



United Nations
Country Team

PROGRESS REPORT 2002

MILLENNIUM DEVELOPMENT GOALS



N E P A L

NEPAL - MILLENNIUM DEVELOPMENT GOALS PROGRESS REPORT 2002

The present report has been prepared with the support of the United Nations Inter-Agency Thematic Group (UNIATG) on Poverty Monitoring composed of the following members: Mr. L.K. Gautam, FAO; Mr. Syed Zahir Sadeque, ILO; Ms. Sonia Lokku, UN; Ms. Alessandra Tisot, UNDP (Chair); Mr. Sriram Pande, UNDP; Ms. Heather Bryant, UNDP; Mr. Bhanu Niraula, UNFPA; Ms. Eriko Onoda, UNICEF; Mr. Uddhab Khadka, UNICEF; Mr. Roshan Bajracharya, WB; Mr. Bishwa Tiwari, WFP; Mr. Umesh Ghimire, WFP and Mr. Anand Mohan Das, WHO.

The process of finalisation of the report has benefited from the advice received from the members of a joint HMG/UN Task Force co-ordinated by Mr. Ram K. Tiwari, Joint Secretary, National Planning Commission. The HMG/UN Task Force comprised the following members:

Mr. Tunga S. Bastola, CBS; Mr. Ram Sharobar Dube, MOES; Dr. Benu B. Karki, MOH; Mr. Pratap K. Pathak, MOWCSW; Mr. Ram K. Tiwari, NPC; Mr. Durga Khatiwada, NPC; Mr. Teertha Dhakal, NPC; Ms. Sharada Bajracharya, NPC; Ms. Sonia Lokku, UN; Ms. Alessandra Tisot, UNDP; Ms. Eriko Onoda, UNICEF; and Mr. Roshan Bajracharya, WB.

The team expresses appreciation for the inputs provided by Mr. Chaitanya Mishra and the support received from Ms. Sonia Lokku in compiling and editing the report.

Copyright © February 2002
United Nations Country Team of Nepal

Published by:
United Nations Country Team of Nepal
United Nations House
Post Office Box 107
Pulchowk
Kathmandu, Nepal

Tel. 977-1-523200
Email: registry.np@undp.org
Website: www.un.org.np

Printed in Nepal by Jagadamba Press
Design and layout by WordScape
Photos courtesy: UNICEF Nepal
UNDP Nepal

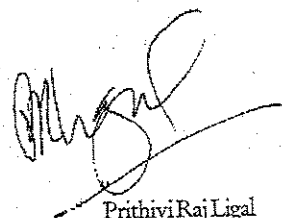
FOREWORD

His Majesty's Government of Nepal at the Millennium Assembly in September 2000 endorsed the Millennium Declaration. On this occasion, the Prime Minister appealed to the General Assembly to review on a regular basis the progress made in implementing the provision of the Declaration.

This document is the first Progress Report on the status of attainment of the Millennium Development Goals (MDG) in Nepal. Through the setting of baselines and numerical targets, it provides a unique opportunity to reflect on Nepal's achievements over the last decade, to identify challenges and opportunities and to indicate in a concise form priority for development assistance. It also points out areas for improvement of the monitoring and evaluation systems.

Over the past ten years Nepal has made satisfactory progress in the areas of social and human development. More people have access to basic infrastructure and services today than a decade ago. However, poverty remains still a major challenge in the country. About half of the children under five are underweight. Literacy rates particularly of women are very low. Maternal and child mortality is still very high. The HIV/AIDS epidemic in Nepal is still confined to vulnerable groups, but the prevalence rate is increasing alarmingly. The country's natural resources continue to be threatened.

Nepal remains committed to the achievement of the MDGs, which require a concerted and continuous effort from all the development partners, both internal as well as external, if we are to stand to achieve the Goals set out in the Millennium Declaration.



Prithivi Raj Ligal
Vice-Chairman
National Planning Commission

"We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more of a billion of them are currently subjected. We are committed to making the right to development a reality for everyone and to freeing the entire human race from want.

We resolve therefore to create an environment – at the national and global levels alike – which is conducive to development and to the elimination of poverty.

We request the General Assembly to review on a regular basis the progress made in implementing the provision of this

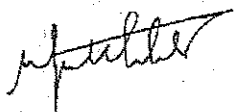
Declaration, and ask the Secretary General to issue periodic Reports for consideration by the General Assembly and as a basis for further action".

UNITED NATIONS MILLENNIUM DECLARATION – SEPTEMBER 2000

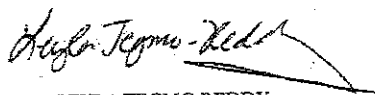
THE MILLENNIUM DEVELOPMENT GOALS PROGRESS REPORT: AN AGENDA FOR ACTION, AN AGENDA FOR PARTNERSHIP.



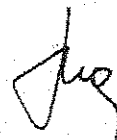
HENNING KARCHER
UN Resident Coordinator
Resident Representative, UNDP



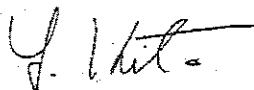
WINSTON RUDDER
Representative, FAO



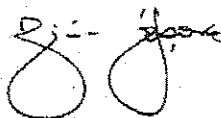
LEYLA TEGMO-REDDY
Director, ILO



MICHAEL HAHN
Country Programme Adviser
UNAIDS



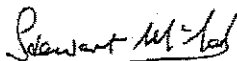
YOSHIAKI KITAMURA
Representative, UNESCO



BILL MUSOKE
Representative, UNFPA



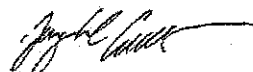
MICHEL DUPOIZAT
Representative, UNHCR



STEWART MCNAB
Representative, UNICEF



KLAUS WAGNER
Representative, WHO



DOUGLAS COUTTS
Representative, WFP

LIST OF ACRONYMS

AIDS	Acquired Immune Deficiency Syndrome
APP	Agriculture Perspective Plan
BCHIMES	Between Census Household Information, Monitoring and Evaluation System
CBS	Central Bureau of Statistics
CPR	Contraceptive Prevalence Rate
DDC	District Development Committee
DOTS	Directly Observed Treatment Short-course
FAO	Food and Agriculture Organisation
GBGER	Girls to Boys Gross Enrolment Ratio
GDI	Gender-related Development Index
GEM	Gender Empowerment Measure
HDI	Human Development Index
HDR	Human Development Report
HIV	Human Immunodeficiency Virus
HMG/N	His Majesty's Government of Nepal
HPI	Human Poverty Index
ICPD	International Conference on Population and Development
IDT	International Development Target
IEC	Information, Education and Communication
INGO	International Non-Government Organisation
IMF	International Monetary Fund
IMR	Infant Mortality Rate
I-PRSP	Interim Poverty Reduction Strategy Paper
MDG	Millennium Development Goal
MDT	Millennium Development Target
MMR	Maternal Mortality Ratio
MoES	Ministry of Education and Sports
MoH	Ministry of Health
NBSAP	National Biodiversity Strategy Action Plan
NCASC	National Centre for AIDS and STD Control
NDHS	Nepal Demographic and Health Survey
NFHS	Nepal Family and Health Survey
NHDR	Nepal Human Development Report
NLSS	Nepal Living Standards Survey
NGO	Non-Governmental Organisation
NPC	National Planning Commission
PHC	Primary Health care Centre
PRSP	Poverty Reduction Strategy Paper
RBM	Roll-Back Malaria
SDAN	Sustainable Development Agenda for Nepal
STDs	Sexually Transmitted Diseases
TB	Tuberculosis
TFR	Total Fertility Rate
U5MR	Under-Five Mortality Rate
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/AIDS
UNDGO	United Nations Development Group Office
UNDP	United Nations Development Programme
UNFPA	United Nations Fund for Population Activities
UNGASS	United Nations General Assembly's Special Session
UNICEF	United Nations Children's Fund
VDC	Village Development Committee
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation

TABLE OF CONTENTS

INTRODUCTION

1

NEPAL: DEVELOPMENT CONTEXT

3

GOAL 1

Eradicate Extreme Poverty and Hunger

7

GOAL 2

Achieve Universal Primary Education

15

GOAL 3

Promote Gender Equality and Empower Women

19

GOAL 4

Reduce Child Mortality

23

GOAL 5

Improve Maternal Health

27

GOAL 6

Combat HIV/AIDS, Malaria and other Diseases

31

GOAL 7

Ensure Environmental Sustainability

37

APPENDIX A

Nepal's Progress towards the MDGs: Status at a Glance

43

APPENDIX B

Monitoring and Evaluation Capacity for Tracking MDGs: Status at a Glance

44

INTRODUCTION

THE MILLENNIUM DEVELOPMENT GOALS

The UN global conferences of the 1990s drew up a number of key global development goals and targets. The core list of such goals and targets became known as the International Development Targets (IDTs). In September 2000, 147 Heads of State and Government – and 191 nations in total – adopted the Millennium Declaration. The Declaration outlines peace, security and development concerns including environment, human rights, and governance. The Declaration mainstreams a set of inter-connected and mutually reinforcing development goals into a global agenda. The IDTs and the development goals contained in the Millennium Declaration are similar but also, in some respects, different. Recently, the sets have been merged under the designation of “Millennium Development Goals” (MDGs). The MDGs, which incorporate the IDTs, synthesise the goals and targets for monitoring human development. They are centred around eight major goals:

1. Eradicate poverty and hunger;
2. Achieve universal primary education;
3. Promote gender equality and empower women;
4. Reduce child mortality;
5. Improve maternal health;
6. Combat HIV/AIDS, malaria and other diseases;
7. Ensure environmental sustainability;
8. Develop a global partnership for development.

Numerical targets have been set for each goal, which are to be achieved for most goals over a 25-year period – between 1990-2015. Appropriate indicators have been selected to monitor progress on each of the targets. A common list of 18 targets and more than 40 indicators corresponding to these goals has been prepared collaboratively by the UN,

the World Bank, IMF and OECD to ensure a common assessment and understanding of the status of MDGs at global, regional and national levels¹.

MDG monitoring will take place at the global and country level. At the global level, the UN Secretary-General is to report annually to the General Assembly on progress towards a sub-set of the MDGs and to report more comprehensively every five years. These reports will support a dynamic campaign to help keep poverty issues at the heart of the national and global development agenda. Such reports are needed to keep the eyes of the world fixed on the MDGs. At the country level, MDG Reports (MDGRs) will help in engaging political leaders and top decision-makers in achieving the MDGs, as well as mobilising civil society, communities, the general public and the media. They will help provide a systematic and identifiable follow-up to the global conferences and world summits of the 1990s.

ORGANISATION OF THE REPORT

The Report is organised along the format developed by the UN Development Group Office (UNDGO) for Country Reports. The first section sketches the overall development context in broad terms. The seven successive sections assess Nepal's progress towards the attainment of the MDGs. Each section deals with status and trends, challenges, supportive environment, priority for international development assistance and the monitoring environment.

Trends are based on information at three points in time, 1990, 2000 and 2015. However, with respect to gender equality in access to primary and secondary education, the target year is 2005. Whenever data are not available for 1990 or 2000, the esti-

¹ Not all goals and targets can be monitored at the country level. Goal 8, for instance, on a Global Partnership for Development, can only be monitored at the global level.

mates cited refer to years closest to these two points of time. The year of reference of data is indicated in the tables. In one case the data are particularly old (referring to 1975). The trend analysis, in such a case, is not obvious from the table itself, and readers and policy makers are requested to read the tables rather cautiously and to refer to the text.

ASSESSMENT OF MONITORING ENVIRONMENT

No claim is made here that the standard adopted in this report on assessing the monitoring environment is fully objective. It is however similar to standards adopted by other Country Reports. In particular:

- Data gathering capacity is rated as "strong" if there is capacity for periodic, regular and endogenous collection of nationally representative data with respect to a particular MDG.
- Quality of recent survey information is rated as "strong" if the most recent data set is evaluated to be valid, reliable, replicable and consonant with other recent allied data sets and trends. Educated public judgement forms the primary basis of such an evaluation. There is no requirement here for the capacity to be endogenous.

- Statistical tracking capacity is rated as "strong" if there exists a fairly longstanding mechanism, already implemented in at least two episodes, to collect relevant information and to process it in a preliminary and descriptive manner.

- Statistical analysis capacity is rated as "strong" if there exists a fairly longstanding mechanism, already implemented in at least two episodes, to analyse information and to engage in a multivariable analysis in a sustained manner.

- Capacity to incorporate statistical analysis into policy planning and resource allocation mechanism is rated as "strong" if new information and analysis is systematically fed into policy making, planning and resource allocation. Clearly, this capacity will be weak to the extent that the preceding capacities remain relatively undeveloped. On the other hand, this capacity can be weak even if the preceding capacities are relatively strong.

- Monitoring and evaluation mechanism is rated to be "strong" if a tradition of systematic, information-based review and re-planning is a constituent component within a program. To a considerable extent, this mechanism is contingent on the strength of the preceding capacities.

NEPAL: DEVELOPMENT CONTEXT

STATE, POLITICS AND GOVERNMENT POLICIES

The 1990 Constitution of Nepal, through its directive principles, envisions a social-democratic and "welfare" state. The mainframe political, economic and legal tenor of the Constitution is of liberal nature, with provisions for competitive multi-party electoral system, separation of power, fundamental rights, including rights to free speech and political organisation. Economic policies are increasingly of a neo-liberal nature and evidence suggests that inequalities are increasing. In addition, a gap remains between the formulation of specific policies and their implementation.

This gap may partly explain the political, economic and security context, which is exacerbated by an open conflict between the government and the Maoist movement. This conflict bears significant consequences, for the polity, economy, finance, security, development and also for the fulfilment of the MDGs.

The overall structure of political representation and local government, which starts from the community (ward) level to the village level and on to the district and national levels, electing approximately 200,000 political representatives, has been an extremely valuable gain of the 1990s. The 1999 Local Self-Governance Act can be taken as a key input to a devolutionary and democratic structure. This structure holds impressive potential to generate political capital. Yet, in terms of function, these structures fall very short of the political, legal and sectoral mandates. The legitimacy of these structures has rested much more on legal requirements and the financial and organisational "support" of the central government rather than on the stakeholding of the local voters.

Progress along the MDGs are crucially contingent on further democratisation of state, politics and government policies including the following:

- Realignment and harmonisation of macroeconomic and sectoral policies with constitutional mandates;
- Inclusion of all conflictual forces within the legitimate political structure;
- End, or at least minimisation, of violence, unrest and fear;
- Reprioritisation of development interventions along targets encapsulated under the MDGs;
- Effective and efficient public administration;
- Drawing of the required financial and other political, institutional, and administrative resources away from security organs and towards the attainment of the MDGs;
- Local involvement (i.e. participation, empowerment), commitment and ownership;
- Prioritisation of MDGs, as well as contextualisation of MDG attainment strategies, in a locally sensitive manner.

ECONOMY, POVERTY AND CAPABILITY

Low-productivity agriculture remains the principal means of livelihood for four-fifths of all working adults (1991 data), even as the household agricultural holdings are becoming smaller in size (two-thirds of all households operate less than one hectare of farmland). The share of agriculture in the GDP, on the other hand, has decreased from 66 percent to 38 percent during the last 20 years. This shows a fairly rapid change in the sectoral structure of the economy as such.

However, the large majority of workers who continue to be attached to low-productivity agriculture shows that the sectoral-structural shift in the

economy has not been accompanied by substantive shifts in the structure of employment and, thus, on the economic life of the majority of the households and peoples. The new pattern of economic growth has not been pro-poor. While the stated policy objective of the government since 1997 underlines poverty alleviation as the foremost goal, during the intervening years there appears to be little improvement in the form of enhanced income among poor households.

The GNP per capita remains very low at 220 US dollars. While the per capita growth rates averaged 2 percent per year in the 1980s and 1990s, the rate of growth in the agriculture sector, which provides livelihood to the bulk of the population, is much lower (see next section). Inequality of means of subsistence and income remains pronounced at regional, sectoral, urban-rural, gender and social-ethnic levels. Headcount income-poverty measures, as defined by the government, show that 38 percent of the total population remains extremely poor and cannot meet their basic needs. The reduction of unemployment (3.26 percent, HMG/N, Mid-Term Evaluation of the Ninth Plan) and underemployment, (43.44 percent, HMG/N, Mid-Term Evaluation of the Ninth Plan), remain key challenges.

Significant gains have been made, within the last decade, in access to education, health, drinking water and a few other sectors. There has been, as a result, a significant rise in several dimensions of human capability. Nonetheless, the scale of achievement in relation to access remains much less than officially aimed for. Furthermore, the quality of educational and health related facilities and services continue to remain low. In consequence, the HDI for Nepal is low at 0.466 (2000 data; *NHDR 2001*) and its distribution is highly uneven. In addition, the distribution of educational, health-related and other opportunities and attainments remains highly unequal along regional, urban rural, gender and socio-ethnic dimensions. Other measures such as the Gender-related Development Index (GDI), Gender Empowerment Measure (GEM), Human Poverty Index (HPI), etc. also show a low level of capability as well as an unequal distribution. All established poverty measures show that the various forms of poverty are both persistent and widespread in nature.

While a definitive assessment is not feasible, there is evidence pointing to the following:

- Wide inequality in household land ownership continues to persist;
- High level of unemployment and underemployment, officially estimated at 3.26 and 43.44 percent respectively, continue to persist;
- Much of the limited additional resources generated through economic growth has been centred in urban areas and cornered by middle and upper-class urban households;
- Redistributive policies are weak and, where these have been implemented (such as through publicly supported health, education, drinking water, etc. systems), such policies, in the slowly expanding and urban areas-concentrated pattern of economic growth, have not yet led to significant expansion in household income among the rural poor;
- There are shortcomings to translate the stated policy objective of poverty alleviation into effective programs. Systematic poverty monitoring has been delayed and has just recently been considered as a vital component of poverty reduction strategies;
- In part as a consequence to all of the above, the process of the attainment of most MDGs has remained slow.

CULTURE

Within the last decade, there has been an impressive growth, both at the national and local levels, in public debate and, to a certain extent, sustained public struggle, along the thematic areas covered by the MDGs. In addition, information on a variety of sectors' conditions and issues has become available. A significant proportion of such information has also found outlet in the print and electronic media and, to a certain extent, in school textbooks.

Successive governments within the last decade have, in demonstrable ways, been responding to these debates and struggles. An expanding share of the social sector allocation has been witnessed with the education and drinking water sectors remaining at the forefront of government policies.

Exclusionary cultural traditions, principally those based on gender and caste and, to a certain extent, ethnic identities, have come under considerable challenge within the last decade. Nonetheless, these traditions are widely and deeply entrenched, and

are inherently oppressive and discriminatory to the attainment of MDGs among girl children, women, "low-caste" groups and certain ethnic groups. The very poor remain largely excluded from the process of attaining the goals enunciated in the MDGs. Struggles against such traditions must be implemented through sustained ownership, increased accountability and transparency. Strategies of redistribution, rapid economic growth, as well as a much more sharpened intervention of local and national governments ought to be considered. The universalisation of the attainment of MDGs can only proceed through the establishment of a conducive environment deriving from the implementation of such strategies.

INTERNATIONAL CONTEXT

The UN Millennium Declaration constitutes both a national and international commitment. While committing to the MDGs, the summit leaders have simultaneously committed themselves to the "collective responsibility to uphold the principles of human dignity, equality and equity at the global level" (HDR 2001).

The significance of the international context for the promotion of MDGs in Nepal is high. Nepal remains highly dependent on international financial assistance for implementing development programs. While some of the international assistance is utilised to finance MDG-related expenditures, it is also clear that many domestic resources remain blocked because of the obligation to pay international debts. The international assistance/ public budget ratio for 1996-1999 was approximately 35 percent and the international assistance/ public social-sector budget ratio for 1996-1999 was approximately 29 percent.

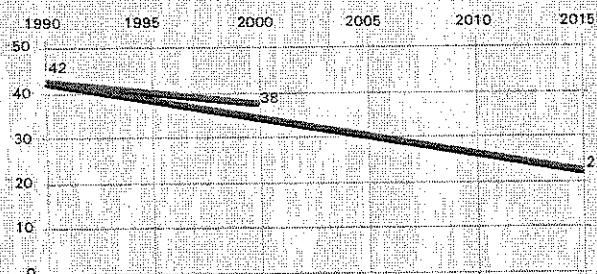
In this context, a favourable international environment for the promotion of MDGs in Nepal would comprise the following elements:

- Enhanced flow of international assistance for the progressive attainment of the MDGs;
- Elimination of policy conditionalities;
- Political and moral support to democratic decision-making on MDGs at national and local levels;
- Interim period benchmarking to measure progress towards the attainment of goals by the set dates.

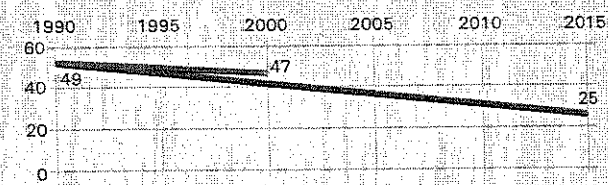
Key Development Indicators

Indicator	Value	Year
Population size (M)	23.2	2001
Population growth rate (%)	2.27	2001
Life expectancy at birth (yrs)	59.7	2001
GNP per capita (US \$)	220.0	2001
Human Development Index (value)	0.466	2000
Human Development Index (rank)	129.0	1999
Percentage of Population below national poverty line	38.0	2000
Total outstanding loans as % of GDP	64.6	1998/99
Prevalence of HIV/AIDS in adult population aged 15-49 years (%)	0.29	1999
Population without access to drinking water supply	20.1	2001
Percentage of underweight under-five children	48.3	2000
Adult literacy rate (%)	57.6	2000
Net enrolment rate in primary education (%)	72.1	1999
Ratio of girls to boys in primary education (%)	74.0	1999
Under five mortality rate (per 1,000 live births)	91.0	2001
Maternal mortality rate (per 100,000 live births)	539.0	1996
Percentage of population relying on traditional fuels for energy use	92.0	1994/95

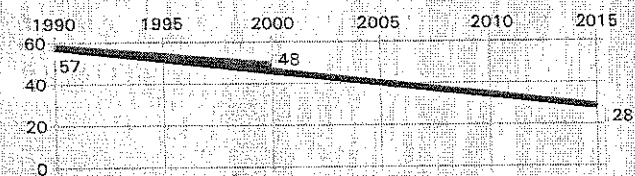
Percentage of population below national poverty line



Percentage of population below minimum level of dietary energy consumption



Percentage of underweight under-five children



goal 1 ERADICATE EXTREME POVERTY AND HUNGER

TARGET 1

Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day.

Indicator	1990	2000	2015
Percentage of population below \$1 per day (PPP values)	37.7* (1995)	N/A	17
Percentage of population below national poverty line	42** (1996)	38*** (2001)	21

* World Bank, *World Development Indicators*, 2000

** HMG/N Nepal Living Standards Survey, 1996

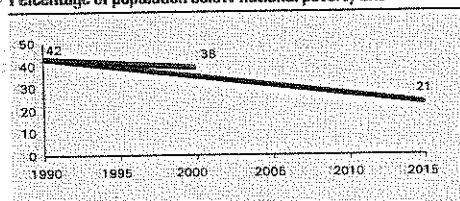
*** HMG/N, National Planning Commission

STATUS AND TRENDS

Income-poverty remains widespread. On the basis of official data, which are not fully comparable because of changes in definition, absolute poverty slightly decreased from 1996 (42 percent) to 2000 (38 percent). The Mid-Term Review of the Ninth Plan puts the figure at 38 percent. However, this figure has been derived on the basis of the population growth rate, GDP growth rate and the status of the Gini coefficient. So its validity has not yet been publicly debated and defended as in previous surveys. Today, nearly 10 million people live in absolute poverty, defined as a level of income insufficient to procure a basket of minimum food (2124 kilocalories per person per day) and non-food items.

The scale of absolute poverty is higher in rural areas compared to urban ones. While the national economic growth rate has picked up in recent years (1997-2000 average = 4.8 percent), the per capita growth rate in the agricultural sector, the mainstay for rural livelihoods, increased only by 0.5 percent in 1997, a "normal" year. (The average household level size of land holding is only 0.24

Percentage of population below national poverty line



hectares - 1993 data). Absolute poverty is also higher in the Mountain Region compared to other regions.

Widespread underemployment, estimated at 43.44 percent, is often regarded as the principal intermediate cause behind this large-scale poverty. Underdeveloped, low-productivity agriculture and the relative lack of access to agricultural inputs and support services, credit and skills are cited as the other causes of absolute poverty. It is also linked to inter-household inequalities in agricultural land holding. Culturally based exclusion, e.g. against the low caste *Dalits*, also remains a prime cause of absolute poverty. The share in total income of the bottom 40 percent of the population is only 11 percent while the share of the top 10 percent is as high as 52 percent (HMG/N, Nepal Living Standard Survey, 1996).

The principal development objective of the government, as emphasised in the 1997-2002 development plan and in the Concept Paper for the PRSP/Tenth Plan, is to reduce poverty. The Ninth Plan (1997-2002) aimed at bringing down the incidence of poverty from 42 percent to 32 percent by 2002 and set the objective of reducing absolute poverty to 10 percent of the population by 2017—a target which exceeds the MDG by a large margin. The Tenth Plan's objective for the next 5 years is to achieve a broad-based, pro-poor growth rate of about 6.2 percent per annum through:

- A broad based high economic growth,
- Social sector development,
- Targeted programs for the backward and vulnerable groups and safety nets, and
- Good governance.

However, data from the National Living Standards Survey (1996) as well as other information and impressions indicate that the MDG of halving the pro-

portion of people living in extreme poverty by 2015 seems difficult to be fulfilled.

Furthermore, Nepal's economic situation has turned markedly worse and medium term prospects are somewhat bleak. The slowdown may not be temporary as Nepal faces major challenges in the road to recovery:

- The effects of the global economic slowdown starting in the spring of 2001 and worsening in aftermath of the events of September 11th;
- Continued political instability with more than half a dozen governments and nine changes in the last ten years and recent escalation of violence;
- Growing fiscal instability: revenue collections have faltered while expenditures and domestic borrowing have increased;
- Diminishing export markets, especially in the garment sector.

CHALLENGES

Restoring and maintaining security is a key challenge for achieving the MDG. This will require not only implementing security measures but also:

- improving public services and economic conditions so that the roots of discontent fueling the insurgency are diminished;
- empowering people and communities and increasing their stake in their own development through decentralisation and support to community development schemes;
- involving all stakeholders—in particular political leaders—in a dialogue to develop consensus around the development agenda so that implementation is not hindered by political interests.

Even if a high and sustained economic growth has to be pursued, the foremost challenge in reducing absolute poverty also lies in the reduction of unemployment through policies, strategies and programs which utilise the labour resources of poor households and communities and their organizations. In other words, macro-economic policies will have to be much more "pro-labour". Targeted poverty alleviation programs and safety nets also need to be expanded. But given the current stage of economic develop-

ment in Nepal, these cannot substitute for labour-intensive development policies.

Other key challenges include:

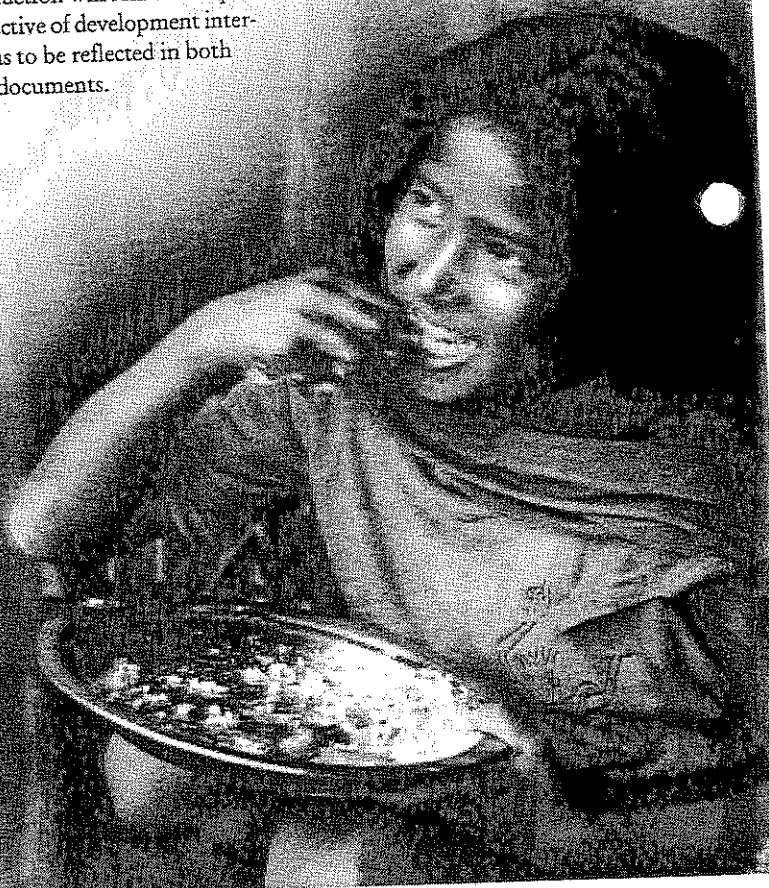
- Maintaining fiscal and macroeconomic stability;
- Improving governance, accountability and public service delivery;
- Increasing economic productivity and competitiveness, especially in the agricultural sector: this would require the provision of timely and cost-effective inputs and services, a shift to higher value agriculture commodities and expanded attention to marketing facilities, while at the same time ensuring environmental sustainability (see Goal 7);
- Accessing agricultural land and other resources such as forest products in favour of poor households through land reforms and collaborative management schemes;
- Expansion of public works programmes during the agricultural off-seasons can also have a significant impact not only in reducing poverty but also in reducing the scale of indebtedness, the incidence of which is high and the impact of which can be devastating;
- Developing minimum wage standards in the large informal sector and enforcing such standards in the formal sector.

SUPPORTIVE ENVIRONMENT

As noted, poverty reduction has been the declared principal developmental objective of the government since 1997. The 15-year Agriculture Perspective Plan (APP), which seeks to commercialise agriculture, to promote high-value agricultural commodities, to open up marketing facilities and processes and to provide better support services has been under implementation for the last four years. There has also been demonstrated progress in basic education, primary health, drinking water, "green roads", electronic and other communication, and in some other sectors. Several small-scale targeted poverty-reduction programmes are under implementation. Decentralisation and social mobilisation have been adopted as key interventions for poverty reduction. The development of a Poverty Alleviation Fund as an autonomous institution is in the last stages of preparation. In addition, the demand for credit, irrigation and agricultural support services is increasing.

Yet, the principal developmental objective of poverty reduction largely remains to be translated into suitable macroeconomic, fiscal and sectoral policies and programs. In particular, there has been a conspicuous absence of viable employment promotion policies, despite the large magnitude of under-employment, and despite the fact that the labour force is growing at the rate of 3 percent/year. The APP implementation process has remained slack. Similarly, while significant advance has been made in promoting decentralisation, the interface between poverty reduction and decentralisation remains to be sharpened. The targeted poverty-reduction programmes are not only small in size but their implementation suffers from several weaknesses. Safety net programs have a very low coverage. Successes in poverty reduction at the micro level remain to be reviewed and replicated at larger scales to a significant extent.

The government has completed the preparation of an Interim-Poverty Reduction Strategy Paper (I-PRSP) and is in the process of preparing a full-fledged PRSP to coincide with the Tenth Five-Year-Plan by June 2002. Poverty reduction will remain the principal objective of development interventions to be reflected in both policy documents.



PRIORITIES FOR DEVELOPMENT ASSISTANCE

- Focus assistance to address the root-causes of poverty in order to contribute to restore peace and security;
- Enhanced financial support to agriculture in line with the recommendations of the Agriculture Perspective Plan, e.g. for irrigation, input and support services, and "green roads";
- Enhanced financial support to other poverty-reduction programmes focussing on social sectors;

- Review of macroeconomic, fiscal and sectoral policies in relation to poverty reduction;
- Development of a mechanism that allows for sustained policy review of successes and failures of poverty-reduction policies and programs at various levels, thereby increasing the effectiveness of strategic management and accountability with regard to field-level interventions. Such a mechanism would necessarily be based on a poverty monitoring system at the grassroots level.

Eradicating Extreme Poverty: Monitoring and Evaluation Environment

ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities	Strong	Fair	Weak
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak



TARGET 2

Halve, between 1990 and 2015, the proportion of people who suffer from hunger.

Indicator	1990	2000	2015
Percentage of population below minimum level of dietary energy consumption ¹	49 (1992)*	47 (1997)*	24.5
Percentage of underweight under-5 children	72** (1975) 57 ² (1990)	48.3 ***	28 ²

* World Food Programme.

** National Nutrition Status Survey, 1975.

*** National Demographic Health Survey, Preliminary Report, 2001.

¹ Reliable and adequate information on dietary energy consumption are not available. The FAO data, which shows that the percentage of population below the minimum level of dietary energy consumption in 1990-92 and 2000 at 21 percent and 28 percent, respectively, appears to be particularly inconsistent with other findings.

² The extrapolation of the current trend between 1975 and 2000, gives a figure of approx. 57% for 1990.

STATUS AND TRENDS

Food insecurity remains the principal cause of insecurity for the majority of the Nepalese people. Not only do a large proportion of Nepalese go to bed hungry, food insecurity remains a consistent topic of deeply-worrying daily discussions among many households and communities. High dependence on agriculture, very small land holdings, inequality in land holdings, low-productivity agriculture, limited opportunities for wage-earning, low wage rates, low income, ethnic and other social discriminatory factors are the principal reasons for food insecurity at the household level. Low levels of education and skill and high morbidity also contribute to food insecurity at the "individual" level. Seasonal food insecurity haunts another significant proportion of the population. Major sickness in the family, major rituals such as those related to birth, marriage and death, payment of debts, sudden loss of agricultural land through flood, landslide and other disasters, and loss of employment aggravate the condition of food insecurity.

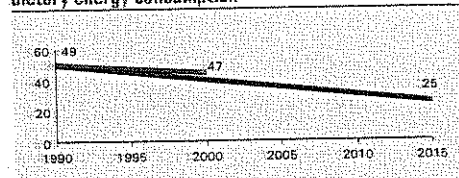
Food insecurity in some areas of the Hill Region and almost the entire Mountain Region is also exacerbated by severe difficulties of transportation. Normal marketing channels are often non-existent in these regions, principally due to lack of motor transport facilities. Food prices in these regions are much higher compared to those of other regions. Conditions of famine are frequently and regularly reported from the north-western Karnali Region.

Food insecurity is one of the factors that cause malnutrition among children. Although there are multiple and independent data sources, it can be seen that nutritional deficiency affects approximately half of all children. While nutritional deficiency among under-5 children appears to be slowly declining since 1990, under-nutrition still remains a severe problem. A study among under-3 children shows that the rate of under-nutrition is below the national average in the Eastern Region while it is above average in the four other regions (HMG/New ERA/Macro International, 1997). Above-average under-nutrition is also reported for the rural areas and the Mountain Region. 1990, under-nutrition remains a severe problem. A study among under-3 children shows that the rate of under-nutrition is below the national average in the Eastern Region while it is above average in the four other regions (HMG/New ERA/Macro International, 1997). Above-average under-nutrition is also reported for the rural areas and the Mountain Region.

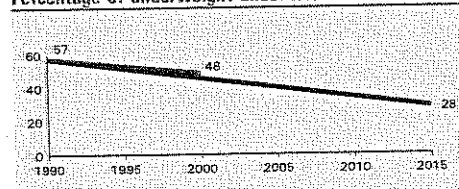
The scale of deficiency in micronutrients is widespread. However, significant progress has also been reported in meeting some of these deficiencies through supplementary medical interventions. It is estimated that reductions in childhood mortality can reach 23 percent through periodic Vitamin A supplementation (HMG/UNICEF, Nepal Micronutrient Survey, 1998).

Despite some improvements, it appears unlikely that overall food insecurity and child under-nutrition will be halved by 2015.

Percentage of population below minimum level of dietary energy consumption



Percentage of underweight under-five children



CHALLENGES

The principal challenges lie in making additional agricultural land and other productive resources available to the poor. This can be achieved by increasing productivity, expanding the scale of wage labour and recognising food security as a principal policy agenda by the central and local governments, the communities and the wider civil society. Another key challenge is improving food distribution among different regions of Nepal where lack of transport networks prevents surplus food produced in agriculturally rich areas from reaching food-deficit areas. Increasing the rate of economic growth and making that growth employment-friendly is mandatory in order to reduce food insecurity. Raising educational standards and other opportunities of the affected households is also necessary to reduce food insecurity over the medium term.

Subsidies on food and agricultural inputs have largely been withdrawn. While targeted food subsidies remained questionable for quite some time, their withdrawal has not been compensated through other measures.

Reduction of under-nutrition among children has remained largely limited to the provision of micronutrients. The provision of midday meals in a small number of schools remains an ad hoc program, without any linkage to a broader policy on food security and/or provision of adequate nutrition to children.

Strictly targeted food subsidies and implementation of expanded food-for-work programs remain a challenge. Control over intestinal parasites, diarrhoea and dysentery - aimed at controlling nutritional deficiencies among children - presents additional challenges. Sustainable programmes to meet micronutrient deficiencies through food items are also necessary to increase food security.

Lastly, inadequate coordination of scattered governmental and donor interventions and lack of information and other support to communities and local governments have also been key factors underlying the slow progress in the reduction of malnutrition.

SUPPORTIVE ENVIRONMENT

Food security as such is not an area that has received adequate policy and programme emphasis from the government. There is, however, a considerable emphasis on agriculture and agricultural inputs such as irrigation, fertiliser, etc., and these do have important implications for food security. Poverty and food security are closely linked, with the lack of income as a major cause of food insecurity across the country. The existing government policy on poverty alleviation therefore has close links with the food security situation. Those links should be concretised and built upon in order to design a food security policy. Similarly, the ex-

pansion of credit programmes and of transport networks and the limited-scale "food-for-work" programmes have also impacted positively on food security.

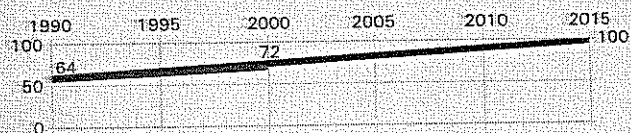
PRIORITIES FOR DEVELOPMENT ASSISTANCE

- Technical assistance for center-staging food security as a principal pro-poor policy;
- Financial and technical assistance for a strictly targeted food subsidy policy and programme;
- Support to the coordination of various interventions and effective implementation of Information Education Communication (IEC) activities to reduce malnutrition.

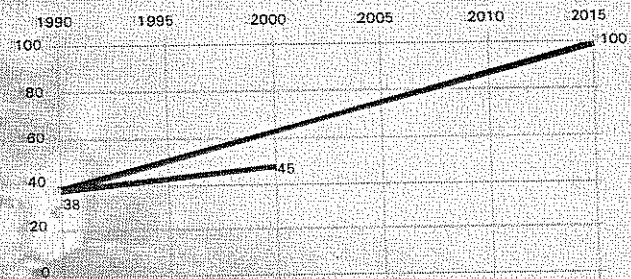
Tracking the Goal for Underweight Children: Monitoring and Evaluation Environment

ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities	Strong	Fair	Weak
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak

Net enrolment
rate in primary
education
(percent)



Percentage of
pupils starting
grade 1 who
reach grade 5



2

goal

ACHIEVE UNIVERSAL PRIMARY EDUCATION

TARGET 3

Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.

Indicator	1990	2000	2015
Net enrolment rate in Primary education (percent)	64* (1990)	72.1*	100
Proportional of pupils starting grade 1 who reach grade 5	38** (1994)	45** (1999)	100

* Ministry of Education, *School Level Educational Statistics of Nepal 1999 (2056)*, 2001.

** HMG/N-NPC, *National Follow-up to the World Summit for Children*, 2001.

STATUS AND TRENDS

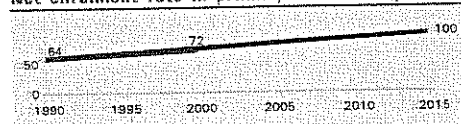
Given the current rate of progress in enrolment in primary education, it is unlikely that Nepal will achieve universal access to primary education by 2015. The average annual rate of growth in primary enrolment between 1990 and 1999 was only 1.3 percent. If this trend continues, about 89 percent of all appropriate-age children will enjoy access to primary schooling in 2015.

In some ways, this slow progress in access to primary education is surprising. Primary education has been officially "free" since 1975 (although, in fact, it does entail some direct costs to households with primary-age children). The number of primary schools increased by a factor of 3 between 1971 and 1995 and the number of teachers nearly doubled between 1984 and 1995. The volume and share of public expenditure on education, as well as the relative share, within the education sector, allocated to the primary level, increased considerably between the mid-1980s to 1997. In addition, demands for the establishment of schools and additional teachers have remained high since the mid-1980s. Consequently, the distance to primary schools, often regarded

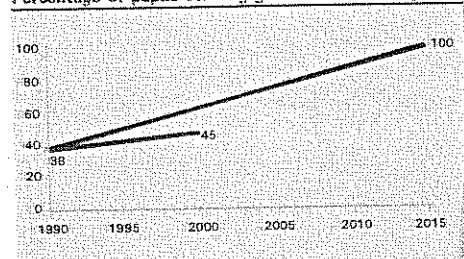
as a key variable influencing access to primary education, has been reduced, and approximately 88 percent of all rural primary school children can reach their schools within a 30-minute walking distance (CBS, 1996). In addition, such demands have remained organised and politicised. Furthermore, there has been a rapid growth, since the mid-1980s, of private sector investments in education, to the effect that around 12 percent (MOES, 1999) of all primary students are now enrolled in private schools.

Access to primary education remains unevenly distributed by region and district, caste status, income level and gender (for the last, please see the next section on "gender equality"). The rate of enrolment is particularly low

Net enrolment rate in primary education (percent)



Percentage of pupils starting grade 1 who reach grade 5



(60.3 percent; Ministry of Education 2001-data for 1999) for the Terai Region as a whole. While no national data on access differentials by income and caste status are available, case studies, newspaper reports and other evidence, indicate that such variables exert significant influence on access to primary education. One national study does report that the mean distance to

primary school for children in the lowest household income quintile is higher by a factor of 1.8 compared to those from the highest household income quintile (CBS, 1997). The literacy rate of the *Dalits* is much lower than that of the higher-caste groups as well (NHDR, 1998).

The rate of completion of primary education remains low and only 50 percent of pupils starting grade 1 do reach grade 5 in 1999. It has been indicated for 1994 that as many as 63 percent of children will drop out of primary school before completion (NHDR, 1998). In addition, a majority of those who do complete primary education will take more than the expected 5 years to do so (NHDR, 1998).

CHALLENGES

As noted, the attainment of the MDG with respect to access to primary education is unlikely to be achieved. Nonetheless, in order to gather speed along this track, the following challenges have to be met:

- Overcoming the severity of income-poverty among a significant proportion of households remains a key challenge. Despite the fact that primary education, generally, remains tuition- and text-book-free, schooling does demand additional household expenditures for appropriate clothing, exercise books, pens and pencils, lunch costs (particularly if the school-home distance is relatively long), etc. In addition, some schools charge a set of "non-tuition fees". Very poor households cannot afford such expenditures;
- Making primary education more relevant to local, rural and agricultural modes of life remains another challenge. Parents and children in rural settings often cannot relate to textbooks and educational themes, which emphasise non-local and urban concerns. Relevance is a key attribute of quality;
- Reducing the household work and other work burdens of children can contribute to the promotion of primary school enrolment. The increase in enrolment figures during the last two decades does indicate that such burdens have been considerably reduced. This needs to be expedited further, including enforcing complementarity between seasonal household work and schooling;
- Raising the quality of education by enforcing regularity in school hours, training of teachers, making education more relevant to local life conditions and enforcement of existing administrative regulations;
- Shifting school management initiatives from the bureaucracy to school boards comprised of parents, Ward/VDC representatives, political party representatives and persons who have made significant contributions to the school;
- Generating and investing additional resources for the promotion of primary education.
- Promotion of retention and completion rates among others, through reduction of under-age children in primary (particularly the first and second) grades; upgrading the quality of teachers in primary schools, quality early childhood development programmes; social, political and administrative mobilisation, and rendering the primary school and education much more student-friendly;

- Recognition of primary education as a fundamental right of all children.

SUPPORTIVE ENVIRONMENT

Organised popular demand for schools, primary schools in particular, together with similar demands for teachers, basic physical facilities, etc. have led to the establishment of primary schools in most communities and wards of the country. Such demands are continuing, and augur well for the promotion of the net enrolment rate. Parents are much more concerned about schooling of their young. A new bill which, among others, seeks to incorporate provisions for enhanced local control of schools has just been enacted. The recent political upsurge for a more responsible and financially rationalised private sector involvement in education, despite its demonstrated short run negative consequences, may bear positive results in the medium and long run. The Basic and Primary Education Program (1999-2004), which aims at raising the net enrolment rate to 90 percent by 2004, is currently under implementation. A mid-term review of the education sector investment plan is to be completed by March 2002.

On the other hand, widespread and deep income poverty of the poorest households, localisation of educational themes and media of instruction and development of pedagogical systems, which are child friendly have failed to receive policy emphasis. That the poorest and the *Dalits* deserve incentives to attend primary schools has not received policy emphasis either. Without such a policy and programme emphasis on the very poor and

the *Dalits*, the target of universal access to primary education will remain unrealisable even in the long run, i.e. beyond 2015. Administrative weaknesses remain unaddressed at the policy level. Social and political mobilisation necessary to enrol and retain children in primary schools has not received emphasis either. The role of the local government in promoting access to primary education remains unprioritised. Such emphasis and prioritisation must be founded on the recognition of the fundamental right of children to receive and complete primary education. An increase in "security" expenditures may further negatively affect public expenditures in primary education.

PRIORITIES FOR DEVELOPMENT ASSISTANCE

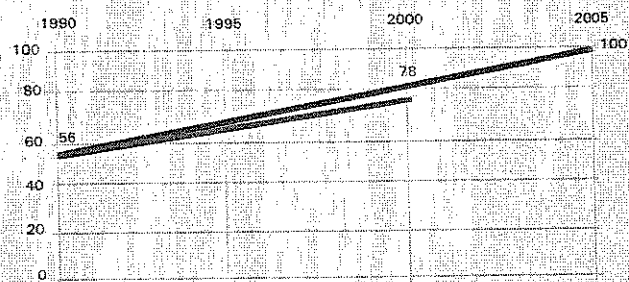
- Expansion of financial assistance to expand and improve physical facilities, school-feeding and other sustainable incentive programs for the poorest and *Dalits* primary school children, and to expand the teacher-training program for primary schools;
- Policy studies on the interface between public, private and "trust" modes of access to primary education, sustainable modes of pre-school education, raising the quality of primary education and social and political mobilisation for accessing primary education and raising the retention and completion rates;
- Technical assistance to the decentralisation process of the school system, ensuring the involvement of communities and VDCs and a greater accountability of teachers and of the school system as a whole.

Tracking Improvements in Primary Education: Monitoring and Evaluation Environment

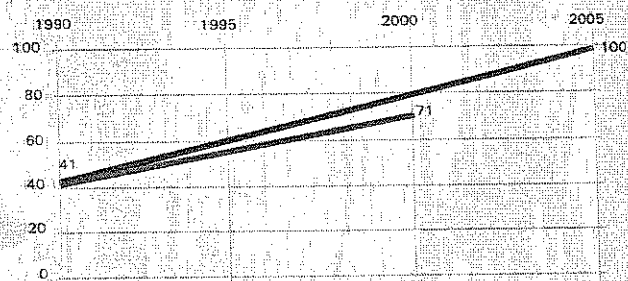
ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities			
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak



Percentage of girls to boys in primary education (gross enrolment)



Percentage of girls to boys in lower secondary education (gross enrolment)



3 goal PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

TARGET 4

Eliminate gender disparity in
primary and secondary education
preferably by 2005 and to all levels
of education no later than 2015.

Indicator	1990	2000	2015
Percentage of girls to boys in primary education (gross enrolment)	56*	78** (1999)	100
Percentage of girls to boys in lower secondary education (gross enrolment)	41*	71** (1999)	100
Ratio of girls to boys in higher secondary education (gross enrolment)	n.a	65** (1999)	100

* Ministry of Education 1990.

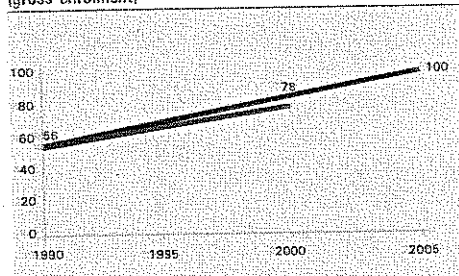
** Ministry of Education, *School Level Educational Statistics of Nepal, 1999*.

STATUS AND TRENDS

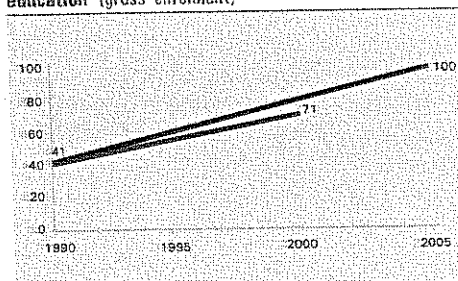
Measured in terms of gross enrolment, far more boys than girls are currently enrolled in schools. In 1999, for every 100 boys enrolled in primary schools, only 78 girls were enrolled. The girls to boys gross enrolment ratios (GBGERs) at the lower secondary and secondary levels, respectively, were 71 and 65 percent.

The 1999 ratios for different levels of school education do show that there have been significant improvements in the relative access of girls to school education. At the primary level, the GBGER has risen by 2 percent/year. At the lower secondary level, the GBGER has risen by 3 percent/year. In addition, the fact that the relative rate (the GBGER) has risen within the context of a general rise in enrolment figures is significant.

Percentage of girls to boys in primary education
(gross enrolment)



Percentage of girls to boys in lower secondary
education (gross enrolment)



Nonetheless, given the trend, it is unlikely that Nepal will reach parity in GBGER at the primary level by 2005. At the lower secondary level, such parity is unlikely to be reached by 2005 either. On both fronts, given the trend, it is likely that the GBGER will reach somewhere close to the 90 percent mark.

CHALLENGES

Promotion of gender equality in education, to a substantial extent, faces the same set of challenges as the MDG of provisioning for universal access to education. Such challenges relate to reducing income-poverty, making education more relevant to local and household conditions and needs, raising local stakeholding in the management of schools, recognition of primary education as a constitutionally-mandated fundamental right of all children, etc. In addition, promotion of gender equality in education requires steps to tackle the following challenges:

- Improving enrolment, retention and completion rates among girl children, especially at the primary level;

- Making the physical environment of the school more gender friendly, e.g. provision of functioning and separate toilets for boys and girls;
- Reducing the household workload of girl children, in particular;
- Enforcing existing laws on the legal age of marriage. A large proportion of girls are married before the age of 18. The norm of early marriage not only directly hinders the educational level of girls but also, indirectly, depresses the will to educate among parents, kin-groups, communities and the state;
- Providing additional encouragement and incentives to the parents of girl children to enrol and retain them in school;
- Structural and policy reforms to recruit more women in decision-making to influence gender redistributive policies in the education sector;
- Changing cultural habits, patterns of socialisation, laws as well as political, economic and social practices, which denigrate the capability of women, view women mainly as dependent beings, and look upon girl children as a poor investment.

SUPPORTIVE ENVIRONMENT

As implied by the figures, there has been a substantial shift in social norms towards the education of the girl child during the 1990s. Such a shift is also discernible in sectors other than education. Illustratively, women have been independently, as well as with outside assistance, organising savings and loans groups, community forestry groups, literacy groups, anti-alcohol-abuse groups, etc., across the country. Women are also engaging in political action in larger numbers and in a more organised manner. The local self-government act introduced the representation of 20 percent of women at ward level.

The government has sought to move towards gender parity in school education by: instituting special incentives to girl children to enrol in schools; requiring that all primary schools hire at least one woman teacher who could inspire girl children as a role model; making provisions for special scholarships to a small number of girl children. Governmental encouragement throughout the 1990s to INGOs and NGOs to organise non-formal literacy camps for teenage and adult women has also

had the effect of popularising the importance of education among girls and parents. More generally, the media, textbooks and teachers are less biased against women now than in the immediate past. A pilot-scale initiative to retain girl children in primary schools by providing their families with 3 litres of vegetable oil/month is under way.

Nonetheless, not only has the wider culture of "negatively gendered" practice and consciousness remained high, but governmental initiatives to counter such practice and consciousness have also remained weak and spotty. Illustratively, the Supreme Court of Nepal, in its landmark judgement of 1995 on a public interest litigation on the equal rights of daughters (and sons) to ancestral property, counselled the government to frame "appropriate laws" in this regard "with due regard to tradition [and]

customs". More specifically, the fostering of household and local (including local government) initiatives to promote girls' education, the scale of incentives and scholarships for girls to enrol and complete school education has remained weak.

PRIORITIES FOR DEVELOPMENT ASSISTANCE

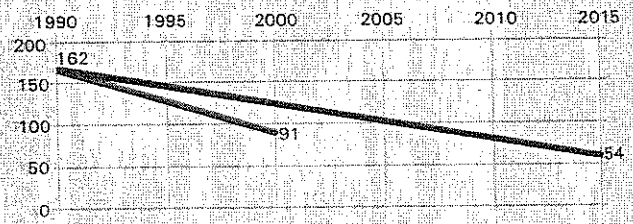
- Additional financial assistance to encourage the access of girl children to primary and lower secondary education;
- Policy studies on promoting girl's access to school education. While the education sector has been the subject of a large number of policy studies, there has been precious little in relation to the interface between education and the girl child;
- Building the capacities of DDCs, VDCs and communities to implement decentralised education.

Tracking Progress in Gender Equity: Monitoring and Evaluation Environment

ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities	Strong	Fair	Weak
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak



Under-5
mortality rate
(per thousand
live births)



4
goalREDUCE CHILD
MORTALITY

TARGET 5

Reduce by two-thirds, between 1990 and 2015, the under-5 mortality rate.

Indicator	1990	2000	2015
Under-5 mortality rate (per thousand live birth)	161.6* (1989)	91** (2001)	54

* HMG/N, National Family Health Survey, 1996.

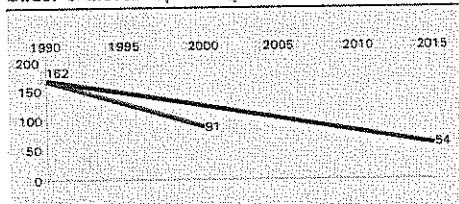
** HMG/N, National Demographic and Health Survey, Preliminary Report, 2001.

STATUS AND TRENDS

There has been a considerable reduction in under-5 mortality within the last three decades. From the very high rate of more than 200 per thousand live births in 1972, child mortality was reduced to 91 in 2000. This substantial reduction was, to a large extent, made possible through the control of malaria, smallpox, cholera and other highly communicable diseases. The rate of reduction, however, has gradually decelerated. There are grounds to believe that it may be difficult to maintain or increase this rate. The high incidence of child malnutrition, the large number of persons below the poverty line, the low growth rate in the "rural sector", low level of public spending on health, and the low quality of health facilities and services are some such grounds.

The rate of child mortality differs by geographical and developmental regions and rural/urban residence. The rate is much higher in the rural areas compared to the urban ones. Similarly, the rate is much higher in the Mountain Region compared to the two other geographical regions. The rate is also much higher in the Far-Western and Mid-Western Development regions compared to the three other regions. In relation to gender, however, there is little difference in child mortality.

Under-5 mortality rate (per thousand live births)



CHALLENGES

The primary challenges in reducing child mortality lie in:

- Ensuring adequate nutrition to children and developing locally sensitive nutrition programmes;
- Investing a higher level of public expenditure on health and investing more in those areas which have an above-average rate of child mortality;
- Raising the quality of services in health posts and making health information more accessible among those who at present lie outside such a communication domain, e.g. those who live in physically difficult areas, the poor and the illiterate;
- Reducing the cost of medicines through more intensive training to village level health workers on the use of generic drugs;
- Co-ordinating health, education, drinking water and sanitation policies and programmes;
- Devolving responsibility and authority to local governments in relation to health facilities and services, and supporting them in a sustained manner;
- Increase people's awareness through information campaigns on the causes of under-5 mortality and their role in addressing them;
- Recognising primary health as a fundamental right of all, including children;
- Developing appropriate strategies to address the high prevalence of neonatal mortality.

SUPPORTIVE ENVIRONMENT

A number of supportive policies and programs to reduce child mortality are in place. The expansion of the health services network - health posts, information on health, sanitation and family plan-

ning, provision of micronutrient supplements, immunisation programmes, etc. - are in place or being set up and upgraded. The spread of literacy, the increased awareness, the decentralisation process and the slow but increasing ownership in relation to the promotion of health, are grounds which lead to expect a gradual and sustained improvement in the rate of child survival.

On the other hand, child nutrition has received far less than warranted attention in government policies and programs. Diseases attributable to unsafe water, lack of sanitation and household pollution such as smoke are widespread. These have not received adequate attention in government policies and programs. The quality of health service at the sub-health post and health post levels remains very weak, in part due to poor administration and unwarranted absences of medical personnel. A national policy and incentives for motivating local governments and communities to prioritise child health are missing. Civil society organisations have not, as of yet, coalesced to demand that primary health be recognised as a fundamental, constitutionally mandated right. Policies to reduce income-poverty remain largely unarticulated. To the extent that they are articulated, they remain to be translated into viable programs.

PRIORITIES FOR DEVELOPMENT ASSISTANCE

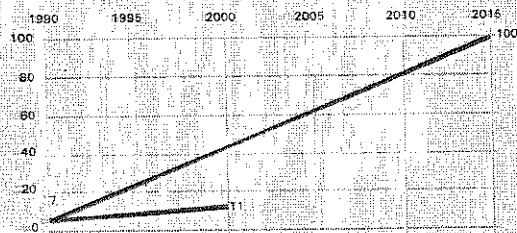
- Expanded financial assistance to the health sector in general and child health programs in the less-served areas in particular;
- Technical assistance on the production and/or procurement of generic drugs;
- Establishment of community-based programmes to address all the underlying causes of child mortality with particular emphasis on disease prevention and malnutrition;
- Technical assistance on interfacing local governments and communities with the promotion of child health and reduction of child mortality and morbidity.

Tracking Under-five Mortality Levels: Monitoring and Evaluation Environment

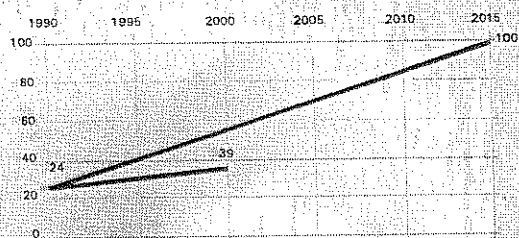
ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities	Strong	Fair	Weak
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak



Percentage of deliveries attended by health-care providers



Contraceptive prevalence rate (percent)



5 goal

IMPROVE MATERNAL HEALTH

TARGET 6

Reduce by two-thirds, between 1990 and 2015, the maternal mortality ratio.

Indicator	1990	2000	2015
Maternal mortality ratio (per 100,000 live births)	850* (1988) 515** (1991)	539*** (1996)	213 or 129
Percentage of deliveries attended by health care providers (doctors/ nurses/ midwives)	7.4** (1991)	10.8**** (2001)	100
Contraceptive prevalence rate (percent)	24.1**** (1991)	38.9**** (2001)	100

* UNDP, Human Development Report, 1992.

** HMG/N, Nepal Fertility Family Planning and Health Survey, 1991.

*** HMG/N, Nepal Family Health Survey, 1996.

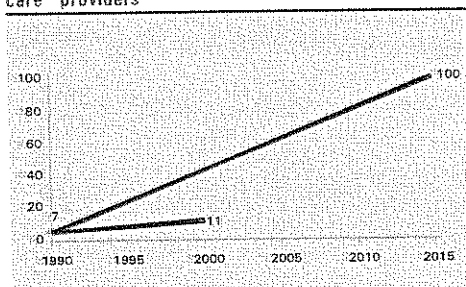
**** HMG/MoH, Nepal Demographic and Health Survey, Preliminary Report, 2001.

STATUS AND TRENDS

Information on the Maternal Mortality Ratio (MMR) is highly debatable, as there are no reliable registration systems of deaths or causes of deaths, from which such an indicator could be derived. The 1996 MMR estimate of 539 per 100,000 live births is considered to be the most reliable. Data for the baseline of 1990 are conflicting (see above table). In both cases, methodologies used for calculation are different from the sisterhood method used in the NFHS, which makes a trend analysis difficult.

Maternal morbidity and mortality are closely related to services for pre-natal care, safe delivery and post-natal care. However, despite significant improvement in health infrastructure in the country, delivery attended by health care providers remains dismally low in Nepal. In 1991, deliveries attended by health care providers stood at 7.4 percent of all expected deliveries. This indicator has slightly gone up to 10.8 percent in 2001.

Percentage of deliveries attended by health care providers

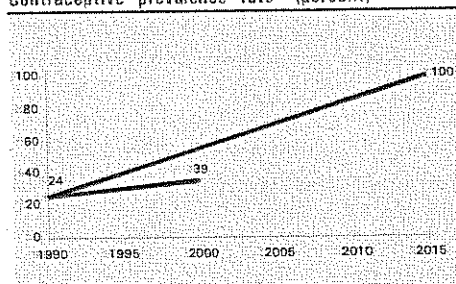


Maternal mortality also remains high due to early marriage and childbirth, nutritional deficiencies and the poor quality of health infrastructure and health services. Iron deficiency anaemia, which affects 75 percent of all pregnant women (MoH/ UNICEF/ WHO/ The Micronutrient Initiative/ New ERA, Nepal Micronutrient Status Survey, 1998) is also a cause of high maternal mortality.

The contraceptive prevalence rate (CPR) has also been increasing through the 1990s. But the rate of increase is slow. The CPR for all married women aged 15-49 needs to be raised to 65-70 percent – assuming that the rest want to have children. Access to contraception, of course, would need to be raised to 100 percent among all women of child-bearing age. The 1999 CPR, however, was only 37 percent. The CPR, during the 1990s, increased by 1.5 percent/year. Under this trend, the CPR would reach approximately 60 percent by 2015. Given the rural/agricultural nature of livelihoods, pronounced patriarchal values and (male) sex-preference, together with the existing low quality of health facilities and services, it may even be difficult to maintain this rate through 2015.

In addition to the CPR, an important indicator of reproductive health is the unmet need for contraception. Nepal has registered a significant progress in raising contraceptive usage but this was primarily due to low base of contraceptive use. In 1991, the unmet need for family planning was 28 percent, increasing to 31 percent in 1996. According to the preliminary results of the 2001 Demographic and Health Survey, unmet need has gone down to 28 percent (11% for spacing and 16% for limiting). The unmet need is twice as high among rural than urban women. The level is higher among less educated and illiterate and women living in the Terai region

Contraceptive prevalence rate (percent)



of the country, which indicates a need to focus more on social development such as health and education and rural development in the country.

Considering all these facts, it is therefore highly unlikely that the MDG of improving maternal health will be met.

CHALLENGES

Raising the intensity of ownership in relation to public health, increasing public financial investment, and meeting the shortage of skilled manpower resources remain key challenges for attaining the MDT on MMR. Making the public health-related organisational systems more effective and efficient and raising the quality of public health facilities and services also pose key challenges. Further, enabling, capacitating and equipping the lowest level of the health delivery system, i.e. the village health worker and the VDC-level sub-health post, remain key challenges as well. Devolving substantial responsibility and authority to VDCs and ward committees to prioritise reproductive health and to plan and manage the lowest level facilities and services presents another set of challenges. Referral services need to be made more systematic, reliable and quicker to respond.

SUPPORTIVE ENVIRONMENT

HMG/N is committed to the Programme of Action of the International Conference of Population and Development (ICPD), which called upon the importance of access to primary health care, including reproductive health and family planning services. In line with the goals of ICPD and the MDG, reducing population growth rate and total fertility rate has been a recurring theme in development planning in Nepal.

HMG/N has set a target of reducing the Total Fertility Rate (TFR) at replacement level within the next 15 years (NPC, Concept Paper to the PRSP/10th Plan).

A number of supportive structures and processes, some more firm and advanced than others, are in place or are being set up. The village health worker, sub-health post, the health post, the primary health centre and the district hospital networks are in place. Organisationally, this is close to being an ideal system within the health sector. Policies and programs to raise the quality of this structure can go a long way to reduce MMR. A new joint government-donor strategy for the implementation of safe motherhood-related activities has been adopted. Equally important, a National Plan on Safe Motherhood (2001-2017) has been developed. Efforts are being made to reduce iron deficiency anaemia. Similarly, it is easier to get information on contraceptives as well as access to contraceptives now compared to five years ago.

Highly significant barriers remain, however. The very low level of utilisation of health care providers points to the fact that meeting the MDG goals of reducing maternal mortality by 2015 may remain a distant hope for Nepal, unless it is accompanied by a rapid socio-economic transformation improving women's status in the country. Policies and programs to reduce the high incidence of in-

come-poverty - which discourages households and women to seek medical help - remain extremely weak (see the section on the reduction of poverty).

Policies and programmes to address the problem of early childbirth are not in place. Nutritional deficiencies, except for some micronutrients, including during pregnancy, have not been addressed at the policy and program levels. The quality of service at the sub-health post, health post, primary health centre and even the district hospital is generally, although not always, poor. The sub-health post is not, skill-wise or equipment-wise, capable of attending to any form of complicated pregnancy. Similarly, access to contraceptives is highly limited in many rural areas. Cultural rules limit women's access to contraceptives as well.

PRIORITIES FOR DEVELOPMENT ASSISTANCE

- Support to a regular monitoring of the MMR through the development of a commonly agreed upon methodology;
- Financial assistance for upgrading reproductive services at the sub-health post and health post levels.
- Full financial assistance for the implementation of the National Plan for Safe Motherhood (2001-2017).
- Technical assistance for policy studies on the interface between local government and local organisations and the promotion of reproductive health.

Tracking Maternal Mortality and Reproductive Health: Monitoring and Evaluation Environment

ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities	Strong	Fair	Weak
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak

HIV prevalence rate
among adults (15-49
years of age) (percent)



6 goal

COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

TARGET 7

Have halted by 2015 and begun to reverse the spread of HIV/AIDS

Indicator	1990	2000	2015 (estimate)
HIV prevalence rate among adults (15-49 years of age) (percent)	0*	0.29* (1999)	2**
Contraceptive Prevalence rate	24.1*** (1991)	39.3*** (2001)	100

* National Centre for AIDS and STD Control.

** Field Report, Prof. James Chin, October 1999.

*** HMG/MoH, Nepal Demographic and Health Survey: Preliminary Report, 2001.

STATUS AND TRENDS

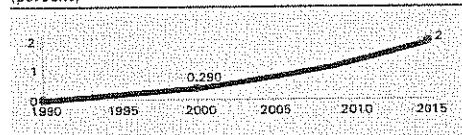
An accurate assessment of the HIV/AIDS epidemiological situation in Nepal is not possible due to lack of updated, reliable data. However, it is certain that the HIV infection rate is rising rapidly. Since the detection of the first HIV/AIDS case in 1988, the number has been increasing every year. The estimated cumulative HIV infection cases were 36000 at the end of 2000. UNAIDS estimates that 3000 deaths occurred in 2000 due to HIV/AIDS, while cumulative number of deaths till 1999 was 8325.

The estimated HIV prevalence among adults (15-49) was 0.29 percent in 1999. The prevalence rate among women receiving antenatal care is estimated at 0.2 percent, while it is of 3.9 percent among blood donors. The infection rate is as high as 50 percent among injecting drug users and 17 percent among female sex workers (in Kathmandu), reflecting a concentrated epidemic among these high-risk groups. The last rate was below 1 in 1992. Also, truck/bus drivers, seasonal and other labour migrants are at a high risk of infection.

CHALLENGES

The Millennium Development Target (MDT) of halting by 2015 and beginning to reverse, the spread of HIV/AIDS will remain unrealised, given the present epidemiological trend and the level of ongoing efforts. The main challenges that have to be addressed much more effectively in order to achieve the targets include the following:

HIV prevalence rate among adults (15-49 years of age) (percent)



- Taking more intensive efforts for sensitising high-level decision-makers and political leadership and committing them to effective actions. A sense

of urgency and clear understanding of the epidemic implications of HIV/AIDS are missing among most of them. A similar sense of indifference is prevailing at the community level. This needs to be addressed effectively;

- Scaling up of interventions, especially related to high risk behaviour groups;
- Strengthening co-ordination and co-operation among donors, INGOs, NGOs and HMG/N NCASC in respect of information generation, interventions, surveillance and care provisions;
- Strengthening capacities of concerned institutions and improving management of intervention programmes at various levels with regard to operational planning, timely implementation, monitoring, supervision and evaluation;
- Ensuring that preventive programmes are implemented in an integrated and supportive manner by

promoting sex education, HIV/AIDS awareness, condom use, and access to services and care. Addressing gender inequality, myths and stigma in implementing IEC activities is of utmost importance;

- Orienting health personnel, community leaders and the mass media to the social and human rights perspectives in providing services and care to people living with HIV/AIDS.

SUPPORTIVE ENVIRONMENT

A situation analysis of HIV/AIDS in Nepal was commissioned by the National Centre for AIDS and STD Control (2000). The report has highlighted the problems and made a number of recommendations. High-level decision makers are getting more sensitive to HIV/AIDS and its serious consequences. Recently, a National AIDS Council, chaired by the Prime Minister, and a Steering Committee under the chairmanship of the Minister of Health were established.

PRIORITIES FOR DEVELOPMENT ASSISTANCE

- Technical and financial assistance to update the national HIV/AIDS strategy in order to include the MDG and commitments of the UNGASS on HIV/AIDS (June 2001);
- Additional support and resources to rapidly scale-up interventions focussing on the most vulnerable groups;
- Support and assistance to set-up effective management, monitoring, and co-ordination structures for an expanded response in Nepal.

Tracking Progress for HIV/AIDS: Monitoring and Evaluation Environment

ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities	Strong	Fair	Weak
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak

TARGET 8

Have halted by 2015, and begun to reverse, the incidence of malaria and other major diseases

Indicator	1990	2000	2015
Number of malaria cases per 100,000 people	115* (1992)	29** (1997)	-
Number of tuberculosis cases per 100,000 people	92.3*** (1995)	106** (1998)	-

* UNDP, Human Development Report, 1996.

** UNDP, HDR 2001.

*** UNDP, HDR 1996.

STATUS AND TRENDS

The above mentioned malaria incidence rates for 1992 and 1997 show a strong declining trend. However this indicator should be interpreted taking into account two considerations: an under-reporting of malaria cases and periodic fluctuations in the epidemiological trend of malaria. In spite of the downward trend, malaria persists as a significant public health problem in Nepal. More than 16.5 million people are exposed to the risk of infection. Several



thousand cases are reported annually. The slide positivity rate was 9 percent in 1999-2000 as against 4.5 percent in 1995-96. The proportion of *P. falciparum* malaria is around 6 percent of the total cases. Chloroquine resistance *P. falciparum* is well documented. Achieving the MDT of halting and reversing the incidence of malaria, therefore, calls for a broad-based strategic approach and more intensive and sustained efforts in the years ahead.

The higher number of cases of tuberculosis in 1998 than in 1995 does not necessarily reflect a higher prevalence rate of the disease. This is largely due to more intensive case finding measures and indicates increasing effectiveness of the programme. The Annual Report of the Department of Health Services reports 204 new cases in 1999 per 100,000 people. Currently about 80 percent of the population have access to Directly Observed Treatment Short-Course (DOTS). The treatment success rate in DOTS is about 90 percent and the overall rate is 85 percent. However, reaching the remaining 15 percent is a big challenge as it concerns the poorest people and/or people living in inaccessible areas. TB diagnostic facilities are currently available at Primary Health Care Centre (PHC) and district level, and TB treatments usually are available down to the PHC or health post level. While halting the incidence of tuberculosis by 2015 may be achieved by 2015, reversing the trend may be more difficult.

CHALLENGES

The Millennium Development Target of halting by 2015 and reversing the incidence of malaria is unlikely to be reached, given the present epidemiological situation, the unavailability of resources and the weakness of intersectoral coordination and partnerships. The following operational issues need to be addressed more effectively: low rate of slide examination; under-reporting of malaria cases; inadequate diagnosis and management of severe cases; and lack of supportive supervision. More-

over, political commitment needs to be reinforced to ensure effective implementation of the Roll Back Malaria (RBM) strategy.

As far as tuberculosis is concerned, targeting those still unreached and bringing them under DOTS is a big challenge. Increasing HIV infections, multi-drug resistance and prospect of opportunistic co-infection of a HIV/AIDS and Tuberculosis also pose a potential threat.

SUPPORTIVE ENVIRONMENT

The RBM strategy of WHO provides an opportunity to design the necessary interventions on a sound technical basis and to forge alliance with all stakeholders. The Global Fund for HIV/AIDS, Tuberculosis and Malaria has created a unique supportive environment to mobilise resources for developing and implementing effective interventions necessary to achieve the MDT.

DOTS is a technically sound, cost-effective strategy and support was made available from a number of development partners.

PRIORITIES FOR DEVELOPMENT ASSISTANCE

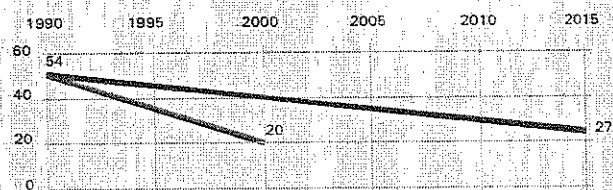
- Technical assistance to develop national strategy to control malaria and implement the interventions in keeping with the RBM approach;
- Financial assistance for insecticides, drugs and human resources development to fight malaria more effectively;
- Financial and technical assistance for laboratory facilities and operations research on malaria and action-oriented research studies on tuberculosis;
- Financial and technical support for expansion and sustained implementation of DOTS strategy in the whole country;
- Special financing support and incentives for reaching those yet unreached by DOTS.

Tracking Progress for Malaria and Tuberculosis: Monitoring and Evaluation Environment

ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities	Strong	Fair	Weak
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak



Percentage of
population
without
access to
drinking water



7 goal ENSURE ENVIRONMENTAL SUSTAINABILITY

TARGET 9

Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources

Indicator	1990	2000	2015
Percentage of land area protected to maintain biological diversity	10.95*	18.11*	—
Percentage of change in km ² of forest land	37.4** (1986)	29** (1995)	—
GDP (1000 Nr) per unit of energy use (TOE)	20.4***	48.0***	—

* HMG/N - Ministry of Forests and Soil Conservation, Draft Nepal Biodiversity Action Plan, 2000.

** HMG/N, Ministry of Forests and Soil Conservation, Forest Resources of Nepal (1987-1998), November 1999.

*** HMG/N - Ministry of Finance, Economic Survey, 1999/2000.

STATUS AND TRENDS

There are several environmental issues, as well as several categories of environmental resources. These would obviously demand a much more elaborate treatment than is required here. To provide a bare sketch:

- Soil nutrients are reported to be depleting in several areas;
- Arsenic contamination in drinking water is suspected in all 20 Terai districts;
- Forest area has declined sharply over the last five decades (with the 1976-1996 annual rate of deforestation estimated at 1.3 percent), even as the community forestry regime is leading to a regeneration of forests in most of the Hill Regions. It should be noted that 92 percent of the total population relies on traditional fuels, i.e. forest and livestock products, for cooking and allied energy needs (1994-1995 data);
- Sanitation remains poor, even if drinking water is more accessible;
- The urban environment is becoming highly degraded, with high levels of unmanaged solid waste as well as high levels of air and water pollution. Noise pollution is high and increasing.

The above clearly shows that environmental sustainability remains a serious problem. On the other hand, initiatives in the drinking water and forest sectors indicate that many problems of sustainable development can be solved or their impacts reduced. Policies related to protected areas and buffer zone management are in place. An Environment Protection Act, which, among others, fulfils the obligations of the Montreal Protocol, has been implemented. Devolutionary initiatives taken by the government are also expected to contribute to reduce the loss of environmental resources. A National Biodiversity Strategy and Action Plan (NBSAP) is under formulation.

Fulfilment of the 2005 IDT of development of a national strategy for sustainable development is on course. A Sustainable Development Agenda for Nepal (SDAN), which incorporates institutional mechanisms for implementation, monitoring and periodic review is under formulation. The quality of the sustainable development agenda and its implementation, and whether or not the agenda will lead to a reversal of the loss of environmental resources, of course, can only be assessed in the future.

CHALLENGES

- Reducing rural poverty;
- Eliminating impunity for infringement of environmental laws;
- Promoting stakeholding of local peoples, local government and other local organisations in environmental resources;
- Implementing the "polluter-pays" principle in relation to the urban environment;

- Developing resource conservation-based income-generation programs in rural areas;
- Understanding carrying capacity and the sustainable use of environment and natural resources.

SUPPORTIVE ENVIRONMENT

Legal as well as policy mandates are in place with respect to a number of environmental resources. The forestry act and regulations and the policy and program emphasis on drinking water are examples. Some other key policies are under formulation, e.g. the SDAN, the NBSAP.

Poverty reduction and employment promotion policies, however, remain relatively unarticulated. Existing laws related to environmental resources are generally not strictly and often discriminatorily implemented. Private use of common resources has been on the increase over the last two decades. Such "privatisation" has become the prime locale of "political" as well as petty corruption. While successes in the regeneration of community forests and, to a certain extent, the sustainability of drinking water facilities are widely linked to intensified local stakeholding, similar policy initiatives have not been taken with respect to other environmental resources. In addition, the bureaucracy leads many environmental resource conservation programs and the level of local stakeholding in these remains low.

PRIORITIES FOR DEVELOPMENT ASSISTANCE

- Financial and technical assistance necessary for the implementation of the SDAN and the NBSAP;
- Technical assistance for promoting income generation through environmental conservation;
- Technical assistance on interfacing local government and environmental resources;
- Technical assistance for promoting alternative energy for poverty alleviation to rural communities;
- Financial and technical assistance necessary to translate lessons learnt from grassroots successes into national policy related to environment and natural resources.

Tracking the Goals for Environmental Resources: Monitoring and Evaluation Environment

ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities	Strong	Fair	Weak
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak

TARGET 10

Halve, by 2015, the proportion of people without sustainable access to safe drinking water

Indicator	1990	2000	2015
Percentage of population without access to drink water supply	54.1* (1991)	20.1**	21

* HMG/N, Nepal Family Health Survey, 1991.
** HMG/N-NPC, BCHIMES, 2000

STATUS AND TRENDS

Access to drinking water (see below for *safe* drinking water) has increased rapidly. While problems of definition as well as inter-agency variation in reporting do remain, data show that the 2015 MDT will soon be reached. The trend for the 1990-2000 period has been particularly rapid in promoting access to drinking water in rural areas. On the other hand, progress in urban areas has remained stagnant and is likely to remain so for some years to come. Emerging towns are also likely to face scarcity of drinking water.

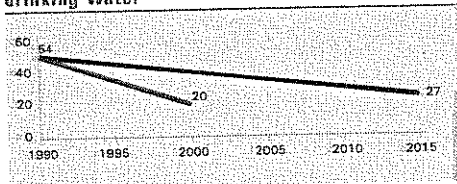
The BCHIMES survey shows that approximately 48 percent of all households are served by piped drinking water. Another 32 percent have access to tube wells and bore holes. Approximately 17 percent access drinking water from dug wells and springs. The rest (3 percent) rely on other sources.

Progress in access to drinking water, however, is somewhat unevenly distributed. The Mid- and Far Western Mountain, Hill and Terai regions rely disproportionately on dug well, spring and other less reliable sources. In general, the low-caste *Dalit* communities appear to have a lower rate of access than others do.

Nonetheless, the overall trend indicates that Nepal is likely to reach near-universal access to drinking water by 2015. Those without may be a relatively small number of communities in "difficult" locations and some urban settlements. This assessment, however, is based on the current household-level demand for drinking water, which is quite low. Households in urbanising locations may need access to larger quantities. Lack of information does not allow one to answer whether the demand for a larger quantity can be met by 2015.

Progress in access to drinking water is principally attributable to organised demand and voluntary contribution from communities as well as national and local government financial, institutional and technical support. The en-

Percentage of population without access to drinking water



gagement of national and international non-governmental organisations and multilateral donor institutions has been significant as well. Private household initiatives, particularly in the Terai, have also been significant.

However, access to drinking water does not necessarily imply access to *safe* drinking water. In fact, even *piped* drinking water is unsafe in many, probably most, locations almost throughout the year. Contamination at source, at water collection points, in water collection jars, in locations of storage within households, etc. appears to be common. Consequently, while in urban areas a significant proportion of households boil and/or filter water before drinking it, in rural areas the incidence of water-borne diseases is very high. Nationally, as much as 30 percent of all households reported the incidence of diarrhoea, dysentery, jaundice, typhoid or cholera during the month preceding the survey (Shrestha and Sharma 2001a: 46-7). Similarly, the Nepal Micronutrient Status Survey 1998 (jointly carried out by HMG/N, WHO, UNICEF, the Micronutrient Initiative and New ERA) reports that among pre-school children the prevalence of diarrhoea was 25.4 percent during the two-week period prior to the survey (p.77-8).

CHALLENGES

The following challenges have to be met for promoting *sustainable* access to *safe* drinking water by 2015:

- Continued policy, fiscal, institutional and technical prioritisation by central and local governments and non-governmental institutions for access to drinking water;
- The engagement of local governments, in particular, remains of high significance. Local governments must continue to play a key role in responding to community demands for drinking water facilities, in sustained institutional strengthening of user groups in rural areas, and in supporting user groups to generate financial, cultural and political resources locally for the repair and maintenance of the facility;



- Policy and programme emphasis on the promotion of sanitation and sustainable housing;
- New initiatives on the promotion of *safe* drinking water in areas that already have access to drinking water. Water user groups and local governments can play a key role in this regard. Health workers, school authorities, students and others can be mobilised for this task;
- Establishment of a national, regional and local surveillance system in order to ensure the supply of safe drinking water;
- Identification of the magnitude of arsenic contamination in drinking water in the 20 districts of the Terai and initiatives to mitigate such contamination;

■ Prioritised identification and support to communities that have, as yet, no access to drinking water. In some instances, local governments have prioritised the expansion or less urgent but costly repair of existing systems over the needs of communities that have had no access to drinking water;

- Formulation of legal, administrative and operational mandates and guidelines for dispute resolution regarding water rights. Such disputes are increasingly frequent between communities;
- Formulation of mandates, guidelines and compensation mechanisms, particularly for large-scale withdrawal of drinking water from rural locations to urban areas;

■ Development of new initiatives for urban water supply. As noted, access to drinking water has remained stagnant in most urban areas. In addition, urban settlements are likely to spring up quite rapidly within the next 15 years.

SUPPORTIVE ENVIRONMENT

The collaborative setting for the promotion of access to drinking water has served Nepal well during the last decade. The high priority accorded by the government to the promotion of access to drinking water, and its collaboration with semi-governmental organs and local governments,

international and national non-governmental organisations, the private sector and households, has been quite effective. Yet, policies and programs for strengthening "software" components of access to drinking water remain weak. Strengthening institutional and financial components of user groups and local government, mandates for resolution of disputes between communities regarding water rights, guidelines for prioritising particular water supply systems over others, etc. remain weak as well. Policies for the promotion of access to *safe* drinking water, as well as for the promotion of sanitation, remain very weak. Urban water supply programs need to be drawn up for existing as well as future potential urban locations.

PRIORITIES FOR DEVELOPMENT ASSISTANCE

- Development of a system for tracking access to drinking water at the community level. This system should be implemented by local governments and line agencies at various levels, the local level in particular;
- Development of new technologies to enhance rural water supply and improve housing in rural areas (e.g. rainwater harvesting and solar pumps);
- Development of national water standard to ensure quality water supply to both rural and urban population;
- Improved housing facilities in rural areas with increased awareness on overall hygiene concerns;
- Investigation of the level of arsenic contamination of ground water of the Terai districts and ensure provision of alternate arsenic free water for affected families including medical care and health counselling;
- Development of a simple and, if possible, mobile system for assessing bacteriological contamination;
- Investigation of alternative models for integrating hygiene and sanitation programs with drinking water programmes.

Tracking Progress in Improved Water Access: Monitoring and Evaluation Environment

ELEMENTS OF MONITORING ENVIRONMENT	ASSESSMENT		
	Strong	Fair	Weak
Data-gathering capacities	Strong	Fair	Weak
Quality of recent survey information	Strong	Fair	Weak
Statistical tracking capacities	Strong	Fair	Weak
Statistical analysis capacities	Strong	Fair	Weak
Capacity to incorporate statistical analysis into policy, planning & resource allocation mechanisms	Strong	Fair	Weak
Monitoring and evaluation mechanisms	Strong	Fair	Weak



Appendix A

Nepal's Progress towards the MDGs: Status at a Glance

GOALS	WILL DEVELOPMENT GOAL BE REACHED				STATUS OF SUPPORTIVE ENVIRONMENT			
	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
Extreme Poverty Halve the proportion of people living below the national poverty line by 2015	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
Hunger Halve the proportion of people who suffer from hunger between 1990 and 2015	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
Universal primary education Ensure that by 2015 children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
Gender equity Achieve equal access for boys and girls to primary and secondary schooling by 2005	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
Child mortality Reduce under-five mortality by two-thirds by 2015	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
Maternal health Reduce maternal mortality ratio by three-quarters by 2015	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
HIV/AIDS Halt and reverse the spread of HIV/AIDS by 2015	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
Malaria and other major diseases Halt and reverse the incidence of malaria and other diseases by 2015	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
Environmental resources Reverse loss of environmental resources	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak
Access to safe drinking water Halve the proportion of people without access to safe drinking water	Probably	Potentially	Unlikely	Lack of Data	Strong	Fair	Weak but improving	Weak

APPENDIX B
Monitoring and Evaluation Capacity for Tracking MDGs: Status at a Glance

Goal	EXISTING CAPACITY FOR									Monitoring and Evaluation					
	Data Gathering			Quality of Survey Information		Statistical Tracking		Statistical Analysis			Statistics into Policy				
Poverty	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
Hunger	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
Universal primary education	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
Gender Equality	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
Child mortality	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
Maternal Health	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
HIV/AIDS	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
Malaria and other major diseases	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
Environmental resources	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak
Drinking water	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak	Strong	Fair	Weak

