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Draft country programme document for Nepal (2008-2010)

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I. Situation analysis

1. The country programme for Nepal (2008-2010) builds on the United Nations Development Assistance Framework (UNDAF) and the Interim Plan for Nepal (July 2007-July 2010). The programme was prepared in consultation with the Government, civil society organizations, United Nations organizations and other development partners, and appraised at a joint strategy meeting.

2. The signing of a comprehensive peace agreement in November 2006 by the Government of Nepal and the Communist Party of Nepal (Maoist) marked a historic step in ending the ten-year conflict. The Security Council, under Resolution 1740 of 23 January 2007, established the United Nations Mission in Nepal (UNMIN) to support the peace process through the monitoring of arms, armed personnel and the ceasefire, and to provide technical support for the elections to the Constituent Assembly.

3. At the root of this conflict is inequity in the legal, economic and social spheres, holding back the prospects of a large proportion of Nepalese females, Dalits, Janajatis, Madhesis and religious minorities. The failure to deliver basic services and ensure security, along with increasing unemployment, fuelled the frustration of the rural poor, especially youth, and provided a fertile breeding ground for the conflict. The Madhesi crisis highlights the urgent need for greater and more systematic efforts to engage people in the peace-building process. If mechanisms for public information sharing, consultation and engagement are not created, and people do not reap the dividends of peace, there is considerable potential for widespread unrest and a resumption of violence, putting the entire peace process at risk.

4. The Millennium Development Goals (MDGs) Progress Report 2005 for Nepal indicates that while the country is likely to meet some of the goals, it is unlikely to achieve universal primary education or to halt and reverse the spread of HIV/AIDS. Gender inequality continues to be a major obstacle to development. Even amongst women, most of the development gains have gone to those from the dominant caste and ethnic groups. Although the incidence of poverty in Nepal decreased from 42 per cent in 1995-96 to 31 per cent in 2003-04, inequality as measured by the Gini coefficient increased from 34 per cent to 41 per cent. Therefore, the main challenge for overcoming poverty and meeting the MDGs is to promote inclusive, sustainable economic growth. The environmental sustainability target can be met with a scaling-up of efforts; however, there is a risk that the focus on peacebuilding will detract attention from longer-term environmental issues. Natural resources remain under extreme pressure, and the country is prone to natural hazards which can slow down development gains.

II. Past cooperation and lessons learned

5. The objective of the second country cooperation framework (CCF) for Nepal (2002-2006) was to contribute to the national poverty reduction goals, and focused on four programme areas: pro-poor policies and programmes, democratic governance, environment and energy, and overcoming gender gaps. To make the CCF conflict-sensitive, in 2004 UNDP undertook a repositioning exercise to give greater programme emphasis to conflict mitigation and reaching the most disadvantaged, focussing on community-led initiatives.

6. Outcome and project evaluations, assessments and reviews, indicate that flexibility and repositioning by UNDP have ensured that contributions have been made to the process of development, transcending the difficult context. UNDP built capacity for pro-poor policy design, strengthening Government ownership of the MDGs and initiating debates on the Nepal Human Development Report 2004 with

respect to *empowerment and poverty reduction*. Social mobilization programmes have helped the poor to form self-help groups, which can serve as building blocks for present and future interventions. Micro-enterprise development has led to the creation of more than 100,000 new entrepreneurs and service providers, bringing development opportunities to disadvantaged women, Dalits and Janajatis. UNDP has successfully piloted innovative approaches for sustainable, people-centred development, with notable achievements in rural electrification and the promulgation of a rural energy policy. It has also implemented activities of the National Plan for HIV/AIDS funded by the Global Fund for AIDS, Tuberculosis and Malaria (GFATM) and DFID, achieving seventeen out of nineteen targets for GFATM core indicators in 2006.

7. Despite these successes, many challenges remain. Reviews undertaken conclude that social mobilization programmes should focus on remote areas, and must be complemented by livelihood components which meet the needs of the poorest of the poor. Linkages between livelihoods and the environment need strengthening, and environmental issues need to be further mainstreamed in development planning.

8. Lessons learned indicate that the new country programme should seek to build greater synergies between projects, thematically and geographically. Special attention should be paid to designing gender and social-inclusion sensitive monitoring and evaluation frameworks, and capacity development strategies that are needs-based and properly targeted with well-planned exit strategies.

III. Proposed programme

9. The proposed country programme builds on the UNDAF 2008-2010 and the national interim development plan, 2007-2010, and will focus on four results areas. Within the overarching framework of the peacebuilding effort, the programme seeks to strengthen national and local governance capacity to address the root causes of poverty and conflict, promote gender equality and social inclusion, and effectively coordinate and implement development programmes. UNDP will concentrate its efforts for greater impact in the most remote, poor, and/or conflict-affected areas of the mid- and far-western development regions and the Terai, where its rights-based interventions will be targeted towards the disadvantaged and vulnerable groups. Area-based approaches will reinforce recovery-related interventions. The programme will seek opportunities for joint programming with other United Nations organizations and engage in joint planning and monitoring of development activities in selected districts. Given the evolving political context, the programme implementation strategy will be flexible for UNDP to adapt and address emerging needs through an iterative review process, and in consultation with UNMIN, the Government and donor partners.

10. *Peace building, recovery and reintegration*. The programme will contribute to the first outcome of the UNDAF and will operate within the joint strategic framework of UNMIN and the United Nations country team for supporting peace. The programme will strengthen Government capacity to implement the comprehensive peace agreement which envisages the election of a constituent assembly as the foundation for a more inclusive democratic system. It will help develop the capacities of Constituent Assembly delegates, technical experts, and of civil society organizations to participate meaningfully in drafting the new constitution. It will also extend support to the Election Commission to conduct free and fair elections, in collaboration with and beyond the UNMIN short-term assistance to the Constituent Assembly elections.

11. In addition, the programme will support national efforts to establish appropriate institutions, structures and mechanisms to support the comprehensive peace agreement. The programme will support development of a Government-led inclusive

recovery and reintegration programme in close partnership with the United Nations system and key donors. The programme will build on UNDP experience in livelihoods and local governance to develop short-term interventions that extend peace dividends to previously excluded communities, and will provide employment opportunities to ex-combatants.

12. *Transitional governance.* The programme will support the decentralization agenda of the Government, focusing on the supply and demand sides of local service-delivery mechanisms, with special emphasis on addressing the needs of the poor, women and the excluded. It will build on the work of the previous programme to increase the capacity of the national and local governments to mobilize and manage resources, conduct participatory planning and deliver basic services in an inclusive, equitable manner. In partnership with United Nations Capital Development Fund the United Nations Children's Fund (UNICEF), the United Nations Volunteers programme, UNFPA and other bilateral and multilateral organizations, the programme will deepen social mobilization and work with targeted community organizations to ensure their participation in planning and managing basic services. UNDP will support the expansion of service-delivery mechanisms by fostering public-private partnership initiatives. To strengthen aid coordination mechanisms, the programme will support aid harmonization and alignment with national priorities and procedures, in accordance with the Paris Declaration. The newly established Government and United Nations Peace Trust Funds will be used as entry points to further strengthen aid coordination.

13. The programme will support responsive, accessible justice systems to promote gender equality, social inclusion and the rule of law. It will explore joint activities with the Office of the High Commissioner for Human Rights on human rights, with UNICEF on juvenile justice, and with the United Nations Office on Drugs and Crime on criminal justice. The capacity of the judiciary and the Nepal Bar Association will be strengthened. Interventions will include drafting of new legislation and supporting enactment in accordance with the treaty obligations of Nepal, the interim constitution and international human rights standards. Alternative dispute resolution mechanisms and provision of legal aid, especially for women and excluded groups, will be expanded. The capacity of Parliament and political parties will be strengthened in respect of legislative and oversight functions. UNDP will promote women's participation in political processes and civil service, and will assist in strengthening National Human Rights Commission to promote and protect human rights.

14. UNDP will develop an integrated package of MDG initiatives to support MDG-based development strategies, aligned to the interim plan. This will include localization of the MDGs in six districts for effective, equitable local service delivery. The programme will support the National Planning Commission for gender and MDG-sensitive policy analysis, programming, budgeting and monitoring.

15. *Inclusive growth and sustainable livelihoods.* The programme will consider area-based approaches focusing on small infrastructures and technologies to enhance the livelihoods of poor people, particularly youth and disadvantaged groups. Employment opportunities will be created through the promotion of micro and small enterprises and the expansion of financial services in rural areas.

16. UNDP will strengthen national capacity for coordination of the AIDS response, and increase participation of civil society and people living with HIV/AIDS in the design and implementation of AIDS programmes, while also identifying economic opportunities. In coordination with UNAIDS, the programme will work towards, and advocate for, an effective multi-sectoral national entity able to plan, coordinate and respond to the challenges of HIV/AIDS in Nepal.

17. *Energy, environment and disaster management.* The programme will promote the mainstreaming of environment and energy into national and local development

planning, focusing on gender, social inclusion, and post-conflict environmental rehabilitation. A conservation policy will be developed to guide the management of national forests, protected areas, agriculture and other development interventions. Appropriate mechanisms for integrated water management planning will be developed. Green accounting will be introduced at the national level, and concerted advocacy and awareness campaigns will seek to mainstream climate change adaptation in national plans.

18. At the local level, the programme will support the establishment of energy and environment units within District Development Committees, allocating funds for cleaner energy, environmental conservation, and environmentally friendly infrastructure. Access by the poor and socially excluded to clean energy for cooking, lighting and powering locally-run enterprises will be increased. The programme will focus on disaster risk reduction, enhancing the capacity of key line ministries and local bodies to mainstream disaster risk management and initiate early recovery preparedness planning.

IV. Programme management, monitoring and evaluation

19. As the government coordinating agency, the Ministry of Finance will head the country programme board, which will guide the implementation of the programme. Cross-sectoral linkages will be ensured through outcome boards. Implementation guidelines will be revised in line with the results management guidelines, to support national ownership and accountability. UNDP and the Government will exercise flexibility in implementing sensitive activities critical for the peace process.

20. The programme will collaborate with other United Nations organizations for joint planning, activities, monitoring and evaluation to achieve UNDAF outcomes, and with UNMIN, particularly in the peace-building, recovery and reintegration efforts. The monitoring and evaluation framework will include, wherever possible, data disaggregated by sex and caste/ethnicity. Partnerships with civil society, the private sector, and South-South cooperation in the areas of trade, energy and environmental management, will be explored. Exchanges of best practices will be undertaken with other UNDP country offices through the Mutual Support Initiatives, particularly in the area of peace building and recovery.

21. UNDP programme implementation will adhere to the United Nations Basic Operating Guidelines, designed to protect the interests of the conflict-affected population and the safety and security of United Nations, donor and non-governmental organization staff.

22. The total resource requirement of the country programme is estimated at \$94 million. Of this one third will be available through UNDP regular funds, and the remaining amount will be mobilized from United Nations trust funds, such as Global Environment Facility, GFATM and other donor partners.

Annex. Results and resources framework for Nepal (2008-2010)

Programme component	Programme outcomes	Programme outputs	Output indicators, baselines and targets (Baseline in italics; no targets)	Role of partners*	Resources by goal \$'000*
National priority or goal: Peacebuilding					
UNDAF outcome: Consolidating Peace: National institutions, processes and initiatives strengthened to consolidate peace					
Peace - building, recovery and reintegration	1.1 Increased access to, and participation in, constitution building and free and fair electoral processes	1.1.1 Capacities of Constituent Assembly (CA) delegates, technical experts, and a broad spectrum of civil society organizations, developed to participate meaningfully in the development of a new constitution	1.1.1a Number of CA delegates trained on constitutional issues <i>1.1.1a CA not yet elected</i>	Government: MoPR, High Level Commissions, and Election Commissions; CA; Others: NHRC, IDEA, NCARD, COCAS, BBCWST, NEFIN	Regular: 1,500 Other: 3,500
		1.1.2 Capacity of Election Commission strengthened to conduct free and fair elections	1.1.2a No. of election polling and counting officials trained and BRIDGE certified <i>1.1.2a: Not available</i>		
	1.2 Programmes, strategies, policies and systems that promote post conflict recovery	1.2.1 Relevant national and local bodies have capacity and mechanisms in place to support the implementation of the CPA	1.2.1 Capacity development strategy formulated for Ministry of Peace & Reconstruction <i>1.2.1 Strategy not yet established</i>	Government: MoPR, Sectoral Ministries, High Level Commissions, NHRC, NPC Others: FNCCI, NEFIN	Regular: 2,700 Other: 19,300
		1.2.2 An inclusive Government led national recovery programme including reintegration of ex-combatants is developed	1.2.2a Percentage of former combatants receiving skills and vocational training <i>1.2.2a: Not started yet</i>		
National priority or goals: Good governance					
UNDAF outcome: Quality basic services: Socially excluded and economically marginalized groups have increased access to improved quality basic services					
Transitional governance	2.1 Increased capacity of Government at the national and local level to manage resources and deliver basic services in an inclusive and equitable manner	2.1.1 NPC capacity strengthened for inclusive and MDG based planning, programming, budgeting, and monitoring	2.1.1a Policy and pre-implementation programme analysis by NPC includes the Geological Survey of India perspective <i>2.1.1a To be determined by a gap-assessment</i>	Government: NPC, MoF, MoLD and Line Ministries, Municipalities; Others: Private sector; Local Government Associations; DFID, Norway; UNCDF, UNICEF, UNFPA, UNV	Regular: 4,750 Other: 12,800
		2.1.2 Government capacity for effective aid management and coordination strengthened	2.1.2a Aid management strategy as per Paris Declaration developed and implemented <i>2.1.2a Paris Declaration only partially put into practice</i>		
		2.1.3 Local government capacity enhanced for resource mobilization, building partnerships with the private sector, and inclusive planning, programming, budgeting, implementation and monitoring	2.1.3a Number of public-private partnerships initiated for service delivery.; <i>2.1.3a: 20 in 2006</i> 2.1.3b: Internal revenue base for local governments assessed and options for improvement piloted <i>2.1.3a/b: No assessment</i>		
		2.1.4 Women and excluded groups are organized, their capacity built and mechanisms in place to ensure participation in planning and management of local development	2.1.4a % of women and Dalits in leadership positions in community organizations <i>2.1.4a In 2006, 42%/9% DLGSP COs led by women/ Dalits</i>		
	2.2 Responsive and accessible justice systems to promote gender equality, social inclusion and the rule of law, including formal and informal processes	2.2.1 Access to justice, especially for women and excluded groups, enhanced through strengthened formal and informal justice systems and mechanisms	2.2.1a Number of backlog cases. <i>2.2.1a Supreme/ Appellate/ District Courts: 14196/10723/32275</i> 2.2.1b Number of cases settled through mediation, quasi-judicial bodies and paralegals in selected districts <i>2.2.1b To be established</i>	Government: MoLJPA, Law Reform Commission; Courts; Others: NHRC, Nepal Bar Association; OHCHR	Regular: 3,100 Other: 6,400
		2.2.2 NHRC capacity strengthened in monitoring, investigation, documentation and reporting of human rights violations	2.2.2b No. of cases referred to GoN for action. <i>2.2.2b 54 cases referred in 2006</i>		

Programme component	Programme outcomes	Programme outputs	Output indicators, baselines and targets (<i>Baseline in italics; no targets</i>)	Role of partners*	Resources by goal \$'000*
	2.3 Strengthened parliamentary oversight function and political party system in transitional governance processes	2.3.1 : Capacity of Parliament and political parties strengthened to perform legislative and oversight functions	2.3.1 Number of legislations reviewed by the Parliamentary Committees <i>2.3.1 No regular meetings and systematic review of legislations</i>	<i>Government:</i> Parliament secretariat; <i>Others:</i> Political parties, women's associations DFID, DANIDA	Regular: 1,300 Other: 1,400
National priority or goals: Social justice and social inclusion: New and decent employment and income opportunities; infrastructure development, especially rural infrastructure					
UNDAF outcome: Sustainable Livelihoods: By 2010, sustainable livelihood opportunities expanded, especially for socially excluded groups in the conflict-affected areas					
Inclusive growth and sustainable livelihood	3.1 Employment and income opportunities and access to financial services enhanced, especially for youth, excluded groups and PLWHA in partnership with the private sector and civil society organizations	3.1.1 Policies designed and programmes implemented to enhance rural employment.	3.1.1a Market sub-sector policies and micro-finance policies reviewed and adopted <i>3.1.1a Lack of coherent policies</i>	<i>Government:</i> MoICS, Nepal Rastra Bank <i>Others:</i> FNCCI, association of micro-enterprise, micro finance institutions; UNCDF	Regular: 4,200 Other: 8,000
		3.1.2 Enhanced access to financial services, markets and skill development for the poor, women, excluded groups and PLWHA in selected districts	3.1.2 Number of women and disadvantaged groups accessing financial services. <i>3.1.2 750,000 poor and low income borrowers in 2005</i> 3.1.3: Number of people living with HIV/AIDS receiving skill-based training and financial services <i>3.1.3 56</i>		
	3.2 Strengthened national capacity for governance and coordination of AIDS response	3.2.1 Capacity of national institutions to plan and coordinate for mitigating the impact of HIV/AIDS on the vulnerable population	3.2.1a Number of districts with DACC reporting on a monthly basis to the NCASC. 3.2.1b Number of meetings by National AIDS Council. <i>3.2.1b Once a year. Till now 4 meetings conducted.</i>	<i>Government:</i> NCASC, DACC; <i>Others:</i> DFID; UNAIDS	Regular: 380 Other: 9,800
National priority or goals: Economic development					
UNDAF outcome: Sustainable livelihoods: By 2010, sustainable livelihood opportunities expanded, especially for socially excluded groups in the conflict-affected areas.					
Energy and environment, and disaster management	4.1 Environment and energy mainstreamed into national and local development planning with a focus on gender, social inclusion, and post-conflict environmental rehabilitation	4.1.1 Equitable access to environment and energy services expanded for the poor, women and socially excluded groups	4.1.1a % of people relying on wood as their main fuel. <i>4.1.1a: 69.1% (2004)</i> 4.1.1b % of women and excluded households in selected buffer zones benefiting from environmental services <i>4.1.1b To be established</i>	<i>Government:</i> NPC, MoEST, MoF, MoFSC, MoLD, MoICS, MoAC, MoCTCA; ICIMOD, <i>Others:</i> IUCN, IWMI, UNEP, FAO	Regular: 3,650 Other: 10,000
		4.1.2 Capacity at national and local level strengthened for landscape conservation, water governance and green accounting	4.1.2a Landscape conservation policy, framework to resolve water use conflict, and framework for green accounting formulated and introduced <i>4.1.2a No such policies/frameworks</i>		
		4.1.3 Climate change adaptation concerns are mainstreamed into national development plans	4.1.3a: National adaptation plan to climate change formulated <i>4.1.3a No plan</i>		
	4.2 Risks of natural hazards to rural and urban livelihoods and infrastructure reduced	4.2.1 Capacity of key line ministries, local bodies, civil societies and urban/rural communities enhanced for planning and implementation of disaster risk management, emergency response and early recovery	4.2.1a: An early recovery preparedness framework developed for municipalities in Nepal <i>4.2.1a No such framework exists</i> 4.2.1b Number of hazard resistant disaster risk mitigation structural models demonstrated in selected districts <i>4.2.1b No such models are available in the vicinity of the selected vulnerable sites</i>	<i>Government:</i> Ministries; <i>Others:</i> IFRC, ICRC, Oxfam, CARE, LWF, ICIMOD, NRCS, NSET; EU-ECHO, USAID, DFID, AUSAID, OJ/JICA; OCHA, WHO, UNICEF	Regular: 400 Other: 1,200
	*Abbreviations explained in attached list				
					Total regular: 21,980 Other: 72,400

Acronyms and abbreviations

AUSAID	Australian Government overseas aid programme
BBCWST	British Broadcasting Corporation World Service Trust
BRIDGE	Building Resources in Democracy, Governance and Election
CA	Constituent Assembly
COCAS	Coalition for Constituent Assembly Support
CPA	Comprehensive Peace Agreement
DACC	District Aids Coordination Committee
DANIDAa	Danish Aid
DFID	United Kingdom Government Department for International Development
DLGSP	Decentralized Local Governance Programme
EU/ECHO	European Union/European Commission Humanitarian Aid department
FAO	Food and Agriculture Organization
FNCCI	Federation of Nepal Chamber of Commerce
GFATM	Global Fund for AIDS, Tuberculosis and Malaria
GoJ/JICA	Government of Japan/Japan International Cooperation Agency
GoN	Government of Nepal
ICIMOD	International Centre for Integrated Mountain Development
IDEA	International Institute for Democracy and Electoral Assistance
IFRC	International Federation of Red Cross
IWMI	International Water Management Institute
IUCN	World Conservation Union
LWF	Lutheran World Federation
MoAC	Ministry of Agriculture and Cooperatives
MoCTCA	Ministry of Tourism and Civil Aviation
MoLD	Ministry of Local Development
MoEST	Ministry of Environment, Science and Technology
MoF	Ministry of Finance
MoFSC	Ministry of Forest and Soil Conservation
MoHA	Ministry of Home Affairs
MoICS	Ministry of Industries, Commerce and Supplies
MoLJPA	Ministry of Law, Justice and Parliamentary Affairs
MoPR	Ministry of Peace and Reconstruction
NCARD	National Coalition against Racial Discrimination
NCASC	National Centre for AIDS and STD Control
NEFIN	Nepal Federation of Indigenous Nationalities
NHRC	National Human Rights Commission
NPC	National Planning Commission
NRCS	Nepal Red Cross Society
NSET	National Society for Earthquake Technology
OCHA	Office for the Co-ordination of Humanitarian Affairs
OHCHR	Office of the High Commissioner for Human Rights
PLWHA	People living with HIV/AIDS
PMAS	Poverty Monitoring and Analysis System
RRN	Rural Reconstruction Nepal
UNCDF	United Nations Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNEP	United Nations Environment Programme
UNICEF	United Nations Children's Fund
UNMIN	United Nations Political Mission in Nepal
USAID	United States Agency for International Development
WHO	World Health Organization