

# ANNUAL REPORT 2005



supporting progress through equality





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

## THE UNITED NATIONS DEVELOPMENT PROGRAMME

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

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

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

### UNDP in Nepal

Since 1963 UNDP has worked with the Government and people of Nepal to reduce poverty. The organization's current programme of assistance is detailed in the *Country Cooperation Framework (2002-2007)* and focuses on the following:

- Pro-poor policies
- Democratic governance
- Energy and environment
- The advancement of women
- Slowing the spread of HIV/AIDS
- Crisis prevention and recovery

The UNDP Resident Representative in Nepal coordinates the development activities of the UN system in his capacity as Resident Coordinator. In March 2005 he was also designated the UN Humanitarian Coordinator.

# Preface

This is the first annual report produced by UNDP in Nepal. It sets out to inform our partners about UNDP's work in the country.

UNDP established its office in Kathmandu in 1963. We were among the first international agencies to support projects in infrastructure, irrigation and power. Today we work in more than 1000 villages across 70 districts of the country.

All our efforts are ultimately aimed at reducing poverty by promoting greater equality and the achievement of the Millennium Development Goals. We believe that if all people have the opportunity of education, health, employment and can participate in making the decisions that affect their lives, Nepal stands to progress rapidly.

Sadly the nation's deepening crisis, which is rooted in poverty and social exclusion, is stealing these opportunities from millions of ordinary Nepalese. Increasingly we see people living in fear, unable to access basic services and more and more people are choosing to leave the country in search of work or study abroad.

Following a review of our activities, carried out in close consultation with the Government of Nepal, we decided to further extend our support to communities caught-up in the conflict. In October 2005, UNDP opened a programme office in Nepalgunj to more effectively help conflict-affected communities in the mid and far west access services and livelihood opportunities.

As the situation in Nepal evolves we will continuously review the effectiveness of our work to ensure that we reach the poorest and most vulnerable people. In the meantime, I hope you find this report useful and I welcome your comments.



**Matthew Kahane**  
UNDP Resident Representative, Nepal

# Abbreviations

AHF	American Himalayan Foundation
AusAid	Australian Aid
BOGs	Basic Operating Guidelines
CCF	Country Cooperation Framework
CIDA	Canadian International Development Agency
CPN(M)	Communist Party of Nepal (Maoist)
DANIDA	Danish International Development Assistance
DFID	UK Department for International Development
DLGSP	Decentralised Local Governance Support Programme
ECHO	European Commission Directorate-General for Humanitarian Aid
EU	European Union
GEF	Global Environment Facility
GTZ	German Technical Cooperation
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immuno Deficiency Syndrome
IPGRI	International Plant Genetic Resource Institute
JHRDF	Japan Human Resource Development Fund
MDGs	Millennium Development Goals
MEDEP	Micro-Enterprise Development Programme
NGOs	Non-Governmental Organisations
NZAID	New Zealand Aid
OHCHR	Office of the High Commissioner for Human Rights
SDC	Swiss Development Cooperation
SNV	Netherlands Development Organization
UN MSA	United Nations Management Support Agency
UN	United Nations
UNDP	United Nations Development Programme
UNF	United Nations Foundation
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WTO	World Trade Organisation
WWF	World Wildlife Fund

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# Overview 2005

**Context**—The delivery of development assistance in Nepal remained challenging during 2005. The Royal takeover of the Government in February heightened political tensions, while violent clashes between the Government and the CPN (Maoist) continued. The United Nations Secretary-General Kofi Annan made several statements during 2005 expressing his concern about events unfolding in Nepal. He called on all parties to find ways of decreasing violence and to seek mutual understanding.

**UNDP's strategy in Nepal**—The overarching goal of UNDP's work in Nepal is to assist the nation to reduce poverty and achieve the Millennium Development Goals. The current programme of support (*Country Cooperation Framework 2002-2007*), focuses on:

- Pro-poor policies
- Democratic governance
- Energy and environment
- The advancement of women
- Slowing the spread of HIV/AIDS
- Crisis prevention and recovery

For 2002-2007 UNDP's funding framework is estimated at almost \$US 90 million.

**The conflict's impact on development assistance**—While UNDP and its partners have made considerable progress since the current programme was launched in 2002, the conflict has hindered the delivery of development assistance. The absence of parliament continued to delay important policies and legislative reforms drafted by the government with assistance from UNDP. Meanwhile, in districts and villages, capacity building work supported by UNDP slowed as locally elected bodies remained absent. On a practical level, bandhs, curfews, and armed violence regularly restricted staff movement, again slowing project implementation.

**Programme review**—In response to the conflict and its impact on development and humanitarian assistance, UNDP, in close consultation with the Government of Nepal, conducted a thorough review of its country programme. The review recommended a major shift in direction and implementation in conflict-affected areas including:

- Extending the current programme cycle by one more year to end in 2007.
- Opening of Programme Office in Nepalgunj to support work in the mid and far western regions.
- Development of new projects to support communities affected by conflict.
- Strengthening synergies and linkages among existing projects to maximize impact.



⇨ Opening the Nepalgunj office.

- Increasing training for project staff on safety and security, negotiation in conflict settings and humanitarian laws and principles.
- Strengthening UNDP office capacity to support programmes and projects in a conflict environment.

In October 2005, UNDP opened its new Programme Office in Nepalganj.

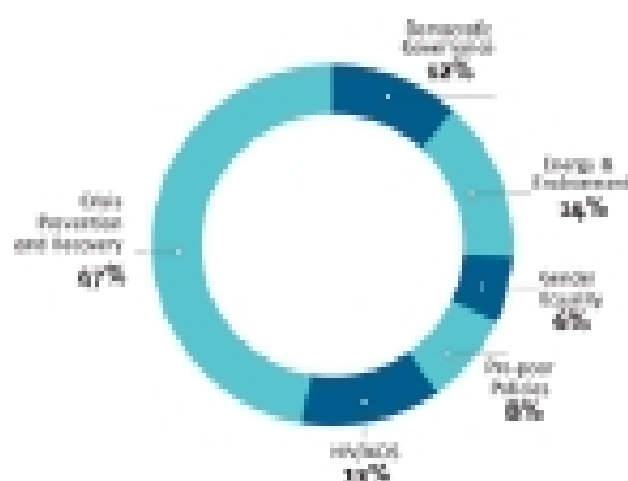
**2005 programme**—UNDP maintained its level of support to Nepal, delivering more than \$US 16 million worth of development assistance during 2005. The year marked a concerted effort to reach out more effectively to traditionally excluded groups. UNDP assessed its activities and drew up numerous recommendations for broadening their reach.

During 2005 UNDP was also at the forefront of efforts to secure public acceptance of the UN and bilateral donors' *Basic Operating Guidelines*.<sup>1</sup> These efforts were rewarded in July when the Government publicly recognized the Guidelines in the Minister of Finance's budget speech. In December, the CPN (Maoist) followed suit by publicly acknowledging the Guidelines and instructing party cadres to adhere to them.

UNDP continued to support poverty monitoring work—the Government and the UN launched the second *Millennium Development Goals Progress Report* in September. Meanwhile, in communities all over the country, social mobilisation activities continued, as did efforts to boost people's access to energy.

**Plan for 2006**—UNDP will continue boosting direct support to communities caught in Nepal's conflict, assisting them to access basic services, energy, and better livelihood opportunities. Additionally, UNDP plans to launch a major new project aimed at protecting and expanding development space through training, awareness and advocacy on the *Basic Operating Guidelines*. UNDP will also prepare a new programme of support to Nepal focusing on a post-conflict scenario.

### Programme Allocation by Area of Focus (2002-2007)



**Note:**

- Women's empowerment is addressed in all UNDP's thematic programmes.
- Many of UNDP's projects address crisis prevention and recovery.

### UNDP's Development Partners in Nepal



<sup>1</sup> A set of principles governing the way development assistance is delivered in Nepal.



# Pro-poor Policies

## *Promoting progress that benefits the poor*

While more people than ever before now live above the poverty line in Nepal, progress has been unequal. As a result of the conflict, living standards have deteriorated for millions of Nepalese in far-flung villages, especially those from traditionally excluded castes and increasingly for women and girls.

**How UNDP responds**—UNDP's support in this area is anchored in plans that assist Nepal's efforts to meet the Millennium Development Goals.

UNDP supports poverty monitoring and analysis efforts and helps lay the foundations for expanding people's income opportunities through greater trade.

### Monitoring poverty

Through its support to the development of an effective poverty monitoring and analysis system in Nepal, UNDP seeks to provide decision makers in government and the international community with the information needed to design and deliver life-improving support to the nation's poorest and most disadvantaged people.

Initiated in 2002 by the National Planning Commission and UNDP, the Poverty Monitoring and Analysis System enables the coordination and analysis of data from existing poverty monitoring schemes, such as administrative data from ministries or survey



*In Nepal, 73% of those who work in the agriculture sector are women.*





While the nation is on track to meet some of the goals, unless concrete steps towards finding a resolution to the conflict are taken, development gains will be lost as basic services and income opportunities move further away from the ordinary person's reach.



≈ Almost 95% of Nepal's poor live in rural areas with limited access to services or income opportunities

information. The system can be used to assess the effectiveness of development interventions in reducing poverty and inequality in Nepal.

**National Poverty Reduction Strategy**—The Poverty Monitoring and Analysis System makes it possible for government to produce and assess national poverty reduction plans based on evidence rather than assumption. It is used to produce the annual progress report on the *Poverty Reduction Strategy*. The most recent of these was published in mid-2005.

**Measuring progress towards the Millennium Development Goals**—The system also yields information for monitoring Nepal's progress towards meeting the Millennium Development Goals. Nepal's second *Millennium Development Goals Progress Report* was published in 2005. While the nation is on track to meet some of the goals, unless concrete steps towards finding a resolution to the conflict are taken, development gains will be lost as basic services and income opportunities move further away from the ordinary person's reach.

## NEPALINFO: DEVELOPMENT DATA AT YOUR FINGERTIPS

Developed by the UN Children's Fund as part of Nepal's Poverty Monitoring and Analysis System, *NepalInfo* is an easy-to-use database maintained by the Central Bureau of Statistics (CBS). Most recently updated in 2004, the database contains disaggregated data by gender, region and other categories. Available on CD from CBS, *NepalInfo* can be used to create maps, graphs and other illustrations of human development. In 2005, UNDP designed three comprehensive instruction manuals, and trained more than 300 government officials in the use of *NepalInfo*.

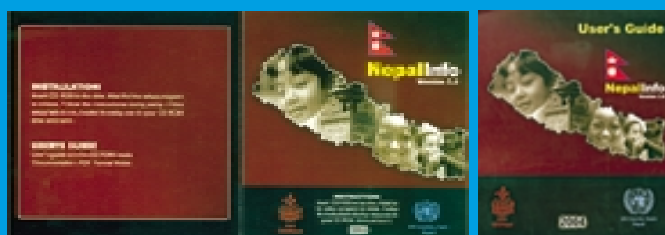
### What people are saying about NepalInfo

"An excellent starting point for research"  
- UN Programme Officer

"In a country where there are so many sources of statistics, *NepalInfo* only contains reliable sources, so you can trust it" - Aid worker

"It's handy for managers" - Government Official

"Those who don't have knowledge of GIS can produce informative maps" - Government Official



In 2005 UNDP designed three comprehensive instruction manuals and trained more than 300 government officials in the use of *NepalInfo*.



### National Human Development reports

Since 1998 UNDP has commissioned and published three National Human Development reports (NHDR) in Nepal. The first of these provided a comprehensive assessment of human development efforts in the country. The subsequent reports focused on governance (2001) and empowerment (2004).



The NHDR 2004 advocated for making empowerment the centerpiece of development. Since the report's publication, UNDP has engaged in regular dialogue with the government to work out ways of incorporating the report's recommendations into policy and institutional reforms. Meanwhile, the government used the Human Development Index to decide on district resource allocations.



UNDP, through its Human Development Initiative, has also prepared *Readings in Human Development* for the introduction of a Master's course in the universities of Nepal.

The Nepal Human Development Reports have been widely disseminated to development actors, both at the central and local levels. A special training package has also been developed to conduct trainings at the district-level.



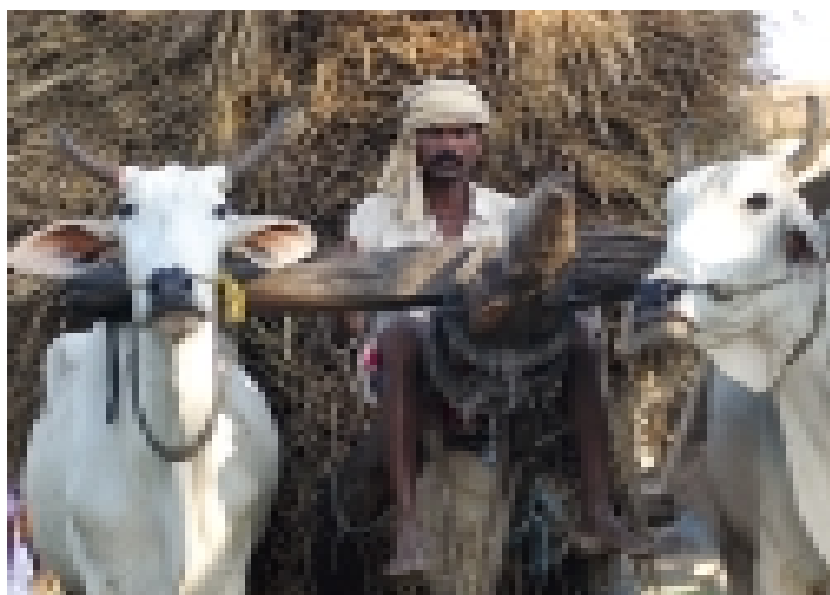
Community fish farming under MEDEP helps people in Baitadi to improve their incomes

### Expanding opportunities through greater trade

More trade has the potential to improve the incomes and living standards of millions of Nepalese, especially those living in rural areas, where jobs are scarce and industrial growth is limited.

**Meeting WTO standards**—In 2004, when Nepal joined the World Trade Organisation (WTO), new opportunities for international commerce opened up for the country. However, by the end of 2005 the nation was still trading less than others with similar sized economies. If Nepal is to harness the potential of WTO membership, the nation is required to meet various international standards, such as establishing a compatible customs valuation system.

»» Known locally as Ritha (soap nut), this plant, which is detailed in the UNDP commissioned inventory, can be used to ease the symptoms of epilepsy and to make shampoo.



» In Rupandehi district traditional farming methods are still widely used

For many years the nation has exported raw biomaterials like: plants, bark, leaves and flowers, primarily to India where they are processed into medicinal products or cosmetics.

In 2005, UNDP worked with the government to bring the nation one step closer to meeting these standards by helping to produce a *Manual on Customs Valuation*, and carrying out an audit of the post-clearance system.

#### Assessing Nepal's trade competitiveness

—In 2005, UNDP helped set-up a database - compatible with a global system - which is now used to analyse Nepal's trade competitiveness compared with other countries, especially those exporting similar products. The database is an initial step towards greater capacity in Nepal for analysing national trade policies within a global framework.

#### Exploring new products for export

—The diversity of Nepal's flowering plants is among the richest in Asia. For many years the nation has exported raw biomaterials like: plants, bark, leaves and flowers, primarily to India, where they are processed into medicinal products or cosmetics. To help Nepal add value to these exports, UNDP commissioned an inventory of flora currently exported and others with potential for trade. The inventory also provided recommendations for assisting this industry to grow sustainably.

# Democratic Governance

## *Supporting people's participation*

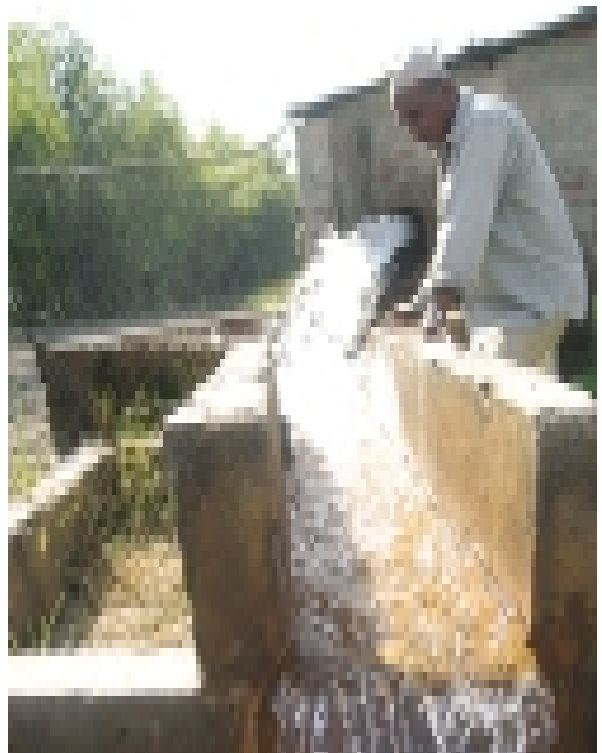
While Nepal has achieved development gains over the past few decades—fewer people live below the poverty line and more children go to school—this progress is fragile. As the nation's conflict deepened in 2005, ordinary people, especially those in rural areas, had less access to basic services. They also found fewer opportunities to raise their concerns and participate in making decisions that affected their lives.

**How UNDP responds**—UNDP works with communities, government and the private sector to improve the delivery of basic services to people, especially the poorest and most disadvantaged. People's access to justice, protecting human rights, and enhancing the capacity of communities to cope with the conflict are also key areas of work for the organisation.

### People power extends services in rural areas

By 2005 UNDP had helped more than 30,000 active community organisations to emerge in both urban and rural areas. These organisations work to bring life-improving changes and opportunities to three million people in villages and municipalities across Nepal. They do this by helping enterprises to grow, by building local infrastructure, or by raising concerns with government authorities and other service providers. UNDP works in partnership with the Ministry of Local Development, municipalities, and district development committees to carry out these activities.

In recent years the conflict has impeded social mobilisation work. This continued in 2005 with staff facing intimidation, blockades, curfews and violence.



➤ A UNDP 'seed grant' helped farmers in Jhapa to build this irrigation system.

Despite these constraints, strong community groups pushed their development plans forward; more than 4,000 local infrastructures were built, benefiting over 70,000 households.

Despite these constraints, strong community groups pushed their development plans forward; more than 4,000 local infrastructures were built, benefiting over 70,000 households. At the same time, community savings and credit schemes continued to benefit rural people, especially women. In many parts of the country these schemes forced local money lenders to reduce their interest rates from an average of 60 to 18 percent per annum.

**Strong community groups prove a vital link between government and people**—In the absence of locally elected officials, community organisations mobilised under UNDP's Decentralised Local Governance Support Programme and the Rural/Urban Partnership Programme acted as vital links between decision makers and people living in villages or urban communities throughout Nepal. Organisation leaders took local development concerns to relevant authorities, ensuring that resources were made available for development activities in their communities.

## Public-private partnerships boost services in urban areas

Encouraged by UNDP, the government and the Federation of Nepalese Chambers of Commerce and Industries, the private sector is increasingly supporting urban service delivery that benefits the poor. Under the Public-Private Partnership Programme, policies and guidelines for managing joint projects between public institutions and private businesses are now finalized. By 2005 more than 30 joint projects ranging from solid waste management to recreational park development were underway in 10 municipalities.

*The women and men of Tikapur Municipality, Kailali, conduct their weekly Community Organisation meeting under DLGSP*



## SOCIAL MOBILISATION WORKS!

Social mobilisation has proven an effective way of bringing people from all walks of life to actively participate in development and local governance. The key strategy is to organise people, initiate savings/credit schemes and help them to expand their ability to plan and manage local development. Many women have emerged as leaders of community organisations and are now taking local development activities forward. UNDP's work in this area is made possible through generous support from the Government of Norway.

Mediation has proven an effective way for parties in dispute to resolve their disagreements quickly. Working with the Nepal Bar Association, UNDP trained lawyers and court officials and helped establish systems enabling 11 district courts to provide better mediation services.

#### REACHING THE 'UNREACHABLES'

In recent years, UNDP has made a concerted effort to reach more and more people living below the poverty line in Nepal. These efforts have begun to bear fruit. In 2005, almost 60 percent of the 14,000 people who have launched their own enterprises with UNDP support under the Micro-Enterprise Development Programme (MEDEP) were members of traditionally excluded groups. A recent evaluation of MEDEP found that the average MEDEP participant had improved their family's per capita income by 56 percent, while only three percent of participants, since 1998, had ceased their enterprises.

However, the conflict had hindered many entrepreneurs under the programme from developing their businesses. Enterprise development, even micro-enterprise, depends on predictable transportation for securing raw materials, assessing market opportunities, and delivering products. The conflict repeatedly interrupted these critical networks. On the other hand, a number of MEDEP assisted entrepreneurs turned the situation to their advantage. For example: a rickshaw owner is making unexpected profits by transporting customers over long distances that by-pass road blocks; meanwhile, a tomato marketer was forced into the more lucrative tomato sauce processing business.

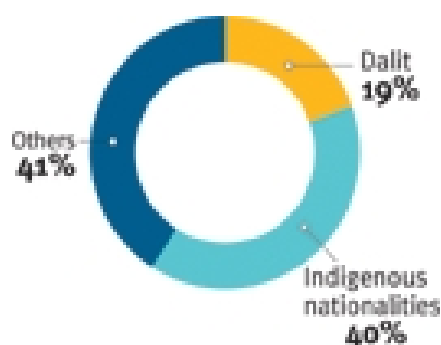
This programme was launched in 1998, expanded in 2000, and is expected to wind-up in late 2006. This initiative is supported by DFID and NZAID.

#### Expanding people's access to justice

The average person waits two years for a judgement to be passed by a district court in Nepal. Since 2001, UNDP has supported the Supreme Court and the Ministry of Law, Justice and Parliamentary Affairs to speed up judicial processes. Already district court rules have been amended. Many courts, including the seven working in cooperation with UNDP's Reform of Judiciary project, are now disposing of cases within one year. In 2005 the project was extended to the Kathmandu District Court where staff benefited from training, the introduction of new software and equipment.

**Helping to revise outdated laws**—Meanwhile, the Ministry of Law, Justice and Parliamentary Affairs is drawing on UNDP to help revise outdated laws. Under the Rule of Law project public discussions on the draft civil codes and proposed Mediation Law were conducted during 2005. These discussions informed new drafts of the codes and the proposed law. Further public consultations are planned for 2006.

#### Micro-Entrepreneurs supported by UNDP (up to December 2005), by ethnic/caste categories



**Mediation speeds up dispute resolution**—Mediation has proven an effective way for parties in dispute to resolve their disagreements quickly. Working with the Nepal Bar Association in 11 districts, UNDP trained lawyers and court officials, and helped establish systems so that district courts could provide better mediation services. In 2005 more than four thousand people took advantage of the improved service, and over one thousand cases were amicably settled.

## Protecting human rights and promoting peace

Under the Support to Peace and Development Initiative a network of community groups and non-government organisations (NGOs) have helped to reduce human rights violations and promote peace in some of Nepal's most conflict-affected areas during 2005. Their efforts have resulted in the safe return of

≧ *Entrepreneurs assisted under the Micro-Enterprise Development Programme at work in Dhangadi*



≧ *With UNDP support, bee keeping has become a popular and beneficial way for people to improve their incomes in Dadeldhura*





Under the Support to Peace and Development initiative a network of community groups and NGOs have helped reduce human rights violations and promote peace in some of Nepal's most conflict-affected areas.



*Under DLGSP, this women's group in Gauradaha, Jhapa, meets regularly to discuss issues of common concern*

internally displaced people, and the release of abducted or illegally detained people. These NGOs and groups provided counselling to victims of trauma, and scholarships to more than one thousand children orphaned by the conflict.

This vital initiative is supported by a number of donors to Nepal, namely: Canada, Denmark, Finland, Germany, Norway, Switzerland, and the United Kingdom.

#### **Strengthening the National Human Rights Commission—**

In close collaboration with OHCHR, UNDP works to strengthen the National Human Rights Commission's capacity to monitor human rights and investigate violations. In 2005, UNDP and OHCHR provided commission staff with training on monitoring, investigation, report writing, and legal research.

Additionally, new software was introduced making it easier for the commission to handle complaints of violations.

2005 saw monitoring visits by Commission officials to jails, detention centres and army barracks increase by more than 50 percent from previous years. Commission officials also visited 40 districts where they documented the human rights situation. Over the past year, the Commission has investigated 85 new cases. Meanwhile, 32 cases concerning violations were completed, and recommendations on 57 others were sent to the Government for action. This initiative is supported by the following donors: Australia, Canada, Denmark, Finland, the Ford Foundation, Norway, Switzerland, UNICEF, the United Kingdom, the United States.

# Energy and Environment

## *Sustainable poverty reduction*

Most Nepalese rely on their immediate environment to meet their food, income and energy needs. The nation's natural heritage also draws hundreds of thousands of foreign visitors to the country every year, fuelling one of the nation's most important industries. It is clear that people in Nepal can improve their incomes through the development of rural tourism; they can also secure sustainable sources of food and energy through better natural resource management.



Electricity generated through micro-hydro power enables children to study at night in Baitadi, Kotila. This effort is supported by UNDP's Rural Energy Development Programme

**How UNDP responds**—Working with development partners, policymakers, and communities, UNDP helps to conserve Nepal's unique environment, while at the same time boosting local livelihoods through support to sustainable tourism and cleaner energy production.

Meanwhile, as natural disasters have the potential to erase years of development gains within seconds, UNDP is also concerned with reducing the impact of these potential events on Nepal.

### **Boosting livelihoods through effective resource management**

Working with the Department of National Parks and Wildlife Conservation, UNDP finalised the Management and Tourism Plan for the Sagarmatha National Park—a world heritage site and home of Mount Everest—in 2005. The new plan aims at conserving the park by reducing the impact of tourism. Local people will be involved in conserving and promoting the area, ensuring their interests are safeguarded. This effort is supported by DFID and SNV.

If Nepal is to meet the Millennium Development Goals, millions of people living in the country's rural areas will need access to sustainable energy.



» A forest users' group, supported under UNDP's Participatory Conservation Project, conduct their weekly meeting

#### **Tourist dollars yield benefits for remote community—**

Upper Mustang has long been a place of fascination for foreigners. Each year only 1,000 are permitted to visit this ancient place, each paying hundreds of dollars for the experience. Until recently very little of the revenue raised reverted to the people of Upper Mustang. In 2005, UNDP, together with the King Mahendra Trust for Nature Conservation, successfully advocated for 60 percent of this annual tourism revenue to be returned to the local community. With continuing assistance from the trust, the community will use this new income to finance a locally-managed conservation plan aimed at protecting the area's unique heritage, and improving the livelihoods of more than 1,000 poor households.

This project is also supported by the Global Environment Facility and the American Himalayan Foundation.

**Support to conservation extended in 2005—**Nepal has made great strides towards protecting its forest resources, mainly because people are involved in conservation. Policies related to protected areas and the management of buffer zones around national parks are also in place.

UNDP believes that the successful conservation of protected areas involves and benefits those communities living nearby. In the buffer zones of seven protected areas, UNDP supports more than three thousand community groups to develop livelihoods that impact less on forest resources. UNDP prioritises the poorest communities, which often depend most heavily on natural resources. In 2005, 153 new community groups emerged.

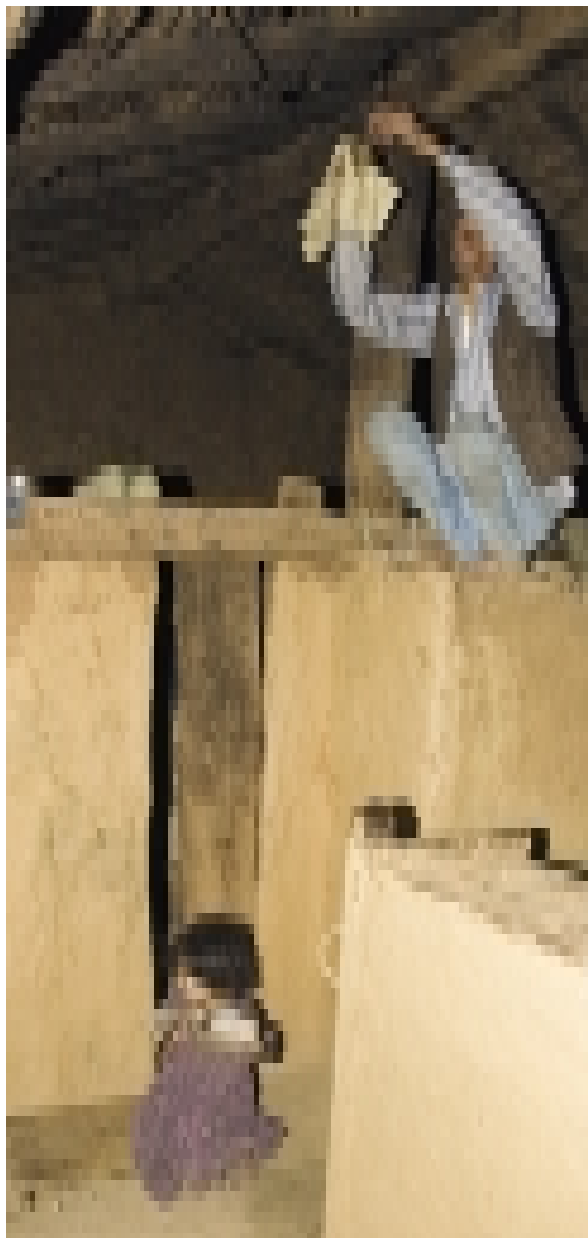
UNDP also extended this support to the western part of Nepal's Terai Arc, where a \$US 13-million initiative, aimed at ensuring the conservation and sustainable use of biodiversity, was launched. The new programme involves local communities in conservation within the Western Arc.

This project is supported by: the Global Environment Fund, the World Wildlife Fund, SNV and national NGOs.

#### **Rural energy powering opportunities**

If Nepal is to meet the Millennium Development Goals, millions of people living in the country's rural areas will need energy. Recognising this, UNDP works in partnership with the World Bank to expand people's access to energy by developing systems that utilise natural resources like sun and water. Already more than 30,000 households have electricity to light their homes, while many more are now able to power enterprises like computer centres and bakeries. In 2005, work got underway on another 112 new micro-hydro power plants, which will benefit thousands more households in some of the nation's poorest areas.

Already more than 30,000 families have electricity to light their homes, while many more are now able to power enterprises such as computer centres or bakeries.



⌵ In remote Baitadi people now have electricity



⌵ A micro-hydro system generating electricity

## Reducing the risk of natural disasters

During the 2005 World Conference on Disaster Reduction, Nepal joined the global community in agreeing on steps that countries could take to reduce the risk of natural disasters. These steps are outlined in the *Hyogo Framework of Action*. With technical and financial support from UNDP and ECHO, the government is preparing a national strategy for disaster management on the basis of the framework. The government has already established a fund and allocated one million rupees of its own resources towards earthquake response and disaster reduction.

# Empowering Nepalese Women

## *A UNDP priority*

Today, the average Nepalese woman is less educated, dies younger and works longer hours than the average Nepalese man. In recent years the burden carried by Nepal's women has grown even heavier. As a result of the conflict, men have left their homes and villages, either to fight or seek income opportunities elsewhere, leaving thousands of women to provide for and protect their families alone.

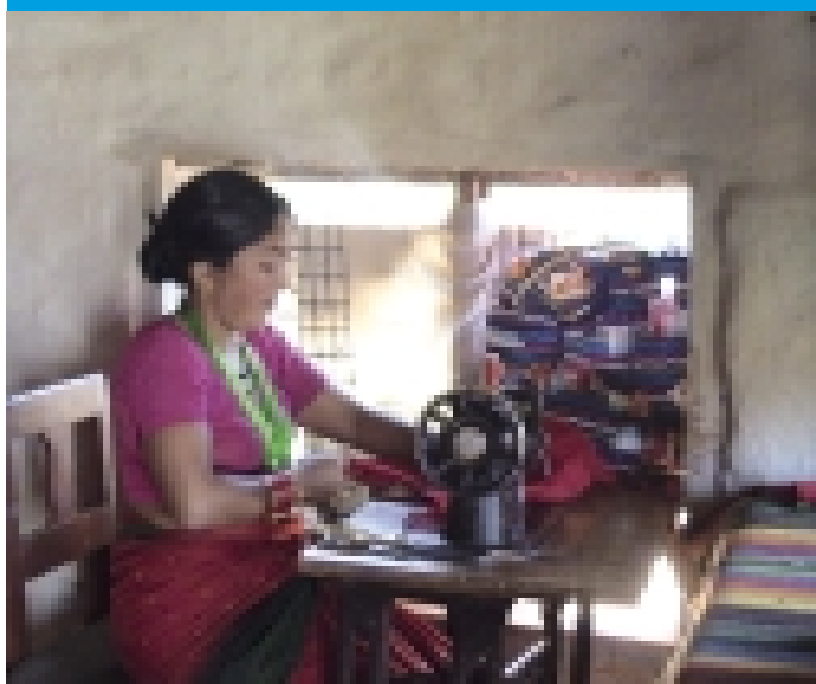


**How UNDP Responds**—Being a key Millennium Development Goal, supporting women's equal participation in Nepalese society is a long-term priority for UNDP. Almost 70 percent of the organisation's work on poverty reduction is directed towards programmes that benefit women. These support women to participate more actively in decision-making processes, and help them access greater opportunities for employment.

### **Greater economic inclusion**

By the end of 2005, UNDP had helped nearly 6,000 women start their own businesses or find employment after skills or entrepreneurship training. Many women found that improved incomes delivered more than financial benefits; the women also reaped greater respect and influence within their families and communities. However, the lack of infrastructure, disruptions caused by the conflict, and the slowing of the economy has impeded some of the new enterprises.

Today 65 percent of Nepal's women are illiterate making it difficult for them to participate in decision-making.



From 'untouchable' to inspirational: successful business woman Kesha Pariyar overcame discrimination and conflict to lead her family out of poverty. Her creative talent and entrepreneurial spirit, supported by funding and training from UNDP, enabled her to develop a successful tailoring business. As a result her husband was able to return from employment in India, and the youngest of her daughters now attends school; but most importantly, says Kesha, she has won the respect of her community.

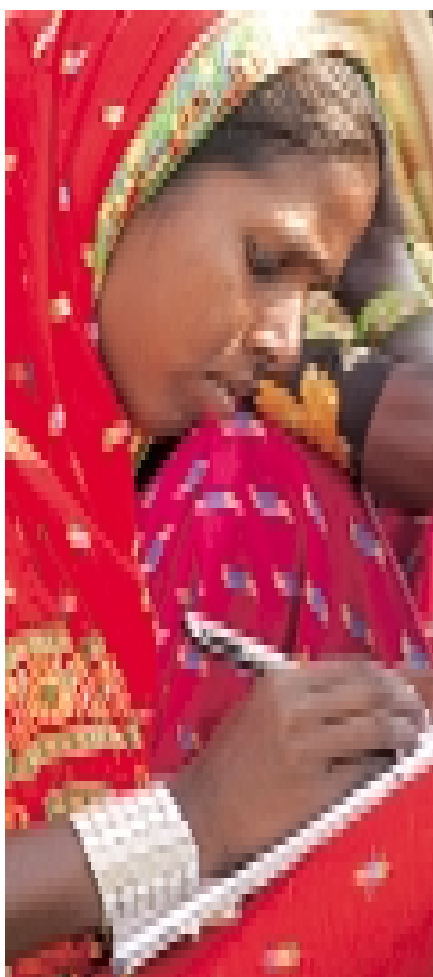
### Greater role in decision-making

Slowly but steadily, more and more women are serving in various ministries and departments of the government, but the number is still far fewer than the 20 percent aimed at by the government. During 2005, UNDP and USAID continued to promote women's entry into and promotion within the civil service. Women candidates were coached before sitting for public service examinations, career counselling was offered, and skills training provided. Nearly two thousand women have benefited from these services since the project began in 2002.

Slowly but steadily more and more women are serving in various ministries and departments of the government, but their number is still far fewer than the 20 percent aimed at by government

In partnership with the World Food Programme and the UN Children's Fund, UNDP is working in some of the nation's most remote villages to help communities establish locally-owned and managed schools.

≡ *The community school in Kapilvastu starts lessons*



### Greater choice through education

Today 65 percent of Nepal's women are illiterate, making it difficult for them to participate in decision-making. UNDP believes that by boosting the number of girls who complete a full course of primary education, and by increasing the number of female teachers working in rural schools, Nepalese women will stand a greater chance in future of participating in making decisions that affect their lives. In partnership with the World Food Programme and the UN Children's Fund, UNDP is working in some of the nation's most remote villages, a number of which are heavily conflict-affected, to help communities establish locally-owned and managed schools. Through this partnership, 120 such schools were up and running by 2005.

Female teachers are recruited locally and trained, while local school management committees assume full authority for the effective running of the schools. Ten years before Nepal aims to meet the Millennium Development Goal of universal primary education, more girls in the nation's most far-flung settlements have the opportunity to learn, eventually yielding a life-time of benefits for themselves and their nation.



# Responding to HIV/AIDS

## *Promoting understanding, care and hope*

Experts believe that Nepal's political instability, which is causing internal and external migration and the breakdown of social structures, could see HIV/AIDS becoming the nation's biggest killer within the next decade. Today, few of those in need of services like testing, counselling and treatment are able to access them. Awareness about HIV/AIDS is also dangerously low, allowing infections to spread faster and further than ever before. But there is hope... Nepal's National HIV/AIDS Action Plan has the potential to turn the tide.



≡ An outreach educator explains how to use a condom

**How UNDP Responds**—The national plan seeks to slow the spread of HIV/AIDS and improve the quality of life for people living with the condition. The plan's activities are focused in urban centres and settlements along the east-west highway, where the majority of those considered most at risk live. Services and support will also be located in a number of hill districts where migration to and from India is centred.

On behalf of the UN system in Nepal, UNDP executes the management support to the government's National Programme on HIV/AIDS. To carry-out this work, the UN Management Support Agency (MSA) was established at UNDP. The MSA is financed by the Global Fund to Fight AIDS, Tuberculosis and Malaria, DFID and AusAid.

Through a rapidly growing number of non-governmental organisations, the MSA is supporting activities aimed at raising awareness and delivering services to vulnerable groups, including young people.



*A counselling session at the Jhapa youth centre*

### **HIV/AIDS: turning the tide**

Through a rapidly growing number of non-government organisations, the MSA is supporting activities aimed at raising awareness and delivering services to vulnerable groups, including young people. In 2005 the Youth Friendly Information and Counselling Centre in Jhapa was among scores of outreach hubs set up. These centres extend services and information to young people who may be at risk of contracting HIV/AIDS. Hundreds of young people have already taken advantage of services offered such as confidential counselling and diagnosis.

**Raising awareness among vulnerable groups**— A recent survey found that one-third of those who visited sex workers in Nepal were police or soldiers, making them vulnerable to HIV infection. To raise awareness about HIV/AIDS among members of the Nepalese Army and the National Police Force, the MSA supported numerous information sessions conducted by the uniformed services during 2005. Additionally, the armed forces launched an MSA-supported survey to assess the level of risky behaviour, knowledge about HIV/AIDS, and attitude towards people living with the condition among soldiers. The army will use the survey results to identify and address knowledge gaps.

Through the National Association of People Living with HIV/AIDS, the MSA helped set up a fund. Through the Challenge Fund, support groups of people living with HIV/AIDS can apply for technical and financial support.

≡ *Watching an HIV awareness programme*



**Building understanding**—Contradictory government policies related to sex work and drug use have made it difficult for vulnerable groups to get simple protection against HIV and AIDS. Some police have arrested people for simply carrying needles or condoms. In an effort to reduce the number of such arrests and to foster greater understanding between police and vulnerable groups, the MSA supported scores of sessions across the country that brought constables face-to-face with drug users. By the end of 2005, more than 2000 police had participated in these meetings. The MSA and the police force expect to involve a further 7,000 officers by mid-2006.

**Fostering hope**—Experts believe there are more than 60,000 people living with HIV/AIDS in Nepal. Fearing stigma and discrimination, many suffer in silence. When they become ill, they often lose their jobs, friends, and find themselves alone. Through the National Association of People Living with HIV/AIDS, the MSA helped set up a fund. Through the Challenge Fund, support groups of people living with HIV/AIDS can apply for technical and financial support.

# Resources

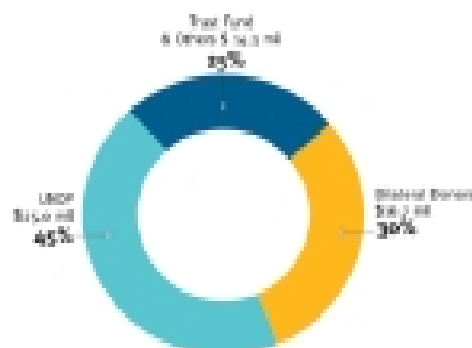
UNDP programme activities are funded primarily from three sources:

- UNDP regular resources,
- direct contributions from donors under bilateral agreements and
- various trust funds earmarked for specific thematic areas (see chart 1).

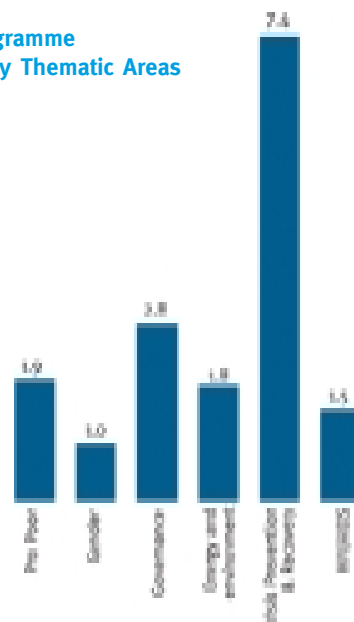
For the programme cycle 2002-2007, UNDP's funding framework was estimated at about \$US 90 million, almost half of which was from UNDP's own resources. Since the start of its current programme cycle in 2002, UNDP has spent over \$US 56 million on its programme covering activities in six thematic areas.

Responding to the conflict, 47% percent of the resources were used on crisis prevention and recovery related activities. In 2005 alone, UNDP delivered a programme worth \$US 16.4 million (see chart 2). Despite the challenges posed by Nepal's conflict, UNDP increased its financial delivery in 2005 by 9% compared to the previous year and attained an average growth rate of 13% in the size of UNDP programme since the beginning of the current programme period in 2002 (see chart 3). This reflects UNDP's commitment to development of Nepal in spite of the adverse political situation.

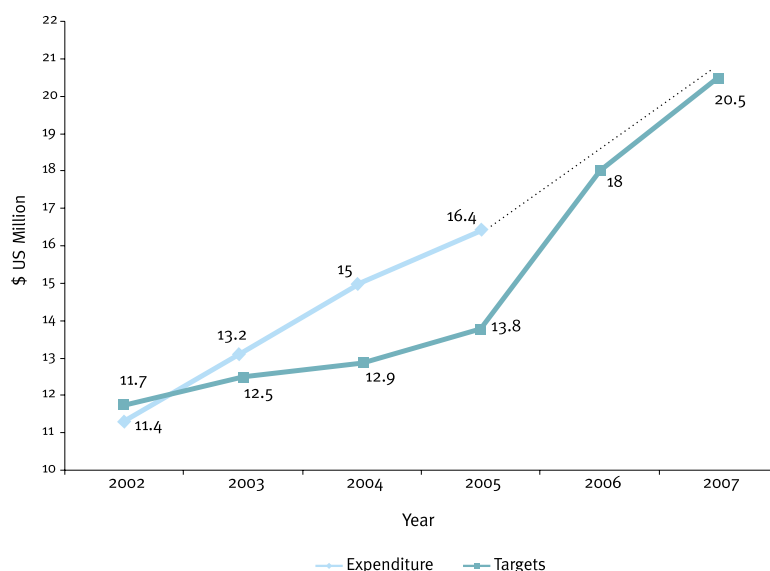
**CHART 1: Programme Expenditure by Source of Fund, 2002-2005**



**CHART 2: Programme Expenditure by Thematic Areas in 2005**



**CHART 3: Actual Expenditure against Target, 2002-2007**



UNDP continues to expand its partnerships for developments in Nepal and the bilateral donors have been key partners in UNDP's development efforts over the years. Between 2002 and 2005, UNDP utilized \$US 16.7 million from a number of donors which constituted 30% of its overall delivery for the period. In 2005, 44% of UNDP's programme was funded by bilateral donors.

In the same year, UNDP was able to generate new resources from bilateral donors worth \$US 10.6 million for its current and future programmes. Bilateral donors are increasingly supporting UNDP programmes, demonstrating their confidence in the organisation's goals and activities in Nepal.

The table below shows how UNDP utilised its programme resources.

### Assistance for UNDP's Ongoing Projects, 2002-2007

(\$US '000)

S.N.	FUNDING SOURCE	AMOUNT
1	Department for International Development (DFID)	18,248
2	Government of Norway	7,825
3	Global Environment Facility (GEF)	7,294
4	Global Fund to Fight AIDs Aids, Tuberculosis & Malaria (GFATM)	3,181
5	Canadian International Development Agency (CIDA)	1,257
6	Australian Agency for International Development	726
7	Government of Japan	685
8	Swiss Development Cooperation (SDC)	665
9	Government of Finland	661
10	United States Agency for International Development (USAID)	462
11	Government of Denmark	430
12	New Zealand Agency for International Development (NZAID)	354
13	European Commission (EC)	329
14	UN Agencies*	300
15	Ford Foundation	205
16	German Technical Cooperation (GTZ)	148
17	Montreal Protocol	57
<b>Total</b>		<b>42,829</b>

\* UN Agencies include UNFPA, UNICEF, UNOHCHR

### Programme Delivery by Thematic Area, 2002-2005

(\$US '000)

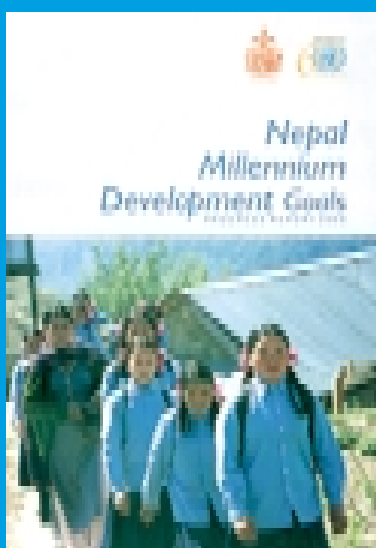
Thematic Areas	Total Expenditure	Expenditure by Funding Source					
		Bilateral Donors		UNDP		Trust Fund & Others	
		\$US	%	\$US	%	\$US	%
Pro poor policies	4,904	-	-	3,244	66%	1,660	34%
Advancement of women	4,683	594	13%	3,870	83%	219	5%
Democratic governance	19,981	5,922	30%	8,847	44%	5,212	26%
Energy and environment	9,237	2,520	27%	3,262	35%	3,455	37%
Crisis prevention and recovery	13,020	3,809	29%	5,459	42%	3,752	29%
HIV/AIDS	4,140	3,121	75%	235	6%	784	19%
<b>Total</b>	<b>55,965</b>	<b>15,966</b>	<b>29%</b>	<b>24,917</b>	<b>45%</b>	<b>15,082</b>	<b>26%</b>

# Major Publications



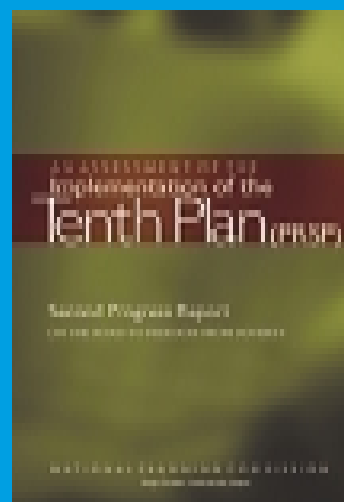
## Nepal Human Development Report 2004: *Empowerment and Poverty Reduction*

The Nepal Human Development Report 2004 asserts that unequal social, economic and political empowerment in the country “have provided fertile ground for the existing conflict.” Women often bear the heaviest workload, receiving little recognition since family and farm labour is considered economically unproductive, the report also concluded.



## Nepal Millennium Development Goals Progress Report 2005

This report underscores a strong need to improve the efficiency and coordination of aid to ensure that it reaches the poorest regions and the most vulnerable groups. While the country overall witnessed dramatic progress in cutting poverty from 42% in 1996 to 31% by 2004, this development was not equitable. The report also asserts that intensifying violence and political instability have been hampering the effective utilization of aid. Furthermore, it has taken a heavy toll on the economy and the people.



## Second Progress Report: On the road to freedom from poverty

In June 2005, the Government of Nepal—with technical and financial assistance from UNDP—published the second progress report on the implementation of the Tenth Plan. The report was entitled: On the Road to Freedom from Poverty. The report analysed the government’s macroeconomic performance over the past year, highlighted successes and identified gaps that need to be addressed if Nepal is to meet the Millennium Development Goals.

# Some Highlights: 2005



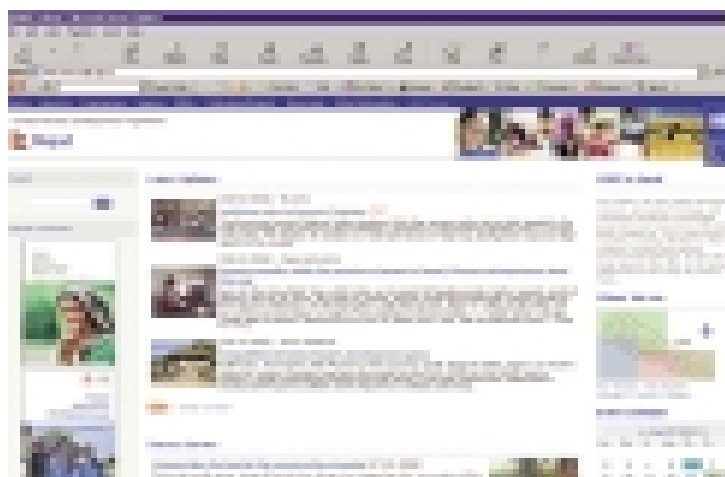
*UNDP Awarded for Conservation Efforts: The Department for National Parks and Wildlife Conservation presented UNDP with an award in appreciation for the organisation's continued support towards the conservation of biological diversity in Nepal.*



*Gender Trainings: A series of training sessions on gender issues for all UNDP staff was organized in the latter part of 2005.*



*Workshop with journalists on Nepal and the Millennium Development Goals: A half-day workshop entitled, Millennium Development Goals: the Media Perspective was conducted jointly by the Nepal Press Institute and UNDP on 30 December 2005.*



*New UNDP Website: UNDP in Nepal launched its new website ([www.undp.org.np](http://www.undp.org.np)) on 30 December 2005.*





» Launch of UNDP-UNESCAP REPORT: Held on 24 August 2005, entitled: 'Voices of the Least Developed Countries in Asia and the Pacific.'



» Launch of the Nepal Millennium Development Goals Progress Report 2005: on 5 September.



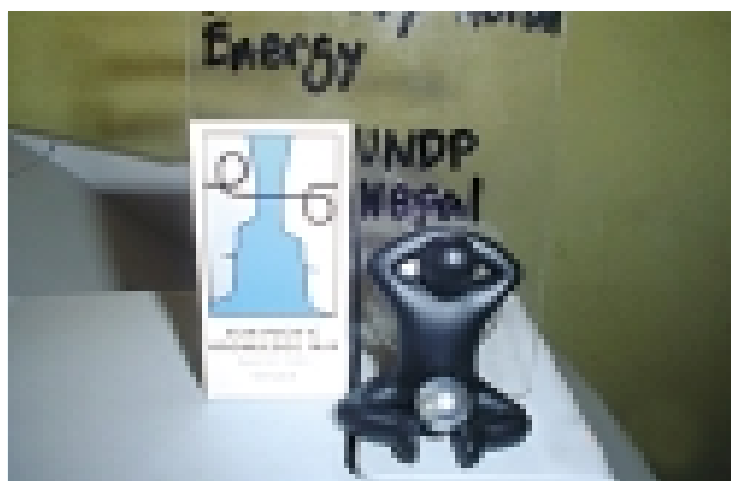
» 60th UN Day: UNDP marked the 60th UN Day on 24 October in Nepalgunj by presenting awards to outstanding staff working in the field.



» Launch of Human Development Report 2005: Held on 13 September the report was entitled: 'International cooperation at a cross roads: aid, trade and security in an unequal world.'

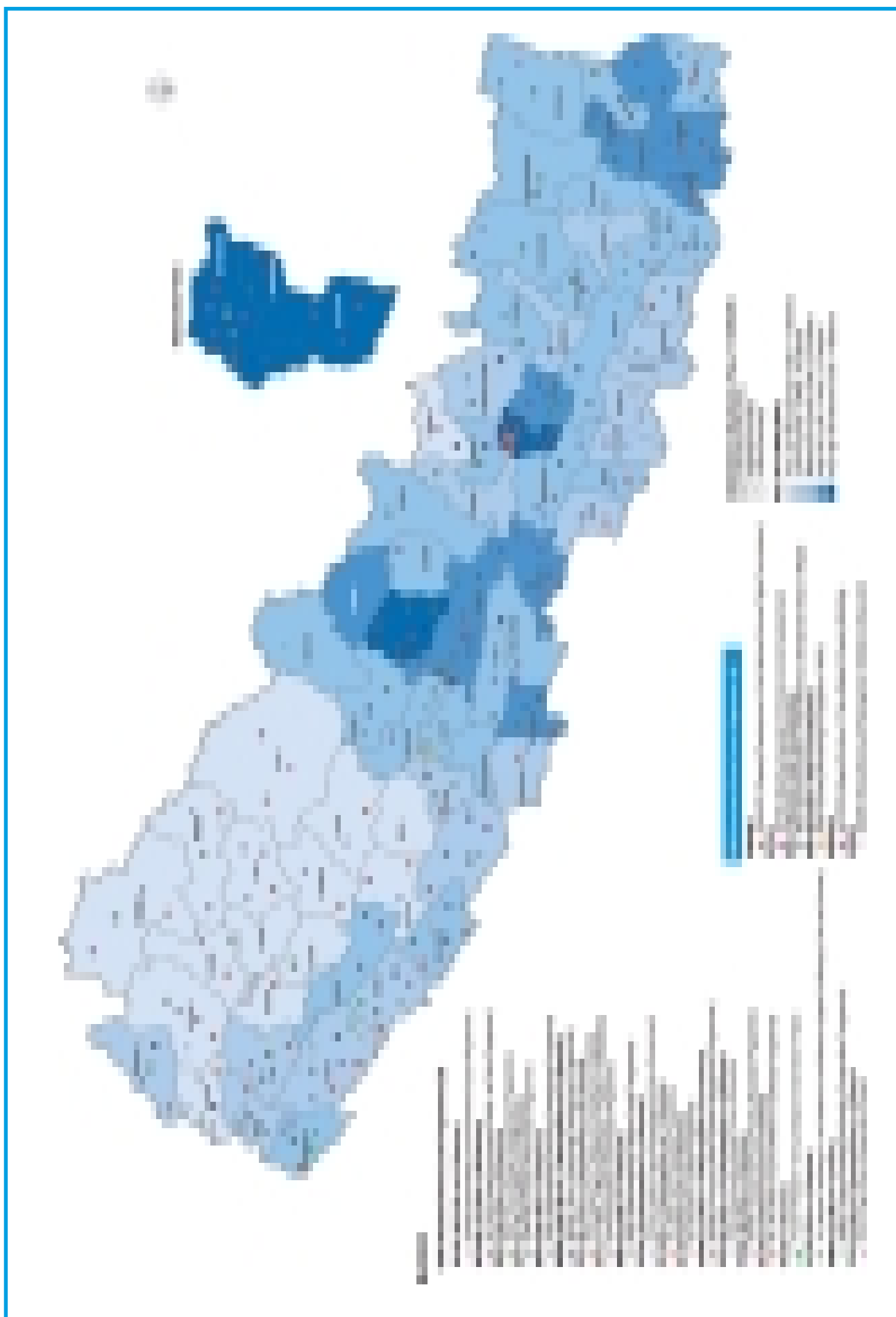


» The Rural Energy Development Programme was awarded the Global 100 Eco tech Award at Aichi, Nagoya, Japan in September 2005



» The Rural Energy Development Programme won the 'Pearl of Knowledge' award during a regional knowledge fair organised by the UNDP Regional Centre in Bangkok in May 2005.

ANNEX 1: LOCATION OF UNDP PROJECTS



## ANNEX 2: LIST OF UNDP PROJECTS

(USD '000)

S.No.	PROJECT NUMBER	PROJECT DESCRIPTION	PROJECT DURATION	PROJECT BUDGET (\$US)	FUNDING SOURCE	
					CONTRIBUTOR	AMOUNT
1	NEP/04/002	Decentralized Local Governance Support Programme	Apr 2004- Dec 2007	12,690	UNDP NORWAY	6,190 6,500
2	NEP/99/Co1	Decentralized Financing and Development Programme	Jan 2000- Oct 2006	10,000	UNCDF DFID	5,000 5,000
3	NEP/04/008	Management Support to the National Programme on HIV/AIDS	Feb 2005-July 2006	7,628	Global Fund DFID AusAid	3,181 4,447 369
4	NEP/04/009	Landscape Level Bio-diversity Conservation in Nepal's Western Terai Complex	Aug 2005 - July 2012	5,044	UNDP GEF	1,732 3,594
5	NEP/00/010	Capacity Development of the National Human Rights Commission (CDNHRC)	Feb 2002- Dec 2007	4,933	UNDP SDC NORWAY Finland Ford Foundation UNICEF AusAid Denmark Canada DFID USAID	713 285 423 346 205 45 16 150 909 1,044 150
6	NEP/99/013	Tourism for Rural Poverty Alleviation Programme	Jan 2001-Oct 2006	4,891	DFID UNDP	4,167 724
7	NEP/03/018	Micro-Enterprise Development Programme	Feb 2004-Dec 2006	3,750	UNDP New Zealand DFID	597 354 2,799
8	NEP/01/A08	Support for Peace & Development Initiatives	Sep 2003-May 2006	3,029	Canada Denmark DFID Finland GTZ SDC Norway UNDP	348 280 792 49 148 280 902 230
9	NEP/03/003	Rural Urban Partnership Programme	Jan 2004 - Dec 2007	2,350	UNDP	2,350
10	NEP/98/G52	Small Grants Programme	Dec 1998 - Feb 2008	2,200	GEF	2,200
11	NEP/02/007	Mainstreaming Gender Equity Programme	Oct 2002- June 2006		UNDP USAID	1,789 242
12	NEP/04/004	Community Owned Primary Education Programme	July 2004 - June 2007	1,948	UNDP	1,948
13	NEP/02/001	Rural Energy Development Programme	Apr 2002- Dec 2006	1,681	UNDP	6,190
14	NEP/00/012	Reform of the Judiciary	Feb 2001 - June 2006		UNDP Japan Finland	722 685 133
15	NEP/00/G35	Tiger Rhino Conservation Project	Mar 2001 - Apr 2006	1,520	UNDP GEF	770 750

**ANNEX 2: LIST OF UNDP PROJECTS** CONTD...

(USD '000)

S.No.	PROJECT NUMBER	PROJECT DESCRIPTION	PROJECT DURATION	PROJECT BUDGET (\$US)	FUNDING SOURCE	
					CONTRIBUTOR	AMOUNT
16	NEP/02/M01	Enhancing Access to Justice through Media Campaign, Settlement Fairs and Strengthening Community Mediation Practices	Apr 2003-Dec 2006	1,262	UNDP	1,262
17	NEP/01/017	Joint Initiative in Trafficking	Jan 2002-Dec 2005	1,221	UNFPA UNDP OHCHR	150 967 105
18	NEP/04/005	Participatory Conservation Programme	Aug 2004 - July 2006	998	UNDP	998
19	NEP/99/G35	Upper Mustang Biodiversity Conservation Project	July 2000- Dec 2006	955	GEF UNDP	750 205
20	NEP/03/009	Strengthening Aid Management and National Execution	Aug 2003 - Dec 2006	935	UNDP	935
21	NEP/00/011	Strengthening the Rule of Law	Feb 2001 - Dec 2005	861	Finland UNDP	133 727
22	NEP/00/001	Building Capacity to Promote Human Development	July 2000 - Dec 2005	723	UNDP	723
23	NEP/03/017	Operationalisation of the MDGs in Nepal	July 2004-June 2006	682	UNDP	682
24	NEP/05/001	Community Based Disaster Management Project	Nov 2005 - Aug 2007	612	UNDP	612
25	NEP/04/006	Trade Institutional Capacity	Jan - Dec 2005	515	UNDP	515
26	NEP/04/003	Harm Reduction Programmes for IDUs	Aug 2004-Nov 2005	491	AusAid UNDP	341 150
27	NEP/01/008	Humanitarian Assistance System in Nepal	Sep 2003 - Sep 2005	467	UNDP USAID SDC	297 70 100
28	NEP/04/001	Public Private Partnership for Urban Environment	Apr 2004- Dec 2007	450	UNDP	450
29	NEP/06/001	Disaster Risk Reduction	May 2006-Apr 2007		ECHO UNDP	329 58
30	NEP/02/009	Poverty Monitoring in support of PRSP	May 2002- Dec 2005	440	UNDP	440
31	NEP/05/003	Refrigerant Management and Environment for Sustainable Development	Feb 2006 - Dec 2006	57	Montreal Protocol	57

### ANNEX 3: MILLENNIUM DEVELOPMENT GOALS

- Goal 1: Eradicate Extreme Poverty and Hunger  
 Goal 2: Achieve Universal Primary Education  
 Goal 3: Promote Gender Equality and Empower Women  
 Goal 4: Reduce Child Mortality  
 Goal 4: Improve Maternal Health  
 Goal 5: Combat HIV/AIDS, Malaria and Other Diseases  
 Goal 6: Ensure Environmental Sustainability  
 Goal 7: Develop a Global Partnership for Development

#### Nepal's Progress Towards the MDGs: Status at a Glance

GOALS	WILL DEVELOPMENT GOAL BE REACHED				STATUS OF SUPPORTIVE ENVIRONMENT			
<b>1 A. Extreme Poverty</b> Halve the proportion of people living below the national poverty line by 2015	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>1 B. Hunger</b> Halve the proportion of people who suffer from hunger between 1990 and 2015	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>2. Universal Primary Education</b> Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>3. Gender and Equality</b> Achieve equal access for boys and girls to primary and secondary education by 2005 and to all levels of education no later than 2015	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>4. Child Mortality</b> Reduce under-five mortality by two-thirds by 2015	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>5. Maternal Health</b> Reduce maternal mortality ratio by three-quarters by 2015	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>6 A. HIV/AIDS</b> Halt and reverse the spread of HIV/AIDS by 2015	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>6 B. Malaria and Other Major Diseases</b> Halt and reverse the incidence of malaria and other diseases by 2015	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>6 C. Tuberculosis</b> Halt and reverse the incidence of tuberculosis by 2015	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>7 A. Environmental Sustainability</b> Reverse loss of environmental resources	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
<b>7 B. Access to Safe Drinking Water</b> Halve the proportion of people without access to safe drinking water	Likely	Potentially	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak

Source: MDG Report 2005

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