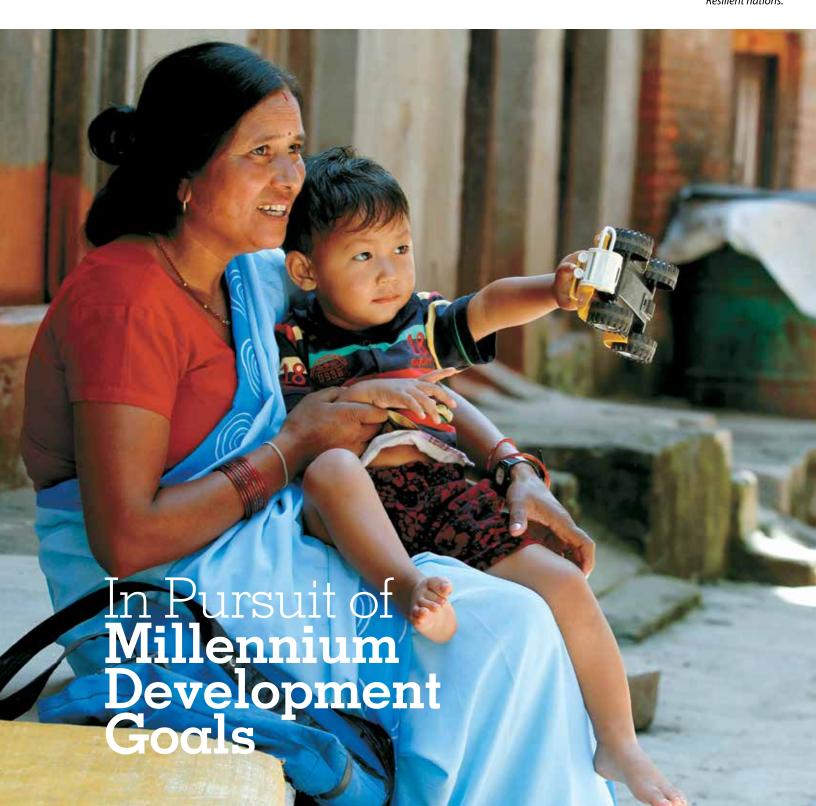
Development Development Advocate Advocate





EDITORIAL BOARD

Ms. Shoko Noda

UNDP Country Director

Dr. Basudeb Guha-Khasnobis

Economics Advisor

Ms. Lazima Onta-Bhatta

Assistant Country Director

Ms. Binda Magar

Gender and Social Inclusion Programme Specialist

Mr. Dharma Swarnakar

Programme Analyst

Mr. John Narayan Parajuli

Head of Communications (Editor)

Mr. John Child

(Copy editor)

Ms. Tapa Dipti Sitaula, Communications Analyst (Editorial Assistance)

For contributions and feedback please write to us at narayan.parajuli@undp.org

Disclaimer:

The views expressed here by external contributors or the members of the editorial board do not necessarily reflect that of the organization for which they work, and none of the opinions contained herein are UNDP's official views.

© United Nations Development Programme (UNDP)

UN House, Pulchowk, Lalitpur

G.P.O. Box: 107, Kathmandu, Nepal

Tel: (977-1) 5523200

Fax: (977-1) 5523991, 5523986

www.np.undp.org

Design & Processed by:

Print Communication, Thapathali

Printed by: Quality Printers

Ramshah Path, Kathmandu



Content

Cover Image: Tirtha Maya Dangol, 39, of Khokana-4, has been working as female community health volunteer (FCHV) for the past two decades. She was selected as an FCHV in 1996 and has actively participated in the government immunization and vitamin A programmes, among others. Dangol also attends to the pregnant mothers of her area and refers them to the nearby hospital or birthing center for further care. "I realize everyday what a big responsibility I have shouldered. And I do my best to promote healthy behaviour in my community", she says. Dangol and her family make their living by working a rice mill in their area, which is usually swarmed with customers all day. ** Kiran Pandey**

Editorial: A Platform for Candid Debates
Tourism to Improve Livelihood Among the Poor
Nepal's MDGs Prospects and Problems 8-17 DHARMA SWARNAKAR
Focusing on Transformative Shifts for Post-2015 Development Goals 18-19 SHOKO NODA
Trends in Poverty and Inequality 20-22 Dr. BASUDEB GUHA-KHASNOBIS
One Village, One Product
Making of Improved Cooking Stoves
Walking the Talk on Gender Issues 30-33 BINDA MAGAR
A New Life, or? Ex-combatants' Rehabilitation Stories
Interview with Thomas Gass, UN Assistant Secretary General38-41
Interview with Madhu Marasini, Chief IECCD
Picking up the Pieces Back Home
Mapping for the Future
From Periphery to the Centre

A Platform for Candid Debates

evelopment challenges take different forms in different countries, and so do solutions. In Nepal the mountainous geography and lack of direct access to the sea increase the difficulty of reducing high rates of poverty and inequality. The country has been further hampered by political instability and consequent weak economic growth and low rate of job creation. These have had domino effects on governance, infrastructure and energy production, and public service delivery, including health, education, and human development. Lack of jobs at home also means a high rate of labour migration, with attendant risks of exploitation and trafficking.

Development organizations both big and small have been innovating to resolve many of these challenges for decades, and many have created successful models that offer simple solutions to complex problems. But their success may be limited geographically and may go unheard of by other development organizations that could potentially replicate a model and might even have funds to enlarge upon it. And other organizations might have valuable insights into what would work and what wouldn't, or what can be replicated and what can't be.

The purpose of this publication is to create a platform for discussion on development issues and challenges – a place to showcase successes and innovations and also a place to highlight problems while drawing lessons from all over the world.

From a UN and UNDP point of view, we are here to assist the people and the Government of Nepal as they build a better future for the country. It

may be a cliché, but it is true that one of our core strengths is our convening power. What better way to offer that service than by attempting to bring together knowledge and policy advice generated by different organizations on a range of development challenges that Nepal faces through this platform?

This first edition of Development Advocate Nepal looks at Nepal's achievements so far in meeting the MDGs and at the challenges it faces in bridging the gaps, while considering the agenda beyond 2015 and what it could mean for the country. This edition is packed with stories about efforts to reduce poverty, improve living conditions, and consolidate peace, along with personal and institutional narratives of transformation.

The Millennium Development Goals (MDGs) articulated at the dawn of the millennium provide a powerful framework to promote efforts to improve living conditions around the world and to focus international assistance and national systems towards meeting these goals. Now that the MDG deadline nears, it is time to examine the progress made so far and progress that could be made by 2015.

The objective of the MDGs is not just to tick off items on a checklist, but instead to make concrete progress to improve the quality of life for the poor and especially the poorest of the poor.

We welcome ideas, suggestions, feedback on this edition, as well as contributions for future editions. This will be a semi-annual publication with the majority of articles focusing on a particular theme that will vary with each edition. ■

Tourism to Improve Livelihood Among the Poor



Rural livelihoods can be improved and poverty can be reduced by rural communities' involvement in tourism: The Great Himalaya Trail offers one such successful model, writes **BHAVNA ADHIKARI**.

n our first day on trek we walked beneath magnificent peaks, visited remote communities, passed through rhododendron and magnolia forests, ascended further through hemlock and fir forests, breathed the crisp air, and revelled in a few fluffy clouds in the clear blue sky. From our start at Salleri, district headquarters for

SoluKhumbu, we had walked for eight hours and met a fewer than a dozen other people along the way, all locals.

We had come prepared to camp, but the cozy rooms offered by a local Sherpa woman were inviting enough to make us change our mind. As we sat around a long rectangular table for dinner my expectations for the meal weren't very high: We were staying at one of only two households in the town, Jasmaney Bhanjyang.

To my surprise our hostess served us a very good home-cooked meal of dal-bhat with meat. The bed was relatively comfortable, the sheets were clean, and there were enough blankets to keep us warm through the night.

It turns out that the Sherpa didi, "elder sister" in Nepali, had attended cooking and housekeeping training sessions in Salleri that were conducted by the Great Himalaya Trail Development Programme. She



learned there that trekkers prefer dalbhat to packaged foods, and she was encouraged to grow her own produce in her fields about two-hours downhill from the village. She was taught to replace her traditional wooden pillows with cotton ones and that cleanliness was essential.

For the next few days from Jasmaney Bhanjyang to Jiri via Ngaur, Gola, and Bhandaar villages we were greeted by unexpectedly pleasant surprises: the food, accommodations, and toilets were all quite good. Tourism was indeed taking a huge leap in this remote area.

Nepal's relative success in rural tourism has global roots. During the Millennium Summit in 2000, the United Nations identified poverty as a major global challenge and set forth Poverty Reduction as one of its Millennium Development Goals. The World Tourism Organization responded to this challenge by launching the Sustainable Tourism – Eliminating Poverty (ST-EP) Foundation, which was announced at the World Summit on Sustainable Development in 2002.

This initiative focuses on enhancing the organization's longstanding work to encourage sustainable tourism with activities that specifically alleviate poverty by delivering development and jobs to people living on less than a dollar a day. Following the launch of ST-EP, countries worldwide started activities to use tourism as a tool to eradicate poverty.

Nepal had suffered through a period of armed conflict, and the country was being further pushed into a bleak future by dysfunctional politics. The economy was severely affected, and tourism - one of the few sectors where Nepal has a natural comparative advantage and growth potential - was hit hard during this period. It was time to get tourism up and running. Although tourism was already an important sector in terms of contribution to the GDP, export earnings and jobs, it was benefiting only a small section of the society and people.

That is now changing. Tourist arrivals grew 9.1 per cent in 2012. Over half a million tourists visit Nepal every year, and revenue from tourism stands at over \$350 million, about 2 per cent of GDP. There are over 8,000 registered tourist guides, and the number of teahouses and travel and trekking agencies has also significantly increased in the last decade. The travel trade generated more than 400,000 direct jobs last year, and the total contribution of travel and tourism to employment, including jobs indirectly supported by the industry, is expected to rise by 3.7 per cent in 2013.1

However, tourism income – and with it the benefits that local people can derive from tourism – are concentrated in a relatively small part of the country: the Kathmandu Valley, Pokhara, Chitwan, Lumbini, and the established trekking destinations of Annapurna, Everest and Langtang. The challenge was to take tourists and tourism benefits to far-flung areas, offering guests new, off-the-beatentrack experiences and providing the rural poor with new opportunities.





There was a gap in donor support though, as very few development partners were funding programmes in this sector. Thus the Great Himalaya Trail Programme was born to support pro-poor economic growth and rural development in Nepal's remote mountain districts.

Locals taking part in cooking training conducted by the Great Himalaya Trail Development Programme (GHTDP). & GHT



Initial support came from ST-EP, and later, based on an agreement between the Government of Nepal and the UK Government's Department for International Development (DFID), SNV received a mandate from the government to implement the Great Himalaya Trail Development Programme under the leadership of the Ministry of Culture, Tourism, and Civil Aviation. It was only natural for SNV to take charge, as it was one of the main development organizations that offered support to the ST-EP Foundation during its inception.

DFID Nepal and UNDP supported the Tourism for Rural Poverty Alleviation Programme (TRPAP) from 2001 to 2007. This was a pioneering programme that linked tourism with assistance to the poor. Though this programme suffered during the insurgency, it

demonstrated that livelihoods can be improved and poverty reduced by the community's involvement in local tourism development activities. TRPAP contributed to shaping Nepal's sustainable tourism policies and providing rural women and the poor with access to resources, increased livelihood opportunities, and improved income.

These two development programmes in tourism have proven that developing tourism in rural destinations is an all-encompassing, inclusive and participatory process involving many sectors. It is complex: Risks are high, needs are immense, and capacities are limited. And speed is the key, since dividends are essential for maintaining the motivation of locals and for consolidating programme stability.



Tourism is a relatively labour intensive sector, and in Nepal it is traditionally made up of small and micro enterprises. Many tourism jobs are potentially quite accessible to the poor, as they require relatively few skills and little investment. Some may also be part-time and used to supplement income from other activities.

Connectivity

As so many different activities and inputs make up the tourism product, which has a large and diversified supply chain, spending by tourists can benefit a wide range of sectors such as agriculture, handicrafts, transport, and other services. Additional rounds of spending by those people whose income is supported by tourism spread the economic benefit further via the multiplier effect.

Linking of consumers to producers

Tourism, unusually, is an activity that brings the consumers to the producers. The interaction between tourists and poor communities can provide a number of intangible and practical benefits. These can range from increased awareness of cultural, environmental, and economic issues and values (on both sides) to mutual benefits from improved local investment in infrastructure.

Tourism should not be seen as the answer by itself to the elimination of poverty, but it can make a powerful contribution. The potential to develop more tourism and to channel a higher percentage of tourism spending towards the poor may be large in some areas and quite small in others. However given the size of the sector,

even small changes in approach when widely applied can make a significant difference.

If sensitively planned and managed, tourism can transform geographical remoteness and rugged landscape – normally obstacles to development in Nepal's remotest districts – into economic assets. Spreading tourism benefits more equally over the country (and in particular to remote and impoverished mountain districts) can encourage new business and promote employment, and it has therefore been declared one of the priorities of the Government of Nepal.

Bhavna Adhikari is the Communication and Outreach Advisor for the Great Himalaya Trail Development Programme at SNV Netherlands.

 $^{^{\}rm l}$ $\,$ Travel and Tourism Economic Impact 2012 Nepal

Nepal's MDGs Prospects and Problems



Nepal has made exceptional progress towards meeting its MDGs, but significant gaps remain. DHARMA SWARNAKAR examines both the achievements and the challenges, and he considers priorities for the post-2015 development agenda.

epal has made notable progress on most of the MDG targets in spite of poor economic performance and political instability. Over the last decade, Nepal has been one of the top five performers on Human Development Index, largely due to significant progress on health and education. Even though the discussion on post-2015 goals has already started, Nepal must continue to work towards the current targets. The rollout of the MDG Acceleration Framework to improve sanitation is an encouraging sigh of the country's willingness to do so.

The Millennium Development Goals offer a quantitative way to measure progress made in human development. The goals stem from the adoption in 2000 of the Millennium Declaration by the worlds' governments. Seven of the goals address poverty, education, health, gender equality, and the environment, and the eighth goal focuses on global partnerships. The goals represent a departure from traditional thinking about development and prosperity and embody the recognition that economic growth, while necessary, is not sufficient to advance the wellbeing of the world's people.

The Millennium Declaration recognized that economic growth, while necessary, is not sufficient to advance the wellbeing of the world's people.

Nepal is likely to meet five of the MDG goals¹ by 2015, but with little more than two years left before the deadline, the country must refocus on the remaining goals.

Poverty Reduction

Nepal's poverty rate has declined consistently – to 23.8 per cent² by 2013 – and is close to the 2015 target of 21 per cent. The country has already achieved the target of reducing the proportion of working poor (those who are employed but earn less than \$1 per day) to 17 per cent. Of the three targets relating to hunger, Nepal has already achieved two – reducing the number of underweight children and reducing the proportion of the population below the minimum caloric level. However to meet the target of stunting is challenging.

COVER FEATURE

The successes can be attributed to increased government expenditure on social protection and income generation programmes such as Poverty Alleviation Fund and the Ministry of Industry's Micro Enterprise Development programme. An improved investment climate and sustained social protection and income generation initiatives will be key to further progress.

Education

With some additional effort to reach out to under-served groups. Nepal

is below what is necessary to meet the 2015 targets. The government's commitment to free and primary education by enhancing equitable access, improving quality, and enhancing management efficiency were the key contributing factor.

With some additional effort to reach out to under-served groups, Nepal is likely to achieve a 100 per cent school enrolment rate by 2015. However progress on keeping students in school through grade five and improving the literacy rate

A transmission line passes through a village near Phidim, Panchthar. 🍯 Chandra Shekhar Karki



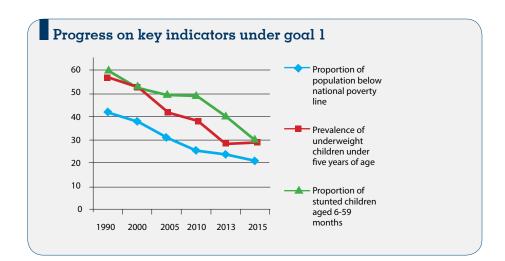
Gender Equality and Women's Empowerment

Nepal has had mixed results on gender issues. Gender parity at the primary school level has been achieved, and it is very close at the secondary level, but a large gap remains in post-secondary level. Significant improvement has also been observed in the degree of women's involvement in economic activities: The share of women employed in non-agriculture sectors has more than doubled in last ten years. Representation of women in government institutions including the civil service, the health services, and the security forces has also been increasing steadily, though the numbers are still low.

Reservations and other programmatic initiatives have encouraged women to access opportunities and also ensured their representation. The prevalence of violence against women, the continuing inadequate level of resources for women focused programmes, and lack of women in most decision making positions represent key challenges going forward.

Child Mortality

Nepal is very likely to achieve this goal. Both infant mortality and under-five mortality rates have fallen significantly since 2000, and the rate of child immunization is also very close to the 2015 target. A National Immunization programme and the Community Based Integrated Management of Childhood Illness programme among others contributed to reduce child mortality. Identification of unimmunized children; weak coordination between maternal, newborn and child health programmes; and inadequate human resources for service delivery in the health sector are barriers to sustaining the progress.



Maternal Health

Nepal has received UN MDG Award for making significant improvement in maternal health. The Maternal Mortality Ratio has been reduced by more than half in last decade, and Nepal has already achieved the 2015 targets. Births assisted by a Skilled Birth Attendant have increased more than four-fold since 2000 and now stand at 50 per cent and is likely to achieve the 60 per cent target set for 2015. Credit goes to various policy initiatives and programmes like the Aama Suraksha (mother's security) programme that includes provision of free delivery services and financial incentive to mothers and service providers. It is vital that Nepal sustains such initiatives and provides sufficient resources and trained health workers in remote areas.

HIV, Malaria, and Tuberculosis

Nepal has been successful not only in stabilizing HIV prevalence but also in reversing the spread. Hence the 2015 target has already been achieved. HIV prevalence among those 15-24 has been reduced from 0.15 per cent in 2005 to 0.12 per cent in 2012. HIV prevalence among high-risk group such as People Who Inject Drugs (PWIDs), Men having Sex with Men

(MSM), and Female Sex Workers (FSWs) has also declined. However comprehensive knowledge of HIV and AIDS among the population aged 15-24 years has fallen from 35.6 per cent to 29.8 per cent in last five years, suggesting that further initiatives are required.

The incidence of malaria continues to decrease both in terms of clinical malaria cases and annual parasite incidence, and Nepal is likely to achieve the 2015 target if present trends continue. There has also been progress in the prevention of tuberculosis and in reduced death rates associated with the disease. National HIV and AIDS policies and

NEPAL CAN BE
PROUD OF THE
ACHIEVEMENTS ON
POVERTY, EDUCATION,
GENDER PARITY, CHILD
MORTALITY, AND
MATERNAL HEALTH, BUT
MUCH MORE REMAINS
TO BE DONE.

Nepal MDG Progress Report 2013

² The Three Year Plan Approach Paper

COVER FEATURE

strategic initiatives including an anti-retroviral therapy programme and establishment of HIV testing and counseling centers nationwide have contributed to slowing the spread of HIV.

Environment Sustainability

While ensuring environmental sustainability has been highly challenging, Nepal has made noteworthy progress in maintaining and protecting forest areas. Community forestry has been instrumental not only in restoring degraded land and greenery and in increasing and conserving biodiversity; it has also contributed to poverty reduction by providing increased supply of forest products for rural livelihoods. Over one-fourth of existing forest has already been handed over to Forest User Groups, comprising about 40 per cent of Nepal's households.

Nepal is performing well in terms of ensuring access to drinking water. But while 85 per cent of households have access to good water – above the 2015 target of 73 per cent – more than one-third of people are still without proper sanitation.

Global Partnership

In Nepal the utilization of foreign aid has increased four-fold in last decade. Almost two-thirds of this goes to the social sector, and the transport, electricity and communication sectors receive an additional one-fourth. The share of foreign aid for agriculture, irrigation and forestry is only five per cent, and virtually none goes to the trade and industry sectors. Nepal has not benefitted much from international trade despite being a member of the World Trade Organization. The trade deficit has increased alarmingly and almost surpasses the government's annual budget. Non-tariff barriers



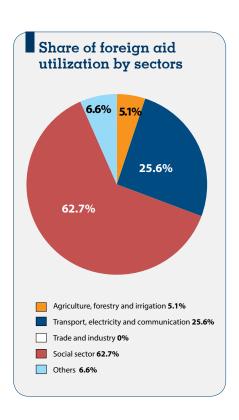
Ganesh Bista of Darak VDC, Kailali makes his living through beekeeping. He is a beneficiary of Micro-Enterprise Development Programme (MEDEP), supported by UNDP and AusAID.

Chandra Shekhar Karki

(particularly with India, with whom two-thirds of Nepal's trade takes place) are a major problem.

National ownership

The Poverty Reduction Strategy Paper/Tenth Plan (2002-2007) was introduced right after the promulgation of the MDGs and included them into its strategic framework. Several policy measures were introduced in line with MDGs, including Education for All, the School Sector Reform Programme, and scholarship schemes targeting underserved segments of society. A gender reservation requirement for Nepal's Constituent Assembly between 2008 and 2012 helped to secure 33 per cent women's representation in the body, a big step towards gender equality. In the health sector the government of Nepal introduced several initiatives focusing primarily on child and maternal health.





Members of Fulbari Fishery Community collect fish from a lake in Kailali. They are supported by MEDEP. 😝 Chandra Shekhar Karki

The Local Self Governance Act provided opportunities to take MDGs to the grassroots: The District Development Committees' plans aligned their local development priorities with the MDGs, and the Sector Wide Approach was introduced in Health, Education, and, later, in the rural infrastructure sector to coordinate and strengthen resource allocation and monitoring.

Thinking Beyond 2015

The MDGs have inspired Nepal to remain focused on some of the key elements of human development. As a result achievements of the past decade, particularly in education and health sectors, have been remarkable despite overall political and economic environment of the country. The caveat to this is a widening gap among various geographical regions and social groups. In an attempt to meet national averages, it appears that

S NEPAL HAS BEEN SUCCESSFUL NOT **ONLY IN STABILIZING** HIV PREVALENCE BUT **ALSO IN REVERSING** THE SPREAD: THE 2015 TARGET HAS ALREADY **BEEN ACHIEVED**

Nepal has not paid sufficient attention to the issue of inequality. The disparity between different groups remains either unchanged or has widened further. For example, the poverty level of Dalits is four times higher than that of Hill Brahmins in 2011 (NLSS III), though it was less than three times higher in 2004 (NLSS II).

Despite challenges and problems, the Millennium Development Goals have been most successful global anti-poverty development agenda in history. Various initiatives are underway to help shape a post-2015 framework. A high-level UN committee recently submitted a report that emphasizes ending extreme poverty, employment creation, improving peace and governance, tackling inequalities and disparities, and sustainability. These themes coincide with the priorities recommended by the Nepal MDG Progress Report 2013 and the report of NGO Federation of Nepal. To meet the targets for 2015 and move beyond, Nepal needs to promote inclusive growth by harnessing the productive potentials of all citizens including the poor and excluded to build a peaceful and prosperous nation.

Mr. Swarnakar is a Programme Analyst with UNDP Nepal

Education Shortfalls

Despite impressive advances in school enrollment and reducing gender disparity in education, Nepal's achievement on other education targets is not as impressive

epal was among 164 countries attending the World Education Forum in Senegal in 2000. The forum adopted the Dakar Framework of Action that set six goals in education to be achieved by 2015 under the Education For All programme (EFA). With the support of a consortium of various bilateral and multilateral partners Nepal formulated two programmes targeting the goals, the EFA 2004 to 2009 and the School Sector Reform Programme from 2009 to 2015. With less than three years remaining to meet the targets, a high drop-out rate and ineffective literacy and Early Childhood Development programmes leave the country well short of the EFA goals set 13 years ago.

The flash report of the Department of Education 2012/13 shows that the net enrollment rate at arade one has reached 96 per cent and that the gender parity index stands at 0.99. The Ministry of Education is adopting free and compulsory basic education for grades one to eight from new academic session that starts in April 2014. Nepal will almost surely achieve goals two and five of EFA. The country is also very likely to meet Millennium Development Goals on universal primary education and gender equality in education by 2015. "Nepal has made significant improvements in terms of enrolment

at all levels however, the high dropout rate affects the gains in enrolment", said UNICEF's EFA Global Monitoring Report 2012.

That report shows that about seven per cent of students enrolled in grade one drop out of the school system and that 7.3 per cent repeat grade two and 7.4, 7.5 and 8.4 per cent repeat grades three, four, and five, respectively.

Even for those children who do have access to schooling, the survival rate to grade five is less than 80 per cent,



COVER FEATURE

while just 70 per cent of such children entering in grade one complete the primary education and less than 35 per cent reach grade 10. In addition, more than half who take the School Leaving Certificate (SLC) exam at the end of grade 10 are not successful. Education experts say that retaining students in the schools is the largest shortfall for Nepal to achieve the FEA and MDG goals.

The UNICEF report also warns that Nepal is among those countries that are likely to miss goal four, which calls for a 50 per cent improvement in levels of adult literacy by 2015, especially for women, and for equitable access to basic and continuing education for all adults. Though the literacy rate of the country has increased from 54.1 per cent in

2001 to 65.9 per cent now according to the National Census, the female literacy rate is just 57.4 per cent. "This shows that the literacy programme the country has been conducting since 2009 has not served women and the marginalised community well", says education expert Bishnu Karki. The government's literacy programme has never achieved its yearly target since its inception.

According to Karki, Nepal is far behind in achieving EFA goal one, which covers expanding and improving comprehensive Early Childhood Development programmes. Though the School Sector Reform Programme had planned for 69,689 ECD centres by 2015, there are just 26,773 such centres so far. Similarly, despite the target that 80 per cent of students enrolled

in grade one should have attended pre-primary ECD classes, a recent government report shows the figure to be only 55 per cent with less than three years before the 2015 deadline.

"Drop-outs and out-of-school children are disproportionately from historically, geographically, economically, and socially deprived and marginalized communities", said Karki, adding that government should start effective involvement programmes targeting these groups. Experts say that ending poverty and hunger; providing special care to children affected by HIV and AIDS and to street children; and implementing special provisions for children with disabilities, children from religious and ethnic minorities, and Dalit children are necessary to achieve the EFA goals.



Stories of Community

Female Community Health Volunteers in Nepal make significant contributions to reducing maternal mortality and to bringing health awareness to far-flung corners of the country

axmi Rajali of Surkhet sat on a woven straw mat on her verandah late one afternoon. It had been a bright day and the sky was tinged with a beautiful orange hue that complemented her shy and wide-eyed face. She spoke about her experience as female community health volunteer in her village. Her husband was still out working, and she had returned only half an hour earlier, after finishing her own work. She spoke timidly at first, while her mother-in-law smiled and started to make tea.

Rajali became a Female Community Health Volunteer (FCHV) in 2006. "I never thought I would be a working woman. I had a child and a family to care for, and I had thought that that was all that I would do for my whole life. But fate had other plans for me".

Currently there are 52,010 FCHVs working in the country, and they have become a necessary bridge between the government health programmes and the community. Unbeknownst to many, FCHVs have played a crucial role in implementing the government's programmes in family planning, maternal and childcare, vitamin A, de-worming, and others. FCHVs were introduced in 1988 in only a few places, but the FCHV programme has now expanded to reach every ward in the country.

Rajali is solely responsible to care for all the pregnant women and infants below one year of age in her 62-household village. Her mother-inlaw adds, "You know it was not easy for my daughter-in-law to work in our society. It was full of men and women who wanted to hamper her work". In a rural community where change and progress is supposed to be the prerogative of men, it is difficult for aspiring women like Rajali to take up those roles.

"I was chosen by the Aama Samuha [mothers' group] members to represent them and be a health volunteer. But there were some who wanted to be elected, and when they weren't they gave me a hard time. They chose not to come to the health clinic, even if there was illness in the family. I was still young and I could not understand why. After all, whoever gets chosen will only bring the community up". But she soon won



Health Volunteers

them over by going to their respective houses with the vaccinations and medicines they needed.

Looking back, she says, "I feel proud of my work and my life. I look up to my mother-in-law in all of this. If she had not supported me, I would have been able to do none of it".

filling up papers, noting down details, and making sure everyone is ok.

THE RESPONSIBILITY

FCHV Chandrakala Devi Paswan of Mahottari manages to finish all her household chores before leaving to make a round of the village houses every day. She has single-handedly taken the responsibility for spreading awareness and for personally advising people in the 109-household village about family planning, pregnancy tests, and vaccinations. And, like most FCHVs, she has become an important resource in the village for patients before they go to government health facilities.

reproductive health, family planning, vaccination, cleanliness, and health awareness. She goes about the village as needed, visiting houses, filling up papers, noting down details, and making sure everyone is ok.

IT IS THE RESPONSIBILITY
OF WOMEN TO TAKE
CARE OF OTHER
WOMEN IN THE
COMMUNITY WHO ARE
PREGNANT OR ARE
YOUNG MOTHERS. IF
WE DON'T STAND UP TO
HELP, THEN WHO WILL!

The internationally lauded FCHV programme was a major factor in Nepal receiving a Millennium Development Goals Award for significant improvements in maternal health during the MDG Review Summit in New York in September of 2010. FCHVs have also helped Nepal to achieve and maintain the three health goals set by the MDGs for 2015.

Nineteen years into Paswan's work as an FCHV, her village has not seen a single case of maternal or infant death. She says that it is not always easy work but then again, "It is the responsibility of women to take care of other women in the community who are pregnant or are young mothers. If we don't stand up to help, then who will?"

By Manish Gautam



Focusing on Transformative Shifts for **Post-2015 Development Goals**



The report by the UN high level panel on the post-MDG development agenda offers a comprehensive view of the development challenges. SHOKO NODA argues that the emerging priorities of the post-2015 development agenda resonate well with Nepal's needs and aspirations.

s the discourse on the post-2015 development agenda gains momentum, the recommendations offered by the High Level Panel have strong relevance for Nepal. The five transformative shifts identified to drive the global development agenda beyond 2015 address constraints that impede the creation of egalitarian societies.

Leave No One Behind puts strong emphasis on non-discrimination and equality of opportunity, and it seeks to look at goals using disaggregated statistics rather than broad-brush measures.

Put Sustainable Development at the

Core encourages sustainable levels of consumption and production, by designing appropriate taxes, subsidies, and regulations to encourage sustainable development if necessary.

Transform Economies for Jobs and Inclusive Growth seeks to achieve a "quantum leap forward in providing economic opportunities and to harness innovation, technology, and the potential of business and of people themselves" by creating conditions that enable people through education, skills, better politics, and inclusive, sustainable and accountable business practices, while adding value through investment in infrastructures.

Build Peace and Effective, Open and Accountable Public Institutions calls for freedom from war, conflict, and violence and seeks transparency in public institutions and the rule of law.

Forge a New Global Partnership

underscores unity as guarantor of long-term prosperity for all. It seeks a new set of attitudes and a change of behavior while establishing partnerships for common good.

In their essence these goals seek to end poverty while empowering disadvantaged and excluded sections of the society and to improve quality of life through better healthcare, education, nutrition, job creation, sustainable and equitable growth, better governance, and creating stable and peaceful societies. The High Level Panel estimates that benefits of these goals will be immense (see box).

As Jan Vandermoortele, co-architect of MDGs, points out in his recent blog post,¹ the HLP Report did not necessarily says how to attain these transformative shifts. This "how to" part is what each country has to define by itself and translate the global visions into country-specific strategies and policies. Aligning national priorities clearly with international agendas will provide a clear direction in consolidating plans

POTENTIAL GLOBAL IMPACT OF THE TRANSFORMATIVE SHIFTS

- 1.2 billion fewer people hungry and in extreme poverty
- 100 million more children who would otherwise have died before they were five
- 4.4 million more women who would otherwise have died during pregnancy or childbirth
- 1.3 billion tons of food per year saved from going to waste
- 470 million more workers with good jobs and livelihoods
- 200 million more young people employed with the skills they need to get good work
- 1.2 billion more people connected to electricity
- 190 to 240 million hectares more of forest cover
- \$30 trillion spent by governments worldwide accounted for more transparently



Dil Bahadur Karki makes lokta paper in Hawa VDC, Sindhupalchowk. He is one of many MEDEP beneficiaries. @ Chandra Shekhar Karki

and resources, both internal and external.

At present Nepal is in a trap of low economic growth and high exclusion. To overcome this vicious cycle, the country needs to follow a path of inclusive growth, in which all citizens, including the poor and excluded, not only benefit from growth but also become part of the growth process. Another strong point of the HLP recommendations is that goals should be considered achieved only if they meet the targets for 'all relevant income and social groups' and leave no one behind. Increasing investment in the social sector and job creation within Nepal will create an enabling environment for the poorest of the poor to be part of the growth story.

While the global discussion on post-2015 development framework is

underway, Nepal's immediate priority is to hold the promised elections. Only a stable government can consolidate these strategies and policies in order to make Nepal's society more inclusive and equitable. Public institutions can be held accountable for their policy implementation only when the parliament is in place to oversee them. Political stability is a requisite for robust development policy. Without such stability, external partners, especially investors, will be reluctant to come in and forge a partnership.

Of late there has been encouraging sings coming from country's political establishment.

In early September 2013, five former prime ministers of Nepal representing multiple political parties committed to work together to prioritise the country's economic interests over their partisan interests and vowed to include economic development in their parties' policies during the Nepal Leadership Summit in Birgunj. Their commitment was articulated as a 12-point declaration outlining the economic roadmap for next ten years. Such a commitment is most welcome, however, can be translated into real policies with clear targets as well as implemented only by a stable government.

The emerging priorities of the post-2015 development agenda resonate well with Nepal's needs and aspirations. In order to make transformative shifts in Nepal, we need the election at the national and local levels to put in place people's representatives and the stable government.

Ms. Noda is UNDP Country Director

¹ http://www.thebrokeronline.eu/Blogs/Post-2015-shaping-a-global-agenda/Good-job-or-missed-opportunity

Trends in **Poverty** and Inequality



Labor migration and remittances have contributed to poverty reduction in Nepal, but those gains come with significant problems, including large scale exodus of human resources, and dampening demand for higher learning writes Dr. BASUDEB GUHA-KHASNOBIS.

epal has made some remarkable progress with poverty reduction and several measures of human development in the recent past. There are still goals to be achieved, but even this partial success is a pleasant surprise given that it came in spite of very low economic growth and persistent political instability. It is impossible to dispute that Nepal's citizens have a certain resilience which makes

them immune to adverse forces. Understanding the sources of this resilience is an interesting exercise in itself, but the purpose of this article is to take a closer look at the trend of poverty to see if there are any qualifications to be noted as we plan ahead.

Estimates of poverty in Nepal are based on the Nepal Living Standards Survey, conducted in 1996, 2005, and 2011. The poverty rate declined from 41.8 per cent to 25.2 per cent since 1996, but the number of urban poor doubled while the number of rural poor fell, and so the rural-urban per capita income gap also closed. (See table in page 22).

There is high variation in poverty rates in different regions: the multidimensional poverty index for Nepal fell from .35 to .22 during 2006-2011,



but the fall was less in the relatively remote Mid- and Far-Western regions, which are home to about 25 per cent of the population.

The Gini coefficient measures inequality: based on per capita consumption, the Gini coefficient returned to its 1996 value (about 33 per cent) after a temporary rise (42 per cent) in 2005 at the peak of the conflict. Urban inequality rose moderately but fell more sharply, although it is higher than rural inequality. The shares of the top and bottom 20 per cent also remain more or less unchanged between 1996 and 2011. Since the data for 2005 may have been influenced by the conflict, it may be surmised that consumption inequality remained unchanged in Nepal in the last two decades.

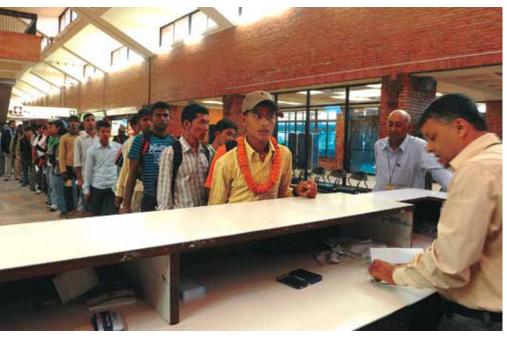
Inequality measures based on income rather than consumption (and collected from the same household surveys) tell a different story. Contrary to the consumption figures, which showed

deterioration in 2005, the income based inequality figures did not change during this period. However, the income share of the top quintile jumped from 62 to 77 per cent between 2005 and 2011. Similarly, the share of the bottom quintile halved from 3.7 to 1.8 per cent in the same period.

A Gini Index for consumption expenditure can be lower than the one based on income, even within the same population, thereby underestimating the degree of inequality. There are at least two reasons behind this. First, consumption does not rise (or fall) strictly and directly in proportion to income. There is usually a basic minimum one has to consume in order to survive, and a sensible maximum one can possibly consume on a given day or period (especially the recall period used in NLSS). If income is out of line with these two extremes, households either borrow or lend. Second, in a lowincome country such as Nepal, food

comprises a significant chunk of total consumption, strengthening the above argument which delinks consumption from income. Thus, household consumption will most certainly be less unequal than household income. Therefore, what is important here is to view the two diverging trends in light of another feature of poverty in Nepal: household indebtedness. More than 60 per cent of Nepali households either received loans or had outstanding loans during the survey periods. Most of this borrowing was used for consumption. Thus, to an extent, indebtedness - in other words, negative wealth - and consumption smoothing went hand in hand. Sooner or later, income above that which meets the bare minimum consumption would be necessary to repay the loans. Income, thus, is not irrelevant as an indicator of wellbeing and should be examined simultaneously with consumption. This is particularly important in the context of Nepal's recent resolution to graduate to a





Nepali migrant workers at the labour desk at Tribhuvan International Airport. 🐞 Chandra Shekhar Karki

middle-income country status, which requires that per capita income (not consumption) reaches a certain benchmark of which the country is currently well short.

About 56 per cent of all households received remittances in 2011, up from 24 per cent in 1995. The average amount of remittances went up by nearly 600 per cent, in nominal terms, over the same period. It is also well known that the majority of migrant workers come

from the rural areas and hence remit money to their families in the rural areas. Therefore, while the apparent closing of the rural-urban divide is certainly a welcome sign, the underlying causes have very little to do with equalizing forces such as globalization and trade liberalization. It is driven by a different phenomenon – the export of labor services – to the richer countries.

The data show that remittance income is spent primarily on consumption,

TRENDS IN POVERTY REDUCTION

Poverty Rate According to National Poverty Line	Unit	1996*	2005*	2011*
Rural	%	43.3	34.6	27.4
Urban	%	21.6	9.6	15.5
Total	%	41.8	30.8	25.2
Number of Poor	Unit	1996*	2005**	2011***
Number of Poor Rural	Unit Millions	1996* 72.9	2005** 68.9	2011*** 60.3
Rural	Millions	72.9	68.9	60.3

Source: 1* NLSS I; **NLSS II; ***NLSS III; 2* Census 2001 & NLSS I; ** Census 2001 & NLSS II; *** Census 2011 & NLSS III and author's own calculations.

with very little going into investment of any kind. In many cases, much of the remittance goes into repaying a loan incurred (in the form of agency fees) to migrate. And many of the receiving households are already deeply indebted with loans that have paid for consumption. These bits of evidence add up to the fact that the reduction in consumption poverty rate can be attributed directly or indirectly to rising indebtedness. Simultaneously, the rush towards migration fails to generate a genuine demand for higher education in Nepal. Although basic literacy rate indicators have improved, the progress in achieving more years of formal schooling is stagnant at around 8 years for the past 12 years.

We are now in a position to at least partially unravel the poverty-remittance-migration nexus in Nepal. More people leaving the country every day cause the phenomenal increase in remittances. Therefore, the magnitude of remittances is determined entirely by the "volume" of migration and not an increase in per capita terms. The volume of migration is driven by the lack of growth and employment in the country. The lack of growth is a result of two inter-twined issues: the lack of stable politics and the persistent energy crisis. The people of Nepal are migrating because there are no alternatives to survival. By dampening a demand for higher learning in the country - a few years of schooling is sufficient for the type of work migrants perform abroad – it has an adverse effect on the formation of human capital in the country.

Remittances do reduce absolute poverty and support the current account, but they also put the economy in a low-level equilibrium trap. This may not be consistent with the country's vision of graduating to middle-income status.

Dr. Guha-Khasnobis is the Economics Advisor at UNDP Nepal.

One Village, One Product



Providing key inputs and technical training to farmers and focusing on commercially valuable products can boost agricultural productivity and income. The One Village, One Product programme significantly increases rural wellbeing, writes **BINOD GHIMIRE**.

ive years ago Bhim Saru from Sindhuli district was hard-pressed to feed his family. The traditional farming methods
Saru employed on his one hectare of land barely produced enough for his family of six. But his life has changed drastically. The risk he took when he replaced subsistence farming with commercial sweet orange farming has paid off for his family.

Now his children go to private schools and he saves around Rs 100,000 each year. Thousands of other farmers in Nepal have also transformed their lives through commercial farming under the One Village, One Product (OVOP) programme, which started in Nepal seven years ago.

OVOP is a community-centered rural economic development programme that was started in 1979 by Morihiko Hiramatsu, former governor of Oita prefecture in Japan. The programme intends to revitalize local resources in remote villages, and thereby to reduce migration from rural areas to cities in search of employment. Inspired by the success of the programme in Japan, a number of Asian, African, and Latin American countries have adopted the idea.

Nepal officially introduced OVOP as a five-year pilot project in July 2006. It is a private-public partnership implemented by the Federation of Nepali Chambers of Commerce and Industry's Agro Enterprise Centre with support from Ministry of Agriculture Development and JICA. It has become part of the national poverty alleviation agenda. The programme started with four products in seven districts and then expanded to eight products

in 11 districts by the end of 2011.

"After the successful pilot phase, the government was ready to expand the programme and its catchment area", says Pradeep Maharjan, OVOP programme director at FNCCI. It has now been extended to 21 districts and 17 products.

According to Maharjan,the OVOP campaign has five distinct characteristics: It is community-led, it

Rajendra Rai, 76, cultivates cymbidium orchid in Lalitpur district. He makes over NPR two million annually from flower sales.

Manish Gautam



REPORT



utilizes local skills, the products have local characteristics, participants take great pride in using local resources and skills, and it promotes independence. OVOP is based on Japanese principles that emphasize the potential of local products, value addition and branding, employment creation, and market promotion. The programme focuses on increasing production and market promotion by providing agriculture inputs and technical training to farmers. "From the very beginning the sole objective of the programme was poverty alleviation at the community level and the benefit to local producers and business enterprises through the export of local products", says Maharjan. Under the OVOP campaign local residents are expected to produce globally marketable products with local character. It helps local leaders to face challenges creatively. The success of any OVOP programme largely depends on product quality and how it is developed and improved upon by local people.

FNCCI data on OVOP show a significant increase in productivity and involvement of farmers growing designated products in rural areas. with over 4.100 farmers from 21 districts directly involved in the OVOP campaign. It has been expanded to 1,703 hectares of land across 83 Village Development Committees and three Municipalities in the country. Under the OVOP campaign farmers

6 FROM THE VERY **BEGINNING THE SOLE OBJECTIVE OF THE PROGRAMME WAS POVERTY ALLEVIATION** AT THE COMMUNITY LEVEL AND THE BENEFIT TO LOCAL PRODUCERS **AND BUSINESS ENTERPRISES THROUGH** THE EXPORT OF LOCAL PRODUCTS.

sold 18,000 metric tons of various products and earned about Rs 275 million in fiscal year 2012/13. The amount has increased every year.

The report shows that 140 farmers earned Rs 38.4 million by selling 202 metric tons of fish in Dhanusha. Around 92 metric tons of trout were harvested in Nuwakot and Rasuwa districts in 2012/13, resulting in earnings of Rs 55 million. More than 13,500 metric tons of bananas were produced in Chitwan and Kanchanpur districts in one year, worth Rs 130 million. Seventy-five metric tons of hog plum (lapsi) were produced in Bhaktapur, over 2,300 tons of sweet orange (junar) were produced in Ramechhap and Sindhuli, and 75 tons of jorilo basmati rice were produced in Doti district.

Three tons of coffee were produced in Syanja and four tons of timur (Zanthoxylum armatum) in Myagdi. Turmeric production in Sunsari was 750 tons in the first year, and over 5,000 tons of oranges were produced in Lekhnath. The production of fish and coffee were 40 tons and 70 tons respectively.

Production of ginger soared to 1,091 metric tons in 140 hectares in Palpa and Salyan districts, and 75 metric tons of mangoes were harvested in Saptari district. Cymbidium orchid farming in Lalitpur has shown remarkable expansion, with an export of 400 units of cut flowers. Production of danphe paper (lokta) in Dolakha too has seen growth of up to 10 metric tons. "The production of areca nuts (supari) in Jhapa will start next year as the plants are still too small to bear fruit", said Ganesh Shakva,a senior OVOP programme manager. He says that the programme has not only empowered farmers but has also helped instill in them an entrepreneurial spirit. By fiscal year 2012/13 the programme has helped some two dozen entrepreneurs. Similarly, farmers have set up three industries to process lokta and a banana restaurant to sell banana products. According to Shakya, the identification of the right product with local input and the use of local skills are the key reasons that the programme has been successful.

Originally the government and FNCCI selected the products, but now a team of agricultural experts chooses them based on their origin, uniqueness, and market and export potential. At present the annual programme is prepared by the respective District Development Committees in consultation with local producers, enterprises, and local government agencies. The committees work on the basis of a budget ceiling prepared by the FNCCI group and the Secretariat of OVOP. The proposed annual programme is forwarded to the team in the secretariat for review and endorsement. According to Bijay Mallik, joint secretary at MoAD who also chairs the OVOP central committee, the programme is funded

OVOP has three central and one district committee for its effective implementation:

COMMITTEE	MEMBERS	LED BY
Steering Committee	Nine	President (at FNCCI)
2. Central Committee	Five	Joint Secretary, MoAD
3. Technical Sub-Committee	Five	CEO, Agro Enterprise Centre
4. District Committee	Five	Chairman, DCCI
Commodity	Year of inception	Districts
1 Hug Plum (Lapsi)	2006	Bhaktapur
2 Sweet Orange	2006	Ramechhap and Sindhuli
3 Rainbow trout	2006	Nuwakot and Rasuwa
4 Stone Apple (bel)	2006	Bardiya
5 Cymbidium Orchid	2007	Lalitpur
6 Agro Tourism	2007	Kaski, Lekhnath (fish/orange/coffee)
7 Danphe Paper (lokta)	2009	Dolkha
8 Coffee	2009	Syangja
9 Areca Nuts (supari)	2012	Jhapa
10 Turmeric (besar)	2012	Sunsari
11 Rural agro	2012	Lamjung (mushroom/vegetable)
12 Timur	2012	Myagdi
13 Ginger	2012	Salyan and Palpa
14 Jorailo Basmati Rice	2012	Doti
15 Fish	2012	Dhanusha
16 Banana	2012	Kanchanpur and Chitwan
17 Mango	2012	Saptari

entirely by the government of Nepal. The FNCCI pays the salary of those working under the programme. Overall the FNCCI bears about one-third of the budget and the government covers the rest. By the end of fiscal year 2012/13 government investment in the programme in seven years had reached about Rs 190 million. Similarly, JICA and Helvetas have helped the farmers with technical expertise to increase production quality, and the Embassy of Japan has extended its support for promotion of these selected products.

"The programme is in high demand in various districts. Our goal is to expand it to 20 more districts", said Shakya. He sees high potential for kiwi fruit farming in Makwanpur, and growing tea in Ilam, among other products.

The government will need to allocate Rs 100 million in upcoming fiscal year to expand the programme to the desired level.

All the commodities selected for the OVOP are indigenous and have high potential for expansion in Nepal. However the programme's dependence on government, lack of specialists, limited budget and delays in release of funds, and lack of appropriate mechanisms for brand promotion in both national and international markets have hindered it. Many people still don't know about OVOP. "All the stakeholders should join hands to improve OVOP as it is the best tool for rural empowerment", Shakya says.

Mr. Ghimire is a journalist with The Kathmandu Post and reports on education

"We want to start micro-industries in every district that will thrive on locally available raw materials and human resources"

ustainable economic development and job creation are crucial for meeting MDG targets. This will require concerted efforts from both the private and public sectors. The Federation of Nepalese Chambers of Commerce and Industry (FNCCI) is working with the government to promote entrepreneurship in the country. The FNCCI's Agro Enterprise Centre is promoting the development of One Village, One Product under a Public-Private Partnership arrangement. Development Advocate Nepal caught up with FNCCI's President Suraj Vaidya to find about the status of this initiative and its current expansion into One District. One Product. Excerpts from the interview follow.

It's been seven years since the One Village, One Product programme was introduced. Are you satisfied with the progress it has made during the period?

I am quite satisfied with what the sector has achieved. The Federation of Nepalese Chambers of Commerce and Industry with the government's support started the programme to foster development at the local level by creating economic activities there. Now the products have started coming to the market and have made a tremendous economic impact at the village level by creating jobs for hundreds of people. Many tangible impacts of the programme have been seen in the rural level, which has increased the demand across the country for the programme. For example the trout farming pilot project supported by the Japanese government was limited to the research programme. After we promoted it through OVOP it has become a good source of income for many farmers. The same has been

true for hog plum (lapsi), danphe paper (lokta), and other projects.

The OVOP programme started in Japan. What can we learn from the success there?

While I was the Chairman of the Aaro Enterprise Centre of FNCCI, the Japan International Cooperation Agency provided us with an opportunity to study the success of the programme in Thailand. That gave us inspiration to start similar programmes in Nepal. Our scenario is different from Japan: Village population there is equal to our urban population. As our villages are much smaller, the programmes are different. But the basic concept of the programme – to increase economic activities through the commercialization of local products -is based directly on the Japanese experience and success.

Recently another Public Private Partnership programme, One District, One Product, has started. How is it different from OVOP? Every district has viable and sustainable products, and developing agricultural industry and entrepreneurs locally will help to retain youth in Nepal rather than seeing them migrate to find work. Presently many donor agencies have been supporting the agriculture sector but in a dispersed manner. With this programme we want to integrate all the resources to make them more effective. We want to start micro-industries in every district that will thrive on locally available raw materials and human resources. The FNCCI will take the responsibility to create markets at national and international level for these products.

Are there enough resources to make the initiative successful?

Resources are not a problem. The main thing is the ideas and concepts. There is huge flow of remittance to every district. Even a district like Rolpa receives around NRs 10 million every day. Resources will flow if there are viable ideas and concepts. ODOP is



implemented under a PPP model with technical and financial support provided by the government and the FNCCI and local people contributing 25 per cent. We are also providing technical and managerial expertise to the farmers. We are planning to work collaboratively with the National Academy of Science and Technology and JICA for the technical support. We will also bring in international experts with support from the donor agencies.

Have farmers got the markets for their products? Is there export potential for the products that would be produced?

There are adequate markets both inside and outside the country. There is a huge potential market for A-grade sweet oranges across the world. Similarly we see demand for fresh vegetables, mushrooms, cut flowers, herbs, and honey from Gulf and Middle East countries, but we have not yet started to export there due to a lack of adequate product. FNCCI with

support from Ministry of Agriculture is planning to set up information stalls for OVOP and ODOP in Tribhuvan International Airport.

What new products will be added in the districts where the programme has been expanded through the new budget?

Now we are focusing on the products that are imported from outside. In fiscal year 2012/13 we imported NRs 2 billion worth of goats, NRs 1 billion worth of greens, NRs 1.5 billion worth of onions, and large amounts of potatoes and buffalos, among other products. So our focus now will be on producing such items to decrease our imports. We will collaborate with the Ministry of Agriculture and Ministry of Finance.

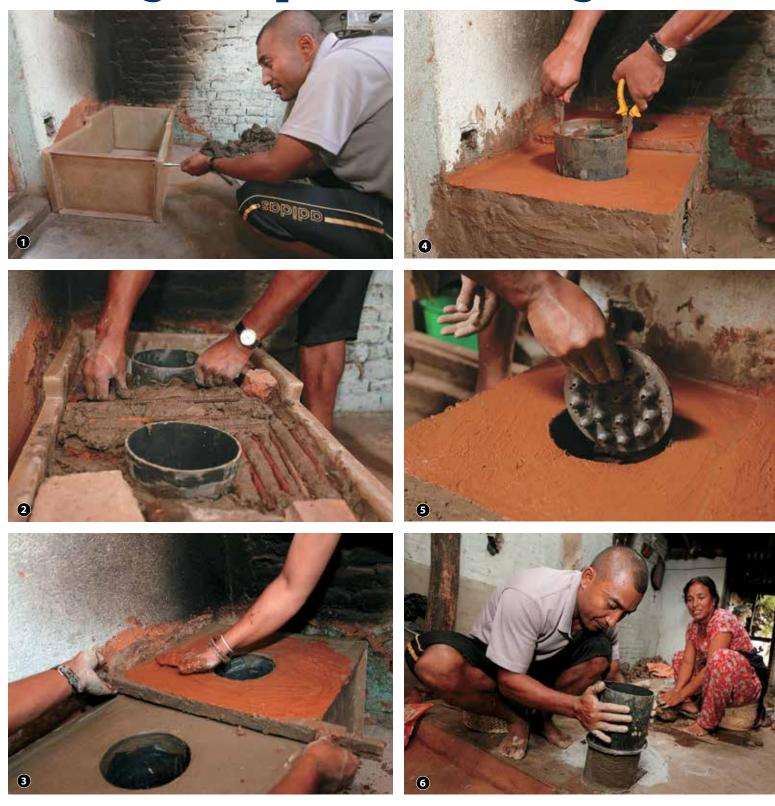
What are the main challenges for now?

The present political instability is the main hindrance in bringing prosperity to the country. Lack of a timely budget due to political tussles creates problems in implementing the plans and policies. Bureaucratic hassles are a problem too. In addition, shortages of electricity and fertilizers cause problems. To commercialize the agriculture sector the government should endorse a contract-framing policy to help convert from traditional sustenance agriculture to mass cultivation.

What is the ultimate goal of the programme?

The programme is aimed at bringing economic prosperity across the country irrespective of geographic location. We want to sponsor development entrepreneurs at the local level so that the huge flow of youth leaving for the Gulf and Middle East can find jobs at home. Through the programme we want to contribute to the balance of payment and create global markets for our agricultural products.

Making of Improved Cooking Stoves











n Nepal 74 per cent of total energy consumed comes from firewood and majority of it is used for cooking. On average Nepali women, who do the bulk of household work, spent 6 hours daily in collecting firewood. Improved cook-stoves (ICS) are a mature energy technology for the efficient conversion of energy from biomass to heat. They are designed to consume less fuel and save cooking time, to be more convenient and to be smokeless or at least to reduce substantially the volume of smoke produced during cooking, when compared to traditional stoves. The direct and indirect benefits of ICS include increased thermal efficiency, forest conservation by reducing firewood consumption, reduction in women's labour, reduction in indoor air pollution and smokereleased health disorders, prevention of fire hazards, and reduction of cooking time. In 2012 UNDP's various projects helped to install 24,120 improved cooking stoves across Nepal. In this photo series, Ratna Man Maharjan making improved cooking stove for Mrs. Chiri Maya Maharjan in Bungmati, Lalitpur. This particular initiative was supported by UNDP-Global Environment Facility's Small Grants Programme and Implementented by New



Walking the Talk on Gender Issues



In spite of the significant progress made in reducing genderbased violence, critical steps, including adequate legislation to deter perpetrators, are still needed for the effective implementation of national commitments, writes BINDA MAGAR.

omen are daily victims of eve-teasing, discrimination, inhuman treatment, and many other forms of violence. On August ninth, the Siraha District Administration Office had to announce a 12-hour curfew in Sarswar VDC in the wake of clashes and tension sparked by eve-teasing of a group

of girls from Dhanusha who had come to the Sarswar Mahadev shrine to offer holy water.¹

The Himalayan Times wrote that a married woman had become the latest victim of rape in Rautahat, and that earlier a 13-year-old girl

had been gang raped in the district. Police had arrested four persons in connection with the incidents and were still investigating.² The same day Republica wrote that a teenager had been arrested on an allegation of rape of a 5-year-old child in Chitwan district.³

¹ The Himalayan Times, August 11, 2013, http://www.epaper.thehimalayantimes.com/PUBLICATIONS/THT/THT/2013/08/11/ArticleHtmls/Curfew-lifted-in-Siraha-11082013005004.shtml?Mode=1

² The Himalayan Times, August 13, 2013, http://epaper.thehimalayantimes.com/index.aspx?EID=473&dt=20130813

Republica, August 13, 2013, http://e.myrepublica.com/component/flippingbook/book/1331-republica-13-august-2013/1-republica.html

The elimination and prevention of all forms of violence against women and girls is critical to achieving gender equality and women's empowerment. Women's rights and gender justice must be a cross-cutting issue. Gender sensitive policies that promote social, political and economic empowerment of women and young girls will lead to a more just society.

International legal frameworks and commitments provide a comprehensive set of measures for the elimination and prevention of all forms of discrimination and violence against women and girls.⁴ But bringing about change in women's lives is still a challenge for Nepal.

On 10 September 2013, the
Government of Nepal launched Nepal
Millennium Development Goals
Progress Report 2013 that highlights
the status of the eight Millennium
Development Goals that it has
committed to meet by 2015. At the same
time Nepali civil society has begun
assessing the Post-2015 Development
Framework and believes that violence
against women has been rampant in
all sections of society.

The Government of Nepal has taken steps to address violence against women and girls. The right to equality is protected within the Interim Constitution. and the government has passed laws to improve the status of women including the Gender Equality Act of 2006 and the Domestic Violence (Crime and Control) Act of 2009. The government has adopted a five-year National Strategy and Plan of Action related to Gender Empowerment and Ending Gender Based Violence that promulgates zero tolerance against violence, one stop crisis management centers for the protection of survivors and victims, free legal aid, and a fast-track court system.



Nirmaya Ban, Piple VDC Secretary, Terhathum. More women participation at decision making level will significantly contribute towards ensuring gender equality in Nepal. Stapa Dipti Sitaula

The Nepal police have also taken steps towards gender equality, and the judiciary has responded to public interest litigation by recognizing marital rape as a crime. These are positive developments. However, according to the report of Nepal Police's Women and Children Service Centre, rape cases, attempt to rape, trafficking, abortion, polygamy, child marriage, and cases of domestic violence are increasing at an alarming rate (see table below).

Cases registered at National Women's Commission in 2068/069 include 148 cases of physical violence, 114 cases of mental violence, two cases of economic violence, and one case of sexual violence.

The United Nations Economic and Social Council's Commission on the Status of Women concluded its 57th session, in March 2013 in New York, under the theme "The Elimination and Prevention of All Forms of Violence against Women and Girls."

PATTERNS OF VIOLENCE AGAINST WOMEN

Fiscal Year	Abortion	Child Marriage	Domestic Violence	Polygamy	Trafficking	Attempt to Rape	Rape	
060/061	8	3	922	44	56	19	154	
061/062	11	1	730	66	72	25	188	
062/063	14	1	939	65	97	38	195	
063/064	3	7	1100	94	112	70	317	
064/065	13	4	881	122	123	73	309	
065/066	12	2	968	170	139	75	391	
066/067	8	7	983	146	161	101	376	
067/068	12	3	1355	197	183	151	481	
068/069	13	12	2250	249	118	156	555	

Source: Women and Children Service Centre, Nepal Police.

⁴ See Convention on the Elimination of All Forms of Violence against Women (CEDAW), Beijing Decleration Platform for Action etc.

For Detail visit http://www.nepalpolice.gov.np/l.html

⁶ For detail visit http://www.un.org/womenwatch/daw/csw/



Noori Shanti Women's Group, Kolhuwa Bagaiya VDC Mohattari. Women's groups play an important role in raising awareness and empowering women.

Tapa Dipti Sitaula

The Commission concluded its regular session by urging the government at all levels, UN agencies, civil society, non-governmental organizations, the private sector, media, and other relevant stakeholders to prioritize the following four areas:

- Strengthening implementation of legal and policy frameworks and accountability
- Addressing structural and underlying causes and risk factors so as to prevent violence against women and girls
- Strengthening multi-sectoral services, programmes and responses to violence against women and girls
- 4. Improving the evidence base

The Government of Nepal participated and reaffirmed its commitment to promoting gender equality and full and equal enjoyment of human rights by women and airls.

Having a legal framework is good, but it is vital to promote awareness of the issue and to build the capacity of men and women to deal with the issue so that women and girls can live a life with dignity and free of any kind of harassment, torture or violence at home, in the workplace, and in public space.

UNDP promotes these goals through various programmes including the Livelihood Recovery for Peace (LRP) project and the Local Governance and Community Development Programme (LGCDP)'s Citizens Awareness Centers that build the capacity of women and youths and boost the morale and confidence of disadvantaged women to fight against gender based violence. LRP, which is operational in three districts Sarlahi. Mahottari and

Rautahat, works closely with the local government and NGOs to create local capacities and awareness ensuring community ownership and promoting peace and social cohesion. LGCDP is implemented in all the 75 districts.

In 2012, through LRP, UNDP supported a total of 201,818 family members of community groups, women rights forums, and youth clubs to be sensitized on the prevention of Gender Based Violence. Women activists were trained in a basic GBV course and on the prevention of GBV. Various information materials including pictorial flip charts and public service announcements on GBV were developed, distributed, and aired to raise awareness amona the general public. As a result of the support, the programme districts have prepared and endorsed a three-year strategic plan for fighting against gender based violence including budgeted action plan each year. It has



22 year-old Social Mobilizer Natasha Sharma discusses development issues in her village with Joint Secretary of the Ministry of Federal Affairs and Local Development Bodh Raj Niraula. 🚳 John Narayan Parajuli

contributed to strengthen gender sensitive development planning and monitoring in the annual programme and budget of civil society and local government.

In spite of the significant progress made in the area of GBV, critical challenges still remain for the effective implementation of national commitments, and the creation and implementation of laws, policies, and national plan of actions. First, internalization of the issue is important because violence against women can have a myriad of devastating consequences on women's short and long-term health and well-being. The immediate impact is one part, but violence can also have long-term effects on victims' participation and engagement in many aspects of life and society, including their economic productivity. Secondly there is need of a multisectoral response mechanism and, therefore, concerted and coordinated efforts across multiple dimensions that affect the lives of women and

6 VIOLENCE **AGAINST WOMEN CAN HAVE A MYRIAD OF DEVASTATING CONSEQUENCES** ON WOMEN'S SHORT AND LONG-TERM HEALTH AND WELL-BEING.

girls, including education, health care, psychological counseling, socialization processes, and legal rights are needed. Thirdly the policies, strategies, and action plans addressing GBV must be aligned with each other. Collaboration among stakeholders and interagency and inter-ministerial cooperation can bring positive change.

We aspire to be a society where women and girls can live a life of dignity: This is a very challenging task. But as Nelson Mandela reminds us, "It always seems impossible until it's done."

Ms. Magar is Gender and Social Inclusion Programme Specialist with UNDP Nepal

A New Life, or ...?

Ex-combatants' rehabilitation stories show that the process remains unfinished for many



After spending years as fighters and further years in cantonments, some former combatants are picking up the pieces and rebuilding their lives but others have yet to make peace with their fate and complete the transition into productive civilian lives, writes JOHN NARAYAN PARAJULI.



was seriously hurt", she says. They could do nothing but flee the scene. She walked for a whole day with shrapnel lodged in her thigh to reach a safe place. Although that battle did not claim any lives, many of her friends were injured.

"I was in a daze the whole time. Sometimes it still haunts me", says Raymajhi, the colour of her pale blue kurta outfit reflecting in her dewy eyes.

By the time that the rebels made peace, Raymajhi had fought for about six years. When the Maoist soldiers were verified in 2007, she was deemed 'unqualified' to continue to be part of Maoists PLA for being a minor. "I was given Rs 6,000 and a pair of shoes and bid goodbye", she says.

Life was not easy when she returned home to her parents. The community and even some of her family members and friends found it hard to accept her. She remembers that people would talk behind her back and taunt her. Her character was questioned, and they said that no one would want to marry her. Every day she saw her mother cry after hearing the awful things the neighbors said.

Now her life has changed. Her father supported Raymajhi and her husband and bought them a shop nearby, and the United Nations Interagency Rehabilitation Programme (UNIRP) supported them with a total of Rs 60,000 in two installments to buy stock for the shop.

Currently she earns around Rs 20,000 a month, enough to support herself and send her son to school. Every month she also pays Rs 3,000 in rent for her two-room home. "I don't want to remember the past. I've moved on", she says. "All I want now is to give my son an education and make sure that he does not face the same troubles



REPORT

Kamala Shrestha's BBS Bakery & Fast Food Centre in Balkumari is abuzz with people. She works in the kitchen while her husband serves the customers. They bought the restaurant three months ago with an investment of around Rs 500,000 that the state had provided to ex-combatants who chose voluntary retirement. Under the UNIRP programme she took three months of cooking training, which encouraged her to start her own business. A woman with a sharp and commanding voice. Shrestha served in the third division of Anikalyan Brigade Number Ten.

Shrestha joined the PLA a decade ago. She was devastated to see seven innocent lives claimed by the state forces during the insurgency in Narsidanda. It was this incident that made her decide to join the armed group. She remained in the PLA for five years, until the war was over.

Shrestha was one of the PLA fighters who attacked Daregouda and seized huge amounts of guns and ammunition in 2006. To celebrate the occasion a programme was organized at Thokarpa, Sindhupalchowk. The then commander and later Finance Minister Barshaman Pun was to chair the programme, and various national and international journalists were invited to attend the event. Half an hour before the programme was to start, bullets started raining from all directions. It was an attack by state security forces, she says.

"I don't know how I survived the attack, but I did manage to take some villagers and journalists to a safe area", says Shrestha. "Fortunately only a few people got hurt".

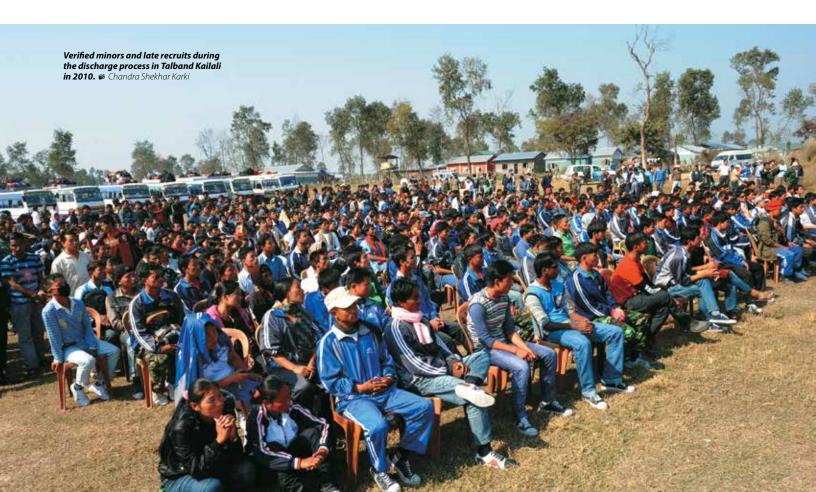
When the war was over, Shrestha felt it was time to move on. Sometimes she thinks that she might have had done



Sobha Rayamajhi, former Maoist combatant, now runs a spice shop.

Manish Gautam

better in life had she not joined the rebels. But then again she feels that women are more empowered now and that the status of females in society is improving. One of the reasons for that, she says, is that so many women were recruited for the PLA, which did not uphold the societal gender norms typical in Nepal. It helped women to exercise military power—something traditionally a sole male domain, she says.



Fortunately for the Shresthas the transition has worked out well. They had sufficient money and resources to invest in the right business. "It's just been three months, but the business is doing really well", said Shrestha happily. Her son is only two and a half years old now, and when the time comes she wants to send him to a good school.

"I was never very interested in politics. Frankly, the whole experience was frustrating. They [the Maoist army] gave us a dream to believe in and then they handed us peanuts", she says.

Unfinished business

Frustration used to be a common thread among most former combatants—both Verified Late Recruits and Minors (VLRMs) and voluntary retirees—and still is. In the beginning many VLRMs refused to take part in the UN-administered rehabilitation programme. Even those who participated vented their anger and frustration at UN staff, causing many tense moments.

VLRMs transition into civilian life took over a year and included sessions from counselors who helped them to adiust as civilians.

With support that went beyond just cash handouts, many of those discharged in 2010 have moved on to secure their future with employment or startups. However, the state of mind of the voluntary retirees remains volatile. A recent policy brief put out by Martin Chautari, Political Risk and Ex-Combatants, suggests that their mood is grim. Most voluntary retirees have spent the money they received or are in the process of exhausting their resources completely. Once the money is gone, as the report quotes one of the ex-combatant interviewees. they will struggle to make ends meet.



Kamala Shrestha, also a former Maoist combatant, runs a fast food center. 🚳 Manish Gautam

"At the moment we have money. But after the money finishes we can go to crime. Everyone has knowledge of arms. We know the art of war".

Despite frustration and pessimism, according to the brief, most of those interviewed were focused on family or livelihoods and had little inclination for politics or going back to war if they had a choice. Most interviewees complained of lack of skills to earn a livelihood and that they had to start from scratch to pick up new skills. They were overwhelmingly concerned about basic livelihood issues. The policy brief indicated that most had invested the cash payout in land and were building homes, but with no other source of income they were struggling to put food on the table.

The UN's interagency effort to rehabilitate the ex-combatants offers a viable model for helping them further. Understandably, the fact that they

GWAS NEVER VERY **INTERESTED IN** POLITICS. THE WHOLE EXPERIENCE WAS FRUSTRATING. THEY GAVE US A **DREAM TO BELIEVE** IN AND THEN THEY HANDED US PEANUTS.

opted to receive a large cash payout makes it unpalatable for the government, non-Maoist political parties, and the international community to do more. The fact remains that reintegration of the voluntary retirees is far from over, and the job is only half-done which poses a real danger to peace if it is left unfinished.

Mr. Parajuli is the Head of Communications with UNDP Nepal.

With reporting from Manish Gautam.

"Nepal will only win if every part of the society wins"

r. Thomas Gass is a seasoned diplomat and development expert. He has recently been appointed as the Assistant Secretary General at the UN Department of Social and Economic Affairs in New York, responsible for policy and interagency coordination. He served as the first residential Ambassador of Switzerland to Nepal. Prior to coming to Nepal he worked in New York as Head of the Economic and Development Section at the Permanent Mission of Switzerland to the United Nations in New York. Dr. Gass began his development career in the Consultative Group for International Agricultural Research and later joined the Swiss Agency for Development and Cooperation as a Policy and Programme Officer. He also worked for UNDP in Guyana as the Deputy Resident Representative. Development Advocate Nepal caught up with Gass as he was leaving to take up his new assignment in New York. In this interview, he minces no words and offers constructive critique of the development process in Nepal and on the role of UN and international development community at large. He says that it is right that Nepal set the target to graduate into a developing country by 2022, not because Nepal owes it to the international community but because it owes it to its people. He believes that "Nepal, as any state, will be only as strong as the weakest members of its society".

How would you describe the role of the international community in Nepal and visà-vis the development process here?

For many of its Development Partners, Nepal is located far away and holds only moderate importance in terms of its economic linkages. The relationship of the international community with Nepal is therefore relatively rather impartial with no strong vested interest or agenda. Nevertheless, the international community is at times very ambitious and impatient in terms of the changes it wants to see in Nepal.

So in a sense national interest of development partners does not have a direct bearing on the development process in Nepal because they are a bit far away?

Yes. Of course Nepal has two immediate neighbors who logically have vested interests here. But for rest of us, the distance to Nepal is relatively great so what happens here doesn't affect us directly in terms of our economy, politics,or migration. Our relationship with Nepal is therefore mainly influenced by our respective commitment to support the socio-economic development in this country.

Do the donors work as a coherent group or do you see them working at cross-purposes at times?

There are times when there is disagreement among development partners. But in general, compared to how donors work in other countries, they work together quite well in Nepal. Cooperation and coordination is strong and information is shared readily with each other. As you know the development partners have agreed to pool their funding in sectors such as health, education, rural transport infrastructure, but also transversally for the strengthening of local governance and for supporting the peace process.

What are your country's development priorities in Nepal?

Switzerland has recently approved a new cooperation strategy with Nepal. This strategy includes two main domains. Within the first domain the objective is to help develop an effective and inclusive federal state, based on human security and the rule of law. Within the second domain our objective is to contribute to improved wellbeing and resilience of people, especially disadvantaged people living in rural areas and in small urban centers. So we will measure our success by how the socio-economic status of these people improves and we will achieve these



UN Assistant Secretary General for the Department of Economics and Social Affairs and former Swiss Ambassador to Nepal Thomas Gass. @ Tapa Dipti Sitaula

outcomes through a continued strong cooperation with the government, civil society and the beneficiaries in those sectors in which we have much experience: for example, rural transport infrastructure, forestry, agriculture, vocational training just to name a few.

In your experience what are some of the challenges in implementing development assistance in Nepal?

The major challenge is for the politicians and the political parties to deal with the challenges related to the political transition and the design of the new Nepal, while at the same time not forgetting that this country needs their attention in terms of economic and social development

also. Many, during their time in the Legislative Parliament and in the Constituent Assembly were spending much energy in making sure that power relationships with other parties were in their favour, while paying too little attention to the needs of the population and the need to push forward development programmes. This is one of the major issues. The other important issue is that Nepal is a very diverse country, both ethnically and culturally. The challenge is to build Nepal, while accommodating this diversity and even building on the strength and potential of this diversity. Nepal will only win if every part of the society wins. The last sentence in the preamble of the Swiss Constitution says that a society is only as strong as its weakest members. I believe

that this is also true for Nepal. It is for the politicians and leaders to realize that Nepal will only be a strong as its weakest members.

Now the policy environment of Nepal has been quiet fragile, right? Do you see it as improving over years or is it getting worse as the transition prolongs?

I don't believe that the transition process has derailed. I think it has stopped on the tracks. The transition process needs refueling and a new push. The politicians and the parties need to stand accountable to the people and receive a new mandate from the people. That is why the upcoming November CA elections and the local election in April 2014 are so important.

If you were to critique the way development aid is being spent in Nepal and other developing countries, do you see flaws that need correcting?

It is always challenging when a lot of foreign money is to be spent on development works. Expectations exist on the side of the donor countries and their taxpavers that the funds should be invested in a cost effective and transparent way. On the side of the receiving country the expectation is that funds should be given through the national system with few or no conditions attached. At the same time the capacity of the receiving country to implement projects, to allocate counterpart funding and thus to make best use of donor funds is also very important.

Currently the government is not spending its entire budget, and important concerns exist on the donor side regarding the fiduciary risks associated with channeling funds through the national system. That is not an ideal situation, but it is a very typical situation of a transition country where we tend to go two steps forward and then one step back. Development partners want to work more through government and reduce the number of parallel implementation units. We hope to rely more and more on the state's own capacities. But every now and then we have to do a reality check and reduce our ambition. In order to ensure that the poor and disadvantaged people in Nepal benefit from our funds we sometimes need to take a couple of steps back and give more responsibilities to civil society to stand there as a support, as a check and balance for the state, until the state has grown into its next pair of bigger shoes.

There seems to be more focus on delivery rather than results in terms of how the development aid is being spent. Why is that? Is it specific to Nepal or does this happen in other developing countries too?

Of course we all should be focusing on results and outcomes, but when you work in a partnership the results are really shared results, while the delivery is what can be attributed to the donor. So when you focus on delivery or outputs, you are focusing on what you can do yourself as a development agency. If you focus on the results, however, then you are looking at the quality of the partnership. That is much more challenging because other factors come into the game, such as choice of partners, participatory decision processes and the quality of technical assistance and capacity building.

Many development agencies including yours have been here for five or six decades. Is there a discussion among the development partners on an exit strategy or a cut-off date?

Well we are always under pressure from our respective parliaments and taxpayers to focus on those countries that need our help most. And I can say that in the Swiss Agency for Development and Cooperation (SDC), there is a discussion every four or five vears, whether we are still located in those countries that need our assistance most. While changes are rare, there are instances in which SDC is withdrawing from one country because its development indices have significantly improved or because its poor governance or human rights record make it difficult to justify a partnership. Currently Nepal is not under discussion for phasing out of SDC's portfolio, but in our strategy

formulation process last year we looked at and slightly adjusted our geographical and thematic focus.

The government of Nepal is requesting us to work through the national system and in so-called SWAPs (sector wise approaches). Of course it does not make sense that every donor is actively engaged in every sector. So we focus on sectors and themes in which we think we have a comparative advantage and where we can make a difference. For example, Switzerland has embarked in the last couple of years on the very important subject of migration. Switzerland wants to work closely with the Government of Nepal and civil society to make migration safer and economically more useful and feasible for migrants.

Perhaps linked with the donors' exit strategy is Nepal's own plan for graduating out of the group of least developed countries. And the date now seems to be 2022. Do you think that is a realistic date?

If you don't set a target you don't really reach a destination. It is absolutely essential that Nepal gives itself a target to live up to. But the objective shouldn't be just so that something can be announced in an international forum or at the UN general assembly. That objective must be to establish an indicator, through which the politicians and the state can be assessed by the population in terms of the effectiveness with which they pursue social and economic policies. Nepal does not owe it to the international community to graduate by 2022. Nepal owes it to its own people to graduate as soon as possible and not later than 2022.

So do you think it is possible?

I think it's possible. Some serious progress needs to happen: One of these is, as I mentioned, that politicians must become able to multi task. They have to be able to pursue political negotiations, and at the same time hold the state apparatus accountable for delivering its budget. It is also very important that the elite in this country understands that it has everything to gain and nothing to lose by making this country more inclusive and allowing all the ethnic and cultural groups to access the economy and power and really bring their strength and talents to bear on the development of Nepal.

Generally there is this tendency to compare East-Asian states with South-Asian states. In the former, economy seems to have primacy over politics, the reverse being true in the latter. Do vou think the instinct in South-East Asia, what has been described as developmental state, is gradually spilling over into South Asia and more particularly into Nepal?

I am not enough of a specialist of Asian economies to be able to say whether I agree with that statement. I believe that countries in South Asia, and particularly Nepal, have very specific challenges. Nepal, for example, is landlocked between two huge economies. Therefore it does not have much economic and loaistical autonomy. But Switzerland is in a similar situation geographically. I believe that such geographic and geopolitical challenges can actually get the best out of us. So I believe that the decade for Nepal is coming, and, to the extent that internal mistrust in society and politics can be overcome,its economy could soon take off.

POLITICIANS MUST BECOME ABLE TO MULTI TASK. THEY HAVE TO BE ABLE TO PURSUE POLITICAL NEGOTIATIONS, AND AT THE SAME TIME HOLD THE STATE APPARATUS ACCOUNTABLE FOR DELIVERING ITS BUDGET. IT IS ALSO VERY IMPORTANT THAT THE ELITE IN THIS COUNTRY UNDERSTANDS THAT IT HAS EVERYTHING TO GAIN AND NOTHING TO LOSE BY MAKING THIS COUNTRY MORE INCLUSIVE...

Do you have any predictions as to how the development process will play out in the next decade or two for Nepal, based on what you have seen in the region?

My hope for Nepal in next ten years is it will have considerably increased its production of electricity. The political scenario will become stable with political parties in the opposition playing a constructive role. I hope that Nepal will be a society where gender discrimination, violence against women and of course untouchability really become issues of the past. I also hope that Nepal will have succeeded in halting the degradation of the environment in such a way that tourists come here to enjoy without overusing the country's resources. Nepal in 10 years should be a country to which the Nepalese Diaspora abroad is very proud to comeback to and invest in.

Do you have views on how the UN or UNDP works in Nepal?

I believe that the recent United Nation Development Action Framework (UNDAF) is a landmark document. I think the analysis of vulnerability groups that underpins the approach, was really well done. The UN country team now needs to unite to implement this strategy. As is the case for any development organization, the UN

agencies, funds, and programmes have strong and weak sides. At times they are very effective at bringing expertise and competency to the state, to make it stronger, more relevant and more effective. On the other hand,individual agencies at times stand in the way of the progress they wish to bring about. Direct implementation must become the exception and technical assistance must be used very carefully,so that the government can gradually take over its own responsibilities. The UN agencies need resources to accomplish their mandate, that sometimes places them in competition with the state, and that competition can sometimes sour the relationship. But in general, I believe that the UN can really bring very relevant expertise and support to the state.

Now you are joining UN the Assistant Secretary General in the Department of Social and Economic Affairs (DESA). What would be some of your priorities in your new position?

I think it is too early for me to say what my priorities would be. The UN has a significant role to play in development at the global and at the national level, but this role is only as effective and credible as UN agencies succeed in working together to deliver as one UN system.



"Our involvement with India and China has not come at the cost of the Western donors"

oint Secretary Madhu Marasini is the Chief of International Economic Cooperation Coordination Division at the Ministry of Finance, the lead division to coordinate with donors and development organizations to mobilize resources for Nepal's development. He spoke with Development Advocate Nepal on challenges in mobilizing foreign aid, the funding patterns and the new

foreign aid policy the government is planning to unveil. He says that the budgetary support is the ideal model for foreign aid and that government will be more selective in accepting assistance in the future.

Your division is responsible for managing and mobilizing foreign aid. What are some of the challenges in optimal utilization of foreign aid in national priority areas? Any foreign aid entering the country goes through certain stages. The primary work of my division is to get commitment and collect foreign aid for the country to invest in various projects. In that regard I am very happy. This year we have received a commitment of Rs 115 billion as foreign aid, and that is the highest amount so far. The second stage is the investment of the resources collected by our division, in which I

don't have much role. The spending agencies are government ministries. If you ask me,I am not satisfied with the way the foreign aid is utilized. We need to improve our capacity to spend the assistance we receive. The main challenge thus is improve our absorbing capacity.

Does foreign aid come with a lot of strings attached? What has been your experience?

I won't say there are no strings attached. Most support from donors comes with some conditions. The conditions are not as harsh as in the past, but there are certain procurement guidelines and safeguard policies with which we need to comply.

Last year, after eight years, the World Bank finally gave us budgetary support, a sort of a blank cheque. If you ask me that is the model of support that we want to get from our development partners.

What is the volume of foreign aid coming to Nepal annually?

This year we had Rs 115 billion as grant and loan. Last year, the amount was Rs 107 billion and two years ago it was Rs 96 billion. Foreign aid has been increasing over the years.

What is the ratio of grant vs. loan?

In the past we got more grants. Now the volume of loans is increasing. During 2002, while Nepal was in the midst of an armed conflict, donors categorized us as a fragile and low-income country. As a result donors followed certain parameters before providing us grants. Now we are heading towards stability, and the peace process is moving towards its logical conclusion. Our debt-to-GDP ratio has decreased, which has

LAST YEAR, AFTER
EIGHT YEARS, THE
WORLD BANK FINALLY
GAVE US BUDGETARY
SUPPORT, A SORT OF
A BLANK CHEQUE. IF
YOU ASK ME THAT
IS THE MODEL OF
SUPPORT THAT WE
WANT TO GET FROM
OUR DEVELOPMENT
PARTNERS.

improved our loan servicing capacity. Those things have led to an increase in the volume of loans.

Many say that Nepal's dependence in foreign aid is decreasing while the volume of aid seems to be increasing. Why is that so?

I won't say the dependence is decreasing. But we have been able to generate good revenue, an amount that exceeds the amount of foreign aid. In the past around 25 percent of the budget was foreign aid, while now it is around 22 percent.

Over the years India and China have emerged as big donors to Nepal. Some say this has limited Nepal's focus to these two countries, sometimes at the risk of overlooking traditional western development partners. Is there any truth in that statement?

Our relations with India China are that of neighbours. In recent years loans from EXIM banks from both countries have been on the rise in addition to direct government-togovernment support. But it is not true that our involvement with India and China has come at the cost of the Western donors. A few months back we signed an agreement with the European Investment Bank, a new development partner for Nepal, to build the Tanahun hydroelectric project. Apart from government support, when it comes to taking loans we choose banks as per our terms and condition and prefer those who charge minimal interest. But that does not mean we are focusing on some and overlooking others.

If you were to analyze assistance offered by two of Nepal's neighbors and the rest of the international community, is there any noticeable pattern that distinguishes these two groups of development partners?

Yes there is. For instance the loans of Exim banks are always used for infrastructure and not in the social sector. Loans from India's Exim bank are used in constructing roads and transmission lines. Aid provided by other traditional European governments is always grants, and their grants are always invested in social sectors like health, education, good governance, and the like. They have a rights-based approach.

You have been revising the foreign aid policy. What is in the new revised guidelines?

We are trying to be more disciplined than in the past, when we accepted all sorts of foreign aid. We want aid that is in line with our national policies, and we want it to be strictly enforced. If it is a bilateral grant than we will accept only amounts over Rs 5 million: Anything less than that will go to a basket fund. When

INTERVIEW

it comes to loans we will use them only for big infrastructure projects such as airports, railways, dams, and hydropower. Even when we take technical assistance the amount will be pooled into basket fund to be used in a priority area. We are basically trying to achieve three goals under the new foreign aid policy: being selective in what we accept and where we invest, ensuring that funds are diverted to our priority areas, and avoiding fragmentation of foreign aid.

Why is that only 15 percent of foreign aid is spent on strengthening the framework for macroeconomic policies—which is supposed to guide overall development process in the country? Where are the constraints?

Many of our projects are standalone type. The macro economy deals primarily with policy issues. Hence the majority of the foreign aid is spent in the area where there is immediate impact. I don't think policy issues are cost-intensive.

How is the decision on allocating foreign aid to different sectors made? What informs this decision-making process?

Whenever we sit in talks with donors we always make sure that their programmes are aligned with our national priority programmes and our development plans. Every development partner has a three to five-year plan that is prepared in consultation with us. The paper identifies key areas of investment, and the funds are released accordingly.

Without government's approval, nothing moves forward. But there is a grim reality: Often there is no adequate capacity within the ministries to design or monitor the UN AGENCIES WILL
HAVE TO LIMIT THEIR
INVOLVEMENT TO
SOME KEY AREAS
WHERE THEIR
COMPARATIVE
STRENGTH IS
GREATEST.

project implementation. Even our line ministries have few people who can actually come up with the overall project designing and framework. Hence we need the support of Development Partners to build the capacity in line ministries.

It has been many years that we have not had a Nepal Development Forum. Has this had any effect on the aid flow?

Obviously when we don't have regular meeting of an established mechanism for seeking donor coordination, our communication with the donor headquarters becomes weaker. This in turn makes it harder to get them to pledge for larger scale assistance. But generally speaking, I don't think the lack of the forum has affected us significantly. The forum would have been better mechanism, and we tried to convene it two years back, but the change in the government meant that we had to abandon our preparations. To convene the meeting of the Forum takes at least a year of preparation, which means a government has to be in office for twice that long. In these times of transition that is difficult.

You have recently launched an aid management platform. How will this help the ministry?

It will help us a lot. I won't say that citizens will be able to use it immediately, but it will give donors information quickly about the flow of aid. The donors can easily see where the resources are mobilized most and where new investment should go. They will have these facts at their fingertips. This will help with future aid, and we hope that neglected areas will also get better funding.

So the donors participate voluntarily?

Yes, the platform is kind of a gentlemen's agreement. The donors have to participate to keep the platform relevant. Most donors have agreed to provide the information. We will validate the data and get it published. Nepal has around 40 development partners, and each donor knows only about their support areas. In the future everyone will know how much support other donors are providing and in which areas. This will help in prioritizing investment and in coordination among donors.

As a government representative, how do you see the work of UN and UNDP?

I think that UNDP provides more advisory support, and it's not a typical donor. They try to bridge the knowledge and technology gap among the government bodies. So they have their comparative advantage in these fields. But I think they should decrease their area of involvement. UN agencies are spread thin with 220 projects that they are currently involved in. This incurs more transaction and other costs to UNDP and UN agencies, which I don't think is cost-effective. UN agencies will have to limit their involvement to some key areas where their comparative strength is greatest.



Nagendra Das with his rikshaw. 🚳 Devendra Dhungana

here was plenty of work in my village but not enough food. Farm workers there are paid in rice, usually five kilos per day, but that was not enough to feed my family. If we needed even a small sum of money we had to visit a local moneylender who charged a high interest rate. I had seen other men who went abroad to work come home with a new mobile set, TV, and cash._

My neighbor helped me to borrow Rs 90,000 from a local moneylender by mortgaging my house and land. The idea of flying abroad was both exciting and frightening, but my fears were lessened when a local agent travelled with me to Kathmandu and

helped me to acquire my passport and a visa.

No one in my generation went to school, so I cannot read or write. I did not have the slightest idea about the company I was going to work for, but the agent assured me that everything was okay. I worried because I knew that I would be homeless if I did not pay back the loan.

My time in Qatar turned into a nightmare when the company I was working for, Super Servants LLC, stopped paying us after 9 months. The company was not doing well and started to sell its large equipment. We were given a choice: either to

SI RETURNED HOME IN THE SAME **CLOTHES I WORE** WHEN I LEFT, I DID **NOT HAVE EVEN A DOLLAR TO BUY** A CANDY FOR MY CHILDREN AND MY WIFE WHO WERE **WAITING FOR MY** RETURN.

PERSONAL NARRATIVE

complain and land in jail or get an exit paper and return home. Workers are not allowed to protest in Qatar, even if they are wronged.

I returned home in the same clothes I wore when I left. I did not have even a dollar to buy a candy for my children and my wife who were waiting for my return. Call it the will of God or the destiny of my fate, I returned home unable to pay back my loan.

Once home I told the moneylender about the working conditions and how we were hoodwinked by the company. I begged him to extend the term to pay back the loan, which he did after much pleading.

I felt helpless. I knew that I had to do something urgently, but I did not have any resource other than my labour. Working for a landlord in return for rice would not help pay back the loan.

In less than a year, the loan had exceeded Rs 100,000. I could not sleep at night because of the everincreasing loan and cost of living for a landless family of five.

My trip to Qatar had made me poorer. However, the visit had also taught me a lesson. I was ready to do any work for any number of hours to pay back the loan and help my family. In Qatar we were forced to work for 16 hours, without overtime. Working outdoors in the dreadful Qatari heat left my shoes soaked with sweat as if I was wading through water.

I knew I had to start something immediately to be able to pay back the loan and prevent my family from being homeless. But in the absence of any opportunity my morale was

MY TRIP TO QATAR
HAD MADE ME
POORER. HOWEVER,
THE VISIT HAD ALSO
TAUGHT ME A LESSON.
I WAS READY TO DO
ANY WORK FOR ANY
NUMBER OF HOURS
TO PAY BACK THE
LOAN AND HELP MY
FAMILY. IN QATAR WE
WERE FORCED TO
WORK FOR 16 HOURS,
WITHOUT OVERTIME.

low. I was desperate to do something but had no idea where to start.

My wife had joined a community organisation called Ram Janaki Peace Group in Banauli Danauli village, assisted by UNDP's Livelihood Recovery for Peace Project (LRP) in the Central Tarai. She had been attending weekly group meetings and had learned a lot of new things about the government's welfare schemes for the disadvantaged, Dalits, single women, and the elderly.

And just in the nick of time we received the news that each of the 33 members of Ram Janaki Peace Group would be provided with a grant worth Rs 9,000 for income generation. For the poorest of the poor like us, the joy of this cannot be explained. My wife and I decided that the money should be used for some labour-intensive activity.

What could that be – selling eggs or vegetables and fruits? But there are

frequent weekly markets and many vendors. Animal husbandry? But rearing a goat or a heifer would take a long time to reap the benefits.

After considering the risks and potentials of different options, we finally chose to buy a rickshaw. The grant was enough for the purchase, and I was more than willing to work for long hours to earn an income every day. After all, rickshaws are a popular means of transport in the tropical heat of Nepal's southern plains, in summer or in winter.

It was exactly a year ago on August seventh 2012 that I purchased this rickshaw, and I do not have words to explain how proud I am to be an owner.

The rickshaw was a wise choice. I worked like a machine and have saved at least Rs 600 each day. I was always the first to arrive in the market and probably the last to return home each evening. In the past 11 months I earned enough to pay back the loan with interest. My rickshaw has freed my family".

Today I have become the President of the Mahottari Rickshaw Union. I have paid back my loan. As a rickshaw puller I am paid fairly well for my hard work, but my wife, who toils for a local landlord, never gets paid in cash. It is always in rice, and that is how landlords cheat us every day. My wife has a dream to start her own cosmetics business where she will sell goods in the local weekly markets. I hope life will be easier when we have two sources of income. But for that, I must work harder.

As told to Devendra Dhungana

Nagendra is one of 17,284 beneficiaries of motivational grants from UNDP for income generation activities.

Mapping for the Future

A New Geographical Information System will Boost Urban Planning and Disaster Preparedness



DR. UTTER REGMI Senior Engineer Kathmandu Metropolitan City

or the first time in Nepal an automated building plan approval and monitoring system has been developed for the Kathmandu Valley. The system will keep digital files to help Kathmandu and Lalitpur maintain up-to-date records of buildings and to enforce building codes for better disaster preparedness.

Both cities will use computer software to issue building permits and to record the blueprints and other related documents digitally. Currently these records are stored in paper form, but all the data will be stored in digital form at the Government Integrated Data Centre, part of the National Information Technology Centre.

This system is being tested in Kathmandu and Lalitpur by archiving old building permit files; Kathmandu has digitized maps of 10,000 buildings from existing records and Lalitpur has digitized 5,000. At the same time they are processing new building permits using both the old system and the new automated process. The new system has been fully implemented from September 2013.

The new system will ensure transparency and accelerate the process of acquiring building permits, and it will also reduce the volume of paper work. By keeping the data in digital form the cities will also be able

to provide copies of house maps and approval certificates to concerned persons easily. All the records will be placed on a website that will be freely accessible to the general public, relevant authorities, and other concerned stakeholders.

There will also be listings of registered designers and building contractors on the website, plus information about the municipal building permit process and building permit applications. The website will include city profiles, daily transaction records, and useful links for data sharing purposes.

City authorities will be able to use these records to categorize houses on the basis of their earthquake vulnerabilities. This will help them develop policies to minimize losses in disaster prone areas. It will also be a boon for implementing various urban development programmes and land use planning.

THE SYSTEM WILL
MINIMIZE LOSSES
IN DISASTER PRONE
AREAS AND HELP IN THE
IMPLEMENTATION OF
URBAN DEVELOPMENT
AND LAND-USE
PROGRAMMES.



Our urban data management has been weak in the past, but now we will be able to keep up-to-date data and coordinate with agencies such as the Ministry of Urban Development and the Ministry of Physical Planning. The new technology will also aid in the collection of house, land, and rental taxes.

Doing all this won't be easy. Training staff for the digital programme and replacing longstanding procedures will present big challenges. We will also have to organize workshops and training programmes for engineers and professional designers to make them aware of the system. But the benefits are great and our determination is high. We plan to complete data entry of all the old records within three years.

As told to Geeta Devi Pradhan

The automation project entitled 'Automation of Building Permits and Monitoring Service' has been financed by the Comprehensive Disaster Risk Management Programme (CDRMP) of the United Nations Development Programme (UNDP).

From Periphery to the Centre:

An Innovator Dreams of Creating Global Solutions Locally



Will Nepal and similar countries be forever condemned to the fringes of global prosperity and innovation? SAKAR PUDASAINI thinks the country's young entrepreneurs and innovators can turn the tables and create wealth and employment.

cience fiction author William Gibsononce observed that the future is already here: It is just unevenly distributed. Those living at the fringes of the global technology community, like us in Nepal, are usually at the tail end of that distribution. While we are making heroic efforts to provide one laptop to each child, the global geek-o-sphere is sowing the seeds of the next industrial revolution with innovations in 3D printing. Are we doomed to always be on the fringes? Can we redistribute the future more evenly? Can we accrue the benefits that come with being ahead of the curve?

I am not about to round up and shoot the usual suspects: inept governance, meager infrastructure, and a shallow talent pool. The successes of Nepal's trading houses are ample proof that it is possible to prosper in the prevailing sociopolitical environment. But is this success only possible for those who trade consumer electronics and machines? Can a Nepali firm really contribute something original to the global conversation on technology? Can a Kathmandu-based company create an innovative and commercially viable product?

I believe it can. I would not have founded Karkhana (www.karkhana. asia) in Kathmandu otherwise. To misappropriate an aphorism, the key is to think locally and act globally. At Karkhana we applied a four-question test when deciding on our strategic direction. What do our friends and neighbors need? Can we meet their needs better from Kathmandu? Are there other places in the world with similar needs? Will the solutions we engineer work for them too?

We asked these four questions every time our team was excited by an idea. Should we become a product design company? We did not feel we could do this better from Kathmandu. How about a prototyping space? Really fun, but the market was too small. How about education? This passed the test. In education, we see a chance to redistribute the future. to be innovative, and to turn a profit. Some factors stood in our favor, STEM (science, technology, engineering, and mathematics) education is already highly valued, parents are willing to make investments in learning, and many schools are open to experimenting with new learning activities.

We want to add project-based learning to a curriculum that currently emphasizes the three R's (reading, writing and arithmetic). Playing with mud, motors, programming, and paint brushes is fun. The play also cultivates skills necessary to invent the future. The makers and inventors who will define the next 30 years must be adept at self-learning. They must know how to work in teams. They must be able to manipulate devices with microchips. Most importantly, they must be able to solve problems by connecting bits of knowledge from different disciplines, cultures, and environments.

3D printing is at the confluence of design and engineering. This technology's potential is so immense that The Economist magazine speculates it will usher in the third industrial revolution. With limited natural resources, a difficult terrain, and isolationist politics, Nepal remained just a consumer of the revolution fostered by electricity and mass production. Can we position ourselves better for the next revolution? Can we position ourselves to shape it? Karkhana intends to try. In the next six months



Suresh Ghimire works on a 3D printer. 🛎 Chandra Shekhar Karki

our client institutions will be amongst the first schools in the world training their students on using 3D printing technology. During this time Karkhana will experiment with using local materials (Nepali paper, mud, and locally made bioplastic) for 3D printing.

The path to our goal of redistributing the future is largely uncharted. It must find its way through local realities. For example, we discovered that many schools in Kathmandu, even many with adequate financial resources, are lacking in proper computing facilities. The future cannot be redistributed from shoddy desktops clustered in little rooms. We need open spaces where students scatter their tools and a mobile computing platform they can congregate around. One solution would have been to write a proposal, apply for a big grant, and engage an expert from a famous western

6 UNDP PROVIDES **MORE ADVISORY** SUPPORT, AND IT'S **NOT A TYPICAL** DONOR. THEY TRY TO BRIDGE THE KNOWLEDGE AND TECHNOLOGY GAP AMONG THE GOVERNMENT BODIES.

university to build a product. But there is no guarantee of uptake for all the time, money, and energy spent.

We have taken another approach. We are building a low-cost mobile computing platform, code named "Lab-in-a-bag".The idea is not so new. One-laptop-per-child, for example, has similar (but broader) ambitions. As a for-profit running on absurdly small amounts of money (our budget for the first version is less than USD 1000, including salaries), we have to be nimble and cheap.

Thinking locally showed us the problem, and thinking globally is the path to the solutions. Our product will have Chinese screens, control units made in the UK, and cases made from local materials using traditional artisan techniques. Unlike well-funded projects engaged in similar work, we are focused on using

ESSAY

off-the-shelf technologies. The really innovative part of this product is not in the underlying engineering. Instead, it is in how the disparate pieces are fit into a relevant whole and how we connect Nepal to the rest of the world.

In this work, we feel we have an advantage over more experienced and better funded projects. Why? I see three reasons:

First, we can take an iterative approach, putting new versions into classrooms quickly and cheaply. Second, our regular interactions in the classroom make us better at identifying the gaps. This means we don't waste time on unnecessary features. We save resources by building only to solve problems that we experience. Third, our modular design and use of off-the-shelf technologies gives us flexibility. This means we go cheaper where needed and increase power where important. As the market produces cheaper and more powerful components, we can take advantage of these changes easily. Our approach makes the product relevant for Kathmandu. But also for Kanpur, we think, and maybe even Kampala.

Do local innovations lead to development? There are causes for caution and optimism. In all novel projects and industries, the failure rate is high. More often than not, promised innovations are not realized. Those that are realized frequently under whelm. This failure is crucial and should be encouraged. It is important to recognize this inevitability and set the right expectations. If we expect innovators in unlikely places (such as Kathmandu) to be saviors, we will



Ajaya Maharjan, an engineer at work in Kharkana Lab. 🚳 John Narayan Parajuli

soon turn on them and treat them as failures.

Questions of sustainability and wealth generation breed even more doubt. Through a development lens, is it sufficient to build things that solve a community's problems? Or must these solutions also generate wealth and be sustainable? I would argue for the latter. Without wealth creation, we cannot reduce unemployment and increase employee skills. Profitability is another important piece of the puzzle for local innovators. And even a well-built, aptly designed project might not make money.

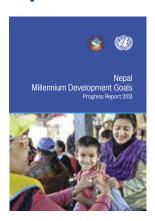
There are some causes for optimism too. This first chapter in Karkhana's story does not give us enough data to back our bold ambition with equally bold assurances. But we can claim one big and important win: We are living proof that encouraging innovative startups is a path to retaining Nepal's best talent.

In the eight months we have been in existence, I have seen our team struggle with the hard decision of staying home or pursing opportunities aboard. After much doubt and deliberation, one co-founder turned down a lucrative job offer in Italy. He has no regrets. The other two seem to forgotten that they ever wanted to leave Nepal. Perhaps it is because they are too busy and engaged solving a problem close to home. Success or failure, isn't here, at home, exactly where we want our best young minds focused?

Mr. Pudasaini is the founder of Karkhana

Some other Recent Publications by UNDP

Nepal Millennium Development Goals (MDG) Progress Report 2013



Nepal is on track and is likely to achieve most of its MDG targets, despite the prolonged political instability. The targets for poverty reduction, maternal mortality, and boys and girls enrollment in primary education are either achieved or likely to be achieved. Even in areas where Nepal is lagging behind, particularly in sanitation, it has already internalized an acceleration framework in the form of the MDG Acceleration Framework (MAF) to mobilize adequate resources to expedite progress by 2015. This Report provides the updated status of progress since 2010, identifies the unfinished agenda for the remaining time and a new agenda for beyond 2015.

Human Development Report 2013



The 2013 Human Development Report – "The Rise of the South: Human Progress in a Diverse World" – examines the profound shift in global dynamics driven by the fast-rising new powers of the developing world and its long-term implications for human development.

The Report identifies more than 40 countries in the developing world that have done better than had been expected in human development terms in recent decades, with their progress accelerating markedly over the past ten years. The Report analyzes the causes and consequences of these countries' achievements and the challenges that they face today and in the coming decades.



our next issue will be on the theme of "SOCIAL PROTECTION"

An electronic copy of **Development Advocate Nepal** is available on our website:

www.np.undp.org

