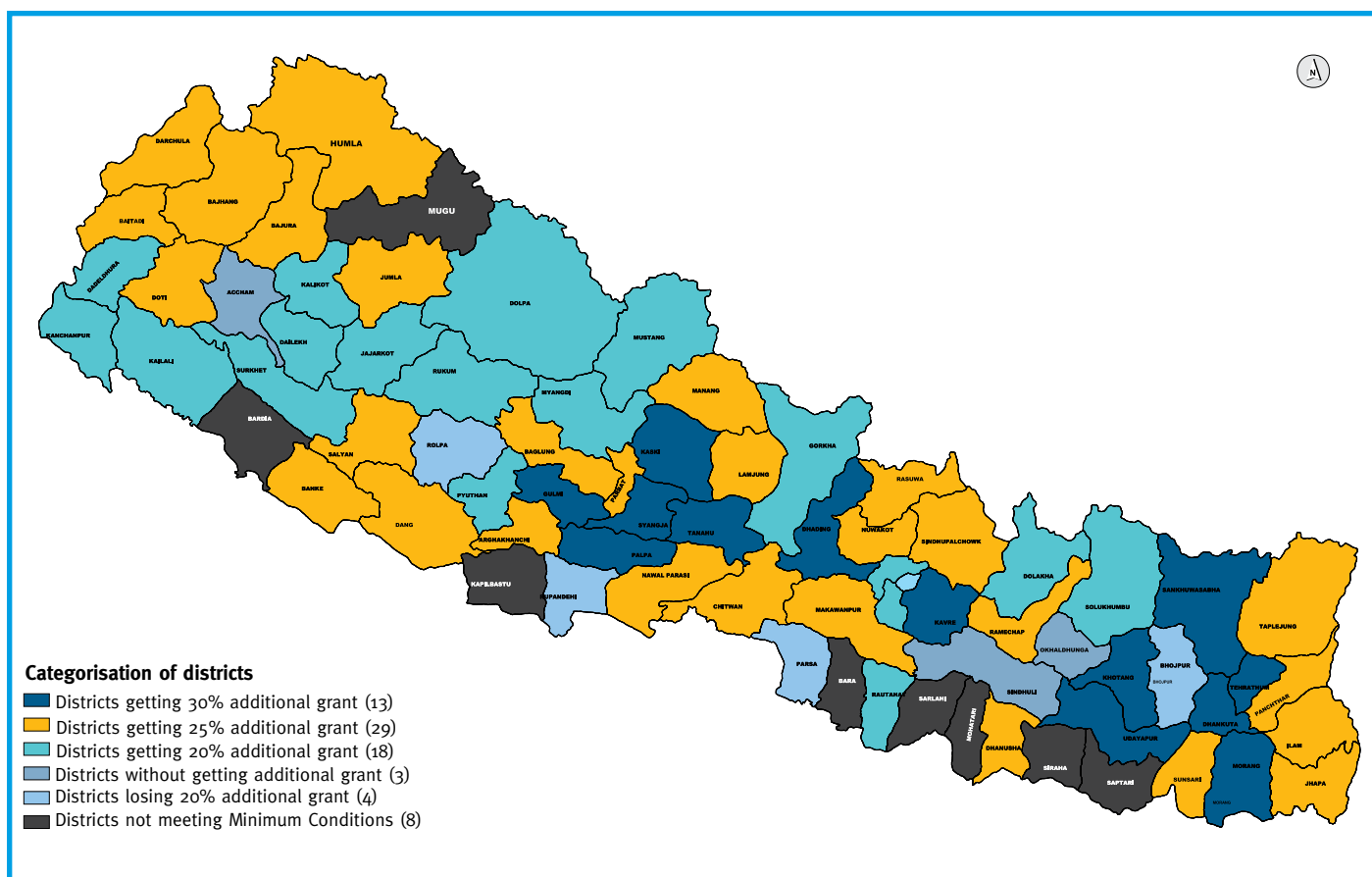
Table 4.3: UNDP support to local governance and community development in 2009

Project	Duration — all phases (implementor)	2009 expenditure (donors)	Status/focus
Quick Impact for Peace Support Initiative (QIPSI/DLGSP)	Oct 07–Jul 10 (UNDP)	\$2,752,623 (UNDP, Norway)	Supported livelihoods and community development for poor communities badly affected by conflict, floods and epidemics. QIPSI is funded from the budget of the Decentralized Local Governance Support Programme
UN Joint Programme for the Local Governance and Community Development Programme (LGCDP)	Apr 09–Dec 11 (MoLD)	\$429,473 (UNICEF, UNFPA, UNDP, UNCDF, UNV, UNIFEM)	Six UN agencies supporting the development of decentralisation, local governance and community development in Nepal under the government's LGCDP.
Public Private Partnerships for Urban Environment (PPPUE) Phase 2	Mar 02–Dec 12 (MoLD)	\$421,206 (UNDP, ADB, Netherlands, UNOPS)	Supporting 10 municipalities to work in partnership with the private sector to improve the urban poor's access to services.

LGCDP — Previous support to decentralisation, local governance and community development has been fragmented and uncoordinated across separate support programmes run by donor agencies. LGCDP began in 2008 as Nepal's first nationwide integrated support programme for this sector. LGCDP is going ahead under government leadership as a new type of programme with:

- A majority of LGCDP's expenditure is going on the annual block grants that central government provides to local bodies for infrastructure improvements and service provision. Previous UNDP/UNCDF support under the Decentralized Financing and Development Programme (2000–2008) has played a major role in transforming the system for disbursing these grants to one where the amounts granted are linked to performance. In 2009, the third nationwide assessment of the performance of DDCs saw 20 more DDCs passing the minimum conditions for getting these grants and 13 districts receiving 30% top-up grants against none in the previous year (see Figure 4.1). These results suggest that the system is motivating DDCs to improve their performance.

Figure 4.1: Performance of DDCs against Performance Measures in 2007/08 for 2008/09 grants



Joint programme — The UN Joint Programme began in April to support the Ministry of Local Development to implement LGCDP. This programme is the first time that so many UN agencies (UNDP, UNCDF, UNV, UNICEF, UNFPA and UNIFEM) have joined hands to work on a programme. UNDP is administering this programme.

Much of the 2009 expenditure went on funding assessments of the VDCs, DDCs and municipalities as the basis for allocating the top-up block grants and developing protocols for implementing the programme. The latter work saw UNDP and UNCDF providing expert advice and supporting workshops and interaction programmes that supported the Ministry of Local Development to develop strategies and guidelines for local governance in Nepal. The intensive debates between government officials, local body officials, development partners and local body associations led to the successful finalisation of drafts of the Gender Equality and Social Inclusion Strategy, the local government block grant guidelines, performance assessment manuals and the Top-up Block Grants manual (all subsequently approved in 2009); and the Social Mobilization Guidelines, the Local Bodies' Capacity Development Strategy and Guidelines, and the Information, Education and Communication Strategy.

The review of the block grant guidelines and the performance assessment manuals, together with the findings of the UNDP-supported study on the use of block grants (see page 31), led to the production of new versions of these important documents. Further progress saw the completion of the first round of data collection for the baseline survey that will provide the main basis for the monitoring and evaluation of LGCDP; and the issuing of the first conditional sectoral grants for health, education and agricultural services. These grants will encourage local bodies and central

government line agencies to work together to improve service provision.

Services to needy communities

Since 2007, UNDP's Quick Impact and Peace Support Initiative (QIPSI) project has been successfully providing tangible and immediate benefits to poor and excluded communities in the parts of 10 eastern Terai and 10 western hill districts badly affected by conflict, natural disasters and epidemics.

In 2009 QIPSI supported such communities to build or rehabilitate 318 school buildings, 263 drinking water supply schemes, 151 community halls, 131 drainage culverts, 85 toilets, 68 irrigation canals, 32 health posts and 29 madrasas (schools for Muslim children). These 1,077 schemes are benefiting 163,601 people. Since QIPSI started 31% of total beneficiaries have been Dalits with almost all the rest coming from households that live below the poverty line. Many of these households have also benefited from paid employment building and restoring the infrastructures. Box 4.1 gives an example of QIPSI support to a conflict-affected community. This year the project also trained 2,700 user committee members on account keeping for the proper implementation of these and future projects.

In 2009, QIPSI also provided considerable support to the communities worst affected by the Koshi floods of August 2008 (see Table 7.2) and to communities in Dailekh, Jajarkot and Achham that suffered from a serious diarrhoea epidemic in mid-2009. The latter support went to 109 projects that have improved health posts and increased access to clean drinking water and toilets to prevent future epidemics.

Box 4.1: QIPSI targeted some of Nepal's most deprived communities*Bihani school with its new roof**Public audit of the roofing project (March 2009)*

Rolpa is one of Nepal's most socioeconomically deprived districts and was highly affected by the armed conflict. In 2008/09 QIPSI funded communities in Rolpa to complete 53 infrastructure projects including support to improve Bihani Primary School, in a remote part of district.

The people of Ghauratole had long sought assistance to put a proper roof on their primary school. Their request to QIPSI was successful and in March 2009 they received the first instalment and started work. The materials were bought and a new roof installed within one week. QIPSI granted NR 93,917 whilst local people gave NR 66,395 worth of labour and materials. The photos show the public audit being carried out and the shiny new school roof. This roof means that local children have a better environment to study in and the school can remain open year round throughout the rainy, hot and cold seasons.

Improving the urban poor's access to basic services

Nepal's 58 municipal authorities are struggling to provide their rapidly growing populations with clean drinking water, waste disposal services, sanitation and other services. Since 2002, UNDP has worked with the Ministry of Local Development and 10 partner municipalities and the private sector (FNCCI) to build an enabling policy environment and the human resources to implement public-private partnerships (PPPs). Such partnerships involve municipalities permitting and supporting private businesses and NGOs to provide services.

Training — In 2009 the programme built up the capacity of the government, the private sector and civil society stakeholders to manage PPPs. One

hundred and ninety-five local government staff, service providers and entrepreneurs were trained on resolving the contractual and other types of conflicts that frequently occur in PPPs. One such conflict has subsequently been resolved through mediation and another one at Pokhara vegetable market is progressing to resolution. Representatives from 52 neighbourhood user committees were also trained to become 'micro-contractors' of small works contracts so as local communities can benefit directly as an alternative to work going to conventional larger contractors.

A highlight of 2009 was the project bringing in expertise from India's PPP Capacity Building Trust — a national body that advises and finances infrastructure development in India. Trust representatives trained 31 government, municipality and contracting company representatives on developing and managing PPP infrastructure projects and

40 participants on international practices and procedures in PPP procurement. Experiences from India are very relevant to Nepal.

The project also made the following important contributions towards building up the institutional and policy framework for PPPs:

- Following on from commitments made in 2008 at a project symposium, the ministries of physical planning and tourism set up PPP units as single contact points for PPP-related queries and project initiation.
- It supported the Nepal Bankers' Association to draft a policy to facilitate the financing of PPP projects — a major constraint for the expansion of PPPs, and provided inputs from the PPP perspective for drafting the new Solid Waste Management Act.

- It informed Nepal's municipalities about the Clean Development Mechanism (CDM) of the Kyoto Protocol and the potential for making money by trading the carbon emissions saved from composting municipal waste. The project prepared an information pack, trained municipality and private sector representatives on this subject and sponsored a talk by an expert from Bangladesh on the opportunities for managing solid waste under the CDM.

Throughout 2009 the programme continued supporting municipal authorities and private operators to run 20 PPP projects, including the one in Box 4.2. Also, feasibility studies were carried out for running the Old Bus Park in Kathmandu, a composting project in Pokhara and public toilets in Biratnagar through PPP arrangements.

Box 4.2: Public private partnerships for clean towns and cities

Since 2004, PPPUE has helped its 10 partner municipalities to work with the private sector to manage their growing amounts of solid waste. In 2005/06 the programme helped Biratnagar Sub-Metropolitan City carry out a study on managing its solid waste. Since then the programme has supported the smooth operation of the PPP under which the city's daily 60 tonnes of solid waste is collected and disposed of.

Since 2007, an NGO, the Forum for Social Improvement and Environmental Development (FoSIED), has been managing this waste. Under the PPP 157 garbage collectors from FoSIED and 60 from the municipal authority collect waste from the city's residential areas charging NR 50 per house and NR 1000-2000 for small businesses for this valuable service. Tole lane organizations play a coordinating and facilitating role by assisting the operator to collect the fees. They share some of the revenues.

The municipal authority is very satisfied with this arrangement that has extended the collection of waste to 22 wards where previously only 12 wards were serviced. Local residents are also pleased with the door-to-door collection service as it has led to fewer blocked drains and a cleaner environment.



The achievements of this PPP were recognised in 2008 when Biratnagar Sub-Metropolitan City was awarded a US\$ 150,000 grant from the Public Private Partnership Service Delivery (PPPSD) Programme of UNDP South Africa. This money will be used in 2010 to upgrade and extend the service.

Data for development and poverty alleviation

Table 4.4: UNDP support to improve planning for development in 2009

Project	Duration — all phases (implementor)	2009 expenditure (donors)	Status/focus
Nepal Labour Force Survey (SNLFS)	May 08–May 10 (ILO)	\$151,583 (UNDP, ILO)	Supported the carrying out of the second Nepal Labour Force Survey to collect the data needed to monitor employment and labour market conditions.
Assessment of VDC Block Grants in Nepal (AVDC)	Feb 08–Dec 09 (UNDP)	\$138,926 (DG-TTF)	Assessed how Nepal's village development committees use their annual block grants.
Strengthening Planning and Monitoring Capacity of NPC (SPMCNPC)	Oct 09–Sep 12 (NPC)	\$104,526 (UNDP)	Supporting the NPC to improve planning and monitoring for Nepal's development towards achieving the MDGs, social inclusion, gender equality and policy improvements.
Support for Human Development Initiatives (SHDI)	Aug 06–Dec 09 (UNDP)	\$94,288 (UNDP)	Produced the fourth Nepal Human Development Report.
Localization of MDGs in District Planning and Monitoring (LMDG)	Jul 07–Dec 09 (MoLD)	\$91,049 (SNV, UNDP)	Promoted MDG-based planning in six of Nepal's most remote and underdeveloped districts.

In 2009 UNDP and its partners worked on the five initiatives in Table 4.4 to improve planning for development and poverty alleviation at the national and district levels. As described elsewhere in this report many other projects supported by UNDP have helped government institutions to plan and develop strategies on local governance, the holding of elections, disaster risk reduction, climate change and other subjects.

Informing policy makers and planners

Three important pieces of work were completed that provide valuable information for policymakers. The Nepal Human Development report, the VDC block grant study and the Nepal Labour Force Survey give data and analysis on key issues for national development.

The Nepal Human Development Report

The fourth Nepal Human Development Report was published by UNDP in August 2009 on the theme of 'State Transformation and Human Development'. The main text examines the relationship between inclusion, peace and human development — three of the most prominent issues on the political agenda of post-conflict Nepal. It suggests that democracy, fair representation and effective participation are the tools for ending discrimination. One of the six chapters is devoted to analysing the merits and demerits of a federal structure and how it can promote inclusion and the rights of individuals, including women and Dalits — a crucially important issue in the new constitution.

The human development data is given for Nepal's 13 sub-regions and by 11 caste and ethnic groups. The foreword to the report points out how the variation in human development is much greater between caste and ethnic groups than between the regions and sub-regions; for example, Terai Brahmins and Chhetris attend school for five times as long as Terai Dalits (Table 4.5). The vice-chair of the National Planning Commission and UNDP's resident representative say in the foreword how these disparities call for "refocusing our attention and revisiting our targeting criteria to vulnerable caste and ethnic groups." It is especially in this regard that the Nepal Human Development Report, 2009 provides informative and useful information for policy makers, Constituent Assembly members, academics, donors and others with a stake in Nepal's future.

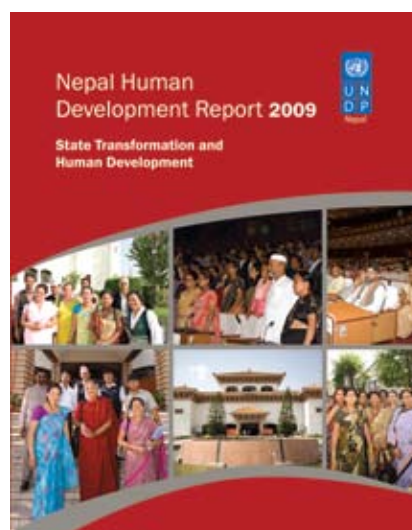


Table 4.5: The highest and lowest ranking social groups in the Nepal Human Development report, 2009

Rank (out of 20)	Group	Life expectancy	Adult literacy	Years of schooling	Per capita income	Human development index
1	Terai-Madhesi Brahmins & Chhetris	63.9	83.8%	6.4	\$2,333	122.7
2	Newars	68.0	68.2%	4.7	\$3,097	120.9
19	Muslims	61.0	30.3%	1.6	\$890	78.7
20	Terai-Madhesi Dalits	61.3	27.3%	1.2	\$743	75.1

VDC block grants

Annual grants from the government to local bodies are becoming an increasingly important means of financing improvements to local infrastructure. From 2008/09, under LGCDP, the amount of these block grants to all Nepal's 3,915 VDCs increased from NR 1 million to NR 1.5–3 million per year (from \$21,000 to \$42,000).

In 2008/09 UNDP commissioned the first major study of how these large amounts are being spent. The field work in a representative sample of 202 VDCs found that:

- 43% of VDC buildings had been destroyed in the armed conflict;
- 77% of high hill VDCs', 70% of Midhills VDCs' and 53% of Terai VDCs' revenue came from VDC block grants;
- the main basis for selecting which projects were funded from block grants were politician's recommendations (36%) and local mass meetings (27%); and
- 62% of the block grants were spent on physical infrastructure projects (roads, electricity, water, irrigation and agriculture) (Figure 4.2) with 37% of the total spent on road building.

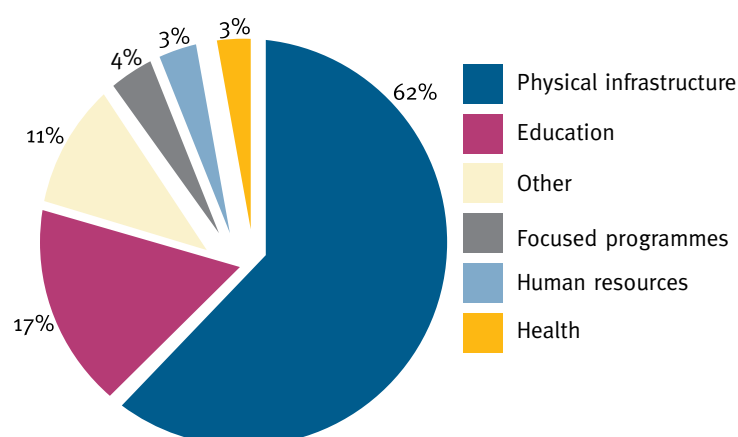
The findings were published in mid-2009 along with a strategy for the more effective use of block grants. One important impact of the study is that many of the strategy's recommendations have been included in the 2009/10 revision of the government's block grant guidelines. Alongside the findings, a simplified version of the block grant guidelines was published in Nepali and distributed to all VDCs. Key messages from the study, the guidelines and a series of case studies were also disseminated to 1,125 local stakeholders at orientation programmes in all study VDCs and on 13 local radio stations.

VDC secretaries are reporting that the carrying out of the study and the dissemination of information about block grants has increased the knowledge of local people and other stakeholders about block grants and what they should be spent on. This should result in increased accountability in their use.



A large proportion of VDC grants go to improving local infrastructure

Figure 4.2 Average sectoral expenditure of VDC capital block grants (2006/07 and 2007/08)



Labour force survey

With funding from UNDP and technical support from the International Labour Organisation, the Central Bureau of Statistics carried out the second Nepal Labour Force Survey to collect the data needed to monitor employment and labour market conditions. The field work was carried out in 2008 across a representative sample of 16,000 households and across the three main seasons of the year to reflect seasonal variations. The results were published in August 2009 and provide policy makers with useful up-to-date information to inform decisions on how to make more jobs available. Some highlights from the survey findings are given in Table 5.1 in the next chapter.

MDG based planning

Over the years UNDP has supported national and local government to plan for development. In 2009 a new project began to support the production of the next national periodic plan whilst support concluded to six of Nepal's most disadvantaged districts to plan for reducing poverty. Both projects promote the use of the Millennium Development Goals (MDGs) with their 23 targets and 60 indicators as a very useful tool to focus attention on what needs doing to overcome poverty.

The National Planning Commission

The National Planning Commission is the national body responsible for producing national development plans (periodic plans) and policies and for monitoring their implementation. A new three-year support programme began in October to embed the achievement of the MDGs, social inclusion and gender equality in the planning and monitoring of Nepal's development. This project will support the commission to produce the next periodic plan with its production due to start in mid-2010.

In its first three months the project supported preparatory works for producing the third status report on Nepal's progress towards the MDGs (MDG progress report 2010) and the second MDG needs assessment, which will identify the resources needed to achieve the MDGs by the target year of 2015. These two documents will provide important reference material to inform the priorities of the periodic plan. Trainings and orientation workshops were run for the needs assessment's thematic working groups and the working group that

will develop an MDG-consistent macro-economic framework for the next plan. UNDP and other UN agencies also assisted the Central Bureau of Statistics to design the 2011 national census.

Localisation of MDGs project

UNDP's partnership with SNV under the Localization of the MDGs in District Planning and Monitoring project in six of Nepal's remotest and most underdeveloped districts had national level impacts in 2009. The project continued to build up the capacity of DDC and VDC staff in Taplejung, Dolpa, Jumla, Kalikot, Mugu and Humla districts to incorporate the achievement of the MDGs in district profiles and plans by training and equipping these DDCs to use the government's district poverty monitoring and analysis system. Box 4.3 shows how one DDC is successfully using the MDGs to target its support.

The project supported all six districts and their VDCs to develop and field test standard templates for district and VDC profiles and for annual and periodic district plans. Up to now there have been no standard formats with, for example, 67 differently structured district development plans produced by Nepal's 75 DDCs in the previous year. In 2009, the Ministry of Local Development posted these VDC profile and periodic district plan templates on its website and instructed all VDCs and DDCs to use them. The project also developed a standard template for district profiles and supported the revision of the district periodic plan guidelines to incorporate MDG and social inclusion indicators.

Box 4.3: The MDGs for reducing malnutrition in Jumla

The high levels of child malnutrition in Jumla district hinder the district's progress towards achieving MDGs 1 against poverty, 2 for universal primary education and 4 on reducing child mortality. In April 2009, supported by the Support for the Localization of the MDGs project, a Jumla DDC survey found 13% of children in Jumla to be severely undernourished with more than a half receiving inadequate nutrition. The knowledge gained from the survey and the project about the importance of the MDGs led Jumla DDC to dedicate more funding for health services and to reducing malnutrition in its annual plans.

More effective aid

Table 4.6: UNDP support to aid management in 2009

Project	Duration — all phases (implementor)	2009 expenditure (donors)	Status/focus
Developing Capacities for Effective Aid Management and Coordination (Aid)	Jan 09–Dec 11 (MoF)	\$95,191 (DFID, UNDP)	Improving coordination between the ministries (plus NPC) responsible for aid management and setting up a single point of information on aid.

The improved governance of Nepal's large foreign aid receipts is a priority for the government of Nepal and its donor partners. The identification of shortcomings by a 2008 survey on the implementation of the Paris Declaration on Aid Effectiveness led in 2009 to the launch of the Developing Capacities for Effective Aid Management and Coordination project. In 2009 the project carried out the following preparatory works for more efficient and coordinated aid management:

- An assessment by an international consultancy company and government consultations led to agreement on the design of the aid information management platform. This platform will bring together the information on aid receipts, budgets, expenditure and impacts for the government, the public and donors.
- The project supported the Ministry of Finance and its Foreign Aid Coordination Division to update the National Action Plan and Standard Operating Procedures for foreign aid.
- The 'ministries' with the most responsibilities for managing foreign aid — finance, health, education and local development and the National Planning Commission — carried out a capacity self-assessment on their management of foreign aid. Work on addressing the identified needs began as 26 officials received on-the-job training on results-based management focussing on planning, budgeting and effective aid coordination. The officials are now applying their new skills to their daily work.

In 2010

- **A2j:** The access to justice project will help build the capacity of the commissions on disappearances

and truth and reconciliation, develop a witness protection system and victim support programme, support the High-level Directorate for the Execution of Court Decisions and advance gender justice in line with international human rights standards.

- **ESP:** The election project will provide expert advice to pilot the new voter registration scheme and help mobilise more resources to implement it. It will also support the election commission to install GIS systems to map polling locations, electoral boundaries and other details following the commission's establishment of a GIS unit in 2009.
- **NHRC:** The human rights project will support NHRC to strengthen its monitoring, investigation and documentation of human rights violations and the functioning of the Human Rights Treaty Monitoring Division, establish human rights resource centres at the regional level, develop a human rights audit plan and review discriminatory laws.
- **LGCDP:** Under the joint programme for LGCDP, the expected approval in 2010 of the draft guidelines and strategies will put in place the framework for mainstreaming the good practices they prescribe into local governance. Then much of the programme's focus will go to supporting the equitable distribution and the efficient, effective and accountable use of the block grants. UNDP and UNCDF will also support the increased role of local government in providing sectoral services by supporting interventions for social protection, sector conditional grants, and for integrating environmental issues and poverty reduction into local development.
- **Aid:** The aid project will support the establishment of the Aid Management Information System and finalise capacity development plans for four ministries and the NPC.

5. Livelihoods

One of the greatest challenges facing Nepal is to provide employment opportunities for its growing population of young people. The lack of opportunities to earn a decent income in many rural areas was a fundamental cause of the armed conflict and remains a root cause of poverty and the main reason why hundreds of thousands of Nepalis leave home each year to work outside Nepal.

In 2009 the Nepal Labour Force Survey found the continued reliance of Nepal's labour force on the agricultural and informal sectors, high levels of under-employment and the growing importance of remittance incomes (Table 5.1). The underdevelopment of Nepal's trade, the progressive decline and low volume of exports, the lack of access to affordable credit and conflict in the Terai all contribute to the paucity of secure well paying employment and the relative weakness of Nepal's economy.

Table 5.1: Some findings of the Nepal Labour Force Survey, 2008

74% of workers employed in the agricultural sector
32% of men under-employed
23% of women under-employed
70% of non-agricultural employment in the informal sector
29% of households with at least one member living abroad
30% of households receiving remittances with 83% of the amount coming from abroad
NR 19,721 (\$240) average remittance received in the previous year

UNDP's response

UNDP promotes sustainable livelihoods for peace and development (Table 5.2). In 2009 a major new programme (the Livelihood Recovery for Peace Programme — LRP) began work in three Terai districts where conflict continues to badly affect livelihoods and everyday life. UNDP's flagship micro-enterprise development project (MEDEP) continued to support new micro-entrepreneurs and an enabling policy and institutional framework, with major new funding from AusAID of 4.5 million Australian dollars. The trade and access to financial services projects addressed crucial issues that hinder the growth of employment and the economy. Projects featured



Table 5.2: UNDP livelihoods support in 2009

Project	Duration — all phases (implementor)	2009 expenditure (donors)	Status/focus (all phases)
Micro Enterprise Development Programme (MEDEP) Phases 2 and 3	1998–Dec 10 (Mol)	\$3,455,226 (UNDP, AusAID, HPL)	MEDEP has pioneered a model that supports the rural poor, women, youth and people from marginalised groups to create and run micro-enterprises. The government is adopting this model for its micro-enterprise support programmes.
Livelihood Recovery for Peace Programme (LRP)	Aug 09–Dec 14 (UNDP)	\$253,389 (UNDP)	This new project was launched in August 2009 to promote social cohesion and improve livelihoods in three of Nepal's districts (Sarlahi, Mahottari and Rautahat) that are most vulnerable to conflict and natural disasters.
Enhancing Nepal's Trade Related Capacity (ENTREC)	Jun 06–Apr 10 (MoCS)	\$354,409 (UNDP, IFTF, DFID, Finland)	Helping the government identify measures and build capacity for increasing Nepal's export trade in a way that creates jobs and benefits the economy and poor people.
Enhancing Access to Financial Services (EAFS)	Nov 08–Dec 12 (NRB)	\$70,113 (UNDP, UNCDF)	Carried out preparatory work for increasing access to banking, credit and other financial services for small businesses and low income households in the many areas of rural Nepal where access to such services is very limited.

in other chapters of this report have also promoted income earning (SNPHA, KiND) and employment (QIPSI, KERP) whilst three of the environment projects (WTLCP, CSUWN, SGP) have supported their stakeholder communities to develop environmentally-friendly livelihoods (see Chapter 6).

Poverty alleviation through self-employment

Since it began in 1998, UNDP's Micro-enterprise Development Programme (MEDEP) has trained and supported 76,093 poor rural people who have gone on to establish 34,179 enterprises. Most of these enterprises are profitable and have ended the income poverty of many poor people.

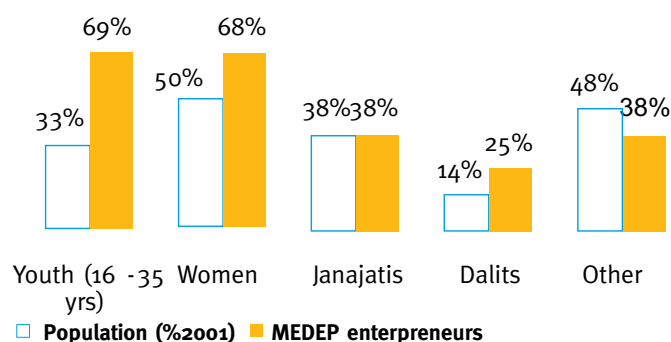
New entrepreneurs

In 2009, MEDEP supported 8,261 rural people to become entrepreneurs and 5,677 micro-enterprises were established leading on from support in this and previous years. All these beneficiaries were economically poor and many are from socially marginalised groups (see Figure 5.1). Amongst this number 538 were people affected by the Koshi floods of 2008 and 265 were HIV positive or injecting drug users. In total the new entrepreneurs directly employed 160 full-time workers and thousands of part-time employees. These new

enterprises are in turn supporting their local economies by buying raw materials and other goods and services.

As well as individual entrepreneurs MEDEP also targets enterprise sectors. Box 5.1 shows the range of support provided to allo entrepreneurs whilst another example is the project's support to community forest user groups to set up forest-based enterprises. The latter support included supporting the Ministry of Forestry and Soil Conservation to develop harvesting guidelines for two non-timber forest products (allo and kaulo) and for revising the Pine Forest Management Thinning Guidelines to promote sustainable harvesting.

Figure 5.1 A high percentage of new MEDEP entrepreneurs in 2009 were youth, women, Janajatis and Dalits



The project also provides advice and guidance to entrepreneurs through 'business development service providing organisations' and supports studies on enhancing business opportunities. One important study completed in 2009 — the business to business study — recommends how to put the linkages between small and medium sized businesses and the micro-enterprises that supply them with goods and services on a more systematic basis to replace the current ad hoc arrangements. The study's

findings and recommendations were presented to the Ministry of Industry, and MEDEP plans to support the implementation of its recommendations in 2010.

MEDEP supports its micro-enterprises to produce quality products. The project was therefore very pleased when products produced by MEDEP women entrepreneurs won the top five prizes in a national competition run by the Cottage and Small Industry Development Board. They were rewarded with a study tour to Thailand supported by JICA.

Box 5.1: Allo — a profitable business for women entrepreneurs



MEDEP support has transformed a dying handicraft into a profitable business. Ethnic communities across Nepal's hills have traditionally used thread made from the allo plant (*Girardinia diversifolia* — a giant nettle) to weave cloth for making shawls, blankets, bags and clothing. The production of this cloth was dying out.

In 1999 MEDEP identified allo products as having a high potential for sale to tourists. MEDEP's subsequent training of hundreds of poor village women to run enterprises and market allo products has led to over 1,000 women in 20 districts running profitable year-round enterprises that weave the thread and make the garments. These enterprises also provide short-term employment and incomes to about 8,000 villagers who harvest and process the raw material. The allo plant grows in abundance across Nepal's Midhills.

The primary producers either sell the yarn to collectors or make shawls and clothing that is sold to outlets in urban centres or abroad either directly or through the common facility centres promoted by MEDEP. These centres in Parbat, Ramechhap, Myagdi, Sindhuli, Pyuthan, Dadeldhura and Darchula districts train entrepreneurs and help link them to markets. The Handicraft Association of Nepal reports that NR 5 million (US\$ 71,000) worth of allo products were exported last year.

In recent years the production of allo thread has greatly increased as carpet factories have started using this durable and natural thread as a base material for carpets. Almost 120 tonnes of allo yarn (worth \$640,000) or 80% of Nepal's annual production now goes to the carpet industry.

MEDEP is fostering the further development of the allo business by helping it get international certification to recognise Nepal's allo products as being produced in an environmentally sustainable way, and by supporting research to make the fibre softer and more attractive.

The MEDEP model

MEDEP has successfully developed a standard way of supporting small rural enterprises through the steps in Box 5.2. The government has formally adopted the MEDEP model for nationwide replication in its Micro-enterprise Policy, 2008. In 2009 implementation of this policy began as central and local government provided substantial funding through two new schemes:

- The DDCs, VDCs and municipalities in MEDEP's 31 districts allocated NR 781 million to their micro-enterprise development funds with government line agencies providing further support and MEDEP providing NR 42 million of top-up funding.
- The government allocated NR 50 million to its new Micro-enterprise Development for Poverty Alleviation scheme, which is being implemented by government agencies in 18 districts in 2009/10.

These schemes are being encouraged by MEDEP as it plans to withdraw from directly supporting entrepreneurs by building up the capacity of government line agencies, local bodies and NGOs to carry out this work. This capacity was further developed in 2009 as MEDEP trained 96 district-level enterprise facilitators to run the Start and Improve Your Business courses and 18 on developing marketing networks.

MEDEP's expertise is being called on by other UNDP projects to deliver livelihoods support. In 2009 it supported 265 people living with HIV and injecting drug users under the HIV/AIDS project and 545 people living around the Khimti Hydropower plant in Ramechhap and Dolakha (KiND) to establish enterprises.

Promoting trade

In 2009 UNDP's Enhancing Nepal's Trade Related Capacity (ENTREC) project supported the government and the private sector to prepare the updated Trade Integration Study. This support is being directed to help Nepal reverse the declining fortunes of its trade as the share of exports has dropped from making up 28% of Nepal's gross domestic product in 2003 to only 12% in 2008. The main contribution of the project has been to help Nepal make the most of its World Trade Organization (WTO) membership.

Challenges and opportunities

The main focus of support in 2009 was supporting the government to meet the requirements and prepare a proposal for funds from the WTO's Enhanced Integrated Framework (EIF) facility for capacity development. This resulted in March/April 2010 in the government receiving \$900,000 for three years from EIF to build

Box 5.2: How MEDEP supports micro-enterprise development (the main steps)

1. Conduct social, economic, resource and market surveys of targeted areas
2. Identify potential entrepreneurs among rural poor and youth through self-assessments.
3. Form micro-entrepreneur groups as target groups for MEDEP and for self-help and savings and credit.
4. Train potential entrepreneurs through Start and Improve Your Business training courses and skill training (latter just for beneficiaries who are not already skilled).
5. Guide potential entrepreneurs to produce business plans and establish enterprises.
6. Link entrepreneurs to sources of micro-credit, technology and markets.
7. Provide grants to hardcore poor entrepreneurs to set up common facilities centres such as workshops and to buy common equipment.
8. Help scale up enterprises through advanced skill training and technology support, quality control, marketing and business counselling support.
9. Support the development of enabling policies and support organisations for entrepreneurs.

up the capacity of key trade-related institutions. The project supported the inter-linked tasks of helping the government carry out a capacity assessment of trade-related institutions, develop a capacity development plan and support the writing of a funding proposal.

The production of a national trade integration strategy is a major stepping stone for the development of Nepal's trade as it is a precondition for Nepal to access funding from the EIF and other aid for trade initiatives. In 2009, the project supported the preparatory work and the writing of the strategy. This included the preparation of background papers and studies on Nepal's export potential, market access, product standards and investment and trade facilitation and barriers; a review that identified 18 potential export products and fieldwork on the entry of Nepali products in to India and China. This valuable exercise articulates the main challenges to developing Nepal's trade.

The project also supported the carrying out of an institutional capacity assessment of the Ministry of Commerce and Supplies and other trade-related ministries. Leading on from this the government started to fill some of the identified gaps by establishing an EIF focal point at the Ministry of Commerce and Supplies, a National Implementation Unit and five inter-ministerial technical committees to provide feedback on important trade-related topics. These bodies will coordinate, manage and oversee the implementation of the Trade Integration Strategy.

The project also supported the government to prepare position papers for the Doha Round of WTO negotiations and for government representatives to take part in the Seventh Ministerial Meeting of the WTO in Geneva in December/November.

Policy and dialogue

Other support went to implementing the new trade policy and supporting private sector-government dialogue on trade issues.

The project, which is based in the Ministry of Commerce and Supplies, has provided continuous support for the drafting of a new trade policy to replace the previous outdated one from 1992. The new policy was introduced in April. As well as giving sector-specific programmes

for products with a high export potential, this policy recognises services as a potentially important part of Nepal's trade, and also covers intellectual property rights issues. The project has subsequently helped the ministry produce action plans for implementing the policy. Implementation has proceeded with the establishment of a Board of Trade and the allocation of a regular budget for promoting and developing products with a high export potential.

In partnership with the Export Promotion Forum of the Federation of Nepalese Chambers of Commerce and Industry the project supported dialogue meetings on what needs doing to foster a more trade-friendly environment. The main outcomes of these discussions were communicated to the government.

Extending access to credit

Access to affordable credit and other financial services is crucial for poor people to develop their livelihoods and weather adverse events. These people have traditionally had no access to credit from financial institutions and have turned to family and friends or local moneylenders who charge high rates of interest. They have sometimes even had to mortgage off their labour in return for loans.

In November 2008, UNDP launched a new project with Nepal's central bank (the Nepal Rastra Bank) to extend access to formal financial services to poor people in remote areas. The Enhancing Access to Financial Services (EAFS) project will address one of the main challenges faced by MEDEP and by Nepal's poor in general by improving access to financial services for new and poor micro-entrepreneurs to develop their businesses.

In 2009 the project carried out preparatory ground work by establishing the project office and setting up partnership mechanisms to deliver financial services to new clients in rural Nepal with a focus on areas where such services are very limited. The identification of potential micro-finance institutions to carry out this work was initiated and partnership arrangements developed.

Peace and livelihoods in the eastern Terai

In 2009 a new area-based programme was launched to promote social cohesion and reduce poverty in some of Nepal's poorest areas. The Livelihood Recovery for Peace Programme (LRP) began in the adjoining Terai districts of Sarlahi, Mahottari and Rautahat.

These three districts were selected as districts where poverty, conflict and natural disasters are most hindering development due to:

- the large wealth gap between the wealthy landowners and the many Dalit and other deprived communities who own little or no land and have traditionally suffered extreme social exclusion;
- the longstanding neglect of the Terai and the Terai/Madhes culture by the Nepali state;
- the generally weak security situation because of opposition between people of hill and Terai/Madhes origin and the presence of criminal groups; and
- the monsoon floods that affect many communities in most years.

Within this context the programme aims to promote social cohesion directly by increasing understanding between communities through the joint identification and prioritisation of common needs and indirectly by working to alleviate poverty. In 2009 the livelihoods assessment got underway in 50 of Mahottari's 76 VDCs to establish the programme's baseline database and to identify the most disadvantaged households for support. The programme also selected the NGOs who will mobilise

communities into groups and produced a draft manual to detail how these NGOs and their peace and livelihood facilitators will mobilize communities. The promotion of gender equality and social inclusion is at the core of how this programme will be implemented. For example, the partner NGOs have to follow specific criteria for including women, Dalits and other marginalized groups when recruiting staff. Another key characteristic is that the programme will engage several different ministries in dialogue and implementation.

In 2010

MEDEP: In 2010 MEDEP will begin to support micro-entrepreneurship in Mahottari, Rautahat, Salyan, Rukum and Rolpa districts. It will also support the implementation of recommendations arising from a 2009 assessment of the institutions involved in micro-enterprise development. The aim is to improve the range of support services to entrepreneurs — a priority area to sustain the impacts of MEDEP support. The project will also support 1,000 of the late recruits and minors, who were discharged from the Maoist army in early 2010, to become entrepreneurs.

Trade: In its last few months the trade project will support the government to complete the National Trade Integration Strategy and prepare an action plan to use the Enhanced Integrated Framework funding.

EAFS: The Enhancing Access to Financial Services Project will select its financial service provider partners and begin work to roll out projects that extend micro-finance to the poor in remote areas.

LRP: The Livelihood Recovery for Peace Programme will complete its livelihood assessment, carry out a baseline survey and begin working with communities to form local groups. These groups will then be supported to carry out community infrastructure works and to raise the incomes of ultra-poor people. The programme will also run mentorship programmes for local youth to become social mobilizers in their communities and to carry out activities to promote social cohesion. One of the main challenges will be to encourage the many different political groupings to work together by promoting conflict-sensitive development and gender and social inclusion-responsive planning and monitoring.



6. Energy, environment and climate change

Increasing the availability of clean sources of renewable energy, the conservation of biodiversity and providing environment-friendly livelihoods are crucial for the development of Nepal's economy and the livelihoods of many of its people. These subjects are globally important to mitigate the negative impacts of climate change.

Promoting rural energy

In 2009, \$2.9 million of funding went to extending the availability of clean and renewable sources of energy in Nepal's rural areas under UNDP's Rural Energy Development Programme (REDP) and the Khimti Neighbourhood Development Project (KiND) (see Table 6.1). These projects are giving thousands more Nepalis the means of lighting their homes and powering their enterprises from energy sources that do not contribute to climate change.



Electric light generated from Pinthali micro-hydro scheme, Kavre

Table 6.1: UNDP support to rural energy development in 2009

Project	Duration — all phases (implementor)	2009 expenditure (donors)	Overall status/focus
Khimti Neighbourhood Development Project (KiND)	Jul 07–Dec 10 (AEPC)	\$1,850,961 (HPC, UNDP)	Giving the seven VDCs surrounding Khimti Hydropower Plant access to electricity and community development.
Rural Energy Development Programme (REDP) Phase 3	Sep 96–Dec 10 (AEPC)	\$1,126,988 (UNDP)	Extending rural communities' access to renewable sources of clean energy by helping them install and manage micro-hydro plants and other clean sources of energy.

REDP — The sources of rural energy installed with REDP support since it started (Table 6.2) have given over 49,000 households' access to affordable, sustainable and cleaner sources of energy. The programme has developed a community-managed model, which has been adopted by the government under its nationwide Micro-hydro Village Electrification Programme (MHVEP). Figure 6.1 and Box 6.1 show the tangible impacts of this support.

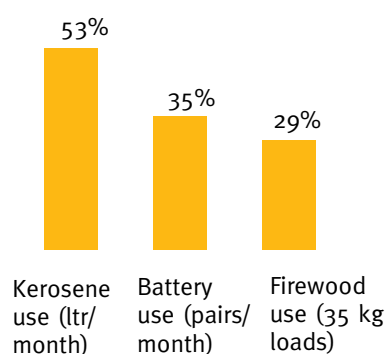
Table 6.2: REDP achievements 1996–2009

Installed schemes	No. schemes
Micro-hydro plants	264
Toilet attached biogas plants	5,440
Solar home systems	2,410
Improved cooking stoves	11,767

In 2009, 27 new micro-hydro power schemes were completed with support from REDP. These schemes supply 668 kW of electricity to 6,768 households, mostly in remote rural areas far from the national grid. This is double the achievement of 2008. Also in 2009, REDP supported communities to install 1,350 toilet-attached biogas plants, provided training to more than 100 people to install improved cook stoves and completed the design of a pilot mini-grid to connect seven micro-hydro schemes in Baglung district.

The micro-hydro subsidies generally cover 30–40% of the costs of new plants. One of the main reasons behind the expansion of completed schemes in 2009 was the programme's success in helping communities mobilise the other 60–70% of funding from DDCs, VDCs and other donors. However, poor communities in remote areas often have to bear higher costs. In 2009 REDP carried out a study on smart subsidies. The findings and recommendations on how to help remote communities meet their higher transportation costs were presented to a gathering of national stakeholders including the government's Alternative Energy Promotion Centre (AEPIC) in July. The AEPIC is considering how to apply smart subsidies after the government gives its expected approval to go-ahead with such subsidies.

Figure 6.1 Reductions in firewood, kerosene and battery use in 20 REDP-supported communities, 1996–2005 (source: Winrock 2009)



Box 6.1: A host of benefits — case study of a micro-hydro scheme in Baglung

Until recently the 765 households of Dagtundanda village, Baglung relied on batteries, candles and smoky lanterns to light their homes and on agriculture and livestock for their livelihoods. The 2007 installation of a micro-hydro plant on the nearby Giringdi stream has given them clean electric lighting and new income earning opportunities. The plant produces 75 kilowatts of electricity and cost NR 18.5 million to install of which 32% was given as a subsidy by REDP, 49% by local people with the rest coming from a bank loan and DDC and VDC grants.

The scheme has produced a host of economic and environmental benefits to this remote community. This new power source is being used to run an agro-processing unit, an x-ray machine, carpentry and metalworking workshops and a photo studio with plans for other enterprises that add value to local raw materials and produce. The micro-hydro plant is saving the locals money as they no longer have to buy the three litres of kerosene a month they previously used to fuel lanterns at night.

To sustain the operation of new energy schemes, in 2009 REDP provided technical support and training to communities to run and maintain schemes themselves with more than 3,000 local people trained on these skills. It also continued to support the operation of the 72 district energy and environment sections and units (DEES/DEEUs) as focal points for rural energy and environment development. In 2009 the government directly channelled a total of NR 7 million (\$100,000) of rural energy support through all 72 units and starting decentralized energy and environment planning through 32 of them.

REDP's impressive results led to major new funding and international recognition in 2009 as:

- UNDP extended the current Phase 3 by a year and provided a further \$1 million of funding;
- the World Bank extended its parallel funding of micro-hydro development by pledging an additional \$12.2 million for the government's Alternative Energy Promotion Centre to subsidise the cost of 4.25 MW more of micro-hydropower; and
- in December REDP was commended as a best practice for expanding the poor's access to energy at the second Global South-South Development Expo in Washington DC.

KiND — The Khimti Neighbourhood Development Project (KiND) is being rolled out according to the REDP



The turbine at Pinthali micro-hydro plant (Kavre)

model to extend access to electricity to the communities around the 60 MW Khimti hydropower plant in Dolakha and Ramechhap districts. This project is mainly funded by Himal Power Ltd (a consortium of Norwegian and Nepalese companies) — the company that runs this large hydropower plant.

The highlight of 2009 for this innovative public-private partnership was the progress made on building the 400 kW Haluwa Khola mini-hydro plant. This included opening up the track for the 1,054m headrace pipe and the erection of poles for the distribution lines in five VDCs. Also, all the materials for the transmission and distribution lines were received and the bids to supply the headrace and penstock pipes were completed. The project also supported 49 additional households to connect to electricity from the main power plant.

In previous years conflicts between local stakeholder groups have hindered project implementation. These conflicts lessened in 2009 as the newly formed Haluwa Khola Mini-Hydro Functional Group helped the various groups work together. The Khimti Rural Electrification Committee is also building community ownership of the project through 309 women's community organisations and the same number of men's community organisations formed under the project.

Through these community organisations and user groups, in 2009 the project supported the building of 1,606 toilets and improvements to 11 irrigation schemes, 7 schools and 11 water supply schemes. In addition the project began to support local enterprise development in collaboration with UNDP's micro-enterprise development project (MEDEP) with 80 new micro-enterprises and income generation activities supported.

Conserving the environment

In 2009, the three environmental conservation projects in Table 6.3 contributed to conserving Nepal's rich biodiversity across the country's protected areas, forests, grasslands, wetlands and farmers' fields.

Table 6.3: UNDP support to environmental initiatives in 2009

Project	Duration — all phases (implementor)	2009 expenditure (donors)	Status/focus
Western Terai Landscape Complex Project (WTLCP)	Jan 06–Dec 12 (MoFSC)	\$614,286 (GEF, UNDP)	Promoting landscape-level conservation and the sustainable management of natural resources across the Western Terai.
GEF Small Grants Programme (SGP) Phase 3	1996–Jun 14 (UNOPS)	\$575,577 (GEF)	Since 1996 has funded 126 environmental conservation initiatives including 52 biodiversity conservation projects and 40 climate change mitigation projects.
Conservation and Sustainable Use of Wetlands (CSUWN)	Mar 07–Feb 12 (MoFSC)	\$353,223 (GEF, UNDP)	Promoting the conservation and sustainable use of wetland resources through collaborative management of Nepal's wetlands.

Terai landscape conservation

The globally important biodiversity of the western Terai is under serious threat from the growing human population with many locals relying on the area's forests for their subsistence needs. The Western Terai Landscape Complex Project (WTLCP) has been working since 2006 to extend a landscape conservation model across the area's two protected areas and 52 of its VDCs. The project is working to conserve the area's valuable biodiversity by promoting environmentally-

friendly livelihoods, conservation initiatives and by fostering enabling policies.

Environmentally-friendly livelihoods — The project is supporting local people to abandon livelihood initiatives that damage the environment. In 2009, the project helped develop an additional 15 forest based micro-enterprises by providing entrepreneurship and skill development training to 400 poor households and provided small grants to 1,009 forest-dependant households for income generating activities. Twenty percent of beneficiaries were Dalits and all were poor. See examples in Box 6.2.

Box 6.2: Livelihood support for biodiversity conservation

Vegetable farming — These days the 10 Dalit families of Bhimbasti, Kanchanpur no longer collect firewood from the jungle to make their living as they earn a good income from vegetable farming. They used to rely on firewood for their incomes and struggled to grow enough food. They saw their forest degrading as each family cut the equivalent of 20 trees a year. WTLCP trained these poor families on vegetable farming and granted them an irrigation pump each. Their new skills and the pumps mean they are growing many more crops including an excess of vegetables, which they sell. These families are now working to conserve the forest as members of the Siddha Bhim Community Forest User Group.



The irrigated crops at Bhimbasti

Camomile oil production — The Jhilmilaphanta grassland area lies in the buffer zone of Suklaphanta Wildlife Reserve and is an important wildlife corridor. In 2009 the consortium of 25 buffer-zone user groups continued to successfully manage the 162 hectares of forest for conservation and subsistence use whilst growing medicinal herbs on the 100 hectares of previously degraded grasslands. In 2009, the user groups earned NR 242,000 (\$3,500) from selling camomile oil. The oil is produced with advice and equipment support from Biosys-Nepal Ltd and Bio-synergy Ltd of Denmark. Future years promise greater returns and more jobs. The success of this enterprise is founded on the fact that wildlife do not eat medicinal herbs and so the area is preserved as a valuable habitat.



Camomile ready to harvest at Jhilmilaphanta

Most households in the Western Terai rely on farming. The project works with 90 farmer groups and has encouraged 40% of the groups' 1,927 households to practice environmentally friendly farming including using less chemical pesticides and fertilisers. A major focus of project support has been the preservation of local crop varieties in community seed banks. In 2009, more than 10 new local varieties of rice, wheat, millet and vegetables were collected and stored. These banks distributed 8 tonnes of wheat and 260 kg of lentil seed to poor farmers to grow on for seed and crops. This initiative is particularly important to make poor farmers more resilient to climate change as these varieties have valuable qualities such as drought resistance that will be crucial to maintain future food security.

Box 6.3: Rehabilitating the Vijay sal forests of the western Terai



A vijay sal sapling

The dense forests of the western Terai have come under great pressure in the last four decades. The Vijaya sal tree (*Pterocarpus marsipium*) has disappeared from many areas as it has been cut down for its medicinal value. Krishnapur VDC in Kanchanpur has lost most of its forests and there are hardly any mature Vijay sal trees left. Since 2008, WTLCF has worked with local user groups to conserve the remaining areas of Vijay sal. In 2009 the project supported awareness raising campaigns and trainings on biodiversity conservation for local people. It also supports tree nurseries with 5,600 saplings planted and protected in reclaimed encroached areas since 2007. These initiatives and the limits put on grazing and grass and fodder collection have improved forest condition with abundant natural regeneration promising a future for this valuable multipurpose tree.

Biodiversity conservation — The project, working in tandem with officials from the protected areas and local communities, continued to support initiatives that directly protect biodiversity. In 2007 the project had helped produce a management plan for Nepal's last population of black bucks. The 2009 declaration by the government of 1,695 hectares at Khairapur, Bardiya as a Blackbuck Conservation Area assures the future of this small gazelle in Nepal. Box 6.3 describes local efforts to conserve an endangered tree species.

The project's main biodiversity conservation successes have been with local communities as project awareness raising activities and other support have led communities to care more for wild animals and to seek to protect them. The project and other conservation agencies have long advocated for the government to introduce a compensation scheme for farmers when wildlife damages their crops. In early 2009, the project provided NR 1.85 million (\$26,000) to buffer-zone user groups at Suklaphanta and Bardiya to set up a wildlife damage relief fund and demonstrate how such a system could work. Leading on from this, in September the government endorsed its Wildlife Damage Relief Guidelines to reduce the animosity of local people to wildlife.

Enabling policies — The main policy advance was the completion by the Department of Forests of the first draft of the long-awaited Forest Encroachment Control and Management Strategy for more coordinated and sustainable management of wildlife corridors. This was the result of the project's advocacy for this strategy, support for field visits by high level officials to expose them to the perspectives of local communities and support for production of the draft.

Wetland conservation

In 2009 the Conservation and Sustainable Use of Wetlands in Nepal project began work to protect the important plant and animal biodiversity of Nepal's wetlands. Work went ahead in the project's two demonstration sites at the globally important wetlands of Koshi Tappu in eastern Nepal and Ghodaghodi lake in western Nepal.

The project carried out inventories, raised awareness about the importance of these wetlands as water sources and as habitats for globally important fauna and flora, mobilised local communities to protect wetlands and provided livelihood support to local communities. Work also went ahead to promote coordination between the agencies and communities that have a role and an interest in managing wetlands with the formation in October of a multi-stakeholder forum for the Ghodaghodi Lake Complex. The representatives from the local communities and the government and NGOs held their first meeting to promote the conservation of this wetland.

Awareness raising — In 2009 the project mapped seven critical wetland sites in the two areas and identified five indicator species for these ecosystems. The occurrence of four of the species (the swamp franklin partridge and wild water buffalo for Koshi Tappu and the cotton pigmy goose and marsh mugger crocodile for Ghodaghodi) was subsequently mapped and leaflets produced and distributed to raise awareness. The quarterly Wetland newsletter *Simsar* and weekly

episodes of the *Simsar Sandesh* (Wetlands Message) radio programme also raised awareness with the radio programmes attracting many listeners as they are broadcast in the local Tharu and Maithili languages.

Protection by local communities — The project ran trainings and workshops for all 165 buffer zone user groups and 28 community forestry user groups and trained 10 buffer zone committees (federations of user groups) on financial management, wetland values and gender and social inclusion. These groups began to restore several threatened wetland areas. Also, good progress was made on reducing conflict between the conservation of wildlife and local communities' subsistence needs by the activism of local anti-poaching units (see Box 6.4) and by building 2 km of solar fencing, which is protecting farmers' crops from Koshi Tappu's wildlife.

Livelihood support — This year the project's baseline survey was completed to identify the main target groups for livelihood support. It found 433 poor households who live around and depend on the

Box 6.4: Local anti-poaching campaign in Ghodaghodi Lake area



Ghodaghodi Lake



Confiscated hunting spears

CSUWN has supported young people in 13 localities around Ghodaghodi lake to set up anti-poaching units. These groups have been instrumental in preventing the poaching of local wildlife through conservation awareness, surveillance and patrolling. These groups have intercepted a number of poachers. On 12 September 2009, two turtles and two newly-hatched bronze-winged Jacana were confiscated from poachers and released back into nature, whilst on 21 August 2009, a clutch of 11 newly hatched turtle eggs were seized from poachers. These groups have also stopped illegal fishing and the use of poison for fishing.

Ghodaghodi wetlands for their basic needs and 1,126 such households around Koshi Tappu. In 2009, 748 of these people were provided with skill and income generation trainings and support to build fish ponds, to raise goats, pigs and poultry and grow vegetables. This included support to victims of the 2008 Koshi flood to engage them in the project's conservation objectives (see details in Table 7.2 in the next chapter). The project also brought in two companies from Kathmandu (Knots and Crafts and Organic Village) to assess local products and train 20 wetland poor groups on producing high quality handicrafts and organic produce. In October Knots and Craft ordered NR 400,000 worth of processed pater grass (*Typha* species) from these groups for making baskets and mats.

Local conservation initiatives

The Small Grants Programme was set up following the Rio Earth Summit of 1992 to fund local conservation and renewable energy initiatives and now operates in 122 countries. In 2009 this Global Environment Facility programme supported 18 on-going projects and 24 new projects in Nepal. Amongst the 41 projects on-going in 2009, 13 were for conserving important wildlife and plant species, 10 for promoting technologies that reduce carbon emissions and save forests, 7 for conserving wetlands and 8 for rehabilitating degraded land.

Continuing impacts

The programme provides limited support to its projects with an average of \$13,000 granted to each of its 2009 projects. Many projects result in immediate benefits for the environment and local people and in most cases the benefits continue to accrue after funding has ended:

- **Rice husk stoves** — Support provided in 2006/07 in Bara district has led to eight workshops being set up across the Terai to produce rice husk stoves fuelled with a waste product from rice mills. One company in Rupandehi produces 500 stoves a day and it is estimated that more than 50,000 of these stoves have been sold. Their use saves about 5 kg of firewood per day per household.
- **Essential oils** — In 2005/06, SGP supported a cooperative in Dolakha district to set up a business producing essential oils. Since then it has sold \$92,000 worth of wintergreen, juniper, *Rhododendron anthopogan* and other types of oil on the international market. Cooperative members have also provided advice and training to establish 16 new distillation units across Nepal.
- **Vulture restaurants** — The vulture restaurants set up in Nawalparasi and Rupandehi in 2007/08 have led to a recovery in numbers and the declaration of parts of Nawalparasi and Rupandehi as Diclofenac-free (vulture-safe) zones.

Multiple impact projects

The following examples from 2009 show how most SGP-supported projects have multiple impacts conserving natural resources, improving livelihoods and reducing carbon emissions:

Improved iron workshops — Most iron workers in rural Nepal live in poverty and use outdated and inefficient technology. A project in Sindhupalchowk district provided 77 iron workers with improved tools, better quality charcoal and micro-credit to expand their enterprises. The project's introduction of pit kilns to replace the traditional open pit method has more than doubled the yield of charcoal from the same amount of wood, increased its quality and reduced forest fires.

Conserving local crop varieties — Support to a community seed bank has protected endangered local varieties of food crops and improved livelihoods. In 2003, a Bara district NGO was supported by the national NGO LI-BIRD to establish Nepal's first community seed bank. From 2006 SGP provided support to build and run a new seed store, which now holds the seeds of 80 local varieties of rice, beans, lentils, barley and vegetables. Since 2003, the bank has sold 23 tonnes of seeds, earning over NR 140,000. The NGO has established a fund from this money and local savings that has disbursed NR 414,000 of loans. These loans are given on condition that members grow seeds of endangered traditional varieties for the seed bank. A survey of 84 lenders, mostly economically poor, found they had together earned NR 2.3 million from the income generating activities funded by the loans.



A blacksmith who has modernised his workshop with support from GEF-SGP

Matribhumi stoves — In 2009, SGP supported an NGO to promote an award winning new technology that increases the efficiency of cooking stoves. This technology consists of an air supply disk and a small fan which lead to an estimated 60% reduction in the amount of firewood needed for the same output. The project trained village specialists and supported the installation of 37 of these Matribhumi (motherland) stoves in Chhaimale village, Kathmandu. The technology has caught on and has since been installed in more than 350 houses.

Organic farming — In early 2009, SGP provided \$7,247 to promote organic farming in a part of Baglung district. The project trained 125 farmers on growing early season vegetables and producing compost and organic pesticides. The latter activities have led to a 60% reduction in the use of chemical fertilisers and an 80% reduction in the use of chemical pesticides. The most appreciated benefit has been the improved incomes from the sale of the vegetables in this part of Baglung from where so many are forced to go abroad to earn their livelihoods.

An alternative to fossil fuels — Since 2008 a project co-financed with Winrock International has been piloting the production of bio-diesel. The 27 hectares of *Jatropha curcas* planted on marginal waste lands in

Siraha district yields 60 litres of diesel fuel per day. The fuel powers the generators that local farmers use to irrigate their fields.

Mitigating the effects of climate change

The current and future negative impacts of climate change are a major global concern. In Nepal global warming is already believed to be resulting in more flooding, changes in the timing of the monsoon, longer dry spells, more storms and a growing threat from glacial lake outburst floods. These hazards are damaging property and putting human lives and development gains at risk.

UNDP is supporting two major climate change initiatives in Nepal (Table 6.4). The National Adaptation Programme of Action to Climate Change project began in 2009 to prepare a national adaptation plan of action (NAPA) and to establish a coordination mechanism and a knowledge exchange platform. The production of the prioritised plan will help Nepal access international funds available for least developed countries to adapt to climate change and will increase coordination across the many agencies with responsibilities for climate change adaptation and mitigation.

Table 6.4: UNDP support to climate change mitigation in 2009

Project	Duration — all phases (implementor)	2009 expenditure (donors)	Status/focus
National Adaptation Programme of Action to Climate Change (NAPA)	Nov 08–Nov 10 (MoEST)	\$328,201 (DFID, Denmark, GEF, UNDP)	Supporting the government to identify Nepal's vulnerability to climate change and prepare an adaptation plan.
Enhancing Capacities for Climate Change Adaptation and Disaster Risk Management (ECCCA)	Sep 09–Aug 11 (MoAC/FAO)	\$209,186 (FAO, UNDP)	A joint programme to reduce the impact of natural hazards and climate change on food production.

The first year of the NAPA project (2009) saw good progress on collecting the information to prepare the NAPA and promoting coordination amongst stakeholders.

NAPA preparation — Six thematic working groups were set up to analyse vulnerability and identify adaptation priorities with representatives from 63 government organisations, INGOs, academia and civil society. Reference groups were formed in late December to widen involvement in the process and provide inputs to the thematic groups. The government coordinators of the thematic groups visited Bangladesh to view experiences of completing another NAPA.

In November, 60 members of the thematic working groups carried out vulnerability assessments in eastern, central and western Nepal. Each of the three teams travelled from the Terai through the Midhills to the mountainous areas gathering information about

the potential impacts of climate change and existing adaptation and coping strategies. The meetings the teams held with vulnerable communities and district officials helped open a new discourse on climate change. Table 6.5 shows some of the identified impacts on agriculture and food security. The information gathered from the assessments was used to produce Nepal's NAPA progress report to the Least Developed Countries forum at the Copenhagen Summit (COP 15).

Knowledge platform and coordination — In 2009 the project supported the preparation of concept papers and a major national stakeholders meeting in preparation for establishing a common platform for the exchange of information and for facilitating dialogue on climate change. The project and UNDP also contributed to the design of Nepal's Pilot Programme for Climate Resilience (PPCR), which will be supported by the Asian Development Bank and the World Bank and is due to start in 2010.

Table 6.5: Some impacts of climate change on agriculture and food security in Nepal (November 2009 transects)

	East	Central	West
Mountains	Planting times delayed and increases in skin diseases of farm animals	Upward expansion of apple, potato and vegetable cultivation	Uncertainties in weather patterns leading to crop loss and food insecurity
Midhills	More diseases and pests of livestock and crops and untimely maturity of staple crops	Delayed rainfall delaying paddy transplantation causing 40% decrease in yields of early varieties	More post-monsoonal landslides and lack of water leading to less livestock keeping
Terai	Reduced recharge of ground-water, more pests and fewer useful insects	More pests of mangoes and bananas. More cold waves increasing calf mortality	Early drought affecting yields and increasing costs from having to irrigate with groundwater



UNDP as the UN focal point for climate change joined with 14 other donors on 2 September 2009 to sign a donor compact on climate change with the Government of Nepal. This compact demonstrated their solidarity to address climate change issues in Nepal and to harmonise support in line with government priorities.

In 2010

A new **poverty-environment initiative** will go ahead to integrate climate and environmental concerns into development planning and economic decision making. This initiative will work within the local governance (LGCDP) and the National Planning Commission projects to integrate pro-poor climate and environment concerns into national and local level planning and decision making.

Agriculture and climate change: In September a major new climate change project was launched in partnership with the Food and Agriculture Organisation and the Ministry of Agriculture and Cooperatives. The Enhancing Capacities for Climate Change Adaptation and Disaster Risk Management project began by training staff from district agriculture development offices on community based adaptation and disaster risk management. In 2010, it will begin full-fledged implementation towards reducing the negative impacts of natural disasters and climate change on agriculture. UNDP is funding the project's activities in Banke and Surkhet districts.

Also in 2010:

- The rural energy project will work with the government to pilot the provision of smart subsidies in several of Nepal's poorest districts.
- The western Terai project's priority is to help operationalise the Integrated Landscape Planning Framework and Financial Mechanism following its expected approval in 2010. This policy, which was developed in 2009 with support from the project, will enable the cross-sectoral and cross-district management of landscapes.
- The wetlands project will support the National Wetlands Committee, which was formed in January 2010, to bring together and coordinate wetland conservation by the government agencies with responsibilities for managing wetlands.
- The NAPA project will complete the NAPA document, build up the knowledge of government officials on climate change and help establish the climate change knowledge and learning management platform.

7. Reducing risks from natural hazards

Floods and landslides disrupt the lives and livelihoods of thousands of Nepalis each monsoon season and, according to Nepal's Ministry of Home Affairs caused an average annual loss of \$14.7 million to property between 2001 and 2007. The potential damage from a large earthquake would be much greater in terms of lives lost and economic losses.

UNDP's response

In 2009 UNDP supported the projects listed in Table 7.1 to reduce the serious risks that natural hazards pose to lives, livelihoods and property and to support the government, civil society and communities to be better prepared to cope. UNDP views this support as crucial both to protect the country's development gains and for reducing poverty as it is poor people who are often mostly affected by natural disasters.

Over recent years UNDP and its donor partners have run a number of separate support projects. From January 2009,

four of these projects were merged under the Disaster Risk Reduction in Nepal (DRRN) project. This new arrangement has paid dividends by streamlining reporting and financial management. The other two main initiatives in 2009 have helped thousands of people recover from the damage wrought by the Koshi flood of 2008 and have helped the government and five municipalities explore ways to reduce the impact of earthquakes. Another critical element was continuing to build awareness at the community level and empowering communities to reduce the risks from natural disasters.

Table 7.1: UNDP support to reducing risks from natural disasters, 2009

Project (implementor)	Duration — all phases (donors)	2009 expenditure	Overall status/focus
Disaster Risk Reduction in Nepal (DRRN)	Feb 08–Dec 10 (UNDP)	\$849,468 (UNDP, AusAID, EC, OCHA)	Mainstreaming disaster risk reduction and preparedness into national planning systems and supporting other national and community risk reduction work.
Koshi Early Recovery Project (KERP)	Sep 09–Feb 11 (UNDP)	\$363,922 (UNDP)	Helping coordinate the support provided by different agencies to rehabilitate the livelihoods of victims of the 2008 Koshi flood and providing direct livelihoods support.
Earthquake Risk Reduction and Recovery Preparedness Programme (ERRRP)	Oct 07–Dec 10 (MoPPW)	\$304,945 (Japan, UNDP)	This regional programme is helping the government and five municipalities develop strategies and train personnel to make buildings earthquake resilient.
Glacial Lake Outburst Flood (GLOF) Risk Reduction for the Himalayas (GLOF)	Mar 08–Feb 09 (UNDP)	na (EC)	Assessed the impact of a GLOF on two of Nepal's most threatened areas and explored non-structural measures to reduce the risks from GLOFs.

A paradigm shift

The main focus of UNDP's recent support has been to help the Nepalese authorities shift from reactive responses to a more proactive risk reduction and preparedness approach. The DRRN project is making a major contribution by helping integrate disaster risk reduction into government planning and programming.

National strategy — In 2009 an important milestone was passed in bringing about this paradigm shift when the National Strategy for Disaster Risk Management in Nepal was approved by the government on the International day for Disaster Reduction (14 October 2009). This happened after continuous support and follow-up by the project in recent years. This important document identifies what needs doing at the policy and institutional levels to mainstream risk reduction into national and sectoral planning at central and local levels (Box 7.1).

An important element of the strategy is to establish a National Emergency Operation Centre. UNDP provided support for this initiative in 2009, which should lead to the centre opening in 2010.

Focal desks — The project also supported the establishment of new focal desks for disaster risk reduction in the Water and Energy Commission Secretariat and the Office of the Prime Minister and the Council of Ministers. This brought to 12 the number of such desks in key ministries and commissions. This is an important development as disaster-related work was previously seen as the sole responsibility of the Ministry of Home Affairs. UNDP helped build up the capacity of these desks by equipping them and providing international training opportunities to four desk officers and a five-day-long training for 11 desk officers and 13 other government officials on Integrating Disaster Risk Management into Development Planning. These desks are already proving themselves a key resource and in 2009 they implemented 17 priority disaster risk reduction activities. This included:

- the desk of the Ministry of Local Development producing guidelines for district disaster management action plans;
- the Ministry of Population and Environment's desk producing a climate change adaptation strategy; and
- the Ministry of Education's desk producing a disaster risk reduction curriculum for school classes 6 to 8.

Box 7.1: The National Strategy for Disaster Risk Management in Nepal

The strategy identifies 29 'strategic activities' under the following five 'priority actions':

1. Ensuring that disaster risk reduction is a national and local priority with a strong institutional basis for implementation.
2. Identifying, assessing and monitoring disaster risks and strengthening early warning systems.
3. Improving knowledge management for building a culture of safety and resilience.
4. Reducing the underlying risk factors.
5. Enhancing preparedness for effective responses.



Protecting farmland from the monsoon floods that sweep across the Terai in most years (Ranigunj, Sarlahi)

Flagship programmes — At the same time as the national strategy was launched a consortium of the World Bank, the Asian Development Bank, the International Federation of the Red Cross and Red Crescent Societies, the UN Office for the Coordination of Humanitarian Affairs and UNDP released five flagship programme documents for disaster risk reduction in Nepal. These programmes, including ones on ‘policy and institutional support for disaster risk management’ and ‘school and hospital safety’, are the government’s five priority areas within the national strategy. These five proposed programmes provide a strong basis for attracting donor funding.

Protecting communities — The DRRN project also supported 15 communities to build structures that protect them from flood damage, such as the one featured in Box 7.2, and to repair flood-damaged infrastructure.

Box 7.2: Supporting communities to protect themselves — Gardo stream flood and landslide mitigation model site



In most monsoon seasons, an unstable landslide-prone slope by the Gardo stream in Dhading district damaged the main Kathmandu to Mugling highway, surrounding farmers’ fields and houses in the nearby bazaar. In 2008/09, with support from UNDP and the Department of Water Induced Disaster Prevention, the local people built check dams that reduce soil erosion and prevent the stream from hitting the slope. Jute netting and grass planting has also stabilised the slope. This work has protected the highway, 175 houses, 8 hectares of cropland and the market centre from damage. Alongside this, 27 local people including 12 women were trained on disaster risk reduction. The training on hazard vulnerability, pre-disaster preparedness, during disaster precautions, and post disaster works has made these people realise how they can be instrumental in avoiding disasters.

Earthquake resistant buildings

A 2004 study by UNDP’s Bureau of Crisis Prevention and Recovery ranked Nepal as the 11th most vulnerable country to earthquake damage due to its geology, haphazard urban development and poor construction standards.

Considering that most fatalities in earthquakes in Nepal have been due to the collapse of weak brick buildings, the Earthquake Risk Reduction and Recovery Preparedness Programme for Nepal (ERRRP) has focussed on promoting earthquake-resistant buildings. It did this in 2009 in Biratnagar, Hetauda, Pokhara, Birendranagar and Dhangadhi municipalities by:

- supporting the Ministry of Physical Planning and Works to review the Nepal National Building Code and prepare guidelines for evaluating the seismic vulnerability of buildings;
- training 95 engineers and architects, 72 masons and 29 municipal construction supervisors on earthquake-resilient design, retrofitting and building techniques;
- assessing the structural vulnerability of five buildings belonging to partner municipalities and beginning to retrofit them; and
- sensitising the general public on earthquake risk, vulnerability and safe building construction through demonstrations such as in Box 7.3.

This and previous work has led to Birendranagar, Hetauda and Biratnagar municipalities beginning to impose the Nepal National Building Code on all new building in their areas.

Box 7.3: Demonstrating the impact of an earthquake



In October and November UNDP's earthquake project and the Asian Disaster Reduction Center, Japan, carried out pull-down tests of a non-reinforced brick building (see photo) and a reinforced (retrofitted) building. The force exerted was equivalent to a Richter scale force 8 earthquake. A large earthquake is likely to strike the Kathmandu Valley in the next few decades. The test was widely covered in the media and helped raise awareness about the impact of an earthquake. The tests demonstrated the relatively low cost and the importance of retrofitting vulnerable houses and provided a graphic demonstration of what would happen if and when a large earthquake strikes. The detailed results of this first such test in Nepal were presented at the ERRP regional workshop in Bangladesh in December 2009.

Supporting early recovery from the Koshi flood

Since it established an office in Nepal in the 1960s UNDP has played a lead role in the response to emergencies. Most efforts in 2009 went on supporting early recovery from the Koshi river flood of 2008.

On 18 August 2008, the Koshi river breached its embankment flooding large areas of Sunsari district displacing 42,800 people. Most of these people have since returned, but many found their houses ruined, their croplands covered in a deep layer of sand and silt, and local infrastructure destroyed. The Koshi Early Recovery Project (KERP) began in September 2009. In 2009 it provided valuable support for coordinating the early recovery of the affected communities and in helping restore livelihoods.

Coordinating early recovery — UNDP played a key role in facilitating and coordinating the many different organisations supporting early recovery. It supported the local authority — the Sunsari disaster relief committee — to set up and equip a coordination office. It supported this office to hold coordination meetings and create and manage a database of disaster survivors, which enabled the proper distribution of the varying compensation packages (land, crops, shelter and cash) to the 7,500 eligible households. UNDP also helped coordinate information sharing at the central level.

Rebuilding livelihoods — In 2009 four UNDP supported projects provided the livelihoods support listed in Table 7.2, with most of it directed to people in the most affected VDCs of Shreepur, Haripur, Paschim Kusaha and Laukahi. The paid employment, restored community infrastructure and income generating support listed in Table 7.2 has gone a long ways towards helping the affected communities recover.

Table 7.2: UNDP livelihoods support to Koshi flood victims in 2009

Project	Support to flood victims
QIPSI (Sunsari and Saptari districts)	<ul style="list-style-type: none"> 7,484 individuals employed for 36,571 person days (18,455 days for men and 18,416 for females) and paid NR 22.7 million as cash for work to build 97 public works (roads, culverts and fish ponds) alongside food for the same work provided by the World Food Programme. 121 community infrastructures built or restored with QIPSI support through Sunsari and Saptari DDCs. The above two modalities built or restored 93 roads and culverts, 90 drinking water supplies, 16 fish ponds, 14 school buildings, 11 community halls, 11 irrigation facilities and 9 toilets. These 218 community infrastructures are benefiting 87,911 users.
KERP (Sunsari DDC)	<ul style="list-style-type: none"> 26 infrastructures built or rehabilitated giving employment to 1,056 flood victims and benefiting 13,689 users. 234 new homes started to be built for families whose homes had been destroyed. 640 flood survivors received income generating training including on bee keeping, poultry farming and off-seasonal vegetable farming.
MEDEP	<ul style="list-style-type: none"> 538 people trained on entrepreneurship, who subsequently went on to establish micro-enterprises.
CSUWN	<ul style="list-style-type: none"> 57 buffer zone user groups revitalized in the flood-affected West Kusaha, Haripur and Sreepur VDCs. 69 she-goats, 20 piglets, chickens and fruit tree saplings distributed and training provided on mushroom cultivation.

*Koshi flood early recovery coordination meeting*

Other emergency-related support In 2009 went to establishing and training district disaster response teams in nine Terai districts in partnership with the Nepal Red Cross Society.

In 2010

All three disaster projects are scheduled to end in late 2010/early 2011 as UNDP consolidates its support to this important sector into a single overarching project. In their last year:

*A community fish pond built under the cash for work programme*

- DRRN** will support the implementation of the national strategy by supporting policy and institutional development and will support the operationalisation of the National Emergency Operation Centre; and
- ERRP** will support its partner municipalities to enforce the building code, finish retrofitting the five public buildings, and finalise the guidelines it has supported.

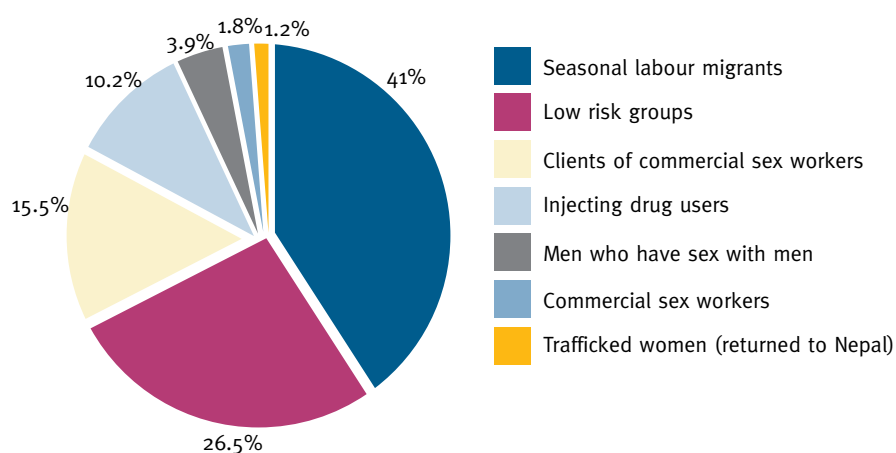
8. Halting and reversing the spread of HIV/AIDS

Most of the estimated 70,000 Nepalis who are HIV-positive are from the groups of people whose behaviour puts them most at risk of contracting the disease. While only an estimated 0.49% of all 15 to 49 year olds are HIV-positive, the prevalence is well over 5% amongst injecting drug users and over 1.5% amongst female sex workers, men who have sex with men and labour migrants. In terms of absolute numbers, Nepal's two million seasonal labour migrants account for the majority of HIV-positive people followed by the clients of sex workers and injecting drug users (Figure 8.1). Until now infection has mostly been transmitted by unprotected sex amongst these and other at-risk groups and via injecting drug use. Infection is becoming more common amongst the wives of men in the high risk categories.

UNDP's response

Since 2005 UNDP has played a key role in supporting the implementation of Nepal's National HIV/AIDS Programme that has put Nepal on track towards achieving MDG 6 of having halted by 2015 and begun to reverse the spread of HIV/AIDS. UNDP's HIV/AIDS programme management unit administers approximately 36% of all HIV monies in Nepal through the two programmes in Table 8.1. The \$9.8 million of expenditure in 2009 channelled through UNDP from the four sources (see Figure 8.2) accounted for 26% of UNDP's expenditure this year.

Figure 8.1 Estimated HIV infection in Nepal (NCASC 2007)



The overall \$29.2 million Support to the National Programme on HIV/AIDS programme continued throughout 2009 to roll out a comprehensive HIV/AIDS prevention and care programme for the most at-risk groups funded from the \$22.2 million that DFID has provided. At the start of 2009 a new programme was started with \$6.7 from Round 7 of the Global Fund to fight AIDS, Tuberculosis and Malaria to expand testing, care and treatment services and to strengthen the national capacity to respond to Nepal's concentrated HIV epidemic. Some lessons learned and challenges to rolling out these programmes are highlighted in Box 8.2.

Figure 8.2 Money channelled through UNDP for HIV programme in 2009

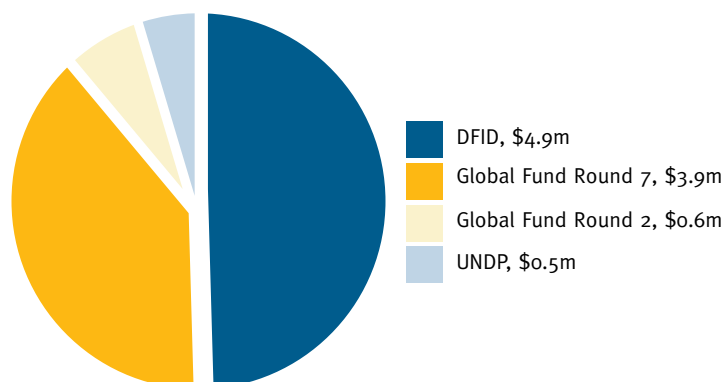


Table 8.1: UNDP support to HIV/AIDS in 2009

Project (implementor)	Duration — all phases (donors)	2009 expenditure	Overall status/focus
Support to the National Programme on HIV/AIDS	Feb 05–Dec 09 (UNDP)	\$5,951,586 (DFID, Global Fund [Round 2], UNDP, AusAID)	Rolling out a large HIV/AIDS prevention and care programme for most-at-risk populations through NGOs and supplying HIV drugs, equipment and supplies.
Scaling up Access to HIV Prevention, Treatment and Care	Jan 09–Nov 10 (UNDP)	\$3,876,078 (Global Fund [Round 7])	Expanding testing, care and treatment services and strengthening the national capacity to monitor and manage the response to HIV and AIDS.

In 2009 these two projects extended access to testing and treatment, provided a range of support to the most at-risk groups and strengthened the national system for responding to HIV/AIDS.

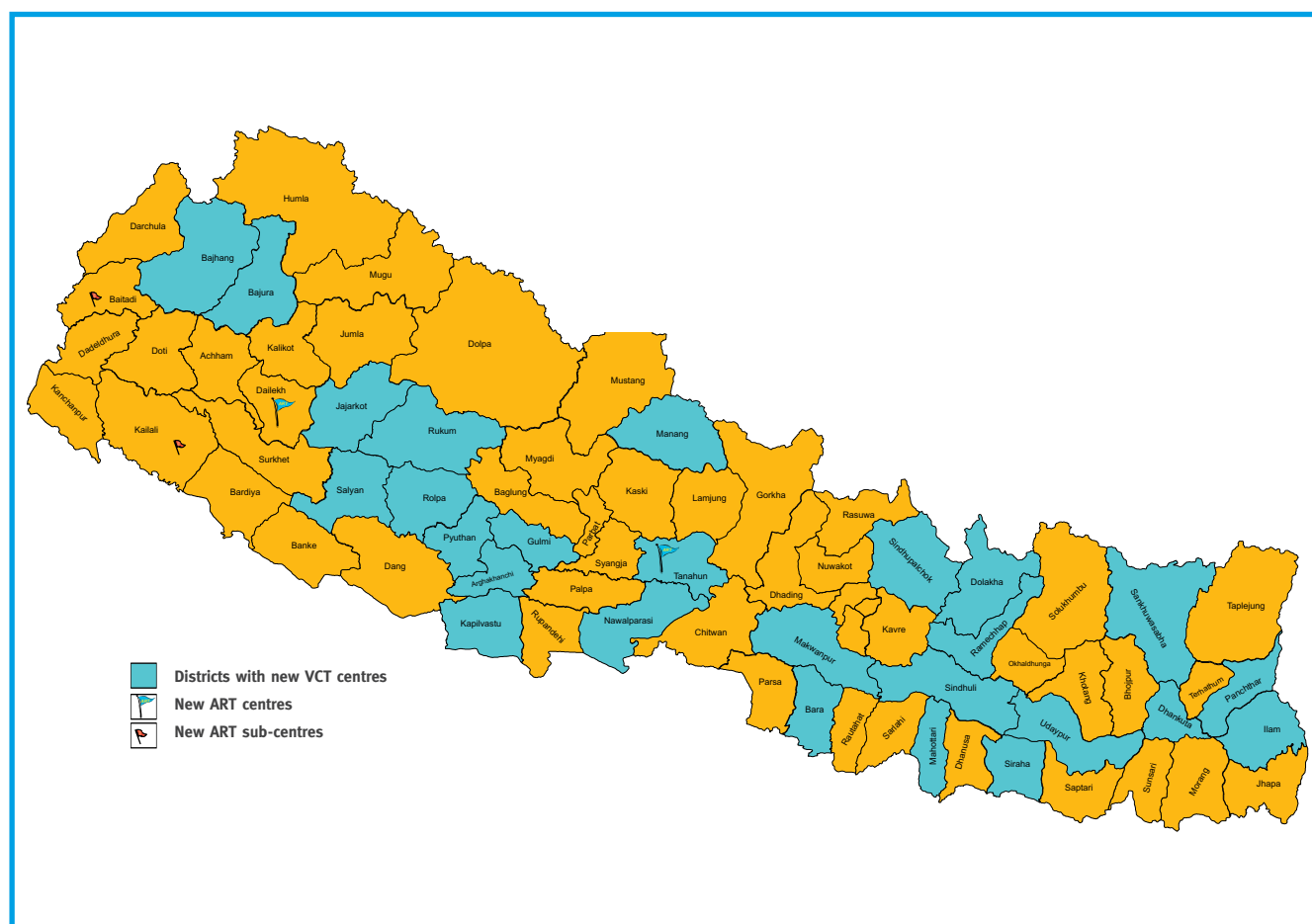
Expanded services

In 2009, Global Fund Round 7 HIV funding went to expand the availability of HIV testing and antiretroviral treatment, to procure supplies and to train ministry of health, NGO staff and volunteers. Twenty-six new centres were established in district hospitals and health posts and were equipped to test for HIV and treat sexually transmitted infections (STIs) (Figure 8.3). STIs increase the risk of HIV transmission 10-fold and many people who live with HIV suffer from them. These new centres have brought these services within reach of many new parts of the country and should lead to a decrease in STI-associated HIV transmission, the increased detection of HIV and STIs and better treatment of STIs and HIVs.

A street drama building awareness about HIV and violence against women (Bardiya)



FIGURE 8.3: New HIV voluntary counselling and testing centres and antiretroviral centres established in Nepal in 2009



The establishment of two new centres in district hospitals to provide anti-retroviral therapy brought to 23 the number of such centres nationwide. As of December 2009, 3,488 patients were receiving antiretroviral therapy through these centres, with the drugs procured by UNDP for the ministry of health with Global Fund funds. In addition sub-centres run by NGOs to provide this therapy were set up in Kailali and Baitadi districts.

The quality of services provided at these and other facilities that test and treat HIV and related infections depends on trained and knowledgeable staff. In 2009, 663 service providers from government and non-government facilities were trained on HIV/AIDS counselling, HIV testing, HIV programme management, and the clinical management of HIV, AIDS and related infections.

In 2009, over \$2 million of the \$6.7 million Global Fund Round 7 HIV (Phase 1) monies went on UNDP procuring equipment and medical commodities for the UNDP-managed projects and for the other two Principal Recipients of the Round 7 HIV grant, with four million condoms supplied to NGO partners, the Family Planning Association of Nepal and Save the Children US. Antiretroviral drugs, drugs to treat infections associated with HIV, HIV test kits and reagents were supplied to 25 antiretroviral centres and 116 testing centres nationwide. The two CD4 count machines supplied to district hospitals are enabling the tracking of HIV to show when individuals become eligible for antiretroviral therapy and to monitor the effectiveness of this therapy.

Reaching the most at-risk populations

In 2009 UNDP continued to roll out a comprehensive prevention and treatment programme for the three groups of people most at risk of contracting HIV plus all people living with HIV. In 2009 this DFID funded programme was implemented across 70 of Nepal's 75 districts by 50 NGOs and community based organizations leading to:

- 1,030,299 migrant workers and their family members receiving information, voluntary testing and counselling and treatment of sexually transmitted infections — 2.8 times more than was targeted for in 2009 (see more on this in Chapter 9 and Box 9.3);
- 26,677 men who have sex with men and male sex workers being reached as described in Box 8.1;
- 3,400 injecting drug users being reached by rehabilitation and harm reduction programmes — with the levels of infection dropping to 20.7% in the Kathmandu Valley in 2009 (it stood at 51.7% in 2005);
- 2,203 people living with HIV getting care and support in 26 community-based care homes; and
- 265 people living with HIV and injecting drug users trained and supported to establish micro-enterprises in partnership with UNDP's micro-enterprise development programme (MEDEP).

These achievements met:

- 465% of the national goal for rehabilitating injecting drug users;
- 60% of the goal for harm reduction amongst drug users; and
- 42% of the national outreach goal to men who have sex with men.

Strengthening the national system

Another important achievement was to improve the national blood supply system. In 2009 the programme supported all 56 of the Nepal Red Cross's blood banks to build up the skills of their staff, upgrade their equipment and run awareness building and blood drive campaigns resulting in 136,580 units of blood being collected and screened for HIV.

Box 8.1: Reducing HIV amongst men who have sex with men

Men who have sex with men (gays, bisexuals, transgenders and others — referred to in Nepal as the Third Gender) are stigmatised and discriminated against by Nepali society despite the passing of an anti-discrimination law in 2007. As such they have been very vulnerable to contracting HIV as they are rejected by society and their families, have little access to information and as a result are more likely to practice unsafe sexual behaviour.

In 2006, with funding from DFID, UNDP began to roll out the first HIV prevention programme for this group and a community sensitisation programme to explain about this group to the wider community. This support is being delivered in 16 districts by the Blue Diamond Society, which campaigns for the rights of lesbian, gay, bisexual, and transgender people in Nepal.

Since 2006 this comprehensive package has reached 125,758 men who have sex with men and in 2009, reached 26,677 new clients with behaviour change communication, condom and lubricant promotion and distribution, counselling and testing and the treatment of sexually transmitted infections. This work has centred on encouraging safer sexual practices through outreach and peer educators and street drama. The Blue Diamond Society has taken a proactive approach to reaching its clients by taking brochures and offers of support to the places where these men meet. In 2009, 2,973 men who have sex with men were tested for HIV and 1,479 treated for STIs.

This successful programme has led to a large increase in these men getting tested for HIV, with 3,484 tested in 2009, and a large increase in knowledge about HIV/AIDS — increasing from only 1.5% in 2004 to 44.5% in 2008 according to the Integrated Bio-Behavioral Survey.

A major objective of Round 7 HIV Global Fund funding is to strengthen the national agencies responsible for combating and monitoring HIV/AIDS. An important goal of the UNDP-managed support is to strengthen the National Centre for AIDS and STD Control (NCASC) so it can take over responsibilities for administering international assistance and implementing the national HIV programme. In late 2009 a capacity development plan was produced for NCASC that identified programmatic, financial, M&E, and procurement capacity gaps and articulated a strategy for overcoming them.

Box 8.2: Lessons learned and challenges for the HIV/AIDS response

- Long entrenched traditions and habits take time to change.
- Partnerships with NGOs are the most cost-effective way of raising awareness raising and creating demand of HIV/AIDS-related services, whilst the government health system is the best way of reaching the most people with testing, STI and antiretroviral services.
- New opportunities to make a decent livelihood enhance the quality of life of people living with HIV and motivate them to have a more positive outlook.
- Bureaucratic hurdles and frequent changes in leadership are the main challenges when working through government entities.

The programme also provided valuable support to NCASC to develop and upgrade treatment protocols, operating manuals and guidelines for the HIV/AIDS response. This saw the development of standard operating procedures for voluntary counselling and testing and for operating antiretroviral treatment sub-centres and the revision and updating of the national guidelines on managing STIs (taking account of STI screening needs for men who have sex with men), opportunistic infections and antiretroviral therapy.

Also in 2009 a web-based database was established at NCASC and the HIV/AIDS Control Board and a monitoring and evaluation training curriculum was developed for national health workers. The curriculum will be used to train health workers in 2010 with an important objective being to guide them on how to produce accurate data to put into the new database.

In 2010

The DFID supported project completed the second round of long term agreements with NGO partners to implement the comprehensive packages at the beginning of 2010. This will allow the comprehensive packages to regain full momentum in 2010 with additional activities planned to reach 1,000 prisoners in Nepal's jails.

The Global Fund Round 7 project will support the monitoring and evaluation training programme for national health workers and data entry into the database to provide more detailed, up-to-date and accessible information on HIV and AIDS for policy makers and planners. It will also train government health workers on HIV counselling, the management of STIs and support the implementation of the capacity development plan for NCASC to enable it to become the Principal Recipient of future Global Fund grants. The DFID project will help implement the plan's recommendations for civil society organisations.



A poster raising awareness about protecting street children from HIV

9. Gender equality and women's empowerment

Although there has been substantial progress in recent years, women still lag behind men on most of the development indicators (Table 9.1) and only have a limited role in decision making in many domains and especially in higher level positions. Nepal remains a largely male-dominated society especially in the more conservative parts of the country and amongst certain caste and religious groups. Gender-based violence and the lack of independent incomes have been a serious constraint on women's development.

Table 9.1: Gender related development indicators, 2006 (Nepal Human Development Report, 2009)

	Female	Male
Adult literacy	38.4%	69.7%
Mean years of schooling	2.5 years	4.1 years
Ratio of estimated female to male earned income	0.375	1
Proportion of professional and administrative jobs	29.4%	70.6%

UNDP recognises that gender equality and women's social, economic and political empowerment are essential for Nepal to progress towards meeting all the MDGs. It therefore requires all its programmes to strive to reach women and reduce gender inequalities and where appropriate advocates for gender equality to be mainstreamed into government policies.

From early 2009 UNDP Nepal has taken on board UNDP's 8 Point Agenda (8PA) as a blueprint for UNDP's action and advocacy on gender-responsive conflict-prevention and recovery. In 2009 UNDP-supported

projects have worked towards achieving all these outcomes — as listed under the following sub-headings.

In 2009 UNDP played a major role in supporting the involvement of women in decision making at all levels of governance from the writing of the new constitution to community user groups. It also helped counter gender based violence, gave women access to independent incomes and reduced the spread of HIV to the wives of migrant labourers.

Women's involvement in constitution building

8PA 4: Involving women in all peace processes

8PA 6: Promoting women as leaders of recovery

8PA 3: Advancing women as decision-makers

8PA 7: Including women's issues on the national agenda

8PA 8: Working together to transform society.

Although almost a third of the members of the Constituent Assembly are women, especially the first-timers were not sure how to make their voices heard in the constitution building process. In 2009, the

constitution building project (SPCBN) supported women assembly members to organize themselves across party lines, improve their negotiating skills (see Box 9.1) and engage in informed debate on women's issues and the new constitution.

Support provided to the women's caucus helped it become the main forum for cross-party dialogue by women members to build the minimum agenda for women's demands in the new constitution. In partnership with the International Institute for Democracy and Electoral Assistance, the project hired five national and three international experts who worked with the caucus to develop its knowledge and views on fundamental rights, electoral systems and quota provisions. Most of these sessions were followed by working sessions of the caucus. To complement these inputs the Centre for Constitutional Dialogue (CCD) organized four seminars on contentious constitutional issues related to women's rights including on citizenship, reproductive health and economic rights and hosted 19 interaction meetings and presentations by external experts on women's rights and gender issues.

Box 9.1: Strengthening the negotiating powers of women members of the Constituent Assembly

In May, SPCBN launched an initiative to strengthen the capacity of women Constituent Assembly members to negotiate and build a constructive consensus. Nine CCD staff were trained as trainers on 'communicating with authority'. Soon after, and at the request of the assembly's Capacity Building Committee, these trainers trained 52 assembly members, all of whom were women mostly from socially excluded groups. Afterwards the trainees came to the CCD for individual practice sessions.

Altogether, up to December 2009, 111 women and 20 men members took part in these courses to address the following four principal challenges to achieving a durable peace in Nepal:

- shifting from a zero-sum mindset to one that recognizes interdependence;
- rebuilding the trust between leaders, which had been shattered by conflict;
- strengthening communication and negotiation skills; and
- rebuilding a consensus on decision-making and organisation of power.

Promoting women decision makers

8PA 3: Advancing women as decision-makers

8PA 8: Working together to transform society

In 2009, almost all UNDP-supported projects promoted women's involvement in decision making in one way or another with the dual purpose of empowering women and ensuring that women's needs are addressed. Some examples follow:

- UNDP's Quick Impact for Peace Support Initiative (QIPSI) successfully promoted women's participation in planning and implementing the 1,077 small infrastructure projects it supported in 2009 by requiring at least one-third women's participation in user committees, and at least one woman bank signatory (out of the two required) for each infrastructure project. Across 18 of QIPSI's districts 43% of user committee members were women and 51% of cheque signatories were women.
- The UNDP-supported energy and environment projects directly promoted gender equality and women's empowerment through targeted interventions and by orientating project stakeholders on the importance of gender equality and social inclusion. A 2009 gender audit of the community organizations, user committees, functional groups, and activities of the rural energy project (REDP) found that the project had successfully promoted women's involvement at all levels of rural energy organisations and through project activities. The project prioritises women and vulnerable community groups for its skill enhancement and saving and credit activities with for example, 41% of all the energy-based enterprises associated with REDP being owned by women entrepreneurs. Also, men and women occupy an equal number of positions in the local organizations that manage electricity production for local use in the Khimti project (KiND).
- More than 33% of decision making positions in user groups associated with the wetlands project (CSUWN) and 45% of such positions associated with the Western Terai project (WTLCP) are occupied by women.

Many village women lack the confidence to get involved in decision making because of their limited literacy skills. In 2009 the Western Terai project (WTLCP) helped 800 women gain useful knowledge and skills on natural resource conservation and management through functional literacy courses on the subject of nature conservation.

Mainstreaming gender at the policy level

8PA 7: Including women's issues on the national agenda

At the policy level UNDP has played a large role in the important task of establishing a framework for mainstreaming gender and social inclusion in all aspects of local governance and all LGCDP's support. Two years of work by UNDP and its partners in this local governance project resulted in the official approval of the government's Gender Equality and Social Inclusion Strategy for local governance in 2009. This strategy is designed to increase the involvement of women, Dalits, Janajatis (ethnic groups), Muslims, Madhesi and other disadvantaged groups in local governance and in the receipt of benefits. In addition a Gender and Social Inclusion Section was established in the Ministry of Local Development, which will play a lead role in implementing this strategy.

Another important policy level initiative in 2009 was to train officials tasked with producing Nepal's National Adaptation Plan of Action to Climate Change (NAPA) on incorporating gender and social issues in the research they will carry out in 2010 to produce this plan.

Women's economic empowerment

8PA 8: Working together to transform society.

Nepali women have traditionally had few assets and only limited access to cash. Since it began UNDP's Micro-enterprise Development Programme (MEDEP) has helped thousands of poor rural women establish micro-enterprises such as the ones featured in Box 5.1. In 2009, 68% of the MEDEP trainees who went on to establish micro-enterprises (5,835 of the 8,457 trainees) were women. As well as this MEDEP provided technical skills training to 81 women living with HIV/AIDS and ex-injecting drug users who went on to establish 56 enterprises.

UNDP-supported projects also provided substantial employment opportunities to women in 2009 as:

- Half of the 36,571 person days of employment QIPSI provided for Koshi flood victims on local public works were carried out by women.
- About half of the beneficiaries of the livelihoods support provided by the Western Terai and the wetlands projects (WTLCP and CSUWN) were women, including 35 women from ultra-poor households of wetland dependant communities who were trained on mat weaving and bio-briquette production.
- The election project advocated for half of the 20,000 people who will be employed for nationwide voter registration in 2010 to be women. The project will closely monitor whether or not this happens.

Mainstreaming women's concerns in disaster risk reduction

8PA 5: Supporting women and men to build back better

It is women who often bear the brunt of disruptions caused by natural disasters. UNDP's disaster projects carried out the following work to ensure women's participation in disaster risk reduction:

Training Constituent Assembly members on the proper conduct of elections (ESP)



- The earthquake project (ERRRP) uses a gender-responsive and socially inclusive training curriculum, and applied the principle of inclusiveness to selecting trainers and learners to address the needs of the whole spectrum of society.
- The National Strategy for Disaster Risk Management in Nepal, which was supported by UNDP Nepal and approved in 2009, commits the main stakeholders to promote gender equality and social inclusion in all phases of disaster risk management from preparedness to mitigation and emergency response, and to account for the differing needs by sex, social group and disability status.
- At the community level, UNDP's efforts have contributed to the active participation of women and marginalized social groups in capacity building efforts — a point of departure from earlier approaches that mobilized women through male heads of households.
- Leading on from the previous year's gender mainstreaming training course in disaster risk reduction (UNDP supported), the Nepal Gender in DRR Network was established in 2009 and began sharing information among its members.

Curbing gender based violence

8PA 1: Stopping violence against women
8PA 2: Providing justice and security for women

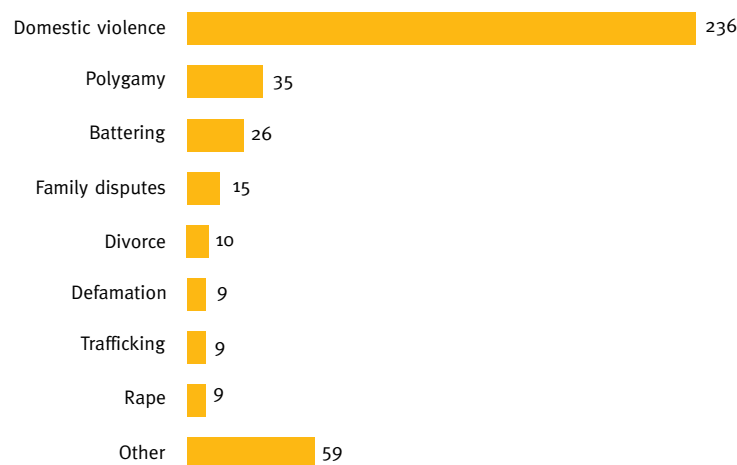
Until recently the many women who suffered violence from their husbands and relatives had nowhere to turn for help. In 2009 UNDP's access to justice project (A2J) helped establish mechanisms that give such women access to justice:

- In May 2009 the project supported Morang, Kathmandu, Kaski and Banke district police offices to set up legal aid desks for victims of gender-based violence. In their first few months these desks provided legal counselling to 408 victims (see Figure 9.1) and helped victims file 168 complaints and first information reports with the police. The project also produced televised public service announcements against gender based violence and distributed a leaflet with key messages on the Anti-domestic Violence Act, 2009.
- The project supported the setting up of paralegal committees by local NGOs in 70 VDCs of Morang,

Siraha, Dhanusha, Bara, Banke, Kailali and Doti districts to handle gender-based violence and family dispute cases. These committees of legally aware women are providing legal aid to needy cases, educating local people about legal and human rights and mediating in minor disputes. The 910 paralegal committee members were trained through a legal literacy programme on counselling, mediation and referral. They in turn educated 2,100 local community leaders on gender-based violence and rights. These committees and the 20 community mediation committees established by the project are helping cases such as those in Box 9.2. Alongside this initiative the project trained 20 young women lawyers to provide legal aid to victims of gender based violence.

Progress was also made on making the formal courts more sensitive to gender issues as 184 district court staff and 200 judges and lawyers (30% women) and staff from the Attorney General's Office were trained on gender-based violence and gender justice.

Figure 9.1 Number of counselling sessions provided to victims of gender-based violence by legal aid desks, May-December 2009



Box 9.2: Two women benefit from mediation

A community mediation session underway (Dang district)

The following two cases show how paralegal and mediation committees are providing women and disadvantaged people with a quick and convenient way of solving disputes.

Suntali Chaudari, of Bara District had long suffered domestic violence. Her husband beat her as she could not get pregnant. Her predicament worsened after her husband took a second wife and stopped providing her with adequate food and clothes. The neighbours did not intervene as they saw it as a family matter. She was poor and uneducated and felt helpless.

In 2009 a paralegal committee was established in her locality and she reported her case to the committee. It called Suntali and her husband and after a series of meetings her husband agreed to stop beating her and to provide her with adequate food and her living costs. This case is being monitored by the committee: the husband is behaving and Suntali is living with dignity and without fear.

A young woman of Udayapur was being victimised by a young male lawyer. The dispute was disturbing the peace, causing distress to the woman and causing local people to doubt the reputation of the women. This all led to the women collapsing in the street from stress. Her family took her to hospital where she recovered.

The next day, the women filed a case with her local mediation committee claiming compensation from the lawyer. In December 2009 the two parties were called before the committee. They were both angry, but the mediators acted tactfully and got them to explain their points of view. After hearing the women, the lawyer saw his mistaken ways, apologised and agreed to foot her medical expenses. She forgave him. The successful handling of this case overcame the women's difficulties and restored the peace.

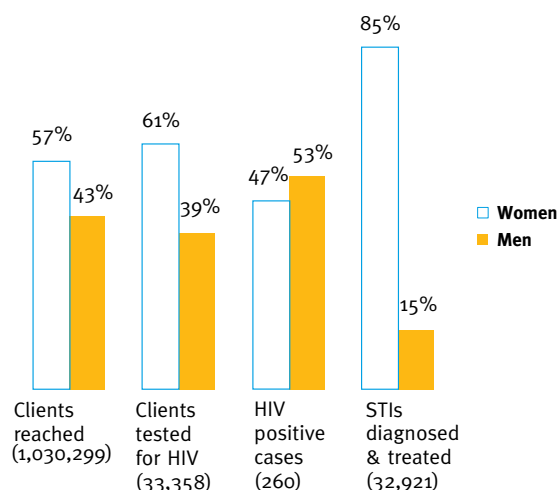
HIV counselling and treatment for migrant labourers and their wives

8PA 2: Providing justice and security for women

Probably the main risk of HIV spreading into the general population in Nepal is via the two million Nepalis who work in India and return home to their families about once a year. These migrant labourers are particularly vulnerable because of the poverty that forces them to seek work in India and their generally low level of education. In 2009, over one million migrants and their families were reached with tailored HIV messages through peer educators, outreach activities and information centres, exceeding the project's target more than 2.8 times.

This programme is reaching and testing considerably more women than men and is treating more women for sexually transmitted infections (Figure 9.2). This is probably because so many men are abroad. However, a higher proportion of men than women were found to be HIV positive. This pattern demonstrates the risk of HIV being spread into the general population by migrant labourers who contract the disease abroad through unsafe sexual practices. Note that almost all of the women in this dataset are the wives of migrant labourers and almost all the men are either already working abroad or intend to do so. The impact of counselling migrant workers' wives is shown in Box 9.3.

Figure 9.2 Proportion of men and women reached by comprehensive package for migrants



Box 9.3: The importance of counselling the wives of migrants

Support from UNDP, DFID and the Global Fund is making HIV testing more widely available. As the following case shows a crucial part of this service is to counsel HIV-positive men and their wives so they can accept the diagnosis and continue with their lives.

Sunil (name changed) was undergoing rehabilitation for his injecting drug habit at the Addiction Recovery Centre in Jhapa district. However, in the second half of 2009 he found he was HIV-positive. His wife came to the centre and told of her distress and said she was going to leave him. The centre was very concerned that such a separation could lead to Sunil going back to injecting drugs with the danger of this leading to him spreading HIV by sharing needles.

But the centre saw the chance to influence Sunil's wife as she had come voluntarily to express her feelings. The counsellors talked with her and answered her questions. In the meantime her husband was depressed and was confused about how to discuss his condition with his wife. However, the counselling led his wife to change her mind and she was ready to stay with him. She told him that she would be by his side when he needed her. The counselling had thus successfully convinced Sunil to continue with his drug rehabilitation and the wife to take the bold decision to support her husband. Now the couple are living together helping each other to cope with living with HIV.

In 2010

- From 2010 UNDP Nepal plans to dedicate 15% of the funds coming from UNDP's Bureau of Crisis Prevention and Recovery (BCPR) money for its conflict prevention and recovery projects (APPN, KERP, LRP, DRRN and A2J) to promote gender equality.
- The extent to which all UNDP-supported projects target gender equality will be more closely monitored.
- UNDP Nepal's Gender Equality and Social Inclusion Policy will be finalised to provide a more context specific guide for this work.

10. Resources and partnerships

Expenditure trends

In 2009 UNDP supported 35 projects with close to 50% of these projects being managed directly by UNDP. In 2009 these projects spent a total of \$36,038,326, a 39% increase on the previous year's expenditure of \$25,944,598 (see Figure 1.1 for 2008/2009 increases). The highest proportion of expenditure went on the four peacebuilding projects (Figure 10.1) with the constitution building project alone accounting for 19% of all expenditure. Figure 1.1 shows 2009 expenditure

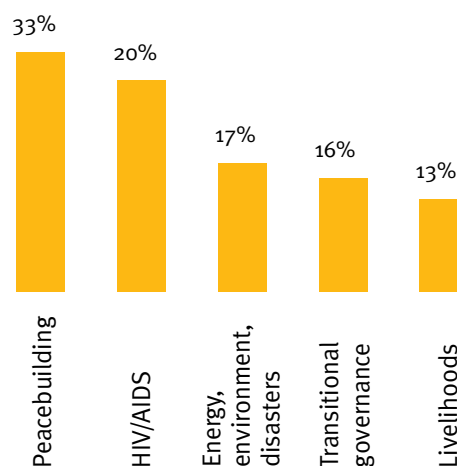
In 2009 administrative and central management costs accounted for only 7.5% of this expenditure. This large decrease from the previous year's 11.1% was due to UNDP being able to manage the larger programme with pretty much the same administrative resources.

Funding sources and partnerships

Of the \$36 million spent in 2009 an almost equal proportion came from UNDP sources and bilateral/multilateral agencies (see Figure 1.2 in Chapter 1). The main donor partner was DFID, which funded 17% of programme expenditure. The donor partners are shown by thematic area in Table 10.1.

In 2009 new funding partnerships were entered into with Finland and the British Embassy to fund the human rights project (\$602,410 and \$331,675), with the Asian Development Bank to fund the public-private partnerships project (\$381,100) and with JICA to fund the election project (\$94,215). Important new funding was provided from existing partnerships including from DFID (\$1 million for constitution building, \$240,000 for aid management and \$160,000 for the trade project),

Figure 10.1 UNDP 2009 expenditure



Denmark (\$2.6 million for constitution building) and \$3.6 million from AusAID for the micro-enterprise project.

UNDP Nepal worked with alliances of other major donors to produce a donor compact on climate change with the Government of Nepal (see Chapter 6) and flagship programmes for disaster risk reduction (see Chapter 7).

UNDP Nepal began several important new partnerships with other United Nations agencies, which are promoting more harmonisation and coherence within the UN. A major new strategic partnership began with UNDP's Bureau of Crisis Prevention and Recovery in September. The bureau and UNDP Nepal signed a \$64 million partnership framework to promote gender

equality, access to justice, conflict reduction, risk reduction, recovery and peacebuilding efforts. In 2009 BCPR provided \$4.7 million of funding for the new livelihoods recovery for peace initiative (LRP), \$1.6 million for improving access to justice (A2J) and \$0.5 million for Koshi early recovery plus additional funding

for constitution building and disaster risk reduction. Major new partnerships also began with UNICEF, UNFPA, UNCDF, UNV and UNIFEM to support local governance in Nepal (Joint Programme for LGCDP) and with FAO to mitigate the effects of climate change on food production (ECCCA).

Table 10.1: UNDP's donor and implementing partners in 2009

Thematic area	Partners
Peacebuilding	Government of Nepal, The Constituent Assembly, Denmark, DFID, UNPFN, British Embassy, Norway, Austria
Transitional democratic governance	Government of Nepal, local bodies, NHRC, the Supreme Court, Election Commission Nepal, user groups, Norway, DFID, Finland, ADB, British Embassy, Danida, DGTTF, UNCDF, Netherlands, JICA, NPC, SDC, SNV, UNFPA, Unicef, UNV, UNIFEM
Livelihoods	Government of Nepal, AusAID, DFID, HPL, IFTF, ILO, NRB, UNCDF, Finland
Energy and Environment	Government of Nepal, The World Bank, user groups, Denmark, DFID, FAO, GEF, HPL
Reducing risks from natural hazards	Government of Nepal, AusAID, European Commission, Japan, OCHA
Slowing the spread of HIV/AIDS	Government of Nepal, DFID, the Global Fund, AusAID

United Nations Volunteers

The United Nations Volunteers (UNVs) have provided operational and programmatic support to UN agencies in Nepal since 1974. In 2009 UNV continued to manage volunteers for Nepal and to administer the sending of Nepali volunteers abroad to serve in other countries. The UNV programme had 62 volunteers working in Nepal in six UN agencies (UNHCR, OHCHR, UNDP, UNFPA, UNICEF and FAO). In UNDP, two UNVs worked on peacebuilding and one each on environmental, disaster management and HIV/AIDS prevention projects. Meanwhile, 31 Nepali nationals served as international UNV volunteers in Afghanistan, Timor Leste, Cote D'Ivoire, DR Congo, Liberia, Sudan, Chad, Tanzania, Uganda and Haiti.

During this year preparatory work was completed to place 125 new female volunteers on two UNDP

supported projects in Nepal. UNV joined with UNDP and four other UN agencies to launch the new UN Joint Programme to support the government to implement its major new local governance programme — LGCDP. UNV's role in this joint programme is to support the government's National Development Volunteer Service (NDVS) to place national volunteers in 48 DDCs and 52 municipalities. These volunteers will work with the local bodies, citizens, communities and marginalized groups to make local bodies more accountable for providing quality services on time.

UNV also agreed to provide 25 Nepali female volunteers to UNDP's Public Private Partnership for Urban Environment project (PPPUE) with funding from the Asian Development Bank and AusAID. These UNVs will be trained and placed in DDCs and municipalities to enhance service delivery and small-scale private sector participation in delivering services.

Annex 1

UNDP supported projects and programmes, 2009

Programme/project	Implemented by	Duration (all phases)	Funding committed/contributed (current phase)	Contributed/committed		2009 expenditure
				Donor(s)	US\$	
Peace building						
1 Support to Participatory Constitution Building in Nepal (SPCBN)	UNDP	May 08–Dec 10	\$10,983,682	UNDP Denmark DFID British Embassy Norway UNDP BCPR Austria	\$3,318,098 \$2,600,000 \$2,697,805 \$1,005,748 \$746,667 \$336,424 \$278,940	\$7,177,706
2 Crisis Prevention and Recovery Support to Nepal (CPRSN)	UNDP	May 08–Aug 10	\$1,381,000	UNDP BCPR UNDP	\$1,320,000 \$61,000	\$854,875
3 Assistance to the Peace Process in Nepal (APPN)	UNDP	Jan 07–Aug 10	\$7,301,484	UNPFN UNDP DFID UNDP BCPR Norway	\$5,040,185 \$1,214,071 \$792,118 \$177,737 \$77,373	\$3,167,388
Transitional governance						
4 Strengthening Planning and Monitoring Capacity of NPC (SPMCNPC)	NPC	Oct 09-Sep 12	\$348,841	UNDP	\$348,841	\$104,526
5 Strengthening the Capacity of National Human Rights Commission (SCNHRC)	NHRC	Aug 09-Dec 11	\$1,949,040	Finland Danida British Embassy SDC UNDP	\$602,410 \$393,700 \$331,675 \$461,255 \$160,000	\$18,129
6 UN Joint Programme for the Local Governance and Community Development Programme (LGCDP)	MoLD	Apr 09-Dec 11	\$30,879,158	UNDP UNV UNICEF UNFPA UNCDF UNIFEM	\$4,700,000 \$510,000 (\$13,900,000) (\$9,159,658) (\$2,250,000) (\$359,500)	\$219,282
7 Developing Capacities for Effective Aid Management and Coordination (Aid)	MoF	Jan 09–Dec 11	\$722,892	UNDP DFID	\$482,892 \$240,000	\$95,191
8 Institutional Strengthening and Professional Development Support for the Election Commission of Nepal (ESP)	UNDP	Aug 08–Jul 11	\$2,848,952	DFID UNDP JICA	\$1,454,737 \$1,300,000 \$94,215	\$691,709
9 Enhancing Access to Justice for Consolidation of Peace in Nepal (A2J)	The Supreme Court	Aug 08–Dec 10	\$2,800,000	UNDP BCPR UNDP	\$1,600,000 \$1,200,000	\$591,208
10 Assessment of VDC Block Grants in Nepal (AVDC)	UNDP	Feb 08–Dec 09	\$190,000	DGTTF	\$190,000	\$138,926
11 Quick Impact for Peace Support Initiative (QIPSI) Phase 2	UNDP	Oct 07–Jul 10	Within DLGSP budget		na	
12 Localization of MDGs in District Planning and Monitoring (LMDG)	MoLD	Jul 07–Dec 09	\$194,818	SNV UNDP	\$169,300 \$25,518	\$91,049

Programme/project	Implemented by	Duration (all phases)	Funding committed/contributed (current phase)	Contributed/committed		2009 expenditure
				Donor(s)	US\$	
13 Support for Human Development Initiatives (SHDI)	UNDP	Aug 06–Dec 09	\$530,724	UNDP	\$530,724	\$94,288
14 Decentralized Local Governance Support Programme (DLGSP)	MoLD	Apr 04–Mar 10	\$22,237,175	UNDP Norway	\$11,706,954 \$10,530,221	\$2,752,623
15 Public Private Partnership for Urban Environment (PPPUE) Phase 2	MoLD	Mar 02–Dec 12	\$2,847,716	UNDP ADB Netherlands UNOPS	\$2,291,616 \$381,100 \$150,000 \$25,000	\$429,473
Livelihoods						
16 Livelihood Recovery for Peace Programme (LRP)	UNDP	Aug 09–Dec 14	\$9,167,000	UNDP BCPR UNDP	\$4,667,000 \$4,500,000	\$253,389
17 Enhancing Access to Financial Services (EAFS)	NRB	Nov 08–Dec 12	\$3,000,000	UNDP UNCDF	\$1,500,000 (\$1,500,000)	\$70,113
18 Support to Nepal Labour Force Survey (SNLFS)	ILO	May 08–May 10	\$230,000	UNDP ILO	\$200,000 (\$30,000)	\$151,583
19 Enhancing Nepal's Trade Related Capacity (ENTRE)	MoCS	Jun 06–Apr 10	\$1,211,389	UNDP IFTF DFID Finland	\$581,105 \$420,000 \$160,000 \$50,284	\$354,409
20 Micro Enterprise Development Programme (MEDEP) Phase 3	Mol	1998–Dec 10	\$9,383,983	UNDP AusAID HPL	\$5,500,000 \$3,583,983 \$300,000	\$3,455,226
Energy and environment						
21 Enhancing Capacities for Climate Change Adaptation and Disaster Risk Management (ECCCA)	MoAC/FAO	Sep 09–Aug 11	\$722,555	FAO UNDP	(\$470,000) \$252,555	\$209,186
22 National Adaptation Programme of Action to Climate Change (NAPA)	MoEST	Nov 08–Nov 10	\$1,325,000	DFID Denmark GEF UNDP	\$875,000 \$200,000 \$200,000 \$50,000	\$328,201
23 Terminal Phase-out Management Plan (TPMP)	NBSM/MoICS	Sep 08–Dec 10	\$75,000	Montreal Protocol	\$75,000	\$733
24 Khimti Neighbourhood Development Project (KIND)	AEPC	Jul 07–Dec 10	\$3,559,319	HPL UNDP	\$3,359,319 \$200,000	\$1,850,961
25 Conservation and Sustainable Use of Wetlands (CSUWN)	MoFSC	Mar 07–Feb 12	\$2,498,457	GEF UNDP	\$1,964,895 \$533,562	\$353,223
26 Western Terai Landscape Complex Project (WTLCP)	MoFSC	Aug 05–Dec 12	\$5,044,017	GEF	\$3,312,278	\$614,286
27 Refrigerant Management and Environment for Sustainable Development (RMESD)	UNDP	Jan 06–Dec 09	\$57,495	Montreal Protocol	\$57,495	\$37,291
28 Rural Energy Development Programme (REDP) Phase 3	MoEST	Sep 96–Dec 10	\$3,325,399	UNDP	\$3,325,399	\$1,126,988
29 GEF Small Grants Programme (SGP) Phase 3	UNOPS	1996–Jun 14	\$4,200,000	GEF	(\$4,200,000)	(\$575,577)

Programme/project	Implemented by	Duration (all phases)	Funding committed/contributed (current phase)	Contributed/committed		2009 expenditure
				Donor(s)	US\$	
Disaster risk reduction						
30 Koshi Early Recovery Project (KERP)	UNDP	Sep 09 –Dec 10	\$750,000	UNDP BCPR UNDP	\$500,000 \$250,000	\$363,922
31 Glacial Lake Outburst Flood (GLOF) Risk Reduction for the Himalayas	UNDP	Mar 08–Feb 09	Regional project	EC	na	na
32 Earthquake Risk Reduction and Recovery Preparedness Programme (ERRRP)	MoPPW	Oct 08-Dec 10	\$893,367	Japan UNDP	\$604,842 \$288,525	\$304,945
33 Disaster Risk Reduction in Nepal (DRRN)	UNDP	Feb 08-Dec 10	\$1,248,730	UNDP AusAID EC UNDP BCPR OCHA	\$421,207 \$381,680 \$297,343 \$100,000 \$48,500	\$849,468
HIV/AIDS						
34 Scaling up Access to HIV Prevention, Treatment and Care (SAHPTC)	UNDP	Jan 09–Nov 10	\$6,734,717	Global Fund UNDP	\$6,734,717	\$3,876,078
35 Support to the National Programme on HIV/AIDS (SNPHA)	UNDP	Feb 05–Mar 11	\$29,183,229	DFID Global Fund UNDP AusAID	\$22,201,562 \$5,580,867 \$1,330,000 \$70,800	\$5,951,586
Other						
Implementation Support to CPAP	UNDP		\$1,056,535	UNDP UNCDF	\$916,535 (\$140,000)	\$297,860
Total						
Totals (through UNDP only)			\$139,870,156		\$139,870,156	\$36,875,818

Note 1: Donors are listed in order of size of contribution

Note 2: The figures in brackets do not come through UNDP and are not included in the totals in the bottom row.

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