Nepal
Millennium Development Goals
Progress Report 2010

Government of Nepal
National Planning Commission
Singh Durbar, Kathmandu
Nepal
Tel: 977-1-4211629
Email: npcs@npcnepal.gov.np
Website: www.npc.gov.np

Untied Nations Country Team of Nepal
United Nations House
Post Office Box 107
Pulchowk, Kathmandu
Nepal
Tel: 977-1-5523200
Email: registry.np@undp.org
Website: www.un.org.np
www.undp.org.np

Nepal
Millennium Development Goals
Progress Report 2010

Published by
Government of Nepal
National Planning Commission
Singha Durbar
Kathmandu, Nepal
Tel: 977-1-4211629
Website: www.npc.gov.np

United Nations Country Team of Nepal
United Nations House
Pulchowk, Lalitpur
Tel: 977-1-5523200

PO Box 107
Kathmandu, Nepal
Website: www.un.org.np
www.undp.org.np

Design and Print by : Creative Press Pvt. Ltd.
4429053/4429054

Photo Credits : IUCN Nepal: 64, 73
UNDP Nepal (Thomas Kelly): Page Nos. 12, 14, 19, 20, 22, 35, ,37, 52, 54, 57, 59, 68, 79, 84
UNICEF Nepal (K. Panday: Cover page and Page 40, Sophia Uprety: 24, Sudan Mulmi: 27, Uddhav Khadka: 29, C. S. Karky: 32, M. Bogati: 43, UNICEF: 44, Mani Lama: 46 and 49 and Rupa Joshi: 50)

FOREWORD

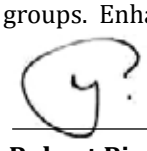
The Government of Nepal is fully committed to achieving the Millennium Development Goals (MDGs). Its efforts to mainstream MDG indicators into development plans and monitoring systems as well as its regular publication of MDG Progress Reports—the first in 2002, and the second and third in 2005 and 2010, respectively—demonstrate its determination to reduce poverty across the country and advance the lives of all its citizens.

Trends observed across the three reports show Nepal's consistent progress towards achieving MDGs in most sectors and subsectors. Despite the decade long conflict and political instability, it is remarkable that the percentage of people living below the national poverty line has significantly reduced, net enrollment rate for primary education has significantly improved, there is gender parity in enrolment for primary education and under-five mortality and maternal mortality rates have gone down notably. However, achieving the targets for employment, hunger, gender parity in tertiary education, and environmental sustainability by 2015 appears to be extremely challenging. Although the armed conflict ended with the signing of the Comprehensive Peace Agreement in November 2006, the absence of a stable government, a people-endorsed constitution, and elected local government bodies has delayed the peace process and hindered overall development. The prospect of political resolution in the coming years should enable Nepal to move forward into a period of greater stability.

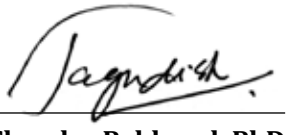
The Report also highlights that although the progress at national level in a number of goals and targets has been noteworthy, the progress has been unequal with respect to geographical location, gender and social groups. Enhancing employment opportunities and eradicating inequality and social exclusion remain major challenges. It is imperative that all of the country's people reap the benefits of development, including the hard-to-reach poor and those living in remote and inaccessible areas, where delivering services is especially difficult. The well-being of those who are hardest hit by discrimination, exclusion, poverty and unemployment, is a major concern. At the heart of any push for future advancement, there must be an emphasis on sustaining peace and good governance that will enable everyone to share in the country's growing prosperity. This will require strong commitment and support not only from the government and the political parties but also from development partners, civil society and the private sector.

The policy environment for the MDGs has been fairly favorable since 2005 as manifested in the Three Year Interim Plan (2007/08-2009/10) and other sectoral plans and programmes, where there has been an increasing focus on poverty reduction, inclusion and targeted programmes. As the government has prepared the approach paper of the Three-Year Plan (2010/11-2012/13) and is currently in the process of detailing the plan, the data and information presented in this report and the identification of trends and gaps between targets and achievements up to 2010 will help policy-makers, planners and development activists to set the path for meeting the MDGs within the deadline of 2015.

Finally, we hope that this report will be useful for all those working together with the common objective of ensuring that, by meeting its MDG targets, Nepal is able to uplift the lives of all its citizens and encourage them to participate equally in the nation's development.



Robert Piper
UN Resident and Humanitarian Coordinator
UNDP Resident Representative



Jagadish Chandra Pokharel, PhD
Vice-Chairman
National Planning Commission

ACKNOWLEDGEMENTS

This report has been prepared by the Government of Nepal and the United Nations on behalf of all development partners and citizens of Nepal. The report has made use of valuable advice, comments and insights provided by a number of development partners who participated in a series of consultations. The contributing agencies and institutions include: National Planning Commission; Ministry of Women, Children and Social Welfare; Ministry of Education; Ministry of Health and Population, Department of Health Services, Child Health Division; NCASC; Ministry of Forests and Soil Conservation; Ministry of Physical Planning and Works, Department of Water Supply and Sanitation; Ministry of Finance; Ministry of Environment and Ministry of Science and Technology.

Several international development organizations also made significant contributions, including: Asian Development Bank, AusAid, CCO, CIDA, DANIDA, Danish Embassy, DFID, ESAP, EU, FAO, Finish Embassy, GTZ, ILO, IMF, JICA, KfW Entwicklungsbank, KOICA, NORAD, SDC, SNV, UNAIDS, UNDP, UNESCO, UNFPA, UN-HABITAT, UNHCR, UNICEF, UNIFEM, USAID, WFP, WHO, and World Bank.

The report has greatly benefited from comments and feedback received from members of several institutions, associations, and civil society organizations. Appreciation is extended to FHI; FNCCI; FNCSI; FPAN; FSGMN; HIV/AIDS Programme Management Unit; ICIMOD; IUCN; NANGAN; Nepal Health Economics Association; NFWLHA; Rural Energy Development Programme(REDP); Support to Safe Motherhood Programme; and Tribhuvan University. The report has been enriched by suggestions from many individuals who, through various consultation meetings, provided important inputs to the draft: Hon'ble Member NPC, Dinesh Chandra Devkota, Bal Gopal Baidya, Shyam Raj Upreti, Babu Ram Marasani, Gyanendra Kumar Shrestha, Badri Raj Pande, Ganga Shakya, Ajit Pradhan, Devi Prasai, G. D. Thakur, Mahesh Sharma, Satish Raj Pandey, Bina Pokhrel, Pushpa Malla, Laxmi Bilas Acharaya, Pulkit Chaudhary, Giridhari Sharma Paudel, Rajan Bhattarai, Birendra B. Pradhan, Tulasa Lata Amatya, Bobby Rawal Basnet, Kishor Thapa, Kiran Man Singh, Manoj Khadka, Suraj M. Shrestha, Madan Koirala, Narayan Belbase, Namaste Lal Shrestha, Arun Bhakta Shrestha, D. Kharel, Dinesh Nath Chalise, Vijaya Singh, Dibya Gurung, Bhisma Pandit, Roshan Raj Shrestha, Rajesh Manandhar, Dinesh Raj Bhuju, Deepaka Puri and Pawan Joshi.

The report was prepared by a team of experts comprising Jagadish Chandra Pokharel, Babu Ram Shrestha, Posh Raj Pandey, Pramod Bhatta, Ram Prasad Chaudhary, Ram Prashad Shrestha, and Sushan Acharya. Technical and financial support for this report was provided by Strengthening Planning and Monitoring Capacity of NPC Project/UNDP.

Yubaraj Khatiwada, the then Vice-Chairman of National Planning Commission (NPC), provided overall guidance and support during the entire process, and all Hon'ble members of NPC commented on the draft report - Dinesh Chandra Devkota, Prem Bahadur Kunwar, Ramdev Singh, Tirth Raj Khaniya, Chet Raj Pant, Kamaleshowr Puri Goshwami, Subodh Narayan Jha, Ganesh Gurung and Ram Kumar Sharma. The preparation work was coordinated by the Steering Committee led by Pushkar Bajracharya, Member, NPC, Yuba Raj Pandey, Member-Secretary, Pushpa Lal Shakya, Joint Secretary and Rabi Shanker Sainju, Programme Director, NPCS facilitated the report preparation as well as consultation meetings.

Heartfelt appreciation is extended to Robert Piper, UN Resident and Humanitarian Coordinator, for his support and encouragement. Thanks are due to Sangita Khadka for her outreach and advocacy support to launch the report and Jenny Riley for editing work.

The contributions and technical inputs of Lazima Onta-Bhatta, Dharma Swarnakar and Hari Pradhan and his project team are highly appreciated.

ACRONYMS AND ABBREVIATIONS

ADB	Asian Development Bank
AEPC	Alternative Energy Promotion Centre
AusAID	Australian Agency for International Development
BEOC	basic emergency obstetric care
CA	Constituent Assembly
CB-IMCI	Community-Based Integrated Management of Childhood Illness
CB-NCP	Community-Based Newborn Care Package
CBS	Central Bureau of Statistics
CCO	Canadian Cooperation Office
CEOC	Comprehensive Emergency Obstetric Care
CERID	Research Centre for Educational Innovation and Development
CFC	chlorofluoro carbon
CHD	Child Health Division
CIDA	Canadian International Development Agency
CITES	Convention on International Trade in Endangered Species of Wild Fauna and Flora
COP	Conference of the Parties
DANIDA	Danish International Development Agency
DDC	District Development Committee
DFID	Department for International Development
DFRS	Department of Forest Research and Survey
DNPWC	Department of National Parks and Wildlife Conservation
DOE	Department of Education
DOHS	Department of Health Services
DOTS	directly observed treatment short course
DWSS	Department of Water Supply and Sanitation
EDCD	Epidemiology and Disease Control Division
ESAP	Energy Sector Assistance Programme
EU	European Union
FAO	Food and Agriculture Organization
FDI	foreign direct investment
FHD	Family Health Division
FHI	Family Health International
FINNIDA	Finnish International Development Agency
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
FNCSI	Federation of Nepal Cottage and Small Industries
FPAN	Family Planning Association of Nepal
FUG	Forest User Group
GAVI	global alliance for vaccine and immunization
GDP	gross domestic product
GESI	gender equality and social inclusion
GHG	greenhouse gas
GNI	gross national income
GON	Government of Nepal
GTZ	Technical Cooperation of the Federal Republic of Germany
HIPC	heavily indebted poor countries
HIV	human immunodeficiency virus
HSCB	HIV/AIDS and STI Control Board
HSEB	Higher Secondary Education Board
ICIMOD	International Centre for Integrated Mountain Development
ICT	Information and Communications Technology
IDA	International Development Association
ILO	International Labour Organization
IMF	International Monetary Fund
IMR	infant mortality rate
INGO	international non-governmental organization
ITU	International Telecommunication Union
IUCN	International Union for Conservation of Nature
JICA	Japan International Cooperation Agency
KOICA	Korea International Cooperation Agency
LDCs	least developed countries
MDG	Millennium Development Goal
MFSC	Ministry of Forest and Soil Conservation
MLD	Ministry of Local Development
MOAC	Ministry of Agriculture and Cooperatives
MOE	Ministry of Education
MOEnv	Ministry of Environment
MOI	Ministry of Industry
MOST	Ministry of Science and Technology
MOF	Ministry of Finance
MOGA	Ministry of General Administration
MOHP	Ministry of Health and Population
MOLTM	Ministry of Labour and Transport Management
MPPW	Ministry of Physical Planning and Works
MW	Megawatt
NAC	National AIDS Council
NACC	National AIDS Coordination Committee
NANGAN	National NGOs Network Group against AIDS in Nepal
NAPA	National Adaptation Programme of Action
NARC	Nepal Agricultural Research Council
NCASC	National Centre for AIDS and STD Control
NDHS	Nepal Demographic and Health Survey
NFHP	Nepal Family Health Programme
NLFS	Nepal Labour Force Survey
NLSS	Nepal Living Standards Survey
Norad	Norwegian Agency for Development Cooperation
NPC	National Planning Commission
NPCS	National Planning Commission Secretariat
NRB	Nepal Rastra Bank
NRs	Nepali Rupee
NTC	National Tuberculosis Centre
NTP	National Tuberculosis Programme
ODA	official development assistance
OECD	Organization for Economic Co-operation and Development
PHCC	primary health care centre

PLHIV	person living with HIV
PMAS	Poverty Monitoring and Analysis System
PPP	purchasing power parity
PRSP	Poverty Reduction Strategy Paper
PV	Photovoltaic
REDP	Rural Energy Development Programme
SAARC	South Asian Association for Regional Cooperation
SDC	Swiss Agency for Development and Cooperation
SNV	Netherlands Development Organization
STD	sexually transmitted disease
STI	sexually transmitted infection
SWAp	sector-wide approach
toe	tonnes of oil equivalent
TU	Tribhuvan University
TYIP	Three-Year Interim Plan (2007/08–2009/10)
TYP	Three-Year Plan (2010/11-2012/13)
UGC	University Grants Commission
UN	United Nations
UNAIDS	United Nations Programme on HIV/AIDS
UNCT	United Nations Country Team
UNCTAD	United Nations Conference on Trade and Development
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Fund for Population Activities
UN-HABITAT	United Nations Agency for Human Settlements Programme
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNMIN	United Nations Mission in Nepal
UNSD	United Nations Statistics Division
USAID	United States Agency for International Development
VDC	Village Development Committee
WECS	Water and Energy Commission Secretariat
WFP	World Food Programme
WHO	World Health Organization

TABLE OF CONTENTS

INTRODUCTION

At the onset of the new millennium, 189 world leaders from Member States of the United Nations made a historic commitment during the United Nations Millennium Summit in 2000 when they agreed to meet the Millennium Development Goals (MDGs) with the aim of bringing peace, security and development to all people. The Millennium Declaration is a groundbreaking international development agenda for the 21st century.

The Millennium Development Goals

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

The eight MDGs to be achieved by 2015 respond to the world's most urgent development needs. They are broken down into 21 quantifiable targets that are measured by 60 indicators.

As articulated in the Millennium Declaration, the MDGs are based on fundamental values such as freedom, equity, democratic governance, the rule of law, respect for human rights, and peace and security. The Declaration recognizes the interdependence between growth, poverty reduction and sustainable development. At the same time, it brings together in the eighth goal the responsibilities of developing countries with those of developed countries, founded on a global partnership endorsed at the International Conference on Financing for Development in Monterrey, Mexico, in March 2002, and again at the Johannesburg World Summit on Sustainable Development in August 2002. The Declaration has been made comprehensible to every person, thus giving individuals the power to claim their fundamental human rights such as the right to food, education, health and shelter, while allowing ordinary citizens to become active advocates for development.

Nepal is one of 189 countries committed to the achievement of MDGs, a pledge renewed most recently in its Three-Year Plan 2010/11–2012/13 (TYP). As the primary medium-term strategy and implementation plan for reaching the MDGs, the country's Tenth Plan (2002/03–2006/07) and Poverty Reduction Strategy Paper (PRSP) incorporated the MDGs into its strategic framework. The first two years of the reporting cycle for this progress report—2005/06 and 2006/07—were the last two years of the Tenth Plan/PRSP and the remaining three years were covered by the Three-Year Interim Plan 2007/08—2009/10 (TYIP). The Tenth Plan/PRSP's main focus was on pov-

erty reduction. The TYIP, while maintaining a focus on poverty reduction and growth, emphasized a greater strategic presence for the state in development, especially of remote areas and socially marginalized groups.

Third MDG Progress Report

Nepal published its first MDG Progress Report in 2002 and the second in 2005. This MDG Progress Report, the third in the series, reviews the five years from the beginning of 2005. This period was marked by political instability, changes in the country's economic policies, the absence of local elected bodies, the energy crisis and price hikes, and the need for a development budget heavily focused on post-conflict reconstruction and rehabilitation.

Similar to previous reports, this third Progress Report reflects on Nepal's commitment and determination to achieve the MDGs, despite having to place significant attention and resources on post-conflict reconstruction and rehabilitation as well as state-restructuring and constitution-writing.

As a public advocacy tool, this report will be useful for mobilizing ordinary Nepali people, building alliances, and renewing political commitments at both national and international levels. The report is expected to sharpen the tools and enlarge the national capacity for monitoring and reporting on progress, and strengthen the foundation for preparing future national development strategies.

To ensure that this document reflects the national situation as clearly as possible, a wide range of stakeholders, from civil society organizations and development partners to high-level policy-makers, were involved in finalizing the report. A series of consultations were conducted with participation from civil society, external development partners (including the UN system), the private sector, and government.

The timing of this progress report is critical for Nepal, as it is currently detailing a new Three-Year Plan for 2010/11 to 2012/13. The data and information from the draft MDG Progress Report 2010 was used in the preparation of its approach paper. It is expected that the findings, challenges and recommendations made in this report will provide inputs for national policies and programmes that aim to achieve the MDG targets. Meanwhile, an ongoing MDG Needs Assessment will provide estimates of resources required to achieve the MDGs by 2015. This report will also provide insight for thinking beyond 2015 and shape Nepal's future development interventions. National survey data and estimates have been used for preparing the report. Occasionally, the report makes use of data from other sources and estimates from other studies to enrich discussion and refine the issues. It should be noted that data in some cases do not fully match the global indicator definitions.

Organization of the Report

This report follows the same format as previous MDG Progress Reports. The introduction section is followed by a chapter on 'Meeting the Millennium Development Goals in Nepal'. Each following chapter deals with the status of a goal and analysis of trends for respective indicators, the supportive environment contributing to progress, the challenges being faced, and recommendations for development interventions. The final section points to key monitoring issues that deserve particular attention for future improvement.

Trend analysis is based on information, wherever available, at four points in time—1990, 2000, 2005 and 2010—as well as the target for 2015. However, the data presented may not be precisely from these points in time. The previous report is taken as given. This report suggests some extra indicators to reflect the local context in addition to the set of global MDG indicators; also some new MDG indicators have been added, following the global reporting format, in this third report, which were not included in the previous two reports.

MEETING THE MILLENNIUM DEVELOPMENT GOALS IN NEPAL

Nepal borders India to its east, south and west and China to its north. It covers an area of 147,181 km^2 and varies between an altitude of 60 m and 8,848 m. Its population is growing at an annual rate of 1.94 per cent and is projected to reach 27.5 million by 2010 (CBS 2009). Administratively, it is divided into 75 districts, 58 municipalities, and 3,915 Village Development Committees (VDCs). Nepal's population comprises over 100 ethnic groups and speaks 92 languages. Some 80.6 per cent of the population are Hindu, 10.7 per cent are Buddhist, 4.2 per cent are Muslim, 3.6 per cent are Kirant, and the rest are other religions (CBS 2002).

Nepal is mostly open and accessible along its border with India but has geographically limited access to Tibet, China, in the north. Historically, the country has been perceived as 'locked', 'blocked', 'suppressed' or 'squeezed' between its two giant neighbours. While many countries in the modern world have been innovative in their approach to development by changing their geographic constraints into opportunities, Nepal is still struggling with its geographic limitations. Thinking beyond its landlocked-ness by appreciating, understanding, using and managing its connectedness, the country should be able to open up new development opportunities. Planners need to understand that Nepal is a diverse country situated between two large economies with plenty of opportunities to exploit for its development.

In its modernization process, Nepal has seen landmark political changes, which have resulted in major social and economic transformations. In 1951, it broke the tightly controlled and feudal aristocratic rule and opened the country to the outside world. Then the country was ruled under one-party Panchayat system for thirty years with absolute power to the monarch. In 1990, major political changes took place in favour of a more open and liberal democracy and economy. These events profoundly changed Nepal. The first, it opened up access for the common people to political power and resources; the second, it brought the Nepali economy closer to the outside world and resulted in greater integration with global markets. The state began to gradually withdraw from the role of providing all services and production, and subsequently created space for the private sector and non-governmental organizations (NGOs) to take larger responsibility for development. Governance reforms, decentralization, and economic reforms to eliminate inefficiencies, corruption, exclusion and discrimination became the prime agenda of the government.

In 1996, the country faced an unprecedented armed conflict which resulted in the deaths of over 13,000 people and the destruction of physical infrastructure, displacement of people, and serious disruption to the economy. In 2002, the democratic political process saw a major setback when the then King dissolved

Parliament and took control of the country. Major political parties and the Maoists then joined together to overthrow the monarchy, putting an end to almost 240 years of history in 2008. The country was thus declared a 'republican, federal and secular' nation. In 2008, there was an election for the Constituent Assembly (CA), which is tasked with writing the country's new constitution. The CPN-M won the largest number of seats in the CA. Nevertheless, political instability has continued since the election, with changes of government, political protests, and an increase in the number of strikes by various interest groups on issues related to constitution-writing as well as governance, development and human rights.

Poverty, Disparity and State-Building

Within the current political context, the government's main priority is peace-building and state-restructuring. The CA is currently drafting a constitution that aims to be progressive and inclusive with regard to representation of minorities, ethnicities and geographic areas, both in the governance system and with regard to access to resources. One of the major challenges for the CA is to build consensus on the structure of the state.

Most urgently, the CA and the government have to meet the deadline for producing an acceptable new constitution by the end of May 2011. More complicated constitutional and political issues will be raised if the deadline is not met; therefore, the government's current priority is understandably on political issues. However, it has to be wary of not letting go of achievements made so far, and must provide services and meet commitments made to the people during the people's movement.

Another equally important task is addressing poverty and disparity so that peace can be sustained. Nepal has made good progress on reducing poverty. Between 1996 and 2004, the level of poverty was reduced by 11 percentage points from 42 per cent to 31 per cent (CBS 2004) and, it has further reduced by six percentage points from 31 per cent to 25.4 per cent between 2005 and 2009 (NPC 2010a). However, within this positive trend, disparity between rural and urban areas is still a persistent problem. Urban poverty was 10 per cent in 2004, while rural poverty was 35 per cent; now it is eight per cent and 22 per cent, respectively. From a regional perspective, the Mid-Western Development Region is the poorest, with a notable gap between it and better-off regions such as the Central Development Region and urban centres such as the Kathmandu Valley. In 2004, poverty in the Mid-Western Development Region was 44.8 per cent, while it was 27.1 per cent in the Central Development Region and 3.3 per cent in Kathmandu. In 2009, these figures have come down to 37.4 per cent for the Mid-Western Development Region, 22.3 per cent for the Central Development Region, and 1.9 per cent for Kathmandu. Disparity between genders and caste/ethnicities is also high and persistent. In addition, the gap between rich and poor is unacceptably high and is also increasing. The persistent level of economic disparity has had a consequential effect on other sectors such as education, health and the environment.

It is important not only to examine the status of the MDGs and the likelihood of achieving them by 2015, but also to ask whether the achievements made so far will be sustained in the long term. With the country's transitional political situation as well as a remittance-dependent economy, it is essential to ask what the impacts of these might be on achievement of the MDGs in 2015 and beyond.

The Three-Year Interim Plan

Contextually, the two periods—the Tenth Plan and the TYIP—are distinctly different in terms of overall political development. The conflict was intense during the first period, while the second period followed the Com-

prehensive Peace Agreement. The changes in national politics also brought profound changes in the making and implementation of development policies. While the Tenth Plan was built on four pillars, with broad-based growth for poverty reduction and a liberal market-oriented approach, the TYIP, which was a consensus document merging different political perspectives, tried to address the needs of post-conflict transition such as state-building and reconstruction. Its major focus was on reconstruction of physical facilities and rehabilitation of people affected by the conflict. It stressed inclusion and made the state's role more dominant than before. State investments were directed at infrastructure construction such as roads, irrigation facilities, telecommunications and public buildings. It also placed social inclusion and human development high on the agenda.

During implementation of the TYIP, political instability started to creep in, making the already fragile development environment even weaker. Governments changed frequently, affecting the consistency of economic policy and reducing confidence in government policies. The first two years were led by the Nepali Congress Party, which gave continuity to its past liberal policies and envisioned leadership by the private sector when it came to economic growth. This was followed by government under the leadership of the CPN-M, which designed economic policies that stressed a more prominent and intervening role for the state in economic affairs along with strong redistributive policies. The private sector had to follow the state. During this period, revenue collection almost doubled over previous years and the size of the development budget also increased significantly.

The final year of the TYIP was implemented by a coalition government led by the Communist Party of Nepal-United Marxist–Leninist (CPN-UML). This government gave continuity to most of the previous policies but with differing priority. It made its main agenda the ongoing peace-building process and constitution-drafting, while giving continuity to previous development and social policies. During this period, continued disturbance, extortion and insecurity in some parts of the country negatively affected development activities.

TYIP implementation was also marred by serious external shocks. The strongest one was the petroleum price rise in 2008. It adversly affected Nepal's balance of payments and development work. Consumer prices increased and the poorest sections of the population felt the brunt of the burden. Prices for basic commodities such as rice, lentil, sugar and flour rose several-fold. These price hikes adversly affected the food situation in remote and already food-deficit areas. Transporting food, which is already expensive, became even more expensive, limiting the amount of subsidized food available in some areas. The situation was exacerbated by drought, flooding and other natural disasters, further reducing the protective cushion for poorest of the poor. Energy continued to be a major bottleneck for the country's economic progress.

Peak demand for electricity is more than 800 MW, whereas production is only about 300 MW during the dry season. The power deficit means that industries run at a much lower rate than their full capacity. Security and the presence of the state are still limited to accessible areas and major urban centres. Lack of security and stability, *bandha* (shutdowns) and strikes have negatively affected implementation of public projects. The rate of private-sector investment has declined. In the workplace, lockouts and strikes are common.

TYIP implementation was also affected by the absence of people's representatives in local governance bodies. For almost a decade, these bodies—District Development Committees (DDCs), municipalities, VDCs—have been virtually dysfunctional. They have been run by the government officials at the local level, which is usually over burdened with

other responsibilities. This has created a gap between plans at the national level and programmes and activities designed and implemented at the local level. The bottom-up planning process is almost defunct. It has also left a large amount of locally targeted budget unspent and unaccounted for.

Overview of Progress

Despite contextual difficulties and constraints, Nepal is on track to achieve most of its MDG targets, with a few exceptions, if prevailing trends persist and efforts are continued or improved. However, this aggregate finding should be viewed with caution. Nepal needs to look beyond the aggregate figures. Studies should be conducted to dig deeper into the structural disparities across ethnicities, social and economic backgrounds, geography and gender to address the hidden social issues.

Data indicate that potentially Nepal will be able to achieve most of its MDG targets by 2015, except for the more complex ones—full employment and climate change (Matrix-1)—which will require stronger efforts and an appropriate environment. If these targets can be achieved at a time when the nation has been passing through unprecedented conflict and political instability, it will demonstrate the country's remarkable resilience.

Data indicate that poverty has fallen by about five percentage points in the last five years. Both the chronic and transitory food-security situation has improved. However, there is a declining trend in production of some staple crops, and some geographic areas are still facing chronic hunger. Underemployment has decreased while unemployment has increased. Remittance money, which is the backbone of the rural economy, is steady. Nevertheless, the remittance growth rate is declining and the global economic crisis as well as the slow recovery and structural changes in the economies of destination countries will have negative effects on the level of remittances. Macro-economic indicators, especially over the last two years, show serious weakness. The balance-of-payments deficit continues, with weak fiscal discipline, dependency on imports for increased revenue, and an unfavourable investment environment. All these combined indicate a weak economy, and this needs to be addressed.

On primary education, it is quite possible that the MDG will be met. The net enrolment rate is increasing and, with some additional effort, the target could be met. However, greater effort will be needed to meet the rate required for survival of students beyond Grade 5. The target for literacy among the 15–24-years age group, although currently below the 100-per-cent target, is likely to be met.

Gender equality in education has improved substantially over the past five years, and the 2015 target regarding equal access of girls and boys to primary education has already been achieved. It is likely to be achieved for secondary education as well. Nevertheless, the quality of education and learning achievements need to be further analysed and strengthened. Women's participation in public life has also improved. Their presence in the formal labour force, including migrant workers, security forces and teaching, is increasing, and their presence in the political domain has grown significantly over the last three years.

The under-five mortality rate has decreased significantly in recent years and the target is likely to be met earlier than 2015. The maternal mortality ratio also has dropped significantly, pointing to a reduction by three-quarters by 2015. However, disparities between rural and urban areas and between different regions still persist. The target for reversal of HIV/AIDS and other diseases is likely to be met, but it will require significantly higher commitments and efforts than are currently being made.

Environmental sustainability is not being addressed adequately, and will require much more effort and resources to achieve the tar-

gets. Ensuring environmental sustainability is linked to improvements in people's livelihoods and economic development. Nepal is highly vulnerable to the risks of climate change, although its contribution to greenhouse gas (GHG) emissions is very low. Community-based initiatives are essential for effective conservation and sustainable use of forests and biodiversity and for reducing biodiversity loss. Similarly, achievement of the targets for improved drinking water and sanitation requires greater commitment. In Nepal, the level of basic sanitation is unsatisfactory, and has received a generally lower priority than water supply. There is wide disparity in access to toilet facilities between rural and urban areas. Environmental monitoring should be enforced for all projects that are categorized as P1 (high priority) by the government.

Energy production and use remain a major challenge for Nepal. Fuelwood is still the main source of energy for cooking purposes. A little more than half of households have access to electricity for lighting, and the rest depend on gas/oil/kerosene and other sources. Alternative energy sources such as micro-hydro, solar and biogas have high potential and therefore, need proper harnessing. Progress to achieve sustainable energy supplies however, is insufficient.

The policy environment for meeting the MDG targets is largely favourable. Overall development policies and plans are guided by poverty reduction, inclusion and social justice. The Interim Constitution and laws following the Constitution require that overall governance is more inclusive, participatory and decentralized. Resource allocation is more systematic and its volume has increased. More resources are allocated to the social sector and in favour of marginalized groups and disadvantaged geographic areas than before. After climate change became an international priority, environmental protection and conservation has gained more attention in Nepal.

The government has adopted a new strategy for the next three years that will continue to emphasize employment generation, poverty reduction, food security, and responses to climate change. Poverty monitoring and effective implementation of plans and programmes have been emphasized with the introduction of Medium-Term Expenditure Framework and Results-Based Development Management.

In order to make progress towards meeting the MDGs in their entirety, there are still several weak spots that need attention and special effort. The major challenge with regard to poverty is identifying and capturing those who are currently below the poverty line; how does the country pull the bottom 25 per cent up? How is the gap between the haves and the have-nots reduced? The issue of food security also requires urgent attention. Within the context of the national political scenario as well as larger geopolitics, the challenge is to create a better environment for private-sector investment, reduce trade imbalances with major trading partners, and better utilize foreign aid. With the country's relatively new focus on institutionalizing inclusion, designing and enforcing relevant

Key development and MDG indicators and their values for Nepal

Indicator	Value	Year	Source
Population size (millions)	27.5	2009	Projection
Population growth rate (average)	1.94	2009/10	Projection
Life expectancy at birth (year)	63.69	2006	UNDP 2009
GNI per capita (US$)	472	2008/09	CBS 2009
Real GDP growth rate (average)	3.95	2008/09	CBS 2009
Inflation rate	13.2	2008/09	NRB 2009
Human development index	0.509	2006	UNDP 2009
Population below national poverty line (per cent)	25.4	2009	NPC 2010a
Underweight children aged under five years (per cent)	38.6	2006	MOHP *et al.* 2007
Literacy rate (15–24 years)	86.5	2008	CBS 2009
Net enrolment rate in primary education	93.7	2009	DOE 2009
Under-five mortality rate (per 1,000 live births)	50	2009	NFHP 2010
Maternal mortality ratio (per 100,000 live births)	229	2009	FHD 2009
HIV/AIDS prevalence for 15–49 years (per cent)	0.49	2007	NCASC 2009
People using wood as their main fuel (per cent)	68.4	2008	CBS 2009
Energy use per unit GDP (toe/mRs)	24.8	2007	MOF 2008a
Commercial energy use per unit GDP (toe/mRs)	3.7	2007	MOF 2008a
Area under forest coverage (per cent)	39.6	2009	DFRS 1999a
Population with sustainable access to improved water source (per cent)	80	2010	DWSS 2010
Population with sustainable access to improved sanitation (per cent)	43	2010	DWSS 2010

Matrix1: Progress towards the MDGs: status at a glance

GOALS	WILL DEVELOPMENT GOAL BE ACHIEVED					STATUS OF SUPPORTIVE ENVIRONMENT			
	Achieved	Likely	Potentially Likely	Unlikely	Lack of data	Strong	Fair	Weak but improving	Weak
Goal 1: Eradicate Extreme Poverty and Hunger									
1A. Halve the proportion of people whose income is less than one dollar a day		✓					✓		
1B. Achieve full and productive employment and decent work for all				✓				✓	
1C. Halve the proportion of people who suffer from hunger			✓				✓		
Goal 2: Achieve universal primary education									
Ensure children everywhere –boys and girls - complete primary schooling			✓			✓			
Goal 3: Promote Gender Equality and Empower of Women									
Eliminate gender disparity in primary and secondary education by 2005 and in all levels of education no later than 2015			✓				✓		
Goal 4: Reduce Child Mortality									
Reduce under-five mortality by two-thirds		✓				✓			
Goal 5: Improve Maternal Health									
5A. Reduce the maternal mortality ratio by three-quarters		✓				✓			
5B. Achieve universal access to reproductive health				✓			✓		
Goal 6: Combat HIV/AIDS, Malaria and Other diseases									
6A. Halt and reverse the spread of HIV/AIDS		✓				✓			
6B. Achieve universal access to treatment for HIV/AIDS for all those who need it			✓				✓		
6C. Halt and reverse the incidence of malaria and other major diseases		✓				✓			
Goal 7: Ensure Environmental Sustainability									
7A. Climate change and GHG emission					✓				✓
7B1. Reverse loss of forest			✓				✓		
7B2. Reduce biodiversity loss					✓				✓
7C1. Halve proportion of population without sustainable access to improved water source		✓					✓		
7C2 Halve proportion of population without sustainable access to improved sanitation				✓				✓	
7D. Improve lives of slum dwellers					✓				✓

policies is going to be a demanding task. Ensuring a place in the development process for all is essential; pervasive gender discrimination and lack of entitlement for Dalit and Janajati groups, people with disabilities and the marginalized must be overcome. Meeting the demand for energy and improving water supply and sanitation remain major problems for the country. Regarding climate change, there is a lack of scientific data for the country, and the issue is how to internalize it in development processes by pursuing climate change resilient strategies.

Moving Beyond Initial Achievements

In the current political context, the greatest challenge for Nepal is to keep the social agenda high on the government's list of priorities and keep delivering progress while the political agenda is being addressed. The initial constitutional, legal and institutional arrangements for social equity, justice and equitable access are positive, but the most difficult part is to operationalize them with concrete results. Deepening and widening

inclusion is key to making this happen. The government should be capacitated to move beyond the initial efforts aimed at developing policies and programmes.

In the area of social inclusion, the government should make the redistribution of benefits, social justice, and mainstreaming of marginalized populations and geographic areas its overarching goal. This has been the recommendation of past MDG Progress Reports and of government policy statements. However, there are problems still hidden beneath the surface. The Karnali Region epitomizes underdevelopment across the country: the status of the majority of women has not changed, and new forms of exploitation are emerging while conventional ones still have not been tackled satisfactorily. In addition, very poor and marginalized communities are still far from being mainstreamed. The status of most Dalits has not changed for at least a decade. Conditions for the elderly, people with disabilities and the weak have not changed much either. Therefore, drastic and integrated measures need to be taken to improve their situation. There is a need to reach out, think and act beyond the facade created by 'average' figures.

The depth of hidden problems needs to be uncovered and understood by disaggregating data by ethnic groups, disadvantaged groups, age and location. Data have to be able to capture the situation of the smallest groups so that programmes can be designed to address one and all. From the point of view of economic development and poverty reduction, the challenge for the government is to ensure an investment-friendly environment without which there will be limited employment generation. Since this is related to the peace-building process, the development agenda should be sensitive to this overarching political objective. Poverty reduction programmes that target certain areas and populations must be put in place, while policies for growth and employment generation are strengthened.

Social justice is a major issue in the context of Nepal's development. It is important to articulate and translate commitment for social security and social justice, including inclusion of marginalized communities, into development. Energy, which has long been a major bottleneck for the country's development, should be managed by breaking the energy trap and producing energy first for domestic needs and then for export. Investment in health and education is paying off; therefore, efforts should be focused on consolidating these achievements and improving quality. Service delivery at the local level can be improved through innovative approaches such as mobile service delivery. The government can identify such approaches and focus on the ones that are relevant and important to the weakest sections of the population.

From the perspective of gender equality and women's empowerment, linear and short-term approaches inadequately address the multifaceted nature of gender inequality and discrimination against women. Therefore, rather than treating gender and women's issues in isolation, their linkages with other factors should be analysed before deciding the nature of the interventions required. This also applies to reforming and developing legal and policy instruments. Such interventions and reforms require local-level institutions to be more equipped in terms of knowledge, analytical and technical skills, and finance. National-level bodies should ensure the competency of frontline workers, review and revise instruments, and monitor interventions regularly.

There are some specific areas that the government should give priority to while formulating periodic plans. Special attention needs to be given to creating physical infrastructure with social capital-building. This will mean spending more on improving the rural and national transportation network, communications network, and general market integration. This was the focus of the TYIP; it is still relevant and should be continued with increased resources and a clearer strategy. At

the same time, creating an environment for investment and employment creation in the private sector should be a priority.

Increasing private-sector confidence and investment would require reforms to overcome the prevailing fear and hesitation on the part of investors. The government should target only what it can achieve, including solving problems such as energy supply. Government investment should also be used to increase modern agricultural technology and enhance both domestic consumption-related and commercial food production. This will subsequently increase food production and have a direct impact on poverty and food security as well as on creating employment in the agricultural sector.

Concrete plans for mitigating the effects of climate change should be put in place and implemented, along with appropriate environmental protection, particularly in the Siwaliks/Churia.

The trend in terms of absolute volume of foreign aid to Nepal is increasing; however, there is clearly a need for making it more effective and mainstreaming it into the national budget. The need for more resources must be articulated with international development partners, alongside stronger and more credible commitments related to the use of such resources. The government and international development partners need to agree on a modality to address capacity-building of the government while delivering results during the transition.

Lastly, a stronger, MDG-aligned, disaggregated database mechanism must also be put in place for better monitoring of MDG progress. Three national reports are currently being prepared: the National Living Standards Survey will be completed by the end of 2010; and the National Census and Nepal Demographic and Health Survey will be conducted in 2011. These will provide disaggregated data for better understanding of Nepal's overall development status, and for devising better strategies for meeting the MDGs by 2015 as well as for thinking beyond 2015.

International Context

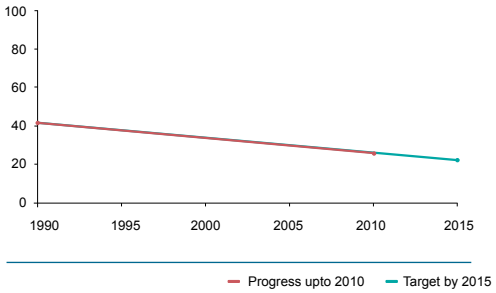
The MDGs are both national and international commitments. They emphasize commitment of national leaders to a 'collective responsibility to uphold the principles of human dignity, equality and equity at the global level' (UNDP 2001). There is a moral obligation for the more able to support the weaker so that they can all reach a level where they can compete equally with one another. It is a commitment that will enable states, communities and individuals to be at par with each other. The goals are intended to move the human community in the right direction, and the indicators show whether all members are progressing with the speed that is necessary to take them to the destination together within the agreed timeframe. The indicators also measure whether everyone is fulfilling their commitments.

Nepal has long been working with the international community for social and economic development. It depends heavily on international support to meet its development budget gap. Between 2001/02 and 2009/10, the annual foreign component averaged 67 per cent of total capital expenditure and 4.1 per cent of GDP (MOF 2010). Although the objective must be to gradually reduce dependency on foreign aid for national development, it will take a while before this objective can be met.

Nepal has been liberal in its approach to partnering with the international community to achieve its development goals. This openness has, however, increased its vulnerability to global economic and political crises. At times of crisis such as now, the state is particularly concerned about the volume and nature of support. In addition, it is a daunting task to effectively manage and coordinate the multiplicity of actors and partners willing to contribute to the country's development. At a time of transition, which may be the case for

Nepal for some years to come, this becomes even more challenging. Nepal, therefore, needs the support of the international community to consolidate achievements made so far and to meet the goals that require greater resources and efforts over the next few years. Clearly, Nepal needs the support of the international community to sustain and improve the quality of its development results. The MDG needs assessment including identification of resource gaps currently being carried out by the government will indicate the actual volumes of international support that Nepal will need to achieve the MDGs by 2015.

Proportion of population below national poverty line



GOAL 1 ERADICATE EXTREME POVERTY AND HUNGER

TARGET 1.A

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

INDICATOR	1990	2000	2005	2010	2015 TARGET
Proportion of population below US$ 1 (PPP value) per day	33.5[a]	n/a	24.1[a]	n/a	17
Proportion of population below national poverty line	42[b]	38[c]	31[a]	25.4[d]	21
Poverty gap ratio	n/a	11.75[e]	7.55[a]	6.1[d]	–
Share of poorest quintile in national consumption	n/a	7.6	6.2[f]	n/a	–

Source: a CBS/World Bank 2005 (based on NLSS 1996 and 2004 data).
b CBS 1996.
c NPC 2002.
d NPC 2010a.
e NPC 1998.
f CBS 2004.

Status and Trends

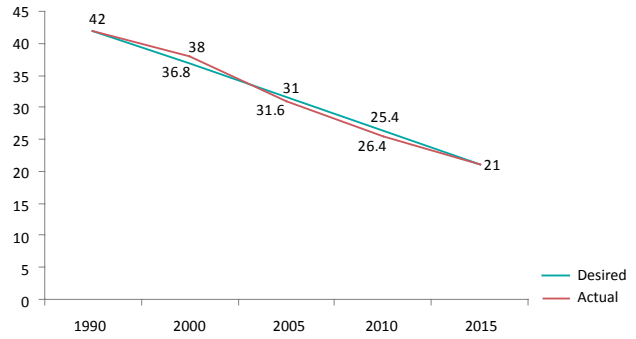
In 2005, the proportion of Nepal's population living on less than US$ 1 per day was estimated to be 24.1 per cent (CBS/World Bank 2005) and 31 per cent of the population were assessed to be below the national poverty line. The country's current poverty level is 25.4 per cent, suggesting that it has been reduced by 5.5 percentage points since 2005 (NPC 2010a).

The TYIP set a target of reducing the national poverty level to 24 per cent by July 2010. Preliminary assessments suggest that strategies and policies adopted for development in general and poverty reduction in particular have been largely successful. Based on this, the National Planning Commission (NPC) has set a target for the Three-Year Plan of reducing poverty to 21 per cent by July 2013 (Figure 1.1).

The 2008/09 assessment of variation in poverty incidence geographically and socially remains much the same as in the 2005 reporting period. The 2009 assessment indicated that 95.5 per cent of poor people live in rural areas and the incidence of poverty in rural areas (28.5 per cent) is almost four times higher than that in urban areas (7.6 per cent) (CBS 2009). Furthermore, the poverty reduction rate in rural areas (18 per cent) is slower than that in urban areas (20 per cent) (CBS 2009).

Variation in poverty by geographic region is significant. The High Mountains and Western Hills have a higher percentage of poor than

FIGURE 1.1: Proportion of people below national poverty line



Source: NPC/UNCT 2005; NPC 2010a

the Tarai and eastern parts of the country. However, it is the rate of change in poverty within these regions that is matter of concern. The Mountains, which showed a faster drop in poverty than other areas between 1995/96 and 2003/04, have been slower between 2003/04 and 2008/09 than both the national average and the other two ecological belts (Figure 1.2).

The poverty gap ratio, which helps in understanding the depth of poverty, shows that more people are closer to rising above the poverty line in 2008 than in 2000. This gap was as high as 11.75 per cent in 2000 and dropped to 7.55 per cent in 2005. A recent estimate shows that it has dropped further to 6.1 per cent, indicating that the depth of poverty has decreased over the last five years (NPC 2010a). The Gini Coefficient, which provides a measure for income inequality, increased from 0.34 in 1996 to 0.41 in 2004 (NPC/UNCT 2005), indicating that inequality is growing. Recent estimates have shown that it has further increased to 0.46 in 2008/09 (NPC 2010a), meaning that the gap between haves and have-nots is increasing. Economic factors contributing to poverty reduction over the past five years are likely to stay on the current trend for the next five years.

Sectoral growth trends and poverty elasticity provide a good indication as to how future poverty reduction and poverty gaps are

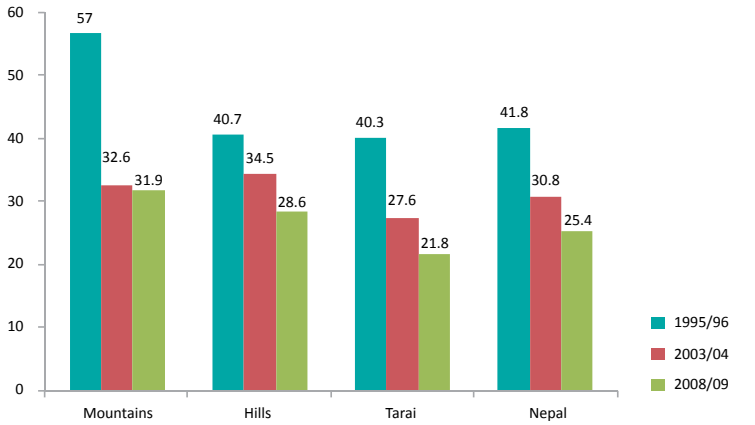
likely to develop. Growth in agriculture, on which 74 per cent of the population depends for its livelihood (CBS 2009), has been slow. Average growth rate for the sector between 2004/05 and 2008/09 was only 2.64 per cent per year. Its contribution to GDP has declined steadily to 32.8 per cent in 2008/09 from 39 per cent in 2004/05 (MOF 2009b). Similarly, growth in the non-agricultural sector has not been encouraging. It averaged 4.24 per cent per year between 2004/05 and 2008/09 (MOF 2009b). Within the non-agricultural sector, growth in the industrial sector has been slow.

Remittances are one of the main contributors to poverty reduction, as they percolate and penetrate to remote areas of the country and the poorest sections of society. Although there are accounting and distribution issues, the primary poverty-reducing impact of remittances is through per capita income and distribution changes. The figure for Nepal's remittances in 2008/09 was NRs 209.70 billion, accounting for about 18 per cent of national income (MOF 2010). The growth trend is steady, although it slowed in 2008/09 compared to the previous year. In 2008, 30 per cent of households (approximately 1.4 million) received remittances (CBS 2009). On average, estimated figures indicate that NRs 150,000 was received by each remittance receiving household in 2009, giving a national average for all households (with and without remittances together) of NRs 42,000. During the same period, remittances per capita for the entire country were NRs 7,625.

Supportive Environment

Although remittances have made an important contribution to poverty reduction, government polices and strategies have also contributed to a notable extent. Over the past five years, the government has allocated an average of 43.7 per cent from its total budget each year directly to poverty-reducing projects as well as providing an indirect allocation of 45.2 per cent (NPC 2010b) (Figure 1.3). It has spent a total of NRs 283.4 billion

FIGURE 1.2: Proportion of poor by ecological belt

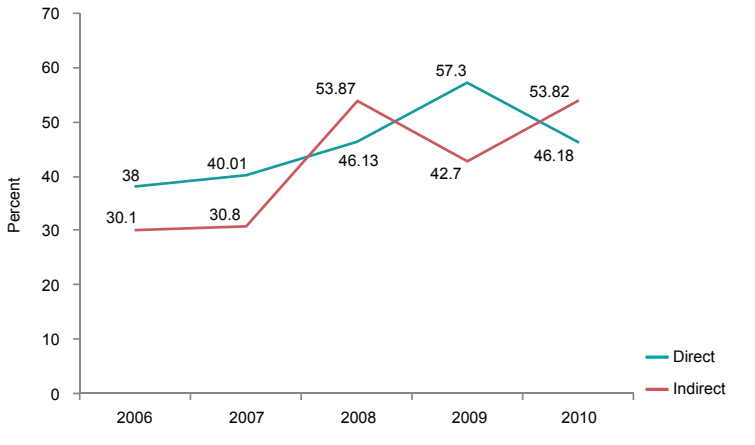


Source: CBS 2009.

directly on poverty-reducing programmes, giving an annual average of NRs 56.68 billion. However, expenditure levels are always lower for development programmes than for regular programmes. On average, development expenditure is about 80 per cent of regular expenditure (it averaged 78 per cent between 2002/03 and 2006/07) (NPC 2008).

In addition, programmes implemented by INGOs and NGOs, which spend an estimated average of NRs 100 billion each year on programmes that contribute to poverty re-

FIGURE 1.3: Direct and indirect government budget allocations to poverty-reducing projects



Source: NPC 2010b.

duction directly and indirectly, might also have played an important role in poverty reduction. Similarly, resources mobilized at the community level through savings and credit programmes might have been significant.

In 2008/09, the government put stronger emphasis on social protection, by increasing the budget for social programmes significantly. It made provision for identification and distribution of cards to all eligible poor people for subsidized goods and services; increased the social security allowances for old people, single women, people with disabilities, Dalits, and people from the Karnali and remote areas. Policies for increasing the capacity for food storage were introduced. The 2009/10 budget gave continuity to the previous social safety programmes. Under 'sustainable agriculture', it provided special grants and subsidies for agriculture and organic farming. The government has also set a minimum wage rate in various formal sectors.

Challenges

There are certain issues related to poverty status, depth and extent, methodology of assessment, and future trends that should be discussed and addressed for better understanding and effective planning. Most of these issues are not new, having been raised in almost all reports assessing Nepal's development. They are largely related to the rate of economic growth and employment as well as social, political and economic exclusion, inequality, and marginalization. These issues have shaped the strategies and objectives of the Tenth Plan/PRSP, the TYIP, the TYP and the government's annual programming and budgeting over the last decade. Yet, they are still pervasive and keep on figuring as major development challenges. These issues have been raised again recently in the Human Development Report 2009 and the World Bank's World Development Report 2009, suggesting that efforts so far have not been adequate and that much still needs to be done to transform Nepal economically and socially.

The national context over the past five years can be conceptualized primarily as a post-conflict transition and peace-building period; this had had an impact on overall national development. Both domestic and foreign direct investments (FDI) have decreased. Exports have declined and imports have increased, meaning that the trade deficit with major trading partners has increased. Therefore, the most daunting challenge has been to sustain the decline in poverty, while increasing the national income.

Sustained poverty reduction is possible only with higher levels of employment generation through greater investment and growth. For this, the private sector is, as recognized in policy, one of the main players. The environment for investment and for the private sector needs to be improved. Confidence among private investors is undermined by political instability and the lack of a favourable investment environment and appropriate policies for encouraging FDI. A sense of security regarding rights over private property needs to be established. State presence in remote and outlying areas needs to be strengthened, and people who do not currently have access to state services need to be reached.

Recommendations

The recommendations made in the 2005 Progress Report—investment in labour-intensive activities; focus on infrastructure and public works, especially on rural infrastructure; expanding skills training opportunities; credit for the poor; wage-based employment for vulnerable groups; and special employment programmes—are still relevant and should be assessed for effectiveness and reintroduced with a new focus. In the current context that is dominated by peace-building and state-restructuring, ad-

ditional recommendations as well as reprioritization of past recommendations are needed.

The global economic crisis is slowly having an effect on remittances and the Nepali economy. There is a fear that if recovery is slowed, it may have a severe impact on remittances and employment, and that the overseas demand for Nepali workers may decline in major destinations. This might put increased pressure on the domestic labour market. The government needs to plan in advance to address the problems of unemployment and a returning labour force.

Agriculture should be revived and made attractive to young people and workers returning from abroad by introducing new and appropriate technologies and knowledge. Successful cases and the current trend for specialized high-value crops should be scaled up and supported.

TARGET 1.B

Achieve full and productive employment and decent work for all, including women and young people

INDICATOR	1990	2000 [a]	2005 [b]	2010	2015 TARGET
Growth rate of GDP per person employed	n/a	n/a	1.4	1.59[c]	–
Employment-to-population ratio (15 years and more)	n/a	84.3[a.1]	n/a	81.73[b.1]	–
Proportion of employed people living below US$ 1 (PPP) per day	n/a	n/a	n/a	22[1]	17
Proportion of own-account and contributing family workers in total employment	n/a	83.1	n/a	81.9	–

Source: a CBS 1999 (a.1: 1998 data).
b CBS 2009 (b.1: 2008 data).
c MOF 2010.

Status and Trends

GDP growth per employed person in the six years preceding 2009 was low but it has now shown a positive trend, with a growth rate of 1.75 per cent in 2009 (MOF 2010) (Figure 1.4).

Since the NLFS 1998/99, many of the labour-related indicators have remained relatively unchanged; however, there was a slight increase in the share of women aged 15 years and above in wage employment in the non-agricultural sector from 15.1 per cent in 1998 to 19.1 per cent in 2008. Unfortunately, the female youth (15–24 years) unemployment rate has also increased from 2.1 per cent in 1998 to 2.9 per cent in 2008 (CBS 2009).

FIGURE 1.4: GDP growth rate

Source: MOF 2010.

The employment-to-population ratio dropped to 81.73 per cent in 2008 from 84.3 per cent in 1998, with 85.5 per cent for males and 78.5 per cent for females (CBS 2009). Of those employed, 73.9 per cent are engaged in the agriculture sector.

At present, approximately 5.52 million males and 6.26 million females are employed, and approximately 127,000 males and 126,000 females are unemployed. The proportion of paid employees increased only slightly from 16.0 per cent in 1998 to 16.9 per cent in 2008. Of these 68.2 per cent are fully employed, 19.9 per cent are employed for half of their time, and 11.9 per cent are partly employed (Table 1.1). Available data show marked regional and rural/urban variations.

On average, fully employed people are paid NRs 5,117 per month: men are paid NRs 5,721 per month, while women are paid only NRs 3,402 (CBS 2009).

The current labour force participation rate is 83.4 per cent for people aged 15 years and above, and 33.9 per cent for children aged 5–14 years (CBS 2009). This latter figure shows a significant drop from 40.9 per cent for 1998.

There has been marginal decrease in labour participation rate since the NLFS 1998/99. The MDG target of meeting full employment

1. Calculated on the basis of NRs 5,000 per month for fulltime work (40 hr/week) @ US$ 1.00 = NRs 72.

and decent work for all by 2015 is going to be difficult.

Supportive Environment

A major focus of the TYIP was to increase employment. To this end, it allocated a large proportion of the public budget to infrastructure development, especially roads, irrigation, and drinking water. The idea was to create immediate employment, generate confidence within the private sector, and create a foundation for future growth. The private sector was expected to increase investment gradually and generate more employment during the plan period. The plan emphasized labour-based public works and expanded food-for-work programmes in food-deficit districts. In order to ensure workers' rights, the government made several decisions regarding minimum wages in various sectors as well as formally protecting certain rights for those working in the industrial sector.

For foreign employment, the government formulated the Labour and Employment Policy 2005, as envisioned in the Tenth Plan. It enacted the Foreign Employment Act 2007 and Regulations 2008 to regulate and streamline the labour and employment sector, and to protect the rights of employees and provide them with security. The government is formalizing employment through bilateral agreements with recipient countries. Programmes for raising awareness regarding labour rights, child labour, and work-related risks have been implemented. Institutional frameworks for dialogue between employers and employees within the country and abroad have been initiated (MOLTM 2008).

Table1.1: Employment status for 15 years and above

Employment (%)	Nepal	Mountain	Hill	Tarai	Urban	Rural
Fulltime (40 plus hr/ week)	68.2	74.2	72.3	60.8	66.1	66.9
Part time (20–39 hr/week)	19.9	16.8	16.5	22.6	13.6	20.5
Part time (1–19 hr/week)	11.9	7.8	9.2	14.3	12.8	11.4

Source: CBS 2009.

Challenges

The main challenge for Nepal over the past few years has been the lack of investment for employment generation. Although the government has allocated budget annually to

sectors that could generate employment for skilled and unskilled labour, in the absence of an environment conducive to the private sector investment, employment generation on the domestic front has been lower than anticipated. This situation, together with the absence of adequate industrial security and the prevailing political uncertainty, has compelled people, especially youths, to seek employment abroad. This has, therefore, become the main source of income generation for hundreds of thousands of people. Consequently, Nepal has to manage the challenges of: (i) exploitation of Nepali labour abroad, and (ii) building confidence within the country to bring about more investment that can create employment. Another challenge is to ensure equitable access to employment opportunities from regional and social perspectives.

Recommendations

The policies and strategies devised in the TYIP are still relevant. However, they need to be effective and reprioritized and refocused to address new issues. Given reservations on the part of the private sector towards large-scale investment, small and medium-sized industries should be promoted. Furthermore, specialization in agriculture should be encouraged.

Equity in access to opportunities should be further stressed so that backward geographic regions (the mountains, the mid-west, the Karnali, and the far and north-western Hills) and social groups such as Dalit, Madhesi and Janajati groups can have improved opportunities. The Interim Constitution has made special provisions for these communities in public services. Similar arrangements should be made in private sector and international employment opportunities. The fall in the proportion of children aged 5–14 years engaged in economic activities is positive; however, in some areas, it is still high. Therefore, awareness programmes and targeted development programmes should be implemented more effectively.

TARGET 1.C

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

INDICATOR	1990[a]	2000[a]	2005	2010[c]	2015 TARGET
Prevalence of underweight children aged 6-59 months	57	53	43[c]	38.6	29
Proportion of population below minimum level of dietary energy consumption	49	47	40[b]	22.5	25
Proportion of stunted children aged 6–59 months	60	55	n/a	49	30

Source: a NPC/UNCT 2005.
b CBS 2006.
c MOHP *et al.* 2007 (2006 data).

Status and Trends

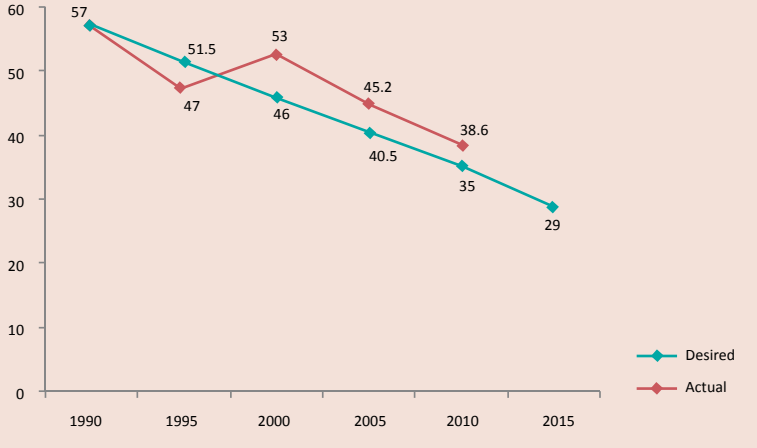
Of the three indicators used to measure hunger, two show that the MDG target is achievable with a little more effort to raise current trends. Data indicate that 22.5 per cent of the population is undernourished (MOHP *et al.* 2007), against the target of 25 per cent by the end of 2015. The slow declining trend in the proportion of underweight children, currently 38.6 per cent suggests that the target will be difficult to achieve (MOHP *et al.* 2007) (Figure 1.5). However, the data on proportion of stunted children indicate that it will be difficult to achieve the target.

The 2005 Progress Report suggested that one cause of hunger is inadequate food security. It adopted the definition of food security as 'access by all people at all times to enough food for an active healthy life'. It used the World Bank's framework for food security assessment which has three dimensions—availability (production of food), access (economic and social access to food), and utilization (process of food preparation). The main staple crops in Nepal are rice, maize, wheat and millet. Over the years, rice production has declined, while growth in the other crops is rising slowly.

Recent projections for July 2008 to June 2009 suggest that 40 of Nepal's 75 districts will be food-deficient (MOAC *et al.* 2009). The Tarai will be in surplus, producing 11 per cent more than required. However, the Hills will face a net deficit of 14 per cent and the Mountains will produce 19 per cent less than required (MOAC *et al.* 2009). For the country as a whole, the production balance will be 2.5 per cent lower than required (Figure 1.6).

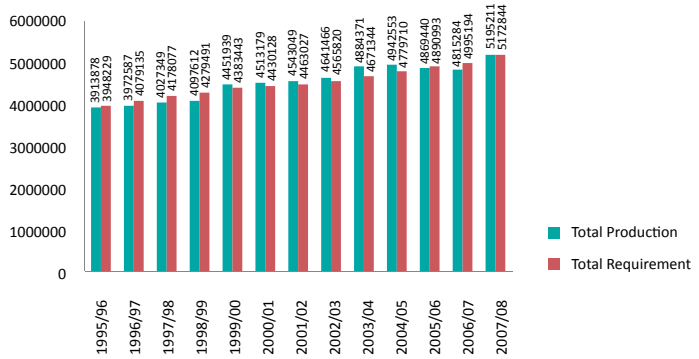
Nepal has become food-deficient since the 1990s. Annual food-grain imports are estimated at 600,000 tonnes. However, most imports take place informally along the porous border with India. In 2007, when India introduced restrictions on the export of non-fine-grain rice, it immediately resulted in price increases in Nepal. In addition, prices also have risen because of increases in transportation costs as a result of price hikes for petroleum products in the world market.

FIGURE 1.5: Proportion of targeted and actual underweight children



Source: MOHP *et al.* 2007.

Figure 1.6: Total national food production and requirement balance for major crops (tonnes)



Source: MOAC *et al*. 2009.

Food distribution in the market is also a major determinant of food security and hunger. In Nepal, the difficult terrain and lack of appropriate transport networks do not allow markets to function effectively. Food distribution is also a social problem, with discriminatory behaviours preventing some people, especially children and women, from accessing certain types of nutritious foods.

Supportive Environment

Since the 1990s, the government has tried to ensure food security through growth in agricultural production by implementing the Agriculture Perspective Plan. It has also been providing transport subsidies to supply food to remote districts. In addition, programmes for improved nutrition are being implemented with World Food Programme (WFP) support: they include the Girls' Incentive Programme, distributing edible oil for girls enrolled in government schools; midday meals at schools; and the Maternal and Child Health Care Programme, providing food for pregnant women and children aged less than five years. UNICEF also provides health and nutritional support in selected districts.

The Interim Constitution recognizes food as a basic human right. In addition, special focus was given to food security in the TYIP. These changes have raised food security up

the government's agenda, and this has been reflected in annual budgets. The budget allocated for agriculture and support sectors has increased over the years. The TYP projects will further increase in the allocation (NPC 2010a).

Challenges

Food insecurity is a major problem for many Nepali people. High dependence on traditional agriculture, low productivity, small landholdings, limited off-farm and wage-earning opportunities, low wages/incomes, and various deep-rooted structural discriminations and exclusions are major factors causing food insecurity at the household level. The geographic terrain combined with lack of basic infrastructure and access to new technology make it virtually impossible for some areas to be food-sufficient in the foreseeable future. Other factors that negatively affect food security are the lack of functioning markets, the lack of reliable transport networks, and seasonal/climate variability. Increasing food prices and supply costs also result in chronic food shortages in many remote and food-deficit areas.

Food insecurity at the household level has a direct effect on children, women, the old and the weak. Although not reported on for the MDGs, stunting of children in Nepal is high at 49 per cent (MOHP *et al.* 2007), indicating chronic malnutrition. Changing social practices that hamper access to nutritious food for certain members of society is a serious challenge, particularly in the High Mountains of the Mid- and Far Western Development Regions and some Tarai districts.

Given that a malnourished woman of reproductive age can have a long-term impact on the economy and human development, the nutritional status of women is something that should be given special focus in poverty assessment and programming. Furthermore, women are overburdened with work in certain seasons but this has not yet been recognized as a challenge.

Recommendations

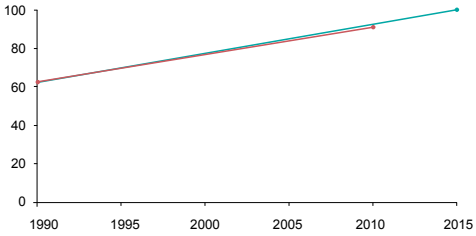
Food security is a complex issue that cannot be addressed by food availability alone. To improve production, new methods of production and new crops should be introduced in areas where cereal crops cannot be grown or where their productivity is low.

The transport network should be extended strategically so that more settlements in remote areas are connected with markets, so that there is an incentive for resettlement in more accessible areas. Appropriate technologies in production, transport and processing should be introduced and widely disseminated. Improved seeds, affordable transport such as improved *tuin* (river-crossing ropeways) and gravity cable cars should be promoted, while improved cooking stoves, biogas plants, and other such technologies that can save time and energy for households should be encouraged.

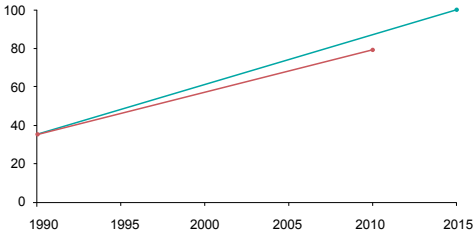
For providing food to food-deficit areas, food aid programmes should use food-for-food as a basic strategy, i.e., food support should be provided on the condition that recipient communities begin producing food that can be sold in the market. New initiatives by private entrepreneurs, communities and cooperatives with high-value crops, organic foods, and non-timber forest products should be encouraged.

The policy introduced in the TYIP and TYP for maintaining food stocks at the district level should be implemented. Districts should be encouraged to make food security a central theme in their periodic and annual programmes.

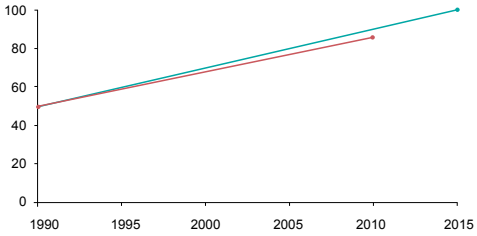
Net enrolment rate in primary education



Proportion of pupils that start Grade 1 and reach Grade 5



Literacy rate of 15–24 year olds, women and men



Progress upto 2010 — Target by 2015

GOAL 2 ACHIEVE UNIVERSAL PRIMARY EDUCATION

TARGET 2

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

INDICATOR	1990[a]	2000[a]	2005	2010	2015 TARGET
Net enrolment rate in primary education	64.0	81.0	86.8[b]	93.7[c]	100
Proportion of pupils that start Grade 1 and reach Grade 5	38.0	63	79.1[a]	77.9[c]	100
Literacy rate of 15–24 year olds, women and men	49.6	70.1	79.4[d]	86.5[e]	100

Source: a NPC/UNCT 2005.
b DOE 2005.
c DOE 2009.
d MOHP *et al.* 2007 (2006 data).
e CBS 2009 (2008 data).

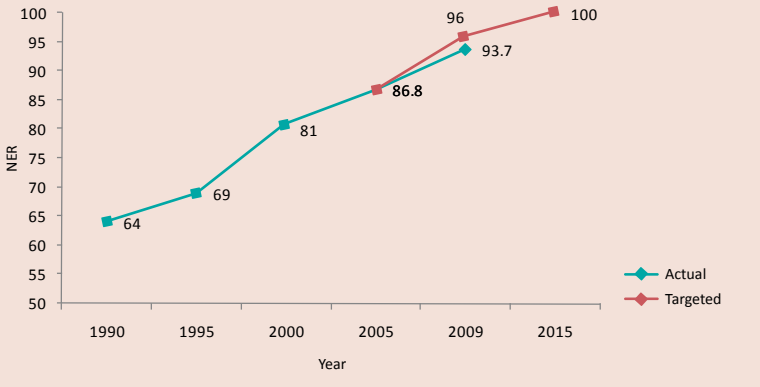
Status and Trends

Nepal has shown remarkable improvement in the net enrolment rate (NER) at primary level. However, the NER for 2009, at 93.7 per cent, was short of the government target for meeting the MDG (by 2.3 percentage points) (Figure 2.1). Moreover, the NER growth rate has been gradually decreasing: average annual growth between 2005 and 2009 was 2.0 per cent, substantially lower than the required rate of 3.5 per cent (Figure 2.2).

There has been a gradual closing of the gender gap in NER at primary level: it decreased from 6.7 percentage points in 2005 to 2.1 percentage points in 2009 (Table 2.1). However, the gender gap was particularly high in the Tarai (5.1 percentage points in 2008) compared to the Hills and Mountains (DOE 2008).

Between 2005 and 2009, there was an increase in the proportion of Janajati children in primary enrolment, reaching 38.6 per cent (DOE 2009). However, there was a slight decrease in the proportion of Dalit children,

FIGURE 2.1: Net enrolment rate in primary education



Source: NPC/UNCT 2005; DOE 2005; DOE 2009.

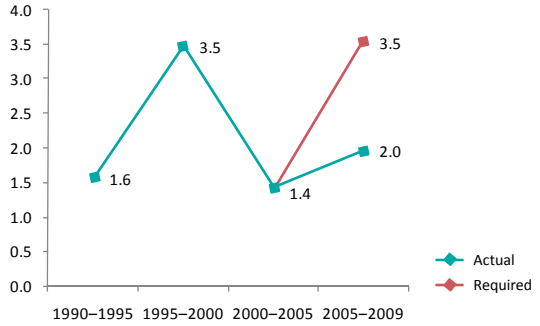
TABLE 2.1: Gender and caste/ethnic gap in primary enrolment for 2005 and 2009

Indicator	2005	2009
Gender gap in NER (percentage points)	6.7	2.1
Proportion of Janajati in total enrolment	35.6	38.6
Proportion of Dalit in total enrolment	21.5	20.0

Source: DOE 2005; DOE 2009.

from 21.5 per cent to 20.0 per cent in the same period. Nevertheless, the representation of both was higher than their proportionate share in the total population, according to the 2001 Census. Similarly, students with disabilities constituted about 1.1 per cent of total primary enrolment in 2009, which has remained unchanged since 2007.

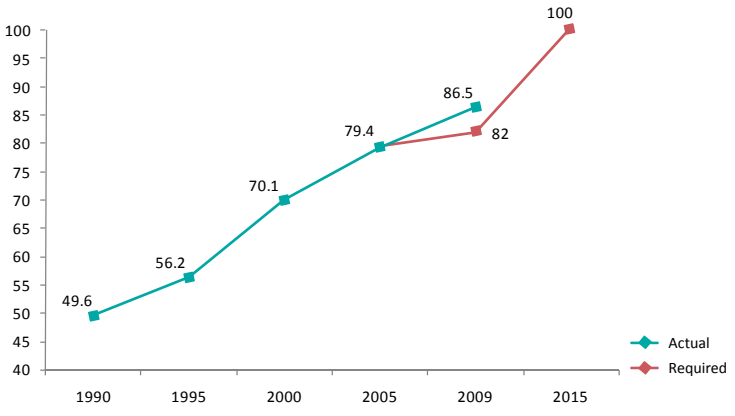
FIGURE 2.2: Average annual NER growth rate



Source: NPC/UNCT 2005; DOE 2005; DOE 2009.

These proportions are not calculated on the basis of group-specific NERs, and hence show that children from Janajati and Dalits and children with disabilities are quite well represented in the student body. However, it is likely that there is a large number of over-age children from these groups (as indicated by the high gross enrolment ratio of 141.4 per cent in 2009), whereas a large number of 5–9-year-old children are still out of school.

FIGURE 2.3: Trends in literacy rate of 15–24 year olds



Source: CBS 2009.

Based on progress in the NER, its slowing growth rate, and disparity in gender and caste/ethnicity as presented above, it may be difficult for Nepal to meet the MDG target on NER, as it becomes more difficult to reach the remaining out-of-school children from various marginalized communities and bring them into the formal education system.

Since 2008, the survival rate to Grade 5 has been calculated using the internationally acceptable 'reconstructive cohort model'. According to this method, which does not take into account repeaters, the survival rate in 2008 was 73.4 per cent, whereas the previous method of calculation would have given a value of 84.9 per cent (DOE 2008). Therefore, earlier figures are not comparable with this data. In 2009, this had increased by 4.5 percentage points to 77.9 per cent, with 77.8 per cent for boys and 79.8 per cent for girls (DOE 2009). Evidently, this is 7.1 percentage points lower than the government target of 85 per cent. Even if the survival rate continues to grow at only the current rate of 4.5 percentage points per year, it is potentially likely that Nepal will meet the target for this indicator by 2015. This will, however, depend very much on whether the high dropout and repetition rates in Grade 1 (9.9 per cent and 26.5 per cent respectively in 2009) can be reduced.

According to the NLFS 2008, the literacy rate for 15–24 year olds was 86.5 per cent in 2008 (CBS 2009). This is 4.5 percentage points higher than the government target for 2009 (Figure 2.3). With a slightly greater increase in the annual growth rate, Nepal will probably be able to meet the target for this indicator too by 2015.

However, there are massive inequalities in literacy rates across different social groups (MOHP *et al.* 2007; UNDP 2009). Literacy

data for various social groups reveal substantial disparities among Hill and Tarai Dalits, Madhesi Brahmins and Madhesi Dalits and advanced and marginalized Janajati groups (UNDP 2009). Moreover, there are significant gender inequalities within all social groups, particularly among Tarai Dalits and the Muslim community.

Supportive Environment

Universalizing primary education is an explicit government priority, with three main thrusts: enhancing access, enhancing equity, and improving quality. Policies for expanding access and equity have focused on removing physical barriers to access and expanding opportunities for transition to higher levels of schooling; reducing the direct costs of schooling through free education for all, and targeted scholarships and incentives for students from marginalized groups; and recruiting teachers from marginalized communities.

In order to remove physical barriers to access, the government has adopted policies to establish more schools and upgrade existing ones. As a result, since 2005, the number of registered primary schools has increased by 15 per cent and the number of primary students by nine per cent. The government has also implemented policies to mainstream religious educational institutions such as Gompa and Madarasha. As a result, some 676 new schools have been reported in 2009 (DOE 2009), and the growth of NER in districts with a large number of religious educational institutions has been significantly higher than the national average. Another significant policy has sought to enhance the role of local communities and parents in school management by transferring responsibilities to locally elected School Management Committees. As a result, there has been a significant improvement in enrolment of children from Dalit and other marginalized communities in public primary schools (CERID 2003; CERID 2004; World Bank 2009).

Since 2008, a policy of free education up to Grade 8 has been implemented, and provisions are in place for gradual implementation of compulsory primary education. There are

also a significant number of targeted scholarships for girls, children from Dalit and Janajati groups, and children with disabilities. In addition, incentives such as midday meals, cooking oil and take-home rations have been implemented by the government and the WFP in areas with low enrolment and low attendance, particularly of girls. Studies have indicated that the impact of these incentives has been generally positive, although both the quotas and the amount available for scholarships are not enough for all needy students (Acharya and Luitel 2006; Norad 2009; WFP 2006).

Government policy has focused on increasing the recruitment of teachers from underrepresented sections such as women, Dalit and Janajati groups and people with disabilities. There has been a gradual increase in the number of female teachers and teachers from Dalit and Janajati groups. In 2009, 34.5 per cent of teachers were female, 23.4 per cent were Janajati, and 4.2 per cent were Dalit (DOE 2009).

In order to improve the efficiency and quality of primary education, the government in recent years has focused on the expansion of early childhood development/pre-primary education (ECD/PPE). As a result, the number of new entrants in Grade 1 with ECD/PPE has increased from 36.2 per cent in 2008 (DOE 2008) to nearly 50 per cent in 2009 (DOE 2009). Moreover, districts with a high percentage of new entrants in Grade 1 with ECD/PPE experience also have comparatively lower repetition and dropout rates, indicating the impact of this policy on system efficiency.

Teacher training has been intensified in an effort to improve the quality of education, with a focus on child-friendly, student-centred teaching–learning, and gender and cultural sensitization. More than 87 per cent of primary teachers are fully or partially trained (DOE 2009). The National Curriculum Framework (NCF) has been introduced as an overarching framework for setting learning standards and providing guidelines for pedagogical practices. The government has also focused on a continuous assessment system and liberal promotion policy; and mother-tongue/multi-lingual education and transitional language support. The number of schools using these approaches is increasing but their impact on classroom processes and student learning outcomes is as yet unknown.

The School Sector Reform Programme (SSRP) 2009–2015 has taken further steps in improving access, equity and quality within the system to meet the Education for All (EFA) and MDGs, with a focus on meeting the diverse learning needs of children in different social and cultural contexts. It has defined free education to cover most of the direct costs of schooling (e.g., free textbooks, and no fees for admission, tuition and examinations). It has introduced the concept of 'entitlement' to support the education of children from marginalized communities, and affirmative action policies for recruitment of teachers from marginalized groups. In order to improve the quality of education, it has emphasized the provision of 'minimum enabling conditions' for every school; a national framework of norms and standards; and the integrated development and management of teachers (MOE 2008).

Challenges

A major issue is the coverage and quality of data reported by the MOE. There are often differences in NER data reported by the DOE and other sources (e.g., CBS 2009; UNESCO 2008). It has been often claimed that there is an over-reporting of student numbers by schools because of the tying of school grants to the number of enrolled students through per-child funding. Schools are more likely to over-report the number of girls and Dalit students because additional grants are associated with the number of such children in each school. This situation has been further aggravated by lack of monitoring mechanisms to check the actual numbers of students in school.

According to the MOE, more than 218,000 primary-school-aged children (6.3 per cent) are still out of school (DOE 2009). However, current classification of student enrolment by various social groups is not adequate to identify who these out-of-school children are and where they are from because: (i) there are no data related to the NER for marginalized groups; and (ii) categories are not disaggregated and thus disparities within groups cannot be ascertained.

Although the government has introduced scholarships and other incentives to encourage the participation of marginalized children in basic education, these schemes are inadequate, both in their coverage and in the amounts distributed to individual students. Continuation of scholarships is necessary to retain individuals in the system. Moreover, there is need to sustain these mechanisms. Programmes should be strengthened to provide basic education to special needs children (e.g., conflict-affected, trafficked, working, and street children).

National data show that access to primary education has improved significantly in recent years (CBS 2004). However, there is still considerable variation in the level of accessibility to school by region. For instance, the Tarai, which accounts for nearly 50 per cent of the country's population, has only 30 per cent of total schools (DOE 2009). As a result, there is considerable overcrowding in Tarai schools, which negatively affects the attendance of girls in a culture characterized by significant gender discriminatory practices. Moreover, in the Tarai, many schools are temporarily inaccessible due to flooding in the rainy season. Such inaccessibility has a more enduring dimension in remote hilly and mountainous regions (particularly in the mid- and far western regions) where students face significant risks, for instance, while crossing rivers every day.

Geographical accessibility also determines the quality of educational infrastructure and learning: the less accessible a school, the more likely that its overall environment will be less conducive to teaching–learning, teachers will be less qualified, and the school will remain open for fewer days (KC 2009). Given that the most excluded communities reside in the most marginal geographical areas, it is very likely the case that the quality of educational infrastructure is poorest for such groups (Norad 2009).

Moreover, it is generally the case that Grade 1 students have the least qualified teachers and the poorest classroom conditions, resulting in the highest repetition and dropout rates in this grade. With more than 80 per cent of the educational budget spent on salaries and other recurrent costs (MOF 2009b), there is little left over for investment in improving classroom conditions and teaching–learning activities.

Challenges also remain with the curriculum and associated textbooks. Although the NCF has been introduced and well-received by the sector's various stakeholders, teachers have not been adequately trained for its effective implementation (Norad 2009). Textbooks are not delivered on time: in 2009, nearly 40 per cent of students at primary level did not have the required textbooks even two weeks after the start of the new academic year (DOE 2009), thus affecting the regularity of teaching–learning in school. At the same time, although primary school textbooks have been published in various languages to facilitate mother-tongue/multi-lingual education, there are serious setbacks in using them, including resistance from parents and lack of qualified and trained teachers (Norad 2009; Acharya *et al.* 2009).

Although the government's Education Management Information System (EMIS) has been improved, there are still widespread inconsistencies in data-reporting. It is common for the DOE to report on one indicator in one year and not in the next, making it difficult to make comparisons over the years. There is also a lack of adequate reporting on quality-related indicators such as teachers' performance, learning materials, student and teacher attendance, school health and sanitation conditions, and student learning.

The poorest-performing districts in terms of primary NER are in the Tarai. For example, of the eight lowest-enrolment districts in 2008 (with NER of less than 85 per cent), six were in the Tarai—Saptari, Dhanusha, Mahottari, Siraha, Rautahat and Parsa. This is primarily the result of high gender gaps in enrolment, as shown by the fact that of the 12 districts with the highest gender gaps in primary NER in 2008, nine were in the Tarai (including the six mentioned above). Girls in this region still face substantial barriers to primary schooling.

Large gender gaps also persist in the literacy status of 15–24 year olds. For example, in 2006, 21.3 per cent of females aged 15–19 years and 11.3 per cent of females aged 10–14 years were illiterate compared to 4.5 per cent and 4.0 per cent of males, respectively (MOHP *et al.* 2007). Literacy data for various social groups also reveal substantial disparities among Hill and Tarai Dalits, Tarai Brahmin and Terai Dalits, and advanced and marginalized Janajati groups (UNDP 2009). There are also significant gender inequalities within all social groups, particularly among Tarai Dalits and Muslim communities. One of the main challenges to improving literacy rates has been the inability to reach these low-literacy groups through locally appropriate literacy programmes. In addition, retaining newly acquired literacy skills and linking them with income-generation activities has long been a challenge.

Recommendations

In the short term, the MOE can use *ad hoc* missions to check enrolment data and enforce controlling measures on schools that engage in over-reporting. However, in the

longer term, the MOE should be relieved of this responsibility. As there is concern about the quality of government data, there is a need for third-party, periodic Nepal Education Surveys that produce reliable data on enrolment as well as on other outcomes of public investment in education.

In addition, there is a need for a comprehensive mapping study of out-of-school children to identify who they are and where they are residing. This should be followed up by educational programmes focused on these specific children. For many of these children, substantial resource transfers to the household may be necessary to meet both the direct and indirect costs of schooling. This calls for a further elaboration of the 'entitlement' concept in the SSRP. This will also require more localized and inter-sectoral planning and implementation.

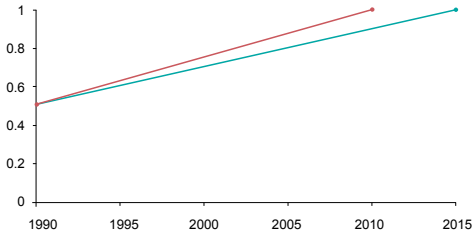
Out-of-school children in urban areas (e.g., internally displaced, working, and street children) can be integrated into basic education through private–public partnership. Private schools can be encouraged and supported to provide these children with a good quality education to ensure their retention in the system. In order to improve the participation of girls in the Tarai, the physical capacity of schools should be expanded to address overcrowding. This should be followed by recruitment of more female teachers. At the same time, the coverage of incentives to enhance participation and retention should be expanded, particularly for girls from Madhesi, Muslim and Dalit communities.

There is an urgent need to reduce repetition and dropout rates, especially in Grade 1, by making the school environment more child-friendly and conducive to learning. The key objective of any future educational planning and implementation must be to ensure the provision of minimum enabling conditions outlined in the SSRP for good quality education in *every* school and for *every* child in the school. This will require greater budget allocations to classroom improvement and for availing adequate and quality teaching–learning materials.

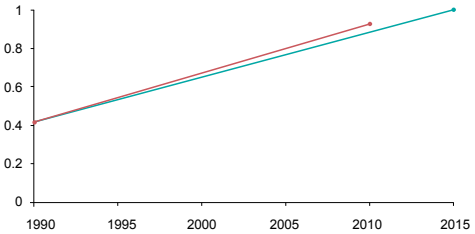
The EMIS needs to be expanded to include the systematic collection of school-level data on quality-related indicators. Availability of such information will enable policy-makers to categorize schools on the basis of performance and develop more targeted approaches for school improvement.

Greater emphasis should be placed on improving the literacy status of females aged 15–24 years old from marginalized groups, and monitoring the impact of relevant interventions. Improving learning materials within the literacy programme, by including vocational skills and micro-enterprise activities, can be helpful for retaining newly acquired skills.

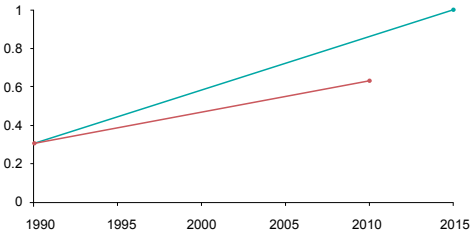
Ratio of girls to boys in primary education



Ratio of girls to boys in secondary education



Ratio of women to men in tertiary education



Progress upto 2010 — Target by 2015

GOAL 3 PROMOTE GENDER EQUALITY AND EMPOWER WOMEN

TARGET 3

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

INDICATORS	1990	2000	2005	2010	2015 TARGET
Ratio of girls to boys in primary education	0.56[a]	0.79[a]	0.90[b]	1.0[c]	1.0
Ratio of girls to boys in secondary education	0.43[a]	0.70[a]	0.84[b]	0.93[c]	1.0
Ratio of women to men in tertiary education	0.32[d]	0.28 [d.1]	0.50[e]	0.63[f]	1.0
Ratio of literate women to men aged 15–24 years old	0.48[g.1]	n/a	0.73[h]	0.83[i]	1.0
Share of women in wage employment in the non-agricultural sector (%)	18.9[g.1]	17.7[g.2]	n/a	19.9[i]	–
Proportion of seats held by women in national parliament	3.4[a]	5.8[a]	n/a	32.8	–

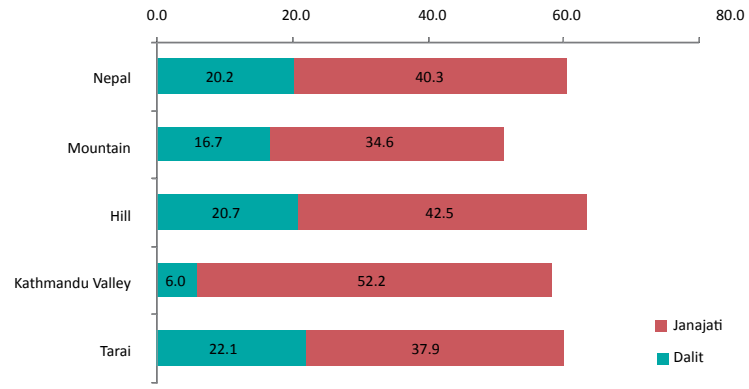
Source: a NPC/UNCT 2005. b DOE 2005.
c DOE 2009. d UNSD 2005 (based on UNESCO global database; d.1: 2001 data)
e UGC 2005. f UGC 2007.
g CBS 2003 (g.1:1991 data; g.2: 2001 data). h CBS 2004.
i CBS 2009.

Status and Trends

The ratio of girls to boys in primary education, which covers Grades 1–5, has improved significantly since 1990 to the extent that the target set for 2015 has already been achieved. The ratio for gross enrolment now stands at 1.0 and the ratio for net enrolment at 0.98 (DOE 2009). However, there are some disparities by caste/ethnicity and geographic location. The ratio is slightly lower for Dalits compared to both Janajati groups and the national average. Among Dalits, disparity against girls is highest in the Tarai and Mountains, and favours girls in the Kathmandu Valley and Hills (DOE 2008). Regional distribution of enrolment shows that Dalit representation is lowest in the Kathmandu Valley and highest in the Tarai (Figure 3.1). This correlates with the population's proportion in each region.

The gross enrolment ratio for lower secondary education, which covers Grade 6–8, is also close to parity (0.96) but, with a ratio of 0.93 for secondary level (Grades 9–10), the gap starts to widen (DOE 2009). The share of Dalit children in total enrolment decreases as the grade level increases, especially at the secondary level. In 2009, total enrolment of Dalit children in Grades 9 and 10 was 68,158 (45 per cent girls). Comparatively, Janajati children have been doing better than their Dalit counterparts: although their share in total secondary enrolment has slightly decreased over the last two years, gender parity

FIGURE 3.1: Proportion of Dalit and Janajati groups in primary net enrolment



Source: DOE 2008.

has reached 0.98 (DOE 2009). The tendency for Janajati children to survive to upper grades is higher than that for Dalit children.

With a ratio of women to men of 0.61 at higher secondary level (HSEB 2007) and 0.63 at tertiary level (UGC 2007), it will be difficult to achieve parity at these levels by 2015. The share of women is only 41.1 per cent at the Bachelor's degree level and it declines to 14.2 per cent at the PhD level (UGC 2007). Among the various academic fields, Medicine has a gender parity of 0.99 while other technical areas such as Engineering and Forestry have only 0.23 and 0.21 respectively. Similarly, while Education and Humanities and Social Sciences have 0.82 and 0.70 respectively, Law has only 0.29. This clearly suggests that women's enrolment in specific technical areas is extremely low. In addition, Mid-western and Far-western regions have 0.44 and 0.38 gender parity index respectively at the tertiary level--significantly lower than the national average of 0.63 (UGC 2007)—indicating that far fewer women are entering into tertiary level education in these regions.

The youth (15–24 years old) literacy rate for both males and females has increased significantly. At present, the literacy rate for women in this age group is 75.8 per cent, while for men it is 91 per cent (CBS 2008). However, there is a notable gap between the literacy rates for urban and rural youths particularly for women. In urban areas, it is 95.5 per cent for men and 91.1 per cent for women, whereas, in rural areas it is 89.7 per cent for men and 72.8 per cent for women. However, the rural female literacy rate for 15–24 years olds is close to the national average.

Data on youth literacy suggest that the educational attainment rate for women is generally lower than that for men although the gender gap has been narrowing in recent years. In the 15–49 years age group, more than one in two women have never been to school compared to one in five men (MOHP *et al.* 2007). Data also indicate that geographic locality and social groups are correlated with educational attainment (DOE 2005, 2006, 2007, 2008 and 2009; MOHP *et al.* 2007; UNDP 2009). In addition, economic status has a direct influence on educational status: the lower the economic status, the lower the typical educational attainment. As a result, women in the highest wealth quintile are more likely to attain a higher level of education than those in lower wealth quintiles. For example, 27 per cent of women from the highest wealth quintile completed secondary or higher levels of education compared to one per cent from the lowest wealth quintile (MOHP *et al.* 2007).

The share of women aged 15 years and above in wage employment in the non-agricultural sector was 19.9 per cent in 2008 which is only 1 percentage point increment from 1990. Overall, 78.5 per cent of women 15 years and above are employed. The gender gap in labour force participation is 7.4 percentage points for males and females aged 15 years and above (CBS 2009). Women often work for no monetary compensation: 74.8 per cent of the unpaid family labour force is female (CBS 2009). The high representation of women in unpaid labour suggests that a large proportion of economically active women still have no access to economic resources. The gender gap in average daily earnings—either cash or kind—is wide in the non-agricultural sector, at NRs 148.9 for women and NRs 212.5 for men (Bhattarai 2009). This suggests that women are either not paid equally with men for the same job or that there are more women in jobs that require a low level of academic qualifications or skills, which pay less.

Although women are still mostly employed in traditional sectors, their participation in the non-traditional work force such as the armed forces and overseas employment has increased rapidly in recent years. In 2006/07, women's share of the total foreign labour force was 1.9 per cent (Bhattarai 2009). By July 2009, this figure had risen to four per cent (Bhattarai 2009). Unreported cases of women's labour migration, along with migration to restricted countries, knowingly or unknowing, have also increased. Consequently, exploitation and abuse of Nepali women employees in host countries as well as in Nepal by employment agencies and brokers has also reportedly grown. There is also a recognized link between foreign employment and the trafficking of women.

Another area of employment that is expanding for women is the education sector. The proportion of female teachers is gradually increasing, particularly at primary and secondary levels; however, there is still a huge gender gap at higher secondary and tertiary levels. There are also large regional disparities. The gender parity index for teachers at primary level ranges from 1.18 in the Kathmandu Valley to 0.34 in the Mountains of the Mid-Western Development Region (DOE 2009). The share of Janajati and Dalit teachers is also small, with Janajati teachers making up less than 25 per cent of the primary teaching force and less than 15 per cent of the secondary teaching force and Dalit teachers making up less than five per cent at both levels (DOE 2009).

A major indicator of women's empowerment is their participation in the political domain. Nepal has experienced major political change in recent years. At present, the country has an elected Constituent Assembly (CA), which also has the responsibility of parliament. Women occupy 32.8 per cent of seats in the CA. This is a substantial increase over previous parliaments. The Interim Constitution requires political parties to ensure that at least one third of their total representation is women. In the 2008 election, 368 (9.32 per cent) of 3,946 direct candidates and 3,067 proportionate candidates were women. Of total women candidates, 8.15 per cent were elected in the direct category (30 women) and 5.24 per cent in the proportionate category (161 women). In addition, six women were nominated to the CA.

The proportion of women in the civil service is low and decreases significantly as the level of responsibility increases. In 2009, of total female government employees, 78 per cent

were in non-gazetted categories, 16 per cent were in classless categories, and only six per cent were in gazetted positions. Non-gazetted officers are basically support staff with no decision-making power. Women's representation in Special and Gazetted Class I levels has increased slightly in recent years from 2.4 per cent in 2000 to 3.63 per cent in 2009, but their representation at the officer level (Gazetted Class II and III) has decreased from 6.2 per cent in 2000 to 5.7 per cent in 2009 (MOGA/Civil Personal Record Office 2009).

Very few women are found in the judiciary or make it to the position of judge. The first woman was appointed to the Supreme Court in 2001. By 2009, two of 20 judges in the Supreme Court were women, four of 110 judges in the Appellate Court were women, and one of 135 judges in District Courts was a woman (Administration Section, Supreme Court 2009).

The data presented above indicate that at least the first two indicators are likely to be achieved by 2015.

Supportive Environment

The Interim Constitution ensures women's rights and gender equality. Furthermore, the Act to Amend Some Nepali Acts to Ensure Gender Equality 2006 has amended provisions in 17 other acts as well as the Civil Code. The Twelfth Amendment of the Nepal Code 2007 also made significant changes from a gender perspective. The National Women's Commission Act 2007 established the National Women's Commission as an independent institution with a mandate to act on gender equality. Constitutional provisions and the decision to secure candidates proportionately from social and regional groups for the CA election in 2008 have greatly increased the participation of women in the political field.

The Interim Constitution has a provision that there shall be no discrimination in remuneration and social security between men and women for the same job. The Foreign Employment Act 2007 stipulates that there should be no gender discrimination in foreign employment, and prohibits sending girls and boys aged less than 18 years for such employment. Other major provisions directly supporting gender equality in the act include elimination of gender discrimination while facilitating foreign employment; special facility and protection for women employees by the employment agency; reimbursement of women's orientation fees from the Foreign Employment Welfare Fund; appointment of a women's labour attaché in host countries with more than 1,000 female Nepali workers; mandatory provision of life insurance equivalent to NRs 500,000; and child care centres operated through the Foreign Employment Welfare Fund for the children of women working abroad.

To protect working women's rights, the Labour and Employment Policy 2005 proposes several measures and commits to gradually implementing international standards of gender equality, ensuring women-friendly workplaces, gender-auditing, and the generation of employment opportunities for women. The government has also introduced tax concessions for women to enhance economic empowerment through the creation of opportunities for savings and investment.

The Department of Women's Development has adopted two broad policy measures: women's empowerment, and gender mainstreaming and social inclusion (GMSI). Women's empowerment provides skills development training and supports micro savings and credit schemes. GMSI is more advocacy based, working in areas such as sectoral networking, awareness-raising, and technical support to sectors to undertake gender audits. These activities have helped local line agencies and sectoral development partners identify and raise women's and gender issues and concerns. Gender focal points have been appointed in all ministries, departments, district-level line agencies and local bodies.

Targeted sectoral interventions have been aimed at improving gender equality. For example, the Ministry of Education has adopted

several gender equality and social inclusion (GESI) measures such as provision of at least one woman in School Management Committees; reservations for women in teacher quotas and recruitment (for instance, at the primary level where three and five teacher positions are available, one and two, respectively, should be allocated to women); financial and non-financial incentives for girls and other marginalized children; awareness-raising about GESI; periodic review and revision of school curricular materials and teacher-training materials from a gender perspective; and construction of toilets for girls in schools. UNICEF and the Department of Education have begun a process of establishing a Girls' Education and Gender Equality Network in seven Tarai districts where girls' participation in education is particularly low. The WFP has also enhanced girls' participation in education through the Global Food for Education Initiative (GFEI) and the Girls' Incentive Programme (GIP).

While these girls-focused initiatives have certainly contributed to increasing girls enrolment in primary and secondary levels, concerted efforts are needed to retain them and support them to complete school level education so that more women will enter into the tertiary level education.

Challenges

Persistent focus on the right to equal access to education has produced positive changes for girls, particularly at the lower levels of schooling. However, marginal focus on rights within education (equality in educational processes) and rights through education (equality in job opportunities and wages, and women's participation in social/political life) has contributed to girls' lower survival to upper grades and higher education, and women's low participation in high-status and high-paid jobs. On the one hand, women's empowerment is influenced by their social and economic status and, on the other, a direct link or correlation has been observed between economic status and educational attainment. This correlation has yet to be reflected in the policies and programmes of the education and labour sectors.

Monetary incentives for children to attend school have been beneficial. However, some issues such as conflicting understanding of the purpose of scholarships and the absence

of a linkage between incentives and quality and performance (Acharya and Luitel 2006) have weakened the equity-related intention of the support as well as lowered the effectiveness of the schemes.

Additionally, there are socio-cultural challenges to be overcome for gender parity in education. For example, 37.8 per cent of girls (5-14 years of age) are currently active in labour force participation as compared to only 30.2 per cent of boys from the same age group (CBS 2009). The gender disparity on children's labour force participation is particularly high for the age group of 10-14 where 58.7 per cent of the girls as compared to only 47.25 of the boys are economically active (CBS 2009).

As 10-14 years is the age for lower secondary and secondary education, this hints at the challenges to be overcome in the cultural practices of gendered division of labour and male preferences for education particularly at higher levels. Given greater workloads and responsibilities, girls obviously face more challenges to stay in school, perform well, and complete school education.

Another social factor that poses challenges for women to continue education especially at the tertiary level is marriage as 60 per cent of women between 20-49 years of age are married by age 18 and 78 per cent are married by age 20 (MOHP *et al.* 2007). As marriage generally brings additional responsibilities as well as cultural constraints on women's lives, the likelihood of their continuing with higher education and completing it successfully decreases significantly. The low enrolment of women in tertiary education (as reflected in low gender parity index mentioned above) is reflective of this reality.

In the absence of strong legal and monitoring mechanisms, many provisions are not effectively implemented. The success of any measure also depends on beneficiaries having appropriate knowledge about it.

A radical change in policy or programmes takes a long time to get off the ground. For example, GMSI is proving more challenging to implement than women's empowerment programmes. Since GMSI lacks tangible outcomes, it is hard to persuade local-level stakeholders of its efficacy. Furthermore, the development of organizational and individual capacities to carry out non-traditional interventions also takes time. In districts where human resources at Women's Development Offices have been trained and GMSI has been internalized, activities such as sectoral networking and gender-auditing have been executed satisfactorily.

The tendency to overlook sectoral requirements is sometimes reflected in approaches devised at the national level. For example, not all five qualitative indicators of gender-responsive budgeting are applicable to all sectors. In addition, a consistent approach to gender-responsive budgeting across sectors is not followed.

While the adequacy and authenticity of data has long been an issue, the lack of disaggregation adds another dimension to the challenge. Policies for gender mainstreaming and equality cannot be implemented effectively or assessed properly without disaggregated data collection and analysis. Inconsistency in reporting formats also makes it difficult to compare data over time. Use of incompatible sources for the purpose of monitoring also reveals a data gap. While these data gaps remain issues, gender-related policies cannot be adequately supported in practice.

The absence of institutionalization of responsibilities and activities engendered by new policies, programmes and legal provisions creates a challenge for sustainability. Furthermore, limited periodic evaluations leave the effectiveness of implementation and the results of outcomes in doubt.

The political sector is dominated by men. Although, the constitutional provision of 33 per cent women's representation has been met, more has to be done to ensure women's meaningful participation and empowerment.

Recommendations

Gender overlaps with wealth, language, ethnicity, region, religion and rural–urban differences creating mutually reinforcing challenges that result in gross inequality in nearly all outcomes. Such inequalities influence power relationships within the household/family, society and nation, expanding the magnitude of gender inequality. Therefore, interventions aimed at reducing gender inequality should be tailor-made and multiple in modality because requirements vary.

In order to achieve not only quantitative but also qualitative improvement in girls' and socially excluded children's primary and secondary education, both financial and non-financial support are necessary. As there is a connection between family economy and girls' education, targeting of financial incentives needs to be poverty focused. For qualitative improvement measures such as remedial classes, teacher reorientation is also necessary so that they can create an environment conducive for girls to excel, for example, in the so-called difficult subjects such as maths and science. Periodic discussions at the community level about the intent of policies related to financial incentives should be conducted.

In order to achieve gender equality in all three levels of education, household-level intervention is needed, while school- and teacher-focused interventions and inputs need scaling up.

The education sector needs to be responsive to the labour market. Since more and more women and men are entering non-traditional and foreign employment, appropriate education, particularly technical and vocational training, should be made more widely available.

Most of the recommendations made for MDG 2 are also applicable to indicator 1 of MDG 3. Consideration of these recommendations will address most of the issues related to gender and social exclusion observed in school education.

Orientation of local bodies and review of legislative and other instruments for consistency and coherence are important for translating new provisions into practice. Beneficiaries also need to know about relevant measures. Existing awareness-raising and advocacy programmes should be used to communicate with local authorities and beneficiaries about specific policies, measures or instruments, for example, about those related to employment and education. The National Women's Commission could play a role in this, as this is within its mandate.

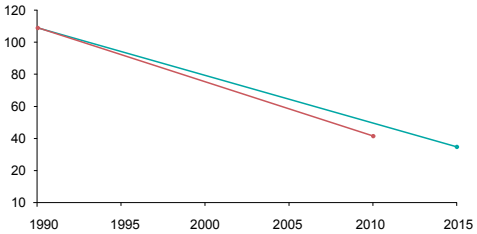
Strong monitoring and evaluation at the local level is required for successful implementation of any gender-related policy measures and interventions. Therefore, not only should implementing agencies take responsibility for this but other umbrella organizations with a mandate to monitor and evaluate relevant policies and interventions such as the National Women's Commission could also be involved.

Since availability and reliability of data is an issue, periodic national surveys of areas that have a direct impact on women's lives are required. Two key areas that require immediate, independent national surveys are education, and trafficking and gender-based violence.

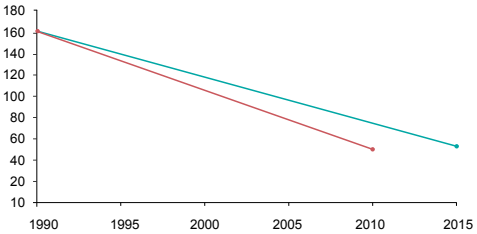
Assessment of each policy and programme from a gender perspective as well as periodic institutional audits to examine how gender is mainstreamed collaboratively by different sections/units is needed.

With regard to political participation by women, it is primarily the responsibility of political parties to provide technical and logistic support to their female members. Furthermore, young political cadre including women should be properly groomed to enter and participate responsibly in national politics. Capacity enhancement in areas such as leadership, communication, group mobilization and negotiation skills as well as exposure visits will be helpful to strengthen the role of female politicians and prepare potential women leaders.

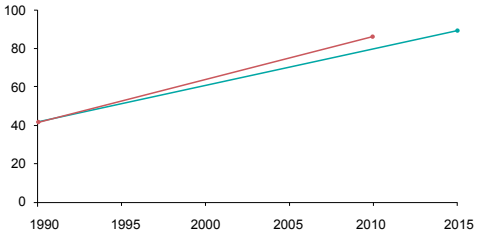
Infant mortality rate (IMR)



Under-five mortality rate (U5MR)



Proportion of one-year-old children immunized against measles



Progress upto 2010 — Target by 2015

GOAL 4 REDUCE CHILD MORTALITY

TARGET 4

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

INDICATOR	1990	2000[b]	2005	2010	2015 TARGET
Infant mortality rate (IMR)	108[a]	64	48[c]	41[d]	36
Under-five mortality rate (U5MR)	162[a]	91	61[c]	50[d]	54
Proportion of one-year-old children immunized against measles	42[e]	71	85[g]	85.6[e]	>90

Source: a MOH 1996 (1989 data).
b MOH 2001.
c MOHP *et al*. 2007 (2006 data).
d NPC 2010b
e NFHP 2010 (2009 data for rural locations).
f MOH 1992
g NPC/UNCT 2005.

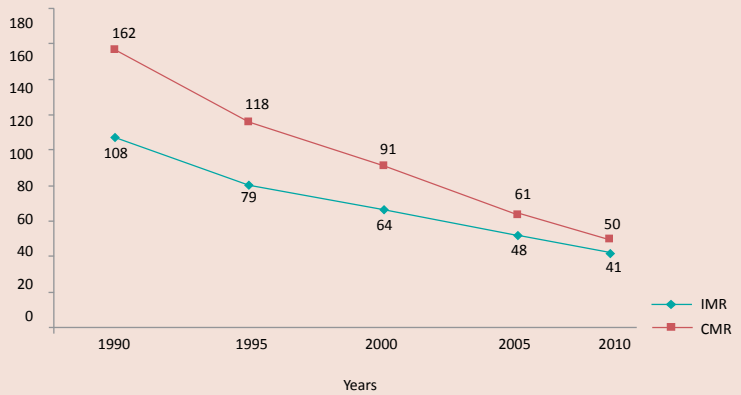
Status and Trends

Nepal has made significant progress in reducing the infant mortality rate (IMR) and under-five mortality rate (U5MR) in recent years. By 2006, the national IMR had decreased to 48 deaths per 1,000 live births and the U5MR had decreased to 61 deaths per 1,000 live births (MOHP *et al*. 2007). Trend analysis of data from 1995 to 2005 suggests that the IMR declined by 39 per cent and the U5MR by 48 per cent over the period (Figure 4.1).

Neonatal mortality fell by only about one third during the same period. To reduce mortality further among children in Nepal will require greater attention to the care of newborns and infants. However, indicators point to the possibility that Nepal may achieve targets on child mortality before 2015.

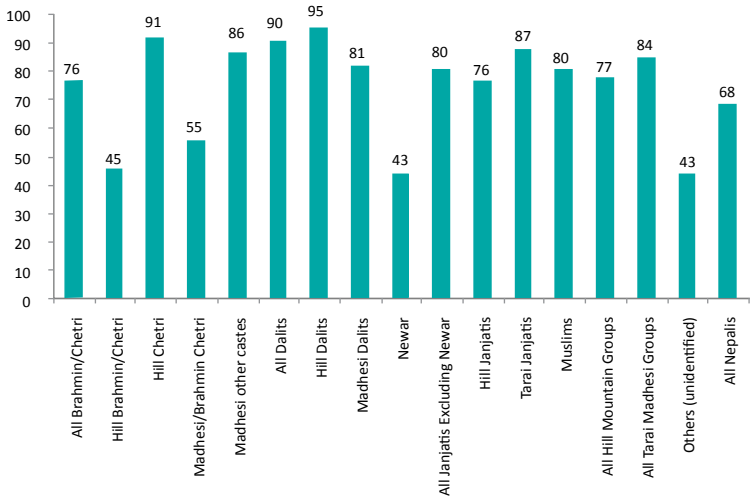
A recent survey in rural locations of 40 districts shows that in these areas IMR has fallen to 41 deaths per 1,000 live births and U5MR to 50 deaths per 1,000 live births (NPC 2010b). As child mortality in Nepal is

FIGURE 4.1: Trend in IMR and U5MR



Source: MOH 1996; FHD 2002; MOHP *et al*. 2007, NPC 2010b.

FIGURE 4.2: U5MR by caste, ethnicity and regional identity (2006)



Source: UNDP 2009.

higher in rural areas than urban areas, this latter figure suggests that the national target for U5MR has already been achieved.

Analysis of the IMR and U5MR for Nepal shows that there are important disparities by gender, caste/ethnicity, and geographic location. Data from 2006 show little difference in the national IMR and U5MR between girls and boys (MOHP *et al*. 2007); however, the Nepal Family Health Programme survey mentioned above shows that in rural areas gender disparity is still quite significant, with infant mortality 1.18 times higher for females than for males and under-five mortality 1.19 times higher. There are also important disparities in mortality rates across caste/ethnic groups. For example, Dalits have a U5MR of 90 deaths per 1,000 live births compared with an all-Nepal level of 68[1] (MOHP *et al.* 2007 cited in UNDP 2009) (Figure 4.2). The lowest corresponding figure was for Newars at 43 and the highest figure was for Hill Dalits at 95.

Mortality in urban areas is consistently lower than in rural areas, with IMR being 36.6 per cent lower and U5MR being 35.9 per cent lower. There is also considerable variation in mortality by ecological zones, with IMR ranging from 99 per 1,000 live births in the Mountains to only 47 in the Hills (Table 4.1), and infant mortality being higher in the Mid-Western and Far Western Development Regions than other regions. Similarly, U5MR ranges from 128 per 1,000 live births in the Mountains to 62 per 1,000 live births in the Hills (Table 4.1), and under-five mortality is higher in the Mid-Western and Far Western Development Regions than in other regions.

Although immunization against measles for children aged 12–23 months reached 85 per cent in 2006 (MOHP *et al*. 2007), it declined to 83 per cent in 2007/08 (DOHS 2008) and recorded a slight improvement in 2009 to 85.6 per cent (NFHP 2010). There are also disparities in access to anti-measles vaccination in terms of boys and girls, rural–urban residence, ecological zone, and development region (MOHP *et al*. 2007).

TABLE 4.1: IMR and U5MR by socio-economic characteristics

Description	IMR	U5MR
Location		
Urban	37	47
Rural	64	84
Ecological Zone		
Mountains	99	128
Hills	47	62
Tarai	65	85
Development Region		
Eastern	45	60
Central	52	60
Western	56	73
Mid-Western	97	122
Far Western	74	100

Source: MOHP *et al*. 2007.

Supportive Environment

To control morbidity and mortality among children, the government has initiated several child-survival programmes including the Community-Based Integrated Management of Childhood Illness (CB-IMCI), the Community-Based Newborn Care Package (CB-NCP), and the National Immunization Programme (NIP). The CB-IMCI package has recently been expanded to all 75 districts.

Based on the National Neonatal Strategy 2004, the government is piloting the CB-NCP

1. The mortality ratio of 68 under reference is higher than the all-Nepal figure of 61 given in the NDHS 2006 because it shows the rate over the past 10 years rather than for the five-year period preceding the 2006 survey.

in 11 districts. This programme promotes the use of skilled birth attendants during delivery, and provides community-based counselling, treatment and referral of sick neonatals. It encourages clean delivery, newborn resuscitation, prevention of hypothermia, kangaroo care, antibiotics for infection, tetanus toxoid vaccination, breast-feeding education, hygiene education and antenatal interventions. And initial assessment of four UNICEF-supported pilot districts (Kavre, Chitwan, Palpa and Dang) suggests that neonatal mortality has fallen to 17 deaths per 1,000 live births compared to the national average of 33 and the IMR to 24 deaths per 1,000 live births (UNICEF 2009). Neonatal health has also been made an integral part of Safe Motherhood Programme, and provisions have been made to deliver appropriate neonatal care through all health facilities where basic and/or comprehensive emergency obstetric care (BEOC/CEOC) services for pregnant women are available.

The NIP, including vaccination against measles, is a high-priority government programme, and covers the entire country free of cost. It delivers services through routine and supplemental immunization programmes. Following the National Measles Campaign in 2005, both measles-like outbreaks and laboratory-confirmed measles cases have decreased significantly. The Multi-Year Plan for Immunization (2007–2011) outlines activities aimed at achieving measles elimination by 2011. To sustain achievements made so far, the government conducted a national measles follow-up campaign in 2008.

As outlined in the Nepal Health Sector Programme Implementation Plan (NHSP-IP 2004-2009), 75 per cent of health facilities are expected to provide prioritized elements of essential health care services (family planning, safe motherhood and neonatal health; child health; communicable diseases control; and out-patient care) in 2009. The government has also introduced a free health care policy, targeting the poor and marginalized; this is expected to raise the demand for health services.

Budget allocations to the health sector in general and the child health sector in particular are increasing, with a larger proportion coming from the international development partners. The government has adopted a sector-wide approach (SWAp) to funding and programming. Altogether 12 development partners are participating in the SWAp. In addition, funding outside the government budget for technical assistance and cooperation has grown in recent years.

Nepal has made landmark progress in relation to child survival. In recognition of this, it received an award at the International Partners' Forum held in Hanoi in November 2009. The Ministry of Health and Population (MOHP) has also been awarded by the Global Alliance for Vaccine and Immunization (GAVI).

Challenges

Neonatal mortality is a serious concern in Nepal, accounting for 69 per cent of IMR and 54 per cent of U5MR in 2006 (DOHS 2008). The present pace of reduction in the IMR and U5MR cannot be sustained unless reduction in the neonatal mortality rate is accelerated. The most common causes of neonatal deaths are infection, birth injury and birth asphyxia (MOHP *et al*. 2007).

Once a child has survived the neonatal period, it is likely to encounter a range of new threats to its survival. In Nepal, as elsewhere across the world, diarrhoea, acute respiratory infection and measles are responsible for many under-five deaths. Substantial progress has been achieved in the control of these diseases among Nepalese children since the CB-IMCI programme was expanded to the community level; nonetheless, the incidence of diarrhoea increased during 2007/08 (DOHS 2008).

The contribution of immunization has been significant in reducing child deaths in Nepal. However, it appears that the government has not been able to sustain the coverage levels it achieved in 2006. One of the reasons that coverage might seem to be declining is that population targets are higher than the actual

population size of the area being covered. However, there may also be real declines, as many of the posts for health workers who deliver immunization services at the local level are vacant and this could contribute to deterioration in immunization services. Furthermore, field allowances given to health workers as an incentive are inadequate; this adversely affects the level of their mobility.

Although immunization services are mainly provided through government facilities, many private-sector and NGO clinics also provide immunization services. However, only 68 per cent of these non-government facilities reported on immunization in 2007/08 to Health Management Information System (HMIS) (DOHS 2008).

Malnutrition is a common underlying cause of child mortality: 2006 data indicate that 38.6 per cent of under-five children in Nepal are underweight (MOHP *et al*. 2007). The Nepal Family Health Programme (NFHP) reports a reduction in the proportion of children underweight from 43 per cent to 40 per cent in the last three years in rural Nepal (NFHP 2010); however, it also observed a significant rise in the proportion of children having inadequate nutrition, with the proportion of wasted children rising by 17 per cent. These data indicate that achieving the MDG target of a 50 per cent reduction in the prevalence of underweight under-fives by 2015 is unlikely, if prevailing trends persist.

Although the budget for child health has risen in recent years, little effort has been made to mobilize local resources such as block grants provided by the government through the Ministry of Local Development and resources generated by the local bodies for child health. In fact, spending by local bodies on basic health has been minimal and not guided by health indicators.

Recommendations

Although reduction in IMR and U5MR at the national level is encouraging, there are significant regional and rural–urban disparities. Therefore, it is necessary to identify which populations are most affected and map out where they reside. After identification of these populations, targeted health interventions are required.

The CB-NCP has been designed to reduce neonatal mortality, but it is a costly intervention and expansion has consequently been slow. However, community-based programmes for newborn care need to be scaled up nationwide. As the introduction of the CB-NCP creates increased demand for newborn care services, service delivery sites at health facilities need to be strengthened.

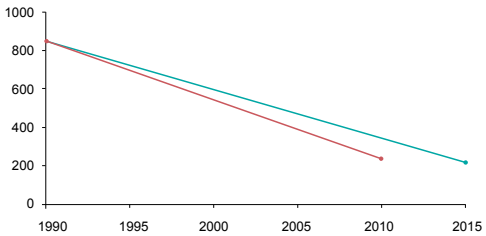
To meet shortages of health workers at the local level, they need to be recruited locally on multi-year contracts or services need to be contracted out to the private sector.

In order to improve the accuracy of data on immunization coverage, figures need to be recalculated using revised population sizes for local areas. Furthermore, monitoring and supervision of data-reporting for the HMIS needs to be strengthened, with strong leadership and accountability at all levels, in order to obtain data from 100 per cent of non-government facilities.

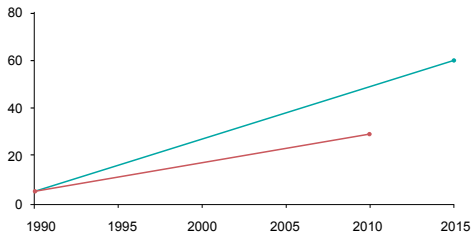
The nutrition component suggested for achievement of MDG 1 Target C should be strengthened to address the problem of malnutrition.

Efforts need to be made to mobilize local resources—for instance, block grants provided to local bodies as well as other resources generated at the local level—with guidelines and directives for allocating funds towards achieving the target for reducing child mortality.

Maternal mortality ratio (MMR)



Percentage of births attended by skill birth attendant



Progress upto 2010 — Target by 2015

GOAL 5 IMPROVE MATERNAL HEALTH

TARGET 5.A

Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio

INDICATORS	1990	2000	2005	2010	2015 TARGET
Maternal mortality ratio (MMR)	850[a]	415[b]	281[c]	229[d]	213
Percentage of births attended by skilled birth attendant	7[e]	11[f]	18.7[c]	28.8[g]	60

Source: a UNDP 1992 (1988 data).
b NPC 2002.
c MOHP *et al.* 2007 (2006 data).
d FHD 2009 (2009 data).
e NFFS 1991.
f NPC/UNCT 2005.
g NFHP 2010 (2009 data).

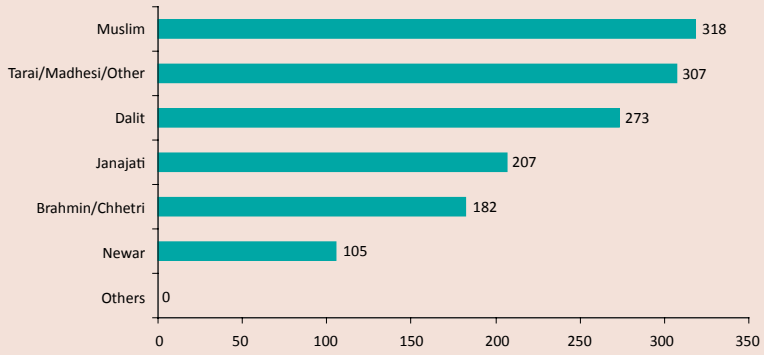
Status and Trends

The 2006 data showed that the maternal mortality ratio (MMR) was 281 deaths per 100,000 live births. This represented a decrease of 32 per cent over the 2000 figure that stood at 415. A recent survey of eight districts estimated the MMR to be 229 deaths per 100,000 live births (FHD 2009). This figure is currently used as a proxy for the national figure, and helps to infer a significant progress towards the MMR target. Over 90 per cent of all maternal deaths in these eight districts were related to pregnancy complications.

The MMR was found to vary considerably by age, with the lowest risk amongst women in their twenties, an increased risk for those aged under 20 and 30–34 years, and a significantly increased risk for those aged over 35 years (FHD 2009).

There was also significant variation by caste/ethnicity (Figure 5.1). Muslim, Tarai/Madhesi and Dalit groups do poorly, with an MMR ranging between 273 and 318, which is above the MDG target, while Janajati groups, Brahmin/Chhetri and Newar do far better, with an MMR between 105 and 207 (FHD 2009).

FIGURE 5.1: MMR by caste/ethnic identity



Source: FHD 2009.

Nepal has made good progress in improving the availability of skilled birth attendants (doctor, nurse or midwife) for assisting at delivery; this has been attributed as one of the main interventions responsible for reducing maternal mortality. The mid-term survey conducted for the Nepal Family Health Programme (NFHP) II in 2009 shows the proportion of births assisted by a skilled birth attendant (SBA) to have reached 28.8 per cent in rural areas (NFHP 2010)—higher than the national average of 19 per cent in 2005.

Supportive Environment

Since its initiation in 1997, the Safe Motherhood Programme has made significant progress in terms of development of policies and protocols as well as expansion in the role and skills of service providers. The National Safe Motherhood Plan (2002–2017) sets a target of reducing MMR to 134 per 100,000 live births by 2017. The Safe Motherhood and Neonatal Health Long-Term Plan (2006–2017) includes recognition of the importance of addressing neonatal health as an integral part of safe motherhood and initiating equity and access efforts to ensure that the most needy women can access the services they need.

A policy on skilled birth attendance was endorsed in 2006 and specifically identifies the importance of skilled birth attendance at every birth, and embodies the government's commitment to training and deploying doctors and nurses/midwives with required skills across the country.

Several development partners are supporting the Safe Motherhood Programme in improving infrastructure through the expansion of delivery sites. CEOC service sites are now available at 76 sites in 35 districts and BEOC services are available at 90 sites (45 hospitals and 45 Primary Health Care Centres (PHCCs)). Some seven per cent of PHCCs, 45 per cent of health posts and two per cent of sub health posts are providing 24-hour delivery services. All 75 districts have 24-hour delivery service.

To increase demand for and improve access to maternity services, the Safe Delivery Incentives Programme has been in operation since 2005. Women who deliver in a health facility receive a payment to offset their travel costs—NRs 1,500 in the Mountains, NRs 1,000 in the Hills and NRs 500 in the Tarai—and health workers are provided with a cash incentive of NRs 300 per delivery to attend home deliveries where women do not deliver in a health facility. The government has also implemented the Aama Suraksha (Mothers' Safety) Programme and birth preparedness package in all 75 districts to encourage institutional delivery. This programme combines free delivery services at any public health facility and a number of private facilities with the Safe Delivery Incentives Programme.

Challenges

The three delays—in seeking, reaching and receiving care—are an important cause of poor maternal health status in Nepal. Some 40 per cent of deaths occur at home, 14 per cent in transit to a health facility, and 41 per cent in a health facility (FHD 2009). Many of these deaths are the result of delay, as women with complications often arrive at a health facility in a critical condition. Poor referral networks have been identified as a key weakness, with women being referred too late to an appropriate facility and being further delayed by lack of transport and poor communication between facilities. A complete referral system is needed, with all levels, from community to CEOC site, functioning as part of a whole. This should be a priority for any strategy to further improve maternal health outcomes in Nepal.

The vast majority (73 per cent) of births still take place at home in Nepal, with 55.7 per cent of women being assisted by traditional birth attendants and relatives (NFHP 2010). Pregnant women need to be encouraged to deliver in a health facility with skilled care.

Lack of availability of staff is identified as an important challenge, particularly in remote districts. Other key issues included unfilled sanctioned posts, frequent transfer of staff, staff on leave, deputation, training, and high patient load. A shortfall in the actual number of gynaecologists/obstetricians, staff nurses and health assistants in facilities compared with the number of sanctioned posts was another problem (FHD 2009). Mountain and Hill districts were the worst, with no obstetricians/gynaecologists, general practitioners or anaesthesiologists. PHCCs were short of staff nurses, health assistants and auxiliary health workers. In many cases, there were insufficient numbers of key frontline health workers for 24-hour services.

Disaggregated data on key factors related to maternal mortality show wide disparity in access to maternity care services by caste/ethnicity and economic status, with marginalized and poor women less likely than others to be receiving antenatal care (ANC) from an SBA, to be opting for hospital delivery, or being delivered by an SBA.

The foremost challenge is the financial situation of patients and their families. Well-to-do people immediately take women for treatment. Poor people have to think long and hard before deciding to take them for treatment. It is not surprising to find that women (84 per cent) in the highest wealth quintile were more likely to receive ANC from an SBA than women in the lowest wealth quintile (18 per cent), and 55 per cent of women in the highest wealth quintile delivered at a health facility compared to only four per cent of women in the lowest wealth quintile (MOHP *et al.* 2007).

Recommendations

To reduce deaths caused by the three delays, community-based health facilities need to be provided with adequate infrastructure, equipment and personnel to expand 24-hour delivery services. At the same time, BEOC/CEOC sites need to be expanded and strengthened. Posts for Auxiliary Nurse Midwives need to be created for health facilities in Hill and Mountain districts to address the insufficient number of SBAs. Female Community Health Volunteers should be trained, enabling them to give birth preparedness counselling, refer women for ANC, and deliver iron folate supplements and misoprostol to women who decide to deliver at home.

Awareness activities need to be launched to create a demand from pregnant women, particularly the poor and marginalized, for services such as ANC visits, contraception, skilled birth attendance, the Safe Delivery Incentives Programme, and delivery in a health facility. At the moment, outreach clinics and PHCCs are not sufficiently active; they need to be strengthened and reactivated in order

to undertake tracking of pregnant women as well as improved counselling.

The Safe Motherhood Remote Area Guidelines, designed by the Family Health Division, envisage the provision of community-based services where skilled birth attendance is not currently available. These need to be implemented as quickly as possible. The guidelines aim in particular to prevent postpartum haemorrhage in deliveries that are not attended by SBAs. In addition, the community-based strategy in which Female Community Health Volunteers provide counselling to prepare for safe delivery, including the use of misoprostol to prevent postpartum haemorrhage, needs to be implemented.

In an effort to mitigate the problem of non-availability of maternal care specialists, and also end the unwillingness of staff to work at CEOC sites in rural areas, certain services may be contracted out to the private sector. In addition, the recruitment of local midwives, staff nurses and others should be encouraged.

TARGET 5.B

Achieve, by 2015, universal access to reproductive health

INDICATORS	1990	2000[b]	2005[c]	2010	2015 TARGET
Contraceptive prevalence rate	24[a]	39	44.2	45[d]	67
Adolescent birth rate	n/a	n/a	n/a	n/a	–
Antenatal care coverage:					
At least one visit	n/a	48.5	73.7	89.9[e]	100
At least four visits	n/a	14	29	50.2[e]	
Unmet need for family planning	n/a	26.5	24.6	26.3[d]	–

Source: a MOH 1992.
b FHD 2002.
c MOHP *et al.* 2007.
d NFHP 2010.
e DOHS 2009.

Status and Trends

Contraceptive prevalence rate (CPR) has shown little improvement in recent years. It is currently estimated to be 45 per cent, up just less than one percentage point since 2005 (NFHP 2010).

Adolescent pregnancy and motherhood is a major social and health issue in Nepal. Figures for 2006 indicate that 19 per cent of women aged 15–19 years had already given birth or were pregnant with their first child (MOHP *et al.* 2007). The percentage of adolescents who had begun childbearing increased rapidly with age, from one per cent for girls aged 15 years to 41 per cent for women aged 19 years. Although the proportion was lower in urban areas than in rural areas, the difference was not large. Adolescent childbearing was lowest in the Hills (17 per cent) and highest in the Mountains (20 per cent) (MOHP *et al.* 2007).

The provision of ANC is progressing. Of pregnant women, 73.7 per cent made at least one ANC visit to an SBA (MOHP *et al.* 2007) which has reached to 89.9 per cent in 2009 (DOHS 2009). Of women who made at least one ANC visit, 50.2 per cent made at least four ANC visits (DOHS 2009). This was an increase of 21 percentage points over the previous year.

Comparison of data on the CPR (for modern methods only) from the NDHS 2006 and the DOHS Annual Report 2007/08 indicate that the met need for family planning services has increased, narrowing the gap for unmet need.

Supportive Environment

The government has a declared policy on running the family planning programme according to the concept of a managed family. To this effect, it prioritizes raising of the CPR, with an emphasis on promoting temporary methods of contraception aimed at reducing the share of permanent sterilization in overall family planning methods.

There is also a National Adolescent Health and Development Strategy to guide the government and its partner agencies in improving access, coverage and quality of the overall adolescent health and development programme. In 2005, a country profile on adolescent health recommended the need for strengthening the implementation of the strategy within the health sector (MOHP 2005). The Ministry of Health and Population is committed to taking the lead in this endeavour and has already started implementing a number of adolescent health activities.

The Safe Motherhood Programme, among others, includes provision for ANC services, enabling prevention of adverse pregnancy outcomes when it is sought early in pregnancy and is continued through to delivery. As per the WHO, the programme recommends that a woman without complications has at least four ANC visits for adequate care.

Nepal's family planning programme is directed toward reaching couples with an unmet need and reducing the proportion of women who expressed no demand through information and awareness activities.

Challenges

Little improvement has been made in raising the CPR in recent years, mainly as a result of high levels of migration that separate couples. According to a recent survey of 40 rural districts, the use of contraceptives among separated couples is as low as 23 per cent (NFHP 2010).

Adolescent health is not treated as a priority in Nepal. The weak implementation of the National Adolescent Health and Development Strategy and the lack of standards or guidelines on adolescent and youth-friendly services substantiate this fact.

Although women making ANC visits to an SBA during pregnancy shows an improving trend, it still is below the desired level. Furthermore, wide disparities in accessing ANC services by caste/ethnic groups and by wealth quintile have been observed.

Although the met need for family planning services has increased, narrowing the gap for unmet need, it is still considered to be

too high. The unmet need for family planning services is estimated to be 26.3 per cent in rural areas (NFHP 2010). However, it is over 50 per cent for couples who are temporarily separated owing to migration, and 15.2 per cent among couples living together. This is an important target population for family planning services—providing couples with the family planning methods of their choice before they are reunited.

Recommendations

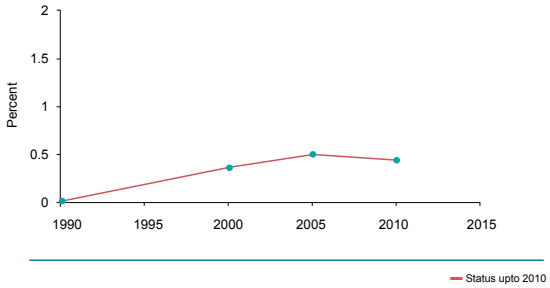
The family planning programme is closely associated with a reduction in fertility. It assists individuals and couples to space and/or limit the births of their children, prevent unwanted pregnancies, and improve their overall reproductive health. Accordingly, the family planning programme places emphasis on promoting temporary methods of contraception to reduce the share of permanent sterilization in all methods used for family planning. However, the expected number of voluntary surgical contraception (VSC) cases needs to be increased in order to meet the unmet demand of those who desire to limit further births. In addition, counselling services for family planning need to be provided to potential clients by service providers so that people are able to make an informed choice regarding an appropriate method of family planning.

To achieve universal access to reproductive health by 2015, the number of women attending ANC visits with an SBA four or more times during pregnancy needs scaling up, by particularly targeting disparities in access to services.

Adolescent pregnancy is associated with early marriage and early pregnancy. An important way to influence early childbearing is to curtail early marriage. The government has enacted legal provision that prohibits the marriage of girls aged less than 18 years. However, this provision is yet to be strongly enforced.

Furthermore, adolescent-friendly services should be provided by the public health sector and NGOs. It is essential that adolescents are provided with knowledge and information on sexual and reproductive health in order to achieve behavioural changes associated with responsible parenthood. This requires the Ministry of Education to introduce adolescent health into the school curricula as per the National Adolescent Health and Development Strategy. The Ministry of Health and Population should take the lead in implementing this strategy, actively involving relevant government line agencies and NGOs. In addition, it needs to formulate a strategy to mainstream adolescent health and development issues into the broader health sector.

HIV prevalence among population aged 15–49 years



GOAL 6 COMBAT HIV/AIDS, MALARIA AND OTHER DISEASES

TARGET 6.A

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

TARGET 6.B

Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it

INDICATOR	1990	2000	2005	2010	2015 TARGET
HIV prevalence among population aged 15–49 years[1] (%)	n/a	0.29[a]	0.5[b]	0.49[c]	–
Condom use at last high-risk sex (%)	n/a	n/a	n/a	n/a	–
Proportion of population aged 15–24 years with comprehensive correct knowledge of HIV/AIDS	n/a	n/a	n/a	n/a	–
Ratio of school attendance of orphans to school attendance of non-orphans aged 10–14 years	n/a	n/a	n/a	n/a	–
Proportion of population with advanced HIV infection with access to antiretroviral drugs	n/a	n/a	n/a	21[c]	–

Source: a NPC/UNCT 2005.
b HSCB/NCASC 2007 (2007 data).
c NCASC 2009.

Status and Trends

The first human immunodeficiency virus (HIV) case in Nepal was reported in 1988. Since then, the epidemic has moved from 'low epidemic status' to 'concentrated epidemic', meaning that HIV infection has high prevalence (more than five per cent) in vulnerable sub-populations but low prevalence (less than one per cent) in the general population.

The latest national estimation of HIV infection made in 2007 (Table 6.1) shows that the HIV epidemic in Nepal appears to be stabilizing, with an HIV prevalence rate of 0.49 per cent in 2007 (HSCB/NCASC 2007). However, estimates of HIV infections of 2009 show that the prevalence has further gone down to 0.39 (NCASC 2010).

TABLE 6.1: HIV prevalence for various risk groups

Risk groups	2003	2005	2007
Adult population (15–49 years) (%)	0.52	0.50	0.49
Injecting drug users (IDUs) (%)	38.4	32.71	23.02
Clients of female sex workers (%)	2.1	2.06	1.36
Female sex workers (%)	4.2	3.76	1.45
Men who have sex with men (MSM) (%)	0.8	1.96	1.71

Source: HSCB/NCASC 2007.

1 . Nepal uses the 15-49 years age group rather than the 15-24 years age group as stated in the Official List of MDG indicators.

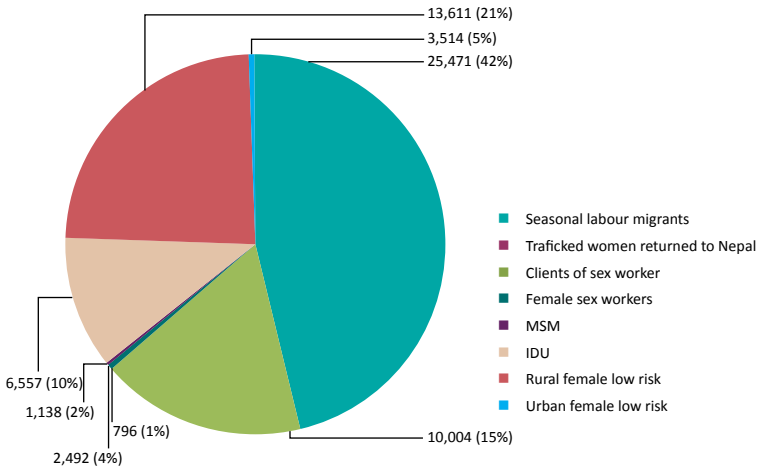
TABLE 6.2: Estimated number of PLHIV by age groups

Population by age group	Estimated infections
Children (0–14 years)	1,875
Adults (15–49 years)	64,585
Adults (50 years and above)	3,348
Total	69,808

Source: HSCB/NCASC 2007.

Estimates in 2007 indicate that 69,808 people are living with HIV (PLHIV) in Nepal (Table 6.2). Of these, 19,061 are women aged 15 years and above; this represents about 30 per cent of all adult infection, and is a rise from 21.8 per cent in 2005 (HSCB/NCASC 2007).

FIGURE 6.1: Distribution of HIV infections by population group (15–49 years)



Source: HSCB/NCASC 2007.

Across the various population groups, male labour migrants constitute 42 per cent of all infections. This is followed by urban and rural low-risk females who are likely to be the wives of labour migrants (26 per cent), clients of sex workers (15 per cent), injecting drug users (IDUs) (10 per cent), and men who have sex with men (MSM) (four per cent) (Figure 6.1) (HSCB/NCASC 2007).

TABLE 6.3: Reported use of a condom with their last client for FSWs and MSWs (per cent)

Categories	2003	2004	2005	2006	2007	2008	2009
FSWs in 22 Tarai districts (%)	53.0	–	–	66.3	–	–	84.8
FSWs in Kathmandu (%)	–	74.0	–	77.0	–	75.0	–
FSWs in Pokhara (%)	–	64.5	–	75.0	–	64.5	–
MSWs in Kathmandu (%)	–	66.7	–	–	93.1	–	86.9

Source: NCASC et al. 2007; 2008; 2009.

Overall, the trend of HIV infection in adults aged 15–49 years seems to be declining from 70,000 in 2005 to 64,585 in 2007 (Figure 6.2).

The HIV epidemic in Nepal is largely driven by unsafe sexual behaviour which could be mitigated through condom use, as it is a mainstay in preventing HIV infection. Integrated bio-behavioural surveys (IBBS) indicate an increasing trend in condom use in some populations and sites. Over the years, the reported use of a condom with the last client/partner has improved for female sex workers (FSWs), male sex workers (MSWs) and MSM (Table 6.3) (NCASC *et al.* 2007; 2008; 2009).

Condom use by labour migrants with FSWs in Nepal and India is variable and disappointingly low. In 2008, a total of 44.4 per cent of labour migrants from the Western Development Region used a condom with FSWs in Nepal and 11.4 per cent used one with FSWs in India (NCASC *et al.* 2008). In 2006, 61.5 per cent used one with FSWs in Nepal and 11.3 per cent used one with FSWs in India. For labour migrants from the Mid- and Far Western Development Regions, in 2008, 8.7 per cent used one with FSWs in Nepal and 16.7 per cent used one with FSWs in India. This compares to 2006 figures of 27.6 per cent with FSWs in Nepal and 11.3 per cent with FSWs in India (NCASC *et al.* 2008).

Consistent condom use with FSWs by IDUs between 2003 and 2009 decreased in Kathmandu but increased in Pokhara and much of the Tarai (NCASC *et al.* 2009).

Prevention programmes focusing on knowledge enhancement continue to be a major pillar of the government's HIV/AIDS strategy. The NDHS 2006 showed that knowledge of HIV/AIDS has been increasing over the years, with 69 per cent of married women and 87 per cent of men having correct knowledge (Table 6.4) (MOHP *et al.* 2007).

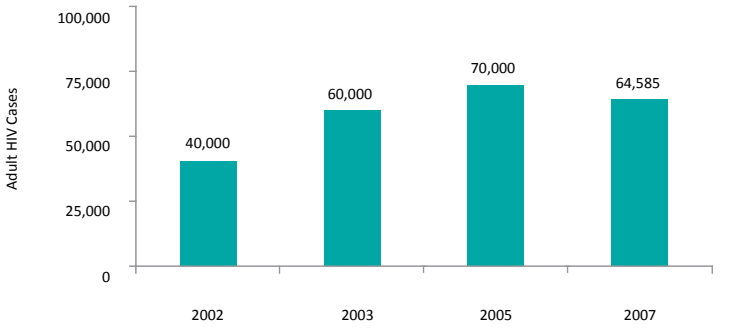
Provision of anti-retroviral treatment (ART) is an essential requirement for controlling the epidemic as well as for addressing the human-rights-based approach to caring and supporting HIV-infected individuals. A total of 3,423 individuals or 22.7 per cent of reported cases were receiving ART in November 2009 (Figure 6.3) (NCASC 2009).

These achievements and data in Figure 6.2 indicate that progress has been made in HIV and AIDS prevention and provide grounds, therefore, to believe that Nepal is likely to achieve its MDG targets on HIV and AIDS.

Supportive Environment

In 1995, the Government of Nepal, in consultation with stakeholders, developed a national policy on the control of HIV and AIDS. This was followed by the development of the First National HIV/AIDS Strategy (2002–2006) and the Second National HIV and AIDS Strategy (2006–2011). The latest strategy emphasizes the importance of the continuum and expansion of services from prevention to treatment, care and support. It also defines most-at-risk populations (MARPs) (IDUs, MSM, MSWs, FSWs, migrants and their spouses, etc.) and at-risk populations (ARPs) (youths, uniformed services, street children, trafficked girls, prison population, etc.).

FIGURE 6.2: Trend of adult (15-49 years) HIV infection



Source: HSCB/NCASC 2007.

The government has prioritized programmes on HIV and AIDS within the national plan and the NHSP-IP. In 2008, a national HIV/AIDS operational plan (2008–2010) for monitoring and evaluation was implemented.

TABLE 6.4: Correct knowledge of HIV/AIDS

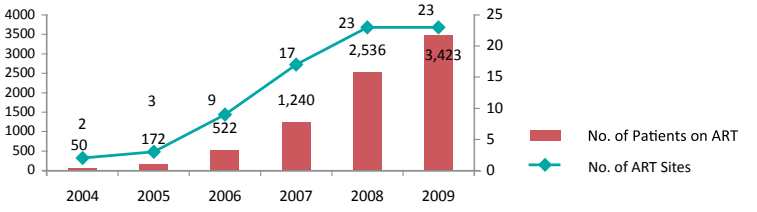
Gender	1996	2003	2006
Ever-married women (15–49 years) (%)	27	50	69
Ever-married Men (15–59 years) (%)	n/a	72	87

Source: MOHP *et al.* 2007.

The principle of the 'three ones', prescribed by UNAIDS, has been accomplished by developing and implementing: (i) a national HIV/AIDS action framework—the national HIV/AIDS strategy; (ii) a semi-autonomous entity—the HIV/AIDS and STI Control Board (HSCB); and (iii) a national monitoring and evaluation guideline.

HIV/AIDS has now been recognized as a developmental issue and the national strategy

FIGURE 6.3: Number of ART service sites and recipients



Source: NCASC 2009.

strongly recommends a multi-sectoral approach in responding to it. In this context, some initiatives have taken place but more still needs to be done. A multi-sectoral line ministries' coordinating body has been formed for seven ministries, chaired by the government's Chief Secretary. Another multi-sectoral committee has been formed under the HSCB with representation from eight line ministries and the NPC.

The national programme initiated ART services in 2004 from one centre, the Tropical and Infectious Diseases Hospital in Kathmandu. There are now 23 centres in 19 districts providing free-of-cost ART (NCASC 2009). Of these, two are run by the private sector and the remainder are within the government health service.

The expansion of ART services has created an enabling environment and had a tremendous impact on the HIV epidemic in Nepal by demonstrating that HIV is no longer a 'death sentence'. To support ART expansion, 13 CD4 testing service sites have been established, four with Fluorescence-Activated Cells Sorting (FACS) Calibur. A viral load machine has been installed at the National Public Health Laboratory in Kathmandu for paediatric use initially but with plans for expanded use in the future.

Challenges

The national policy lacks guidance on issues such as the concentrated epidemic, targeted interventions, greater involvement of people with AIDS (GIPA), the latest institutional arrangements, care, support and treatment. Furthermore, national coordinating bodies, e.g., National AIDS Council (NAC) and National AIDS Coordination Committee (NACC), have remained largely passive owing to structural limitations and lack of clear policy and defined roles. The role of the HSCB and its relationship with other coordinating bodies is also unclear. There is also a lack of internalization of the HIV and AIDS issue by other sectors as well as a lack of coordination between sectors.

The sector is heavily reliant on external funding. The National AIDS Spending Assessment (NASA) conducted in 2007 showed that Nepal received US$ 22.7 million and spent US$ 17.7 million. Bilateral development partners contributed 68 per cent, multilateral agencies contributed 25 per cent, INGOs contributed four per cent, and the government contributed three per cent.

The National HIV and AIDS Action Plan (2008–2011) estimates that US$ 128 million is required for the three-year plan period. So far, only 45.3 per cent of the total has been pledged by the government and development partners. Although the national strategy has clearly mandated the development of public–private partnerships, a supportive policy is required for creating an enabling environment.

Migration threatens to spread the HIV epidemic. Tarai districts are often the source and transit sites for movement of people, and therefore, there is a need to expand the programme further in this region.

The importance of integrating HIV-related services into existing health facilities and strengthening referral mechanisms has been stressed in the strategic plan; however, this is yet to be implemented.

Feminization of the epidemic is becoming a threat. Women, especially in rural areas, need to be protected from HIV infection through expanded knowledge and wider access to treatment.

Recommendations

The existing national HIV/AIDS policy needs to be revised to address emerging issues such as ART, prevention of mother-to-child

transmission (PMTCT), GIPA, stigma and discrimination, public–private partnerships, etc. High-level institutional arrangements (i.e., the NAC and NACC) need to be revitalized so that high-level commitments are translated into meaningful action. The HSCB, which has been established as the single coordinating authority, should play a pivotal role in improving multi-sectoral engagement, decentralization and donor coordination, and in developing efficient mechanisms for channelling resources.

For that purpose, greater decision-making authority needs to be delegated to both the HSCB and NCASC. At the district level, there is a need for strengthening District AIDS Coordination Committees (DACCs) so that they can effectively coordinate district-level responses. Targeted interventions such as programmes on prevention, care and support and access to treatment programmes should take a multi-sectoral approach.

Services for high-risk groups, migrants and hard-to-reach populations are mostly provided through NGOs and community-based organizations. The role of these bodies needs to be expanded in coordination with government line agencies and other stakeholders. As current programmes are mostly supported by external funding, this may not be sustainable in the long run. Access to HIV-related services should be expanded through integration into the public health system alongside reproductive, safe motherhood, directly observed treatment short course (DOTS), and primary health care services. Some mobile voluntary counselling and testing (VCT) services have been successful in reaching isolated communities in rural areas. This experience needs to be analysed and replicated. With expansion of diagnosis and treatment of HIV, existing health services need to be strengthened. Public–private partnerships could be mobilized for this purpose.

The HIV prevention programme needs to reach the migrant population at source, transit and destination sites. This should be achieved through scaling up of the national programme as well as through regional collaboration.

The programme should address and prevent feminization of the epidemic, by expanding the knowledge-enhancement programme to rural areas through mobilization of civil society organizations. Condom promotion needs to be improved and female condom provision needs to be promoted in order to empower female sex partners in safe-sex negotiations.

TARGET 6.C

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

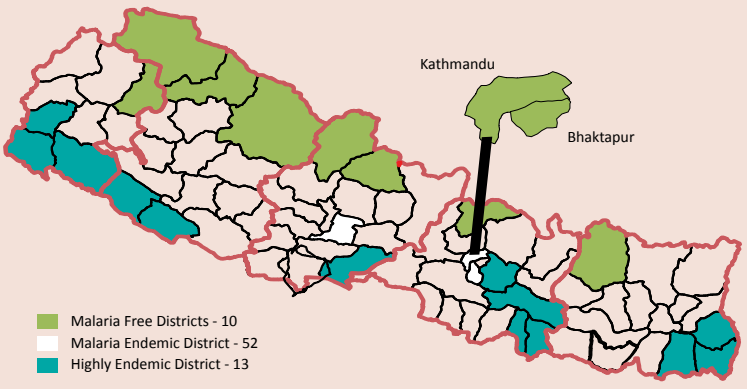
INDICATOR	1990	2000	2005	2010	2015 TARGET
Prevalence rate associated with malaria [a]	1.96	0.79	0.27	0.16[a.1]	–
Death rates associated with malaria (number of cases per 100,000 people at risk) [a]	n/a	n/a	0.05	0.04 [a.1]	
Proportion of children under five sleeping under insecticide-treated bednets [b]	n/a	n/a	48.2[b.1]	96.7 [b.2]	–
Proportion of children under five with fever who are treated with appropriate anti-malarial drugs [a]	n/a	n/a	3.23	2.85 [a.1]	–
Prevalence rate associated with tuberculosis [c]	460	310	280	n/a	–
Death rates associated with tuberculosis [c]	43	23	n/a	n/a	–
Proportion of tuberculosis cases detected [c]	n/a	69	71	n/a	–
Proportion of tuberculosis cases detected and cured under DOTS[c]	n/a	89	88	n/a	–

Source: a EDCD 2010 (a.1: 2009 data).
b PSI 2009 (b.1: 2006 data and b.2: 2009 data).
c NTC 2008.

Status and Trends

The data presented above indicate a consistent decrease in the prevalence of malaria and although data are available for only 2005 and 2009, the death rates associated with malaria are also decreasing. Data on the proportion of children under five sleeping under insecticide-treated bednets also indicate an improvement in the situation. These achievements can be attributed to the malaria control activities being implemented in the country.

FIGURE 6.4: Malaria-endemic districts



Source: EDCD 2007; DOHS 2008.

At present, malaria control activities are carried out in 65 districts: 13 districts are categorized as highly endemic and 52 districts are categorized as endemic. There are 10 malaria-free districts (Figure 6.4).

The national malaria control programme in Nepal does not use the same indicators as the MDGs, instead using the Annual Blood Slide Examination Rate (ABER), the annual parasite incidence (API), the proportion of *P. falciparum*, and the clinical malaria incidence (CMI). The ABER for 2008 was 0.7 per cent, the API was 0.19 per 1,000 of population, the proportion of *P. falciparum* was 22.1 per cent, and the CMI was 5.7 per 1,000 of population (Table 6.5).

Blood slides are collected from fever cases residing in malarial areas, and the slide positivity rate (SPR) is calculated. The SPR has shown a declining trend since 1999, reaching 2.54 positive slides per 100 slides examined in 2008 (Figure 6.5).

The prevalence rate for malaria is also declining, with the API falling from 0.56 cases per 1,000 of the population in 1999 to 0.19 in 2008 (Figure 6.6).

Furthermore, confirmed malaria cases are also declining, with 3,888 cases being reported in 2008 (Figure 6.7). Between 1999 and 2008, the number of reported and confirmed malaria cases has halved (Figure 6.8).

The free distribution of long-lasting insecticide-treated nets (LLINs) was started in 2005 by the Epidemiology and Disease Control Division (EDCD) of the DOHS, covering the 13 high-risk districts. In 2008, a total of 192,784 LLINs were distributed (Table 6.6). From 2006, social-marketing was incorporated into the LLIN distribution strategy. However, owing to problems in implementation, this strategy was phased out in 2008 and only free distribution is continuing to date.

The distribution of LLINs to pregnant women is a targeted programme, conducted through ANC clinics in high-risk districts. There is currently a plan to distribute 36,440 LLINs to pregnant women. In addition, two rounds of selective indoor residual spraying (IRS) are carried each year in malarial areas of Nepal. In 2008, over 904,000 people were protected through IRS (DOHS 2008).

The trend in anti-malarial treatment has also been improving. In 2008, the number of treatments provided almost doubled over the previous year, reaching 111,215 from 67,691 in 2007 (EDCD 2007; DOHS 2008). This programme places an emphasis on strengthening the skills of health personnel at all levels of the health service for early diagnosis and prompt treatment, referral and management of severe and complicated malaria cases.

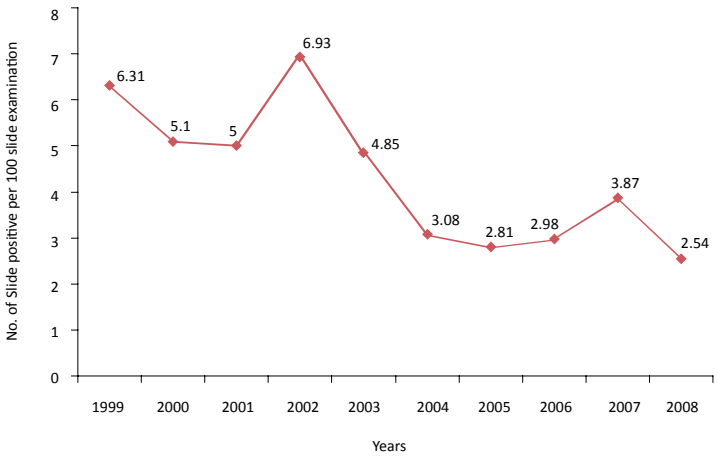
Tuberculosis has been identified as a major public health problem in Nepal. It is estimated that about 45 per cent of the total population is infected, of which 60 per cent are adults. Every year, 40,000 people develop active tuberculosis, of which 20,000 have infectious pulmonary tuberculosis and can potentially spread the infection.

Table 6.5: Indicators for malaria in Nepal

Categories	2005/06	2006/07	2007/08	2008/09
Annual blood slide examination rate (ABER)	0.9	0.7	0.8	0.7
Annual parasite incidence (API) per 1,000 of population	0.30	0.28	0.23	0.19
Proportion of *P. falciparum*	24.0	25.0	17.0	22.1
Clinical malaria incidence (CMI) per 1,000 of population	4.0	3.3	4.2	5.7

Source: EDCD 2007; DOHS 2008.

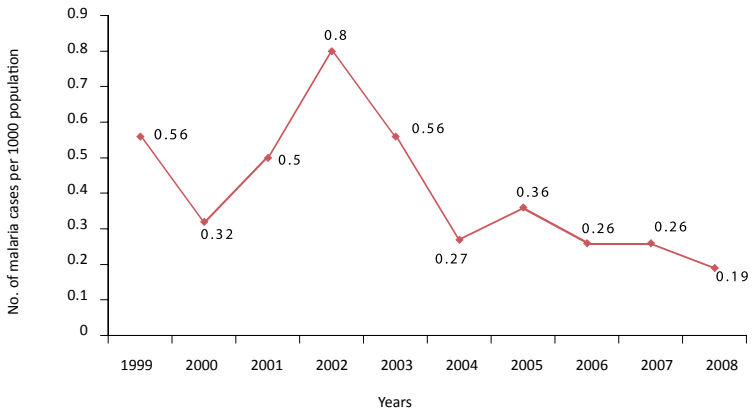
FIGURE 6.5: Slide positivity rate



Source: EDCD 2007; DOHS 2008.

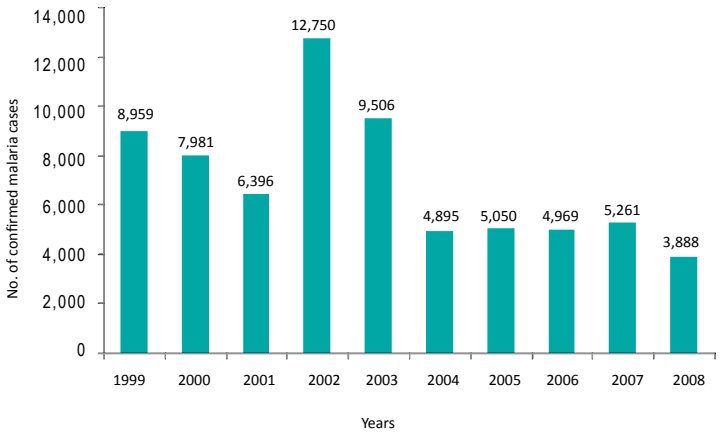
The WHO-defined targets of a 70 per cent case detection rate and an 85 per cent treatment success rate have been achieved through the establishment of strong partnerships with the private sector and community; in 2008/09, the case detection rate was 75 per cent and the treatment success rate was 89 per cent (Table 6.7). About 95 per cent of diagnosed cases are supervised by

FIGURE 6.6: Annual parasite incidence



Source: EDCD 2007; DOHS 2008.

FIGURE 6.7: Reported number of confirmed malaria cases



Source: EDCD 2007; DOHS 2008.

health workers, Female Community Health Volunteers and other community volunteers during treatment.

HIV/AIDS and tuberculosis co-infection has been emerging: the latest survey (2006/07) suggests that 2.4 per cent of newly registered tuberculosis cases are infected with HIV.

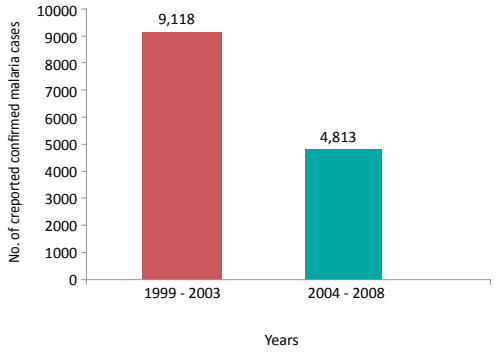
TABLE 6.6: Number of LLINs distributed

Category	2005	2006	2007	2008
LLINs	40,605	113,017	152,609	192,784

Source: EDCD 2007; DOHS 2008.

These achievements indicate that Nepal is likely to meet the targets for malaria and tuberculosis control, provided that achievements are consolidated and challenges are addressed.

FIGURE 6.8: Number of reported and confirmed malaria cases



Source: EDCD 2009.

Supportive Environment

The government has developed and implemented the National Malaria Control Strategic Plan (2007/08–2011/12). This plan focuses on four main strategies: early diagnosis and appropriate treatment; multiple prevention; epidemic preparedness; and behavioural change communication. In addition, the Vector-Borne Disease Research and Training Centre has been established to support the programme. Malaria treatment has been included in the country's essential health care package, further demonstrating the government's commitment to malaria control. Nepal has received funding from the Global Fund to support the programme.

Nepal has adopted the Stop TB Strategy to reduce the burden of tuberculosis in the country. The DOTS Plus Programme for the treatment of multi-drug resistant TB (MDR TB) was started in September 2005, with approval from the Green Light Committee of the WHO. The National Tuberculosis Programme (NTP) has carried out repeated surveys on drug resistance and the last survey showed that MDR TB in newly registered cases was almost constant at 2.9 per cent. This indicates the success of Nepal's DOTS programme. The Global Fund has been made available to the NTP through the fourth and seventh round of grants. The NTP successfully completed Phase I of Round 7 in mid-2008.

The NTP covers the whole country and is integrated within the national health system. It uses the DOTS strategy, with 1,079 DOTS centres and 3,147 sub-centres nationwide (NTC 2008).

The Norwegian Heart and Lung Association supports training, monitoring, evaluation and supervision activities. The SAARC TB and HIV/AIDS Centre (STAC) provides support for prevention and control of emerging HIV/TB co-infection.

Challenges

Seasonal and conflict-related migration within the country and across the border with India poses a serious challenge to Nepal's efforts on malaria control, as migrants tend to bring back infections along with drug-resistant cases. Although the strategic plan envisages public–private partnership, both private-sector and community involvement in the programme are weak. The late disbursement of financial resources during malaria outbreaks repeatedly constrains rapid response and treatment (RRT).

LLIN distribution is proving to be an effective tool in preventing malaria; however, not all recipients are using their LLIN optimally. There is also the issue of sustainability, as the programme is totally supported by development partners. At times, the IRS programme is weak, owing to lack of timely implementation.

Climate change may alter the behaviour, life cycle and geographical survival of mosquitoes, and hence the pattern of the malaria epidemic in Nepal may change.

The sustainability of the tuberculosis programme too is questionable as government financing is limited. In addition, there is a lack of human resources and expertise, especially in areas such as MDR TB treatment and HIV/TB co-infection. The programme also lacks sputum culture facilities at the regional level and a national reference laboratory. There are currently no formalized infection control measures, and collaboration between the HIV/AIDS and tuberculosis programmes is inadequate.

Recommendations

For malaria control, the issues of migration and drug resistance need to be addressed through vigilant monitoring and evaluation. The successes achieved so far by the malaria control programme should be consolidated and maintained by scaling up activities with broader community participation and meaningful public–private partnership. The community in rural areas needs to be continually educated on how to control mosquito breeding at the local level through large-scale public awareness programmes. The surveillance system needs to be strengthened so that authorities are able to respond promptly to malaria outbreaks and are able to diagnose and treat malaria quickly.

Distribution of LLINs needs to be further enhanced through behaviour change communication, and monitoring of use needs to be pursued more vigorously. To improve sustainability, LLIN distribution needs to be developed into a national programme supported from within the country. The IRS programme needs to be monitored regularly to improve its implementation and assess insecticide effectiveness.

TABLE 6.7: Case detection and treatment sucess rate of TB

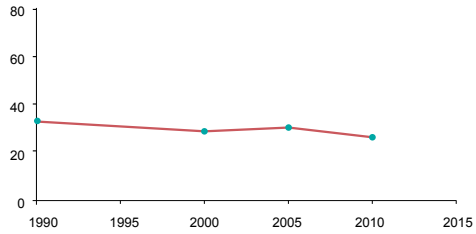
Activity	2005/06	2006/07	2007/08	2008/09
Case detection rate	65	70	71	75
Treatment success rate	88	89	88	89

Source: NTC 2008.

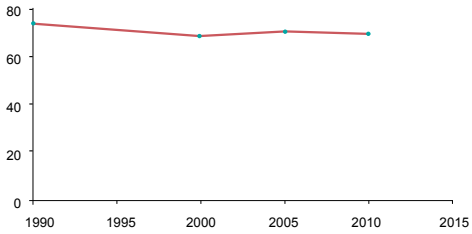
Mosquito behaviour needs to be monitored for possible changes in the epidemic pattern as a result of climate change through a focused and multicentric scientific study.

Within the tuberculosis programme, there should be increased government responsibility for funding and human resources development to improve sustainability. Establishment of laboratory services for sputum culture along with the establishment of a national reference laboratory are required. An infection control policy and guidelines need to be developed, with a focus on MDR TB. Issues of HIV/TB co-infection need to be addressed collaboratively by relevant institutions such as the NCASC and the National Tuberculosis Centre through an endorsed HIV/TB strategy plan.

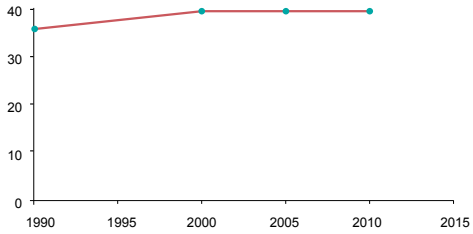
Energy use per unit of GDP (toe/mRs)



Proportion of people using wood as their main fuel



Proportion of land area covered by forest



Status upto 2010

GOAL 7 ENSURE ENVIRONMENTAL SUSTAINABILITY

TARGET 7.A

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

INDICATORS	1990	2000	2005	2010	2015 TARGET
CO_2 emissions per capita (tonnes)	n/a	n/a	0.2[a]	n/a	–
Consumption of all ozone-depleting substances (tonnes)[b]	25.0 [b.1]	99.2	0.88 [b.2]	n/a	–
Energy use per unit of GDP (toe/mRs[1])	34.8[c]	28.4[c]	29.6[c]	24.8[d]	–
Commercial energy use per unit of GDP (toe/mRs)	1.44[c]	3.91[c]	3.64[c]	3.7[d]	–
Proportion of people using wood as their main fuel	75[c]	67.74[c]	69.1[c]	68.4[g]	–
Proportion of people using LPG as their main fuel	n/a	7.67[e]	8.2[f]	12.3[g]	–

Source: a UNDP 2005.
b indexmundi.com/Nepal (b.1: 1991 data, b.2: 2004 data).
c NPC/UNCT 2005.
d MOF 2008a.
e CBS 2002.
f WECS 2006.
g CBS 2009 (2007 data).

Status and Trends

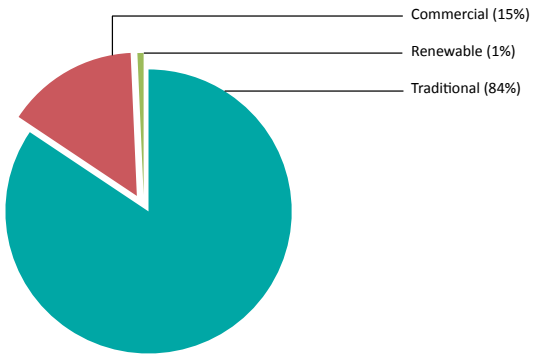
Nepal's contribution to global greenhouse gas (GHG) emissions is very low (1977.1 kg per capita) compared to the global average of 3.9 tonnes. Nepal's CO_2 emissions for 2002 were about 0.2 tonnes per capita (UNDP 2005). Nepal contributed 0.025 per cent of CO_2 to total global GHG emissions in 2002, and has no or little role in global warming (MOEST 2009). The compounded annual growth rate of CO_2 equivalent emissions is two per cent per annum which is the lowest among the developing countries.

Nepal's consumption of ozone-depleting substances was 0.88 tonnes in 2004; this was a substantial decrease from 25 tonnes in 1991 and 99.2 tonnes in 2000 (www.indexmundi.com). This might be the result of government's efforts to ban ozone-depleting substances.

The average increase in annual temperature between 1977 and 1994 was 0.06°C per year. Warming is more pronounced in higher altitudes such as the Middle Mountains and the Himalaya, while it is lower in the Tarai and Siwalik regions. Although emissions are projected to double between 2003 and 2012, Nepal's total per capita GHG emissions would still be lower than the current levels of emissions by India and China (Pokharel 2007).

1. toe/mRs = tonnes of oil equivalent per million Nepali Rupees.

FIGURE 7.1: Share of energy use in Nepal



Source: MOF 2008a.

Energy use per unit of gross domestic product (GDP) decreased from 34.8 toe/mRs in 1990 to 24.8 toe/mRs in 2007. The commercial energy component peaked at 3.91 toe/mRs in 2001 which has fallen steadily since then to a level of 3.7 toe/mRs by 2007 (NPC/UNCT 2005).

TABLE 7.1: Status of Alternative/Renewable Energy in Nepal

Programmes/Technologies	Unit	Progress/Achievement	Potential
Micro Hydro Power	KW	15,621	>100,000
Solar PV Home System	No.	221,152 (5MW)	4.5kWh/m2/day
Biogas Plants	No.	221,286	1900,000
Improved Water Mill	No.	7,239	30,000
Improved Cook Stoves	No.	415,649	>2500,000
Wind Power	KW	9.2	3000,000
Bio-fuel (Biodiesel-Jatrapha)	-	very low	1100,000 tons

Source: AEPC 2010.

Total energy consumption in Nepal was 7.16 million toe for 2007, including commercial energy (MOF 2008a). The trend in energy consumption has been almost constant since 1988, while there is an increasing trend in commercial energy consumption.

The share of energy in 2007 was as follows: traditional 84 per cent (wood 72 per cent, agricultural residue five per cent, and dung seven per cent), commercial 15 per cent (coal 2.4 per cent, petroleum 9.9 per cent, and electricity 2.7 per cent), and renewable energy less than one per cent (MOF 2008a) (Figure 7.1).

TABLE 7.2: CDM Programmes through RE technology in Nepal

Programme/technology	Capacity/CO2eq emission reduction/per year	Status
First Two Biogas Support Program	19396 plants/60,000 ton	Registered
Micro hydro	14.965 MW/40,800	Under Validation
Additional Biogas Support Program	40,602 Plants/80,000 ton	Under Validation
ICS, SHS, ISPS & IWM		Initial Phase

Source: AEPC 2010.

Of traditional energy consumption, two out of three households (68.4 per cent) use fuelwood for cooking purposes; this is followed by households using liquefied petroleum gas (LPG) (12.3 per cent), dung (10.7 per cent), leaves and straw (4.3 per cent), biogas (2.4 per cent), kerosene (1.4 per cent), and others (0.5 per cent) (CBS 2009). The figure shows that over the duration of more than a decade, there has been no change in reliance on fuelwood for household cooking purposes.

A large majority (75.1 per cent) of households in rural areas use fuelwood for household cooking, whereas in urban areas about one third of households (35.8 per cent) use fuelwood. LPG is the main source of fuel for cooking in urban areas (51.8 per cent). In the Mountains, 87.9 per cent use fuelwood for cooking, followed by 76.2 per cent in the Hills, and 58.3 per cent in the Tarai. Fuelwood is the main source of energy for cooking for 91.2 per cent of households in the Mid-Western Development Region following 90.7 per cent in the Far Western Development Region, 69.8 per cent in the Western Development Region, 68.1 per cent in the Eastern Development Region, and 53.3 per cent in the Central Development Region (Figure 7.2). These data indicate that fuelwood is still the dominant source of energy for households in Nepal.

Consumption of coal increased to 246,000 toe in 2000 compared to 67,000 toe in 1995, but decreased by 30 per cent to 172,000 toe in 2007 (MOF 2008a). Projections indicate that this value will remain constant over the coming years.

Theoretically, the hydropower potential of the country is estimated to be 83,000 MW, of which about 50 per cent is estimated to

be viable (Shrestha 1985). However, the installed capacity in the country is only 620 MW, which is about 0.75 per cent of the total estimated potential.

Although slow in pace, there has been a tendency towards increased use of electricity. A little more than half (56.1 per cent) of households now have access to electricity for lighting (CBS 2009). The vast majority (93.1 per cent) of households in urban areas use electricity for lighting compared to 48.5 per cent in rural areas (Figure 7.3), and almost all (99.7 per cent) households in the Kathmandu Valley have access to electricity (CBS 2009).

The status of alternative/renewable energy and CDM programme through renewable energy (RE) are presented in Table 7.1 and 7.2, respectively.

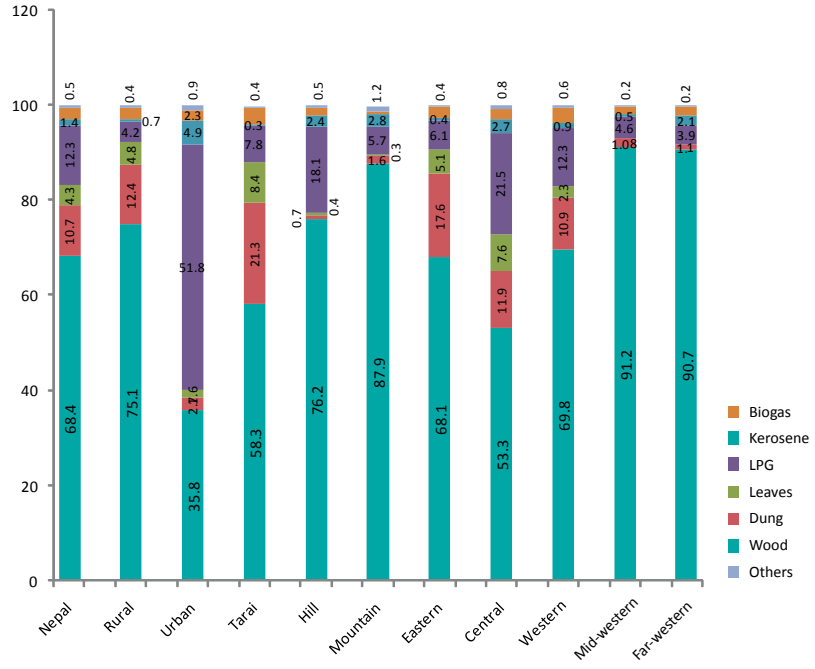
Supportive Environment

Rural people's access to modern sources of energy has improved over recent years through the expansion of grid-based and off-grid decentralized options, including both electricity and non-electricity technologies.

Promotion of alternative energy is a government priority, and renewable energy technology is given more attention in national plans and policies. The Tenth Plan focused on commercialization of alternative energy technologies. In the mean time, the government formulated the Rural Energy Policy 2006, which emphasized the promotion of alternative energy in coordination with local agencies including the private sector and NGOs. The Alternative Energy Promotion Centre (AEPC) has been established as the apex alternative energy agency and the Renewable Energy Perspective Plan 2000–2020 has been formulated to provide guidelines for the development of renewable energy in order to improve the quality of life of rural people.

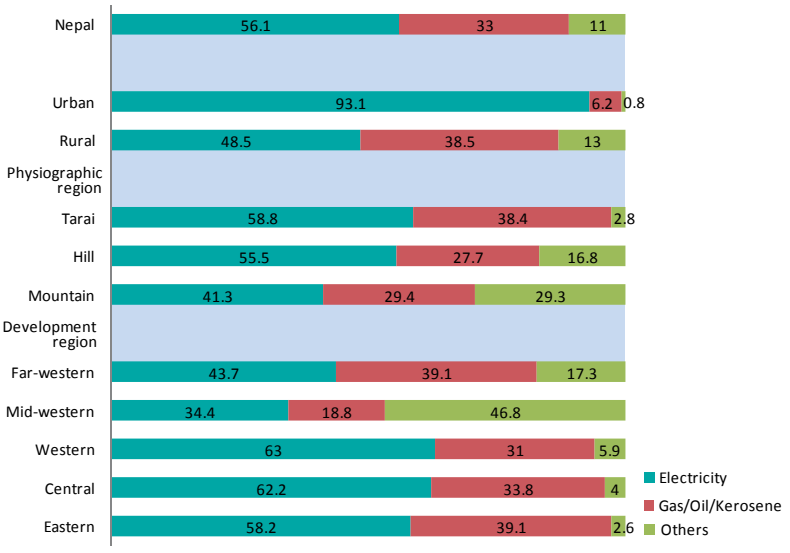
The NPC provides policy guidance for alternative energy, and the Ministry of Finance and the Ministry of Science and Technology are directly concerned with its development and promotion. The Water and Energy Commission Secretariat (WECS), established in 1975, undertakes integrated planning of water and energy sources, and has responsibility for advising the government on water and energy policies, in coordination with concerned stakeholders (WECS 2006).

FIGURE 7.2: Energy use in Nepal



Source: CBS 2009.

FIGURE 7.3: Main energy source used for lighting



Source: CBS 2009.

Danish International Development Agency (DANIDA), the government of Norway, KFW Germany, UNDP, World Bank and the European Union (EU) and key donors supporting national programmes on alternative/renewable energy i.e. Micro Hydro, Solar PV, Biogas, Improve Cook Stove. The Global Environment Facility (GEF) of UNDP under its Small Grants Programme has been supporting solar photovoltaic(PV) promotion activities since 2004 through its climate change programme. These programmes show direct impact in environment protection within the country and the global context.

Nepal used the opportunity presented by COP15 to make a commitment to reduce the current rate of GHG emissions and prevent deforestation. The Ministry of Industry has adopted the Refrigerant Management Project to control chlorofluoro-carbon (CFC) emissions. The government has also implemented the Ozone-Depleting Substances Convention (Control) Rules 2001 (www.lawcommission.gov.np).

The government has also adopted the UN Framework Convention on Climate Change (1994). The National Adaptation Programme of Action (NAPA) to Climate Change project began in late 2008 to help Nepal understand and predict the likely impacts of climate change and improve its capacity to mitigate the negative effects. NAPA draft report has been submitted to the Project Management Team under the Ministry of Environment (MOEnv). Projects under thematic areas under the NAPA has been identified for 2010. ADB TA for Pilot Project for Climate Change Resilience (PPCR) has been working for Nepal within MOEnv.

Challenges

The poor, particularly in remote areas, have limited access to renewable energy services. These capital-intensive technologies are not affordable by the majority and have mainly been adopted by the middle class. In addition, most people do not have proper information about the benefits of such technology and lack awareness about the negative health impacts of indoor air pollution.

Small local consumer markets, inadequate transportation for the movement of goods, lack of adequate financial support systems, and lack of managerial, technical and financial skills all are the challenges to the development of renewable energy in rural areas.

Sustainable development of renewable energy services is not ensured. Continuity of financial resources and commitment by the government and development partners are needed.

Nepal's geography makes it vulnerable to climate change. There have been a number of changes, including rise in the annual mean temperature, less frequent but more intense rainfall events, increasingly frequent floods, changes in the start and end of the monsoon, growing threats from glacial lake outburst floods, longer dry spells and drought events, and increasingly strong storms. These trends not only damage livelihoods and property and cause the loss of human life, but also threaten Nepal's development process and put the achievements of the MDGs at risk (Shrestha *et al.* 1999).

There are no specific national programmes to undertake research on the various aspects of climate change, such as the impacts of atmospheric CO_2 levels on biota and the livelihoods of local communities. So far, the only initiatives undertaken have focused on enhancing the resilience of communities facing the challenges of climate change and supporting their adaptations (ICIMOD 2008).

Recommendations

Issues related to affordability of renewable energy technologies for the poor as well as grid electrification need to be addressed. While more than 90 per cent of Nepal's urban population is connected to a power grid, less than 50 per cent of rural households have access to electricity (CBS 2009). Affordability can be achieved by linking energy supply with rural livelihoods in both agricultural and non-agricultural sectors such as for irrigation and tourism.

Differential electricity-pricing for peak and slack demand and surplus electricity could be used to promote the development of electricity produced in the country as well as by outside producers. Research and development to produce low-cost technologies are important for developing more affordable products. There is a need to give more emphasis to programmes on improved cooking stoves and biogas, with more resources available for subsidies as well as improving technical skills. The use of micro-hydro and other renewable energy technology needs to be promoted. Since investment in the energy sector by the government alone is not sufficient, the approach of public–private partnership needs to be further enhanced.

There is also a need to identify policy and implementation gaps in the harmonization of off- and on-grid rural electrification programmes, and to further develop policy for sustainable development of alternative energy.

There is a need to strengthen the MOEnv and AEPC in order to make them capable for implementing and coordinating climate change related programmes (adaptation and mitigation) and promoting renewable energy technologies in community-based approaches.

Work to mitigate the effects of climate change is extremely expensive and cannot completely exclude the possibility of catastrophic events such as glacial lake outburst floods. Therefore, Nepal needs to prioritize ecosystem-based adaptations and reduce deforestation as part of its efforts to lower GHG emissions.

Under the National Clean Development Mechanism of the Kyoto Protocol, the government has developed a number of criteria and indicators for environmental protection and sustainable development (UN 2009). As a follow-up to this, it is essential that strong partnerships and sound national policies are developed that can lead to progress on protecting the ozone layer through a reduction in the import of ozone-depleting substances.

TARGET 7.B

Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss

INDICATORS	1990	2000	2005	2010	2015 TARGET
Proportion of land area covered by forest	37[a]	39.6[b]	39.6[b]	39.6[b]	40
Proportion of fish stocks within safe biological limits	n/a	n/a	n/a	n/a	–
Proportion of total water resources used	n/a	n/a	6.66[d]	n/a	–
Proportion of terrestrial area protected	7.4[c]	13.6[c]	19.4[c]	23.23[e]	
Proportion of species threatened with extinction	n/a	n/a	n/a	n/a	–
Area of forest managed by community forestry (million ha) [c]	0.013	1.0	1.20	1.24	–

Source: a MFSC/ADB/FINNIDA 1988.
b DFRS 1999a.
c MFSC 2009.
d WECS 2005.
e DNPWC 2010.

Status and Trends

Data indicate that forest covered 39.6 per cent of Nepal's land area when last surveyed in 1994 (DFRS 1999a). This estimation is based on forest area (29 per cent) and shrub land (10.6 per cent) (NPC/UNCT 2005). However, the 1999 survey noted that forest area had declined at an annual rate of 1.7 per cent between 1978/79 and 1994 (DFRS 1999a; 1999b), with an annual rate of 1.3 per cent in the Tarai and 2.3 per cent in the Hills. A more recent estimate suggests that deforestation increased at an annual rate of 1.4 per cent between 2000 and 2005 (Baral *et al.* 2008).

FIGURE 7.4: Area covered by Ramsar sites

Source: MFSC 2009.

Community forests are national forests that have been handed over to forest user groups (FUGs) for development, conservation and utilization for the collective benefit of the community. Approximately 1.24 million ha (34.9 per cent of the potential community forest area) had been handed over to 14,500 FUGs by 2008, benefiting over 1.66 million households, which is about 40 per cent of Nepal's total households (DOF 2010).

Nepal has 225 billion m^3 of water available annually. However, an estimated 15 billion m^3 (6.66 per cent) from medium and small rivers has so far been utilized for economic and social purposes, mainly for drinking water, irrigation and hydropower generation. The large river systems have been left virtually untapped (WECS 2005).

A recent report listed 5,358 lakes in Nepal (Bhuju *et al.* 2009). Nepal's wetlands cover an estimated 382,700 ha, which is about 2.6 per cent of the country's land area. They are rich in biodiversity, supporting habitats for large populations of water birds and wetland plants, including threatened plant and animal species (HMGN/MFSC 2002). A total of 34,455 ha have been designated as Ramsar sites under the Convention on Wetlands of International Importance especially as Waterfowl Habitat (Figure 7.4). The consistent increase in the area under Ramsar sites indi-

cates Nepal's commitment to conservation of natural resources of high significance.

Approximately, 68.2 per cent (23,488 ha) of Ramsar sites are located in the Tarai, followed by 31.6 per cent (10,877 ha) in the High Himalaya, and less than one per cent (90 ha) in the Mid-hills (Figure 7.5). Although the Mid-hills cover a large proportion of the country's land area and exhibit a high degree of biological diversity, there are very few Ramsar sites.

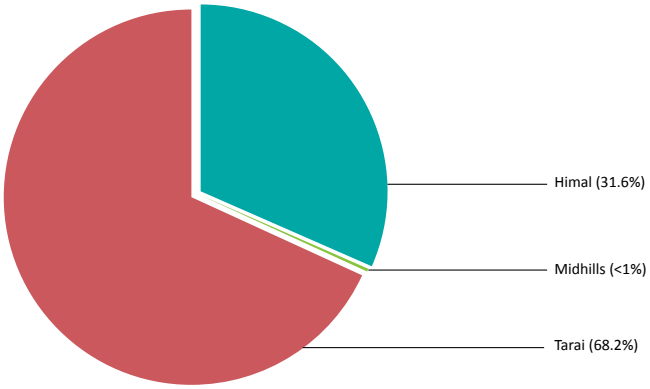
Nepal has designated 20 protected areas and 12 buffer zones covering 34,186.62 km^2 (DNPWC 2010) (Figure 7.6). By 2010, altogether 23.23 per cent of Nepal's total area was under some form of protection (DNPWC 2010) compared to only 12 per cent of the planet (UN 2009). Protected areas are established in the Tarai, Siwaliks, Mid-hills, and High Mountains. The highlands are well represented in terms of coverage, whereas the eastern Mid-hills and the Tarai and Siwaliks are less well represented.

Nepal has the richest enumeration of bird species in Asia, particularly considering the small size of the country. There are 27 Important Bird Areas (IBAs), covering 18 per cent of the country's land area. Of these, 24 support globally threatened species, 13 have restricted-range species, 24 have biome-restricted species, and eight qualify as IBAs because they hold large populations of water birds (Baral and Inskipp 2005). In total, 863 species of birds have been recorded in Nepal, including nearly 600 breeding species and 31 globally threatened species. As many as 72 bird species are thought to be critically threatened or endangered.

Nepal also has 54 Important Plant Areas (IPAs) (Hamilton and Radford 2007). There are an estimated 2,000 species of medicinal plants and non-timber forest products in Nepal.

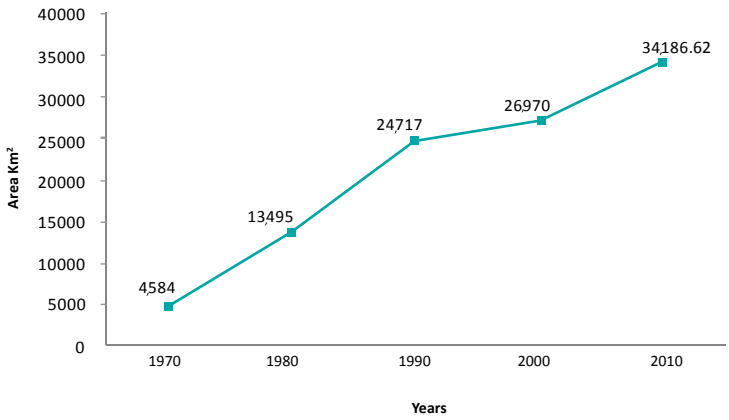
Species richness in Nepal is high compared to global numbers. Floral diversity comprises lichens 465 species (representing 2.3 per cent of global diversity), fungi 1,822 species (2.4 per cent), algae 687 species (2.6 per cent), bryophytes 853 species (5.1 per cent), pteridophytes 534 species (4.7 per cent), gymnosperms 28 species (5.1 per cent), and angiosperms 5,856 species (2.7 per cent). Faunal diversity includes platyhelminthes 168 species (1.4 per cent), spiders 144 species (0.2 per cent), insects 5,052 species (0.7 per cent), butterflies 640 species and moths 2,253 species (together 2.6 per cent), fishes 182 species (1.0 per cent), amphibians 77 species (1.84 per cent), reptiles 118 species (1.87 per cent), birds 863 species (9.53 per cent), and mammals 181 species (4.5 per

FIGURE 7.5: Distribution of Ramsar sites



Source: MFSC 2009.

FIGURE 7.6: Area covered by protected areas



Source: DNPWC 2010.

cent). A number of taxa in Nepal are being updated, with an increasing number of species: for example, the number of bryophytes has been increased to over 1,100 species; angiosperms to 6,391 species (including subspecies levels); spiders to 175 species; butterflies to 785 species/subspecies; fishes to 187 species; and mammals to 208 species (MFSC 2009). Altogether, 342 plant species and 160 animal species have been reported as being endemic to Nepal (HMGN/MFSC 2002).

Habitat destruction has been widely recognized as the most serious current threat to biodiversity and the primary cause of recent extinction (WCMC 1992). Global loss of closed forest species for Asia is estimated to be in the order of 1–5 per cent per decade or 2–8 per cent in total between 1990 and 2015 (Reid 1992). It is estimated that at least 77 species, including mammals (29 species) and birds (31 species), are threatened in Nepal (CBS 2008), possibly owing to hunting and deliberate extermination, and one species of bird has become extinct from Nepal since about 1600 AD (WCMC 1992).

A prediction has been made that if Nepal were to lose its remaining humid tropical forest, there would be a loss of 10 species of highly valuable timber, six species of fibreproducing plants, six species of edible fruit trees, four species of traditional medicinal herbs and some 50 species of little known trees and shrubs; and this would severely alter the habitat for 200 species of birds, 40 species of mammals and 20 species of reptiles and amphibians (HMGN/IUCN 1988).

Supportive Environment

Nepal has made great efforts to incorporate forestry conservation and biodiversity considerations into policy, planning and strategy initiatives. More than 20 international agreements and obligations have been signed and translated into national policies and acts.

The Master Plan for the Forestry Sector has provided a 20-year policy and planning framework for forestry development in Nepal (MFSC/ADB/FINNIDA 1988). Other national strategies related to biodiversity protection include the Nepal Biodiversity Strategy (HMGN/MFSC 2002), the Nepal Biodiversity Strategy Implementation Plan (MFSC 2006), Sustainable Development Agenda for Nepal 2003, Country Report on the State of Nepal's Plant Genetic Resources for Food and Agriculture (NARC/MOAC 2008), and Nepal Fourth Report to the Convention on Biological Diversity 2009 (MFSC 2009).

As a signatory to the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES) since 1975, Nepal has listed a number of species occurring in the country under various CITES appendices (HMGN/MFSC 2002).

The Tarai Arc Landscape (TAL) project covering Nepal and India and the Greater Kailash Sacred Landscape Conservation Initiative covering Nepal, China and India are in operation for conservation of biodiversity through and ecosystem approach that considers transboundary movement of wildlife.

Academic institutions such as Tribhuvan University (TU) have contributed to the conservation of biodiversity; the Central Department of Botany, TU, is running a Masters course on biodiversity and environmental management in collaboration with the University of Bergen, Norway.

The government has imposed restrictions on the export of 12 plant species and one forest product under the Forest Act 1993. Similarly, 26 mammal species, nine bird species and three reptile species have been given legal protection under the National Parks and Wildlife Conservation Act 1973. According to information in Nepal Red Data Book, threatened faunal species include the tiger, snow leopard, rhino, blackbuck, musk deer and vulture. Poaching reached comparatively high levels during the armed conflict, as the network of Nepal Army security posts be-

came less widespread in places where government control was restricted.

Based on data presented in this and previous sections, it will be possible to achieve the targets for MDG 7B, if prevailing trends persist.

Challenges

Although the Poverty Alleviation Fund has helped to organize communities to implement projects that include biodiversity conservation directly or indirectly, integration of biodiversity conservation is generally weakly addressed in sectoral and cross-sectoral plans.

Community forestry has achieved its primary aim of maintaining and expanding greenery. However, it also needs to be able to increase forest productivity, maintain high levels of species richness, streamline forest benefits towards livelihood promotion, and strengthen good governance for greater equity. It is important to redirect policies that deal with mechanisms for fair and equitable sharing of the benefits from community forestry. The capacity of the Department of National Parks and Wildlife Conservation with regard to regularly monitoring the population of threatened species also needs to be strengthened.

Major conservation issues are related to over-harvesting due to illegal trade pressures, habitat destruction, livestock grazing, forest fire, etc. (Chaudhary 1998).

Conservation action in Nepal may have been a positive contributory factor to the decline in rates of species extinction. However, quantifying rates of extinction is extremely difficult, and data should be interpreted cautiously.

Wetland ecosystems are under increasing threat from encroachment of habitat, unsustainable harvesting of resources, overfishing and indiscriminate use of poison and dynamite in fishing, poaching, industrial pollution, agricultural run-off, siltation, and the introduction of exotic and invasive species.

Habitat loss is the main threat to bird species. Other threats include wetland degradation, poisoning by diclofenac and pesticides, hunting and trapping, invasive alien species, and climate change.

Implementation of international agreements is often weak, and stronger national commitment and enforcement of legislation are needed to make such international instruments truly effective (Belbase 1999).

Recommendations

Community-based conservation is essential for the sustainable use of forests and biodiversity. Community forestry has been successful in conserving forests and satisfying the basic needs of user groups. These types of initiatives should be strengthened and expanded.

Landscape-level planning and monitoring should be implemented more strongly for effective biodiversity conservation. Furthermore, greater effort is needed to protect ecosystems under threat (UN 2009). Linkages should be developed between the country's different physiographic zones in the restructured federal system of Nepal, and harmonization in access to genetic resources and benefit-sharing ensured between national, sub-national and local levels, and across neighbouring districts.

Biodiversity documentation has yet to be internalized as a regular government programme. In addition, greater public awareness-raising and adequate training for field staff are needed.

National policy debates are now increasingly considering issues related to Tarai forest governance. It is crucial that learning from communities at the grassroots level is captured during the process of revising forest policy for the Tarai region (Jamarkattel *et al*. 2009).

The Siwaliks watershed provides vital ecosystem goods and services for local communities as well as water resources for domestic and agricultural purposes for downstream populations in the Tarai. Therefore, the region has to be looked at with an integrated approach that takes into account the hydrological, demographic, and economic relationship between the Siwaliks and the Tarai.

For biodiversity conservation, there is a need to establish clear objectives, indicators and targets at the project/programme level, following 2010 targets for the Convention on Biological Diversity, and ensure sufficient linkages with country programmes and individual projects. The indicators chosen should be realistic, time-bound and results-oriented, and include environmental, social and economic processes.

Nepal should make efforts to maintain at least 40 per cent of the natural forest area.

More attention needs to be paid to the biological, socio-economic and conservation aspects of the management of non-timber forest products (Chaudhary 1998).

There is an urgent need to update the list of protected and threatened species with their status and distribution.

TARGET 7.C

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

INDICATORS	1990[a]	2000[a]	2005[b]	2010[c]	2015 TARGET
Proportion of population using an improved drinking-water source	46	73	81	80	73
Proportion of population using an improved sanitation facility	6	30	39	43	53

Source: a NPC/UNCT 2005.
b CBS 2004.
c NPC 2010b.

Status and Trends

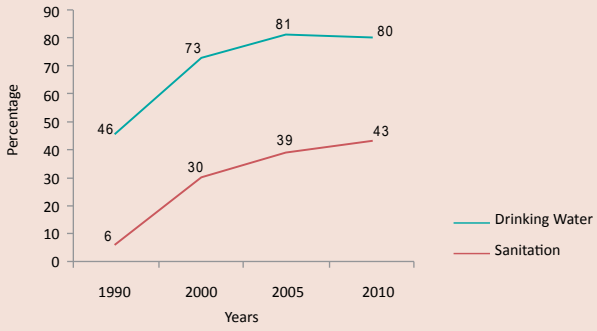
The Department of Water Supply and Sewerage's database shows that 80 per cent of households use an improved drinking-water source[1] (DWSS 2010), exceeding the 2015 target of 73 per cent (Figure 7.7).

A larger proportion of households in urban areas (94 per cent) have access to improved drinking water sources than in rural areas (78 per cent). However, access for urban households is yet to reach its target of 95 per cent, while access for rural households has exceeded its target of 72 per cent. Access to a sanitation facility is also much higher in urban areas (78 per cent) than in rural areas (37 per cent) (DWSS 2010), far exceeding the MDG target of 67 per cent. However, it requires still more efforts for rural areas to achieve the MDG target of 52 per cent (Table 7.3).

Distribution of households shows that 57.8 per cent use piped water, 38 per cent use hand pump/boring, four per cent use protected spring or dugwell and only 0.2 per cent use other sources such as rainwater harvesting (Figure 7.8) (DWSS 2010). The most common source of drinking water in the Mountains and Hills is piped water; whereas hand pump, deep tube well and protected dugwell are the main sources of drinking water in Tarai areas.

There has been a substantial increase in water supply to rural households between 1990 and 2008. This has increased from 43 per cent to 78 per cent (Table 7.3). However, many people in rural areas, especially those belonging to poor and disadvantaged groups or those living in areas far from sources, are yet to obtain access to a perennial supply of safe drinking water as per the standard norms set for Nepal by the WHO.

FIGURE 7.7: Status of drinking water and sanitation



Source: CBS 1993; FHD 2002; CBS 2004; MOHP *et al.* 2007; CBS 2009.

TABLE 7.3: Access to improved drinking-water and sanitation facility in households by location

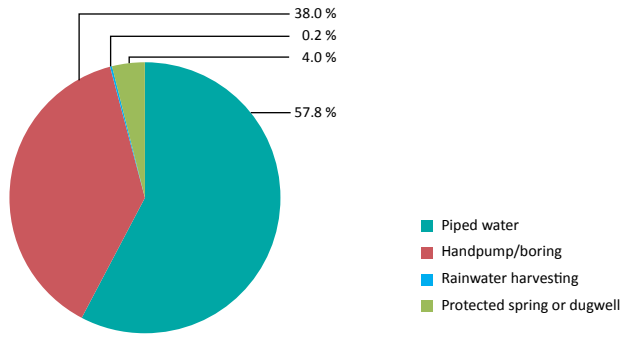
Location	1990[a]	2000[a]	2005[b]	2010[c]	2015 TARGET
Drinking Water					
Urban (%)	90	86	93	94	95
Rural (%)	43	71	79	78	72
Sanitation					
Urban (%)	34	80	81	78	67
Rural (%)	3	25	30	37	52

Source: a NPC/UNCT 2005. b CBS 2004. c DWSS 2010.

Urban areas, as expected, have better access to safe drinking water through pipes than rural areas. Although 94 per cent of households in urban areas have access to piped water, the supply of water is inadequate. Water

2. An improved drinking-water source is defined as one that, by nature of its construction or through active intervention, is protected from outside contamination, in particular from contamination with faecal matter (WHO/UNICEF 2009). Therefore, access to piped water is considered an improved source of drinking water.

FIGURE 7.8: Source of water supply

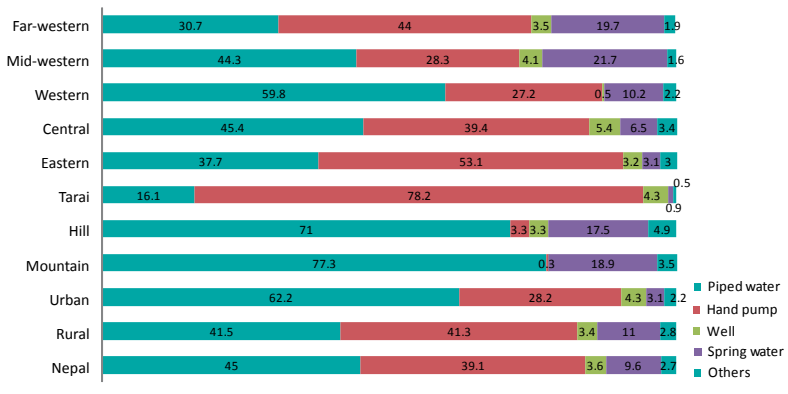


Source: DWSS 2010.

is supplied for only a few hours a day, if at all. One study estimated that 92 per cent of piped-water supplies and 25 per cent of tube wells are either out of operation or in need of rehabilitation (Devkota 2007).

The NLFS 2008 found that access to piped water is higher in the Mountains (77.3 per cent) and Hills (71.0 per cent) than in the Tarai (16.1 per cent). Some 78.2 per cent of households in the Tarai use a hand pump (CBS 2009) (Figure 7.10). By development region, the Western Development Region has the highest proportion of households (59.8 per cent) with access to piped drinking water, followed by the Central Development Region (45.4 per cent), Mid-Western Development Region (44.3 per cent), Eastern Development Region (37.7 per cent), and Far Western Development Region (30.7 per cent) (Figure 7.9).

FIGURE 7.9: Distribution of drinking water sources by location



Source: CBS 2009.

Data indicate that only 43 per cent of households have access to an improved sanitation facility[2] of various types which include water seal (flush) toilet, ordinary (pan) toilet and other such as communal toilet (Figure 7.10). About 25 per cent of households used a toilet with a flush system, 23 per cent used an ordinary toilet, and one per cent used a communal toilet. This suggests that more than half of the population (i.e., 14–15 million people) still defecate in open spaces (Figure 7.10).

There is a wide disparity in access to a toilet between rural and urban areas, and geographic regions. In 2010, some 37 per cent of households in rural areas had a toilet compared to 78 per cent in urban areas (Figure 7.11).

The NLFS 2008 study also found that a larger proportion of households in the Tarai (61.4 per cent) did not have a toilet compared to the Mountains (51.7 per cent) and Hills (39.3 per cent) (CBS 2009) (Figure 7.12).

The same study found wide variations in the proportion of households with a toilet by development region. The Western Development Region had the highest proportion of households (59 per cent) with a toilet facility and the Far Western Development Region had the lowest proportion (32.2 per cent) (CBS 2009) (Figure 7.13). About one third of districts had sanitation coverage of less than 20 per cent—10 districts in the Tarai and 14 in the Hills and Mountains.

Progress on sanitation is insufficient to reach the MDG target, if prevailing trends persist.

Supportive Environment

Government investment in water supply and sanitation is primarily guided by the Twenty-Year Vision (1997–2017) that seeks to ensure universal coverage by 2017. The Rural Water and Sanitation Policy and Strategy 2004, Urban Water Supply and Sanitation Policy 2010 and the National Water Plan (2002–2017) are important policy documents addressing

3. An improved sanitation facility is defined as toilet system that hygienically separates human excreta and is connected to drainage or a septic tank (WHO/UNICEF 2009).

water supply and sanitation issues. However, the National Water Plan has yet to be effectively implemented.

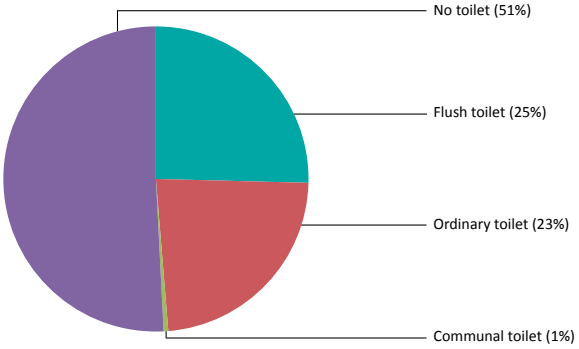
The National Policy on Rural Drinking Water Supply and Sanitation 2004 provides guidance on water and sanitation service provision in rural areas using community-led participatory approaches. The National Drinking Water Quality Standards 2006 provides details of water quality standards to be applied for all water resources, and complements the Environment Protection Act 1997.

The National Urban Policy 2007 recommends urgent attention for the urban poor by improving poor sanitation, reducing environmental degradation and improving services, and emphasizes building the capacity of municipalities to plan and manage integrated local development activities. The Nepal Water Supply Corporation Act Second Amendment 2007, the Water Supply Management Board Act 2006, and the Water Supply Tariff Fixation Commission Act 2006 establish the legal basis for private-sector management of schemes and independent fee-setting and regulation to facilitate the improved management of water and sanitation services in the Kathmandu Valley.

The government created the Rural Water Supply and Sanitation Fund Development Board (RWSSFDB) in 1996 to promote sustainable and cost-effective demand-driven rural water supply and sanitation services. The Board completed its first project (1996–2003) successfully, and undertook its second-phase project (2004–2009) to support rural communities.

The government has introduced school- and community-led total sanitation programmes across the country. These programmes seek to spread awareness of hygienic practices through school children and communities. The School Sanitation and Hygiene Education Programme is now used in over 1,000 schools, focusing on child-friendly, gender-sensitive and disability-friendly water, hygiene and sanitation facilities (Adhikari and Shrestha 2008). Nepal celebrated the International Year of Sanitation (IYS) 2008, with the Department of Water and Sewerage as the lead coordinating body, and initiated annual celebration of Global Hand-washing Day in 2008.

FIGURE 7.10: Households with toilet facility



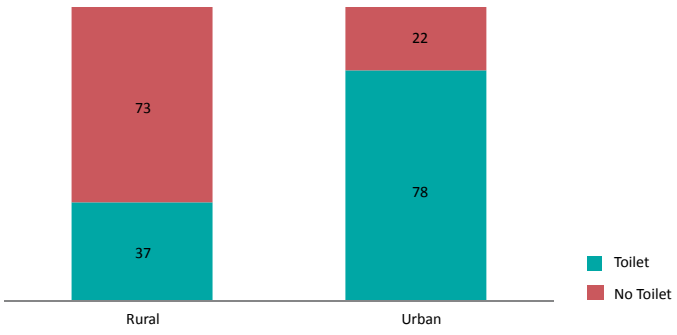
Source: CBS 2009.

Challenges

At present, the Ministry of Physical Planning and Works, the Ministry of Local Development, and the Ministry of Women, Children and Social Welfare are all involved in rural drinking water supply and/or sanitation programmes; however, there is lack of coordination among these ministries.

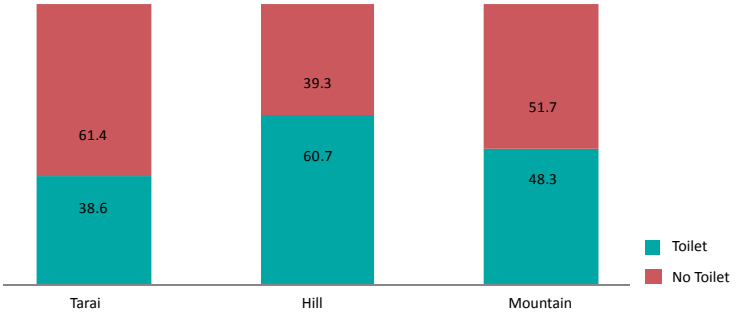
Sustainable access to safe drinking water is predominantly a rural problem in Nepal, and difficult to assess. A total of 42 per cent of rural water supply systems have been found to be functioning poorly. Despite progress

FIGURE 7.11: Distribution of toilets by urban and rural area



Source: DWSS 2010

FIGURE 7.12: Distribution of toilets in the Tarai, Hills and Mountains



Source: CBS 2009.

made, there is long way to go to attain universal coverage. Given the low quality and reliability of distribution, this is a problem in urban areas as well.

Ensuring adequ ate water quality is a challenge. The prevailing practice of open defecation leading to contamination of drinking water at source, unsystematic disposal of human waste, use of pesticides for agriculture, and untreated industrial effluents have increased the level of microbial and chemical contamination in water, and caused deterioration in the quality of water used for different purposes.

FIGURE 7.13: Distribution of toilet by development region

Source: CBS 2009.

Groundwater arsenic contamination, first recorded in the Tarai in 2003, is a major issue for the water supply and health sectors of Nepal. The National Arsenic Steering Committee has undertaken arsenic testing of 1.1 million tube wells in 20 Tarai districts. On average 2.2 per cent of tube wells are contaminated, affecting about 40,000 families. The situation has been managed to an extent. Affected tube wells have been cross-marked, test certificates provided, and people made aware. Various kinds of household-level arsenic filters have been distributed to more than 60 per cent of families (Thakur *et al.* 2009).

In the Tarai, shallow tube wells are becoming non-functional due to lack of resources for repair and maintenance. Kathmandu Valley scarcity on water supply is another challenge including the drawdown of water table.

The practice of open defecation, particularly in the Tarai, has badly contaminated water sources, leading to a serious public health risk. Some 13,000 children aged less than five years die of diarrhoeal disease annually in Nepal, which can be partly attributed to poor hygiene and sanitation (www.irinnews.org). In addition, an epidemic in the Hills of western Nepal, resulting from poor water and sanitation conditions, claimed hundreds of lives in 2009. The most affected groups usually include children and women from poor and disadvantaged communities. Community-based solutions that emphasize monitoring are needed.

In general, sanitation is a low priority in schools. Among public and community schools, only 41 per cent have toilet facilities. Furthermore, only a quarter have separate facilities for girls.

Urban sanitation, in particular solid and liquid waste management, is a challenge. Solid waste and wastewater problems are growing, owing to the massive population influx into urban areas over the last decade. The rate of growth of per capita waste is increasing and, coupled with poor drainage, is affecting safe water. The urban population is expected to grow to 26.7 per cent by 2021 (MPPW 2008), bringing further challenges to meeting water and sanitation targets for Nepal.

Solid waste management is a problem in Nepal, particularly within urban areas. In 2005,

Kathmandu Metropolitan City collected an average of 300 tonnes daily, costing about NRs 17 million each day (CBS 2007). Other large cities with a similar situation include Biratnagar, Pokhara, Birgunj, Lalitpur and Narayangadh. Medical waste management, although a relatively small portion of overall municipal waste, can be very hazardous and must be dealt with safely.

Owing to limitations with data, where possible, data from DWSS 2010 were used. However, as disaggregated data for 2010 were not available from this source, those from CBS 2009 were used.

Recommendations

To improve coordination between institutions working in drinking water supply and sanitation, a central coordinating body needs to be established with the aim of maximizing the effectiveness of funding, monitoring programmes, and reviewing policy, legislation and institutions.

Major stakeholders of the sector, DWSS, DOLIDAR, RWSSFDB should follow the process of joint review and planning, sharing of data and information and knowledge management of the RWSS sector for better sector coordination and to support sector synergy, provide policy monitoring and improve sector effectiveness.

Access to quality water and sanitation are primary requirements for sustainable development. A serious concern has been not only accessibility to adequate water supplies, but also the availability of good quality water. Most of the spring sources in mountain and hilly areas yield more or less good quality of water which may require only disinfection for safeguarding people's health. In most of the areas, water supplied to the consumers has been found contaminated during transportation due to improper pipe laying and jointing and at the point of use due to unhygienic handling of water. Necessary measures such as water safety plan and quality control should be implemented in all completed as well as new water supply schemes.

Water supply systems that are functioning poorly need urgent rehabilitation and maintenance to ensure a sustained supply of water.

Sanitation coverage is lagging far behind water supply coverage. Stand alone sanitation programme has been launched to minimize the gap. However, that should be implemented as a campaign throughout the country to attain the envisaged goal. All water supply schemes/ project should include sanitation activities as an integral part of the scheme/ project.

Investment has to be increased to achieve the national goal of attaining universal sanitation coverage by 2017. A recent assessment estimated that the country will need to invest at least one billion rupees a year to meet its target; this is a 14-fold increase in investment over the current allocation (WaterAid 2009).

It is essential to properly identify and address lack of access to sanitation through community-based sanitary surveillance. Public–private partnerships should be given preference, and NGOs should promote and popularize them. Community-friendly and low-cost technology should be applied in the field of water supply and sanitation so that local people are comfortable with implementing these new technologies and practices.

Through the Local Self-Governance Act 1999, Water Quality Research Centres should be established, first at the district level and gradually extending to the village level, with the aim of improving the quality and quantity of the water supply.

Despite an increase in national sanitation coverage, sanitation services are still not reaching the poorest and most vulnerable. Subsidy approaches, adopted by the government and other agencies and targeting the poor, have failed to reach the intended beneficiaries in many cases. Given Nepal's diverse socio-economic settings, a combination of different approaches, such as financial support, participation with communities and awareness-raising, needs to be explored for reaching the poorest and most vulnerable and marginalized communities.

Service improvement as well as reconstruction, rehabilitation and extension of the completed systems should be carried out on public-private partnership basis adopting cost recovery principles in urban and semi-urban areas and cost sharing (cash sharing in addition to free labour) basis in rural area. A single-basket of repair and maintenance fund should be created in the district for supporting regular operation of watsan systems in the district. A district based permanent committee should be established and activated for organizing repair and maintenance activities

In order to manage solid waste in urban areas, all municipalities and emerging towns should develop strategies to establish effective and efficient integrated waste management systems with private-sector and community participation. Source-separated door-to-door collection systems, material recovery, recycling facilities and distribution of compost bins, sanitary land-filling, private-sector participation, and the *suiro* (metal hook) system for plastic-waste collection are innovative systems that have been found to be effective in some areas.

There is a need to create awareness at the household level on initial separation of organic and inorganic wastes, since organic waste could be recycled successfully. These interventions need to be expanded.

TARGET 7.D

By 2020, to have achieved a significant improvement in lives of slum dwellers

INDICATORS	1990	2000	2005[a]	2010[b]	2015 TARGET
Population living in slum and squatters	n/a	11,850	18,000	50,000	–

Source: a. www.sdinet.org/documents/doc4.htm.
b. IRIN 2009.

Status and Trends

Slum dwellers (people with land ownership living in poor environmental conditions, without access to proper sanitation and water in urban areas) and squatters (people living in informal settlements where houses are built without legal title to the land) are an emerging phenomenon in urban Nepal.

National data on slums and squatters are not available. Therefore, data from Kathmandu Valley has been included in this report as an illustration of this target. Over the last decade, the growth of squatters has increased rapidly in Kathmandu Valley from 11,850 in 2000 to 50,000 in 2009, an increase of over 420 per cent (IRIN 2009).

A recent report suggested that there are 16,953 squatters in Kathmandu Valley living mainly along the banks of the Bagmati, Bishnumati and Manohara rivers (www.thehimalayantimes.com/fullNews.php? August 18, 2010).

In rural Nepal, very poor families who do not have access to land have often resorted to systems of bonded labour known as *kamaiya* (bonded labourer), *kamalari* (practice of sending young girls from indigenous families to work in private homes), and *haliya* (agricultural bonded labourer), particularly in Dang, Banke, Bardiya, Kailali and Kanchanpur districts that has created a segment of highly deprived populations.

Supportive Environment

The *kamaiya* system was abolished in 1990 through Article 20 of the Constitution and enforced by a Cabinet decision on 17 July 2000. To provide legality to the emancipation proclamation, parliament passed the Kamaiya Labour Prohibition Act 2002.

Recently, two important commissions have been formed: (i) High-Level Scientific Land Reform Commission; and (ii) Squatter Problem Solution Suggestion Commission. Rehabilitation of freed *kamaiya* and freed *haliya* is in progress. Enumeration of freed *kamaiya* has been completed by the Ministry of Land Reform and Management, and that of freed *haliya* is being done by the Ministry of Peace and Reconstruction.

The government has adopted an approach to resolving issues related to squatters, former bonded labourers and other landless people in the Approach Paper of the Three-Year Plan (2010/11–2012/13) through the Ministry of Land Reform and Management. The government intends to systematize the rehabilitation of former bonded labourers (*kamaiya, kamalari* and *haliya*).

The government allocated a budget to the Department of Urban Development and Building Construction (DUDBC) for the development of housing for squatters in Kathmandu Valley in 2008/09. However, owing to the absence of an organized programme, a large portion of the budget was frozen.

The Society for the Preservation of Shelters and Habitation in Nepal (SPOSH Nepal), advocates for the rights of landless squatters. Lumanti, an NGO, supports the urban poor to improve their environment. Apart from this, only little has been done by either gov-

ernment or non-governmental sectors to address the problems faced by slum dwellers.

Challenges

Over the past decade, rural–urban migration has led to a rapidly expanding population in most urban areas, exerting heavy pressures on the limited infrastructure and services of most cities, in particular those in the Kathmandu Valley.

The major problems faced by slum dwellers and squatters are a limited supply of clean drinking water, and poor sanitation and hygiene conditions. Most squatters in Kathmandu Valley live on riverbanks, and make the already contaminated water of the Bagmati River worse.

People living in squatter areas are particularly vulnerable to preventable diseases and it is common for squatters, in particular the children, to die from illnesses associated with poor sanitation and lack of clean water. Children living in slums are more likely to suffer from health problems such as pneumonia, diarrhoea, malaria, measles or HIV/AIDS than those living in non-slum areas.

The biggest challenge to the government and NGOs involved in the campaign against the *kamaiya* system has been to create an environment in which alternative rural livelihoods could be ensured. In the absence of a proper rehabilitation and relief package, even a decade after liberation, freed *kamaiya* are forced to live a very difficult life with extremely poor housing conditions where often even the most basic infrastructure is not available. Therefore, there is a strong relationship between the abolishment of bonded labour and the growth of slums and squatter settlements in Nepal.

Despite a 2006 Supreme Court order on the implementation of an existing law that prohibits child exploitation, including the *kamalari* system, no meaningful steps have been taken to end the practice.

The government's past numerous efforts in land planning and housing development through enactment of new legislation and establishment of new agencies including the formation of the National Shelter Policy are yet to have a tangible impact on housing supply and shelter for the urban poor. This is not only because of inadequate legislative provisions but also because of poor implementing and monitoring capacity within the concerned agencies.

A decade has already passed since the government declared that all *kamalari* (from Banke, Bardiya, Dang, Kailali, Kanchanpur and Surkhet districts) were free, but a substantial number of *kamalari* still remain to be 'rescued' in the far-western Tarai. The government had recently allocated budget to enhance the capacity of *kamalari* and for their rehabilitation; however, it is not being well utilized at the district level.

The government, recognizing the need for improvement of slum and deprived settlements, declared a policy to develop housing targeting Dalits and most disadvantaged groups in Tarai but the programmes related to this policy have yet to be implemented.

Recommendations

A national definition for slum dwellers and squatters has to be developed.

There is need for developing specific policies on integrated slum- and squatter- upgrading and prevention as part of the broader poverty-reduction policies and programmes. Investments have to be made for slum dwellers in other sectors as well, such as education, health and sanitation.

Targeted programmes are required for improving the livelihoods of *kamaiya, kamalari* and *haliya*.

At the central level it is essential for formulating programmes and policies addressing the poor and integrating them into land de-

velopment and housing formation processes through the strengthening of local bodies and government.

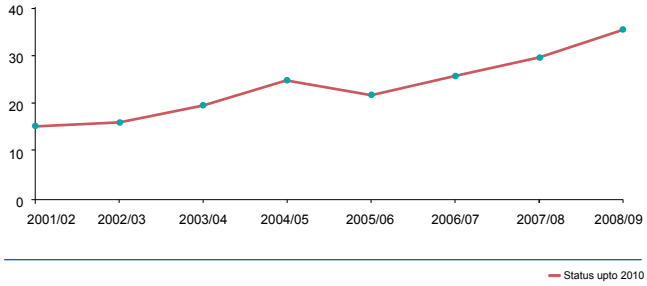
In addition, a community-based, bottom-up approach at the neighbourhood level is recommended not only to motivate the poor and mobilize local resources in the best way possible but also to link the community with the government and financial institutions through NGOs and other community-based institutions.

Owing to the lack of a sustained source of income through decent and productive employment opportunities, there is a risk that these individuals will fall back into bonded labour again. The only reliable way to avoid this risk is to enhance their vocational/technical skills. Therefore, it is vital that they are provided with vocational skills training that is properly tied with potential markets.

Similarly, in order to ensure proper implementation and monitoring of legislative provisions, it is essential that the capacities of agencies entrusted with the responsibility of abolishing such practices are strengthened. To meaningfully change the lives of former bonded labourers, there is an urgent need to establish a robust system for monitoring the implementation of programmes and projects aimed at improving their circumstances as well as the expenditure of budget allocated for this purpose.

As there is gross lack of data, a detailed study is required to fully understand the situation of slum dwellers and squatters in Nepal.

Total foreign aid utilization (NRs billion)



GOAL 8 DEVELOP A GLOBAL PARTNERSHIP FOR DEVELOPMENT

Background

The MDGs represent a partnership between developed and developing countries to create an environment at national and global levels that is conducive to development and elimination of poverty (UNSD 2003). In fact, it is a compact between poor and rich countries, building on mutual responsibilities, and implies that poor countries must improve governance to mobilize and manage resources more effectively and equitably, whereas rich countries must increase aid, debt relief, market access and technology transfer (UNDP 2003). Commitments made by rich countries in the Millennium Declaration are in the areas of official development assistance (ODA), trade, external debt, essential medicines, and technology. These are critical for providing developing countries with both better opportunities to gain from trade and technology, and additional resources and the fiscal space needed to complement their own efforts towards achievement of the MDGs (UN 2008).

These commitments are reaffirmed and/or ratified in various international forums such as the Doha Round of multilateral trade negotiations (2001), the World Summit on HIV/AIDS (2001), the Brussels Plan of Action for the Least Developed Countries (2001), the International Conference on Financing for Development (2002), the World Summit on the Information Society (2003 and 2005), the 2005 World Summit, the Paris Declaration on Aid Effectiveness (2005), the G8 Gleneagles Summit (2005), the World Trade Organization (WTO) Hong Kong Ministerial Meeting (2005), and the G8 Summits in Heiligendamm in 2007 and Hokkaido in 2008. The Doha Declaration was adopted by UN member states at the Follow-up to the International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in December 2008.

The MDGs needs assessment for 2005 indicates that the estimated total financial requirement for attaining selected MDGs and developing rural infrastructure is NRs 1,148.8 billion (US$ 16.4 billion) at 2004/05 prices, with a public-sector share of NRs 884.9 billion (US$ 12.6 billion) at 2004/05 prices. Of this, NRs 332.9 billion (US$ 4.8 billion) is to be met from domestic resource mobilization. For the remaining NRs 552.1 billion (US$ 7.9 billion), Nepal will have to rely on external development partners (NPC/UNDP 2006). Foreign resource flows for the social sector were NRs 18.19 billion in 2008/09 (MOF 2009a). In this context, the issue of global partnership plays a critical role to attain the MDG targets.

TARGET 8.B

Address the special needs of the LDCs (includes tariff- and quota-free access for LDC exports; enhanced programme of debt relief for heavily indebted poor countries [HIPCs] and cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction)

Market Access

Status and Trends

Overall export market conditions, as measured by the World Bank's trade tariff restrictiveness index, create a restrictive export market for Nepal, with significant trade barriers created through non-tariff barriers. The export market is also more restrictive for agricultural products than for non-agricultural products (Table 8.1).

A bilateral trade agreement with India has granted Nepal preferential access to Indian markets, but the arrangement still relies on stringent rules of origin, tariff rate quotas, and safeguard clauses (MOICS 2004). Nepal also enjoys preferential market access to the European Union and US markets. The preference utilization rates in these markets are high; however, such preferences have not been able to contribute significantly to bilateral export expansion, implying either supply-side constraints or prevalence of non-tariff measures including stringent rules of origin (Table 8.1). While average tariff rates faced by Nepalese exports in export markets have declined over the period, agriculture products still face high tariffs. This analysis suggests that a relatively unfavourable export market situation has hindered Nepal's export growth.

TABLE 8.1: Market access situation for Nepal

	2000–04	2005–07	2008
Overall Trade Restrictiveness Index (including preferences and non-tariff measures) (%)	–	28.4	28.0
Rest-of-the-World applied tariffs (including preferences/weighted average) (%)	10.7	7.5	2.8
Agriculture (%)	36.9	24.9	9.0
Non-agriculture (%)	9.1	5.1	2.6
Most-favoured-nation (MFN) zero-duty exports (%)	3.7	14.9	10.1
Preference utilization rate (EU and US) (%)	–	94.6	90.6
Share of preferential exports in total exports (%)	–	2.8	3.3

Source: World Bank 2008a.

Market access conditions in terms of tariff equivalents on textiles and clothing and agricultural products show that Nepalese exporters face tariff barriers in the export of these products (Table 8.2). Despite commitments by developed countries to provide duty-free and quota-free market access for least developed countries (LDCs), tariffs are still levied on Nepalese textiles and agricultural products by developed countries. The tariff on textile products is remarkably high in the US and on agriculture products in Canada and Japan. Developing countries levy at higher customs rates than developed countries. Unilateral tariff reductions by developed and developing countries have increased the risks of preference erosion.

Challenges

The World Trade Organization's (WTO) Doha Round of negotiations is moving at a very slow pace, with significant differences on the issues of the tariff-reduction formula for non-agricultural market access, preference erosion, special safeguard mechanisms for agriculture products, and the need for developing countries to preserve policy space. This situation has dampened developing countries' and LDCs' enthusiasm for the multilateral trading system, as it is likely that on completion the round will fall short of its original intention of being development-focused and of special benefit to developing countries.

In 2005, WTO members agreed that 'developed country members shall, and developing countries declaring themselves in a position to do so should, provide duty-free quota-free market access on a lasting basis, for all products originating from all LDCs by 2008 or no later than the start of the implementation period in a manner that ensures stability, security and predictability' (WTO 2009). Developed-country members, however, added that for 'members facing difficulties at this time, to provide duty-free market access for at least 97 per cent of products originating from LDCs defined at the tariff line levels' (WTO 2009). Here, the issues of how to progressively achieve 100 per cent coverage and by when, and how to ensure that rules of origin are 'transparent and simple' remain pertinent.

Empirical studies show that promises by industrial nations to grant unrestricted market access to exports from LDCs as a part of the WTO deal would be rendered practically worthless unless they cover all products. Indeed, a three per cent exception of tariff lines could suffice to cover the small handful of products that LDCs make and export competitively. In most developed-country markets, three per cent of tariff lines cover between 90 and 98 per cent of exports from LDCs (Pandey 2007; Laborde 2008). Even if developed and developing countries provide duty-free and quota-free market access to LDCs, including Nepal, supply-side constraints, including trade facilitation measures, along with the prevalence of non-tariff barriers in destination markets, may restrict substantial growth in exports in the short term. Nepal ranked 125 out of 133 countries in the World Competitiveness Index in 2009 (WEF 2009). Nepal scored 2.1 of five on overall trade logistic performance (World Bank 2009b).

Recommendations

The promise of the Doha Development Agenda requires that development objectives and aspirations are addressed through adequate and systemic responses and considerations.

TABLE 8.2: Total ad valorem equivalent tariffs for Nepalese exports on textiles and agriculture products in 2008

Markets	Textiles and clothing	Agriculture products
Developed countries (%)	2.25	2.41
Canada (%)	0.0	15.08
Japan (%)	0.08	3.49
European Union (%)	0.0	0.12
United States (%)	10.41	2.50
Developing countries (%)	12.68	11.98

Source: ITC 2009.

The principle of special and differential treatment is essential as an integral part in all aspects of market access and rule-making negotiations.

The major reasons for the low level of integration with the global economy for the majority of developing countries, in particular LDCs, are insufficient productive supply capacities and competitiveness; lack of supportive infrastructure, enabling policy environment, and market access; and entry barriers on exports in agricultural and manufactured goods and services. Aid-for-trade and enhanced integrated framework initiatives are crucial to address these challenges and reap the benefits of increased trading opportunities. A package of aid-for-trade with the elements of transparency, predictability, stability and additionality is a must. In addition, liberalization of movement of natural persons (Mode 4) under service negotiation is essential to ensure that the Doha Round is a development round in a real sense.

The international community should resist taking any further protectionist measures in response to the global economic crisis, and those that are already in place must be strictly time-limited. Maintaining an open international trade system during the global economic crisis remains crucial (UN 2009).

Agreements already reached on issues addressing concerns of LDCs, such as duty-free quota-free market access and aid-for-trade, should be taken out of the 'single undertaking' and allowed 'early harvest'. The rights of farmers to use, reuse and exchange seeds, along with the rights of indigenous and local

communities on the use of genetic resources, should be protected, and the Agreement on Trade Related Aspects of Intellectual Property Rights should be made compatible with the Convention on Biological Diversity, in particular, the provision on access to and fair benefit-sharing of the use of genetic resources. Similarly, issues of non-tariff measures, including issues of rules of origin in preferential schemes, should be addressed.

Official Development Assistance

Status and Trends

The flow of foreign assistance to Nepal, inclusive of all bilateral and multilateral loans, grants and technical assistance, more than doubled between 2001/02 and 2008/09. Its share of annual GDP ranged between three and four per cent, gradually increasing each year except for 2005/06 (Table 8.3). Per capita foreign aid flows increased from NRs 621 in 2001/02 to NRs 1,317 in 2008/09 (MOF 2010). The share of foreign assistance in total government expenditure and total development expenditure was highest in 2004/05, declining since then.

Sectoral distribution of foreign aid shows that the share of foreign aid in the social sector has almost doubled since 2001/02, reaching nearly 68 per cent in 2008/09; however, this has been at the cost of enabler and/or productive sectors (Table 8.4). The share of foreign aid for the infrastructure sector has declined significantly over the period, and such neglect of infrastructure may create risks of lopsided social sector development and unsustainability in the long term.

TABLE 8.3: Role of foreign aid

Descriptions	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Total foreign aid utilization (NRs billion)	14.38	15.88	18.91	23.66	22.04	25.85	29.30	36.35
Share in GDP (%)	3.13	3.23	3.52	4.01	3.37	3.55	3.58	3.66
Share in total government expenditure (%)	17.96	18.91	21.14	23.07	19.88	19.35	18.16	16.54
Share in development expenditure (%)	58.07	71.06	81.89	86.53	74.45	65.08	54.75	49.73

Source: MOF 2010.

The flow of foreign resources in building trade capacity, represented by aid-for-trade, shows that commitments increased in 2007 by about 55 per cent compared to the average value for 2002–05 (Table 8.5); however, there are large discrepancies between the amount committed and actual disbursements. Such discrepancies are particularly high in the category for building productive capacity, where the commitment-to-disbursement ratio was only 20.6 per cent. Per capita aid-for-trade in 2007 stood at US$ 3.20 for Nepal compared to US$ 13.50 for Afghanistan and US$ 53.20 for Sri Lanka (WTO/OECD 2009).

Challenges

At the national level, the gap between aid commitment by development partners and actual realization of aid is wide, and is becoming wider. In 2008/09, about three fourths of committed aid was disbursed; while actual disbursement of multilateral aid overshot commitment, the deficit for bilateral aid was significant (Table 8.6). The gap between commitments and disbursements can be partly explained by the difference in the government's and development partners' fiscal year as well as the government's inadequate capacity for public financial management. In addition to unpredictability of aid, the challenge, more importantly, is that significant aid funds do not actually come through the government's budget such as payments to consultants and purchases of donor home-country goods and services. Moreover, development partners demand compliance requirements for disbursement of aid and also have an increasing tendency to retain direct funding to meet their own agenda and safeguard aid money (MOF 2008b). Disbursed aid does not seem to be sensitive towards gender or geographic region.

The findings of a survey on the Paris Declaration based on 2006/07 data from Nepal indicated that aid effectiveness was far from

satisfactory (MOF 2008b) (Table 8.7). A considerable amount of ODA, about one fourth, does not come through the government financial systems and a substantial part falls outside the purview of the government's planning and budgetary processes, limiting the effectiveness of fiscal and monetary policies as well as the implementation of development programmes. Technical cooperation is still supply-led, being mostly dictated by donors, and constitutes 38 per cent of total ODA. Much of the technical assistance is fragmented, with donors having a great variety of different ideas, modalities and priorities, and the absence of coordination between donors sometimes leading to duplication of activities (MOF 2008b). Donors frequently establish separate units for implementing projects, which apply the donors' own procedures for project operations, procurement, hiring of consultants, and environmental impact assessments.

About 59 per cent of Nepal's ODA was disbursed through the government sector using the government's procurement system in 2006/07 (MOF 2008b). The in-year predictability of aid, measured as a ratio of aid scheduled by donors for disbursement to money actually recorded by the government, was estimated at 47 per cent for Nepal in 2006/07, implying a substantial gap. The budgetary support provided (except for food aid) by bilateral and multilateral donors is untied. Multilateral aid is also untied. However, much bilateral aid is tied to procuring donor-country goods and services (MOF 2008b). Programme-based support (both budgetary support and other programme-based support) made up 32 per cent of total ODA in 2007, whilst only 20 per cent of ODA was disbursed to programme-based (sub-sector) approaches, implying that about one third of programme-based support is non-budgetary. Because of the fragmentation of aid, the energies and attention of senior technocrats and bureaucrats are absorbed by separate negotiation, management and reporting. Of the total programme and project review missions carried out, only 36 per cent were carried out jointly by donors and the government in 2007/08. Based on this evidence, it is acknowledged that donors are yet to comply with commitments made in the Paris Declaration to move towards the use of common arrangements and procedures under the recipient country's leadership.

TABLE 8.4: Sectoral distribution of foreign aid

Sectors	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Agriculture, forestry and irrigation (%)	22.84	13.71	12.85	10.97	10.87	14.39	13.17	6.30
Transport, electricity and communication (%)	41.06	48.94	40.03	41.68	32.13	25.76	22.90	17.32
Trade and industry (%)	2.56	2.53	0.78	0.52	0.48	0.46	0.27	0.44
Social sector (%)	32.57	33.50	46.16	45.43	50.64	58.71	62.09	67.94
Others (%)	0.96	1.33	0.19	1.40	5.88	0.67	1.57	8.00

Source: MOF 2010.

TABLE 8.5: Aid for trade flows

	Commitments		Disbursement
	2002–05 average	2007	2007
Trade policy and regulations [1]	0.1	1.2	0.8
Economic infrastructure [1]	68.3	111.4	63.5
Building productive capacity [1]	75.7	119.9	24.8
Trade-related adjustment [1]	–	–	–
Total aid for trade [1]	144.1	224.5	89.1
Per capita aid for trade (US $)	5.5	8.0	3.2

Source: WTO/OECD 2009.

In a bid to fulfil commitments towards achieving the MDGs, Nepal introduced a PRSP supported by a Medium-Term Expenditure Framework (MTEF), Immediate Action Plan (IAP), a separate Poverty Monitoring and Analysis System (PMAS), District Poverty Monitoring and Analysis System (DPMAS), and sectoral business plans for Managing for Development Results (MfDR).

The NPC and other key ministries (Finance, Education, Physical Planning and Works, Local Development, Energy, Agriculture) have taken lead roles in adopting a results-based

TABLE 8.6: Foreign aid: commitments vs. disbursement

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Total aid (%)	43.29	36.77	79.67	62.01	105.34	69.83	59.57	75.77
Multilateral aid (%)	65.65	20.94	63.81	85.23	233.17	48.91	52.92	130.02
Bilateral aid (%)	31.51	65.60	109.60	43.49	51.90	92.66	77.88	34.31

Source: MOF 2010.

1 Figures are in US$ millions at 2006 prices.

approach to public sector management (MOF 2009c). Nonetheless, this does not undermine the importance of developing national institutions and capacities to improve aid effectiveness.

TABLE 8.7: Aid effectiveness in Nepal

Indicators	Results
Aid on budget (%)	74
Technical cooperation (%)	34
Coordinated technical assistance (%)	14
Using country public financial management system (%)	68
Using country procurement system (%)	59
Parallel project implementation unit (number)	106
In-year predictability (%)	47
Programme-based approach (budget and other support) (%)	32
Programme-based approach (budget support) (%)	20
Joint mission (%)	36
Joint country analytical work (%)	37

Source: MOF 2008b.

Development partners have expressed concern at the lack of ownership, internalization and institutionalization of donor-funded programmes and projects by the government; the lack of leadership and direction from the government, particularly in expenditure prioritization but also in taking the required responsibility for designing, preparing and implementing programmes and projects; little involvement of stakeholders, including local institutions, community groups and beneficiaries, in budgeting as well as programme preparation and implementation processes; pressure to increase development programmes and projects beyond a level that can be effectively handled within the constraints of the country's limited institutional and implementation capacity; poorly functioning institutions, particularly the inadequately trained and motivated civil service, with low innovation and service orientation; weak public financial management; poor programme supervision and monitoring systems; and weak governance, lack of political consensus on the economic agenda, and the absence of policy coherence and consistency (MOF 2009d).

Recommendations

The report card on the Paris Declaration on aid effectiveness in Nepal is poor. Both donors and the government need to increase their efforts to improve the quality of aid effectiveness. In this context, donors should channel resources in a harmonized manner through the national budgetary system and utilize existing institutions and systems, including financial and procurement systems, in the implementation of programmes. Similarly, the government needs to improve institutional and absorptive capacities as well as financial management, safeguard accountability and transparency in resource utilization, and ensure effective project planning and implementation. In this context, making budget allocation and release criteria transparent, linking financial disbursement to comprehensive reporting of expenditure by spending units, including indicators of physical progress, further strengthening effective implementation of the Public Expenditure and Financial Accountability Framework (PEFA) Strategy and Action Plan, consolidating enforcement of social or public audit and adoption of results framework such as Managing for Development Results (MfDR) would go a long way.

Although existing foreign policy has identified priority sectors for foreign aid, it is silent on the volume of aid and technical assistance required. An in-depth study is needed to assess the absorptive capacity of the nation with regard to external assistance as well as the appropriate level of aid dependency.

The ability of recipient economies to sustain the maximum rate of return from capital projects is highly dependent on the quality and complementarily of infrastructure such as energy, transport and communications. The allocation of aid resources to productive and enabling sectors has decreased, in a relative sense, over recent years; this is detrimental to the objective of reducing income poverty in a sustainable manner. Therefore, there is a need for resource allocation for developing supply-side capacity, including the agriculture and infrastructure sectors. Similarly, resources should be allocated to different geographical areas in a balanced manner.

TARGET 8.D

Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term

Debt Sustainability

Status and Trends

The Heavily Indebted Poor Countries (HIPC) Initiative was launched by the International Monetary Fund (IMF) and the World Bank in 1996 and enhanced in 1998, but progress on the initiative was slow. The 2002 Monterrey Consensus of the International Conference on Financing for Development underlined the need for full and speedy implementation of the HIPC Initiative as an important contribution to achieving the MDGs. As part of this process, the HIPC Initiative was complemented in 2005 by the Multilateral Debt Relief Initiative (MDRI). The MDRI, by providing full relief on eligible debt, is designed to free up additional resources to help HIPC countries achieve the MDGs (UN 2009).

TABLE 8.8: Share of loans in capital expenditure

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Total loan (%)	63.37	60.05	57.31	66.58	67.71	70.33	55.07	54.74
External loan (%)	31.07	20.33	33.03	33.89	27.74	25.30	16.77	16.44
Internal loan (%)	32.29	39.72	24.28	32.69	39.97	45.03	38.29	38.29

Source: MOF 2010.

Despite the fact that Nepal is potentially eligible for debt relief and entitled to avail debt relief under the HIPC Initiative and MDRI, Nepal communicated to the International Development Association (IDA) and the IMF in February 2009 that Nepal had decided not to avail itself of debt relief. The reasons for this decision are related to the loss of policy stability and credit worthiness of the nation. Accordingly, Nepal is not a party to the HIPC Initiative and MDRI and has been removed from the list.

TABLE 8.9: External debt situation of Nepal

	2001/02	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09
Debt-to-GDP ratio (%)	47.9	45.4	43.4	37.3	35.8	29.7	30.5	27.9
Debt-to-servicing ratio (%)	4.7	5.3	5.0	4.9	4.6	4.6	3.7	2.5

Source: MOF 2010.

The financing of capital expenditure through loans has increased over the reporting period, but has declined since 2007/08 owing to a decline in external loans.

There was an equal share of external and internal loans in 2001/02; however, the share of external loans in relation to capital expenditure has declined since then, and reached a level of less than half of internal loans by 2008/09, as a part of the government's policy of giving preference to grants over external loans (Table 8.8).

Nepal's outstanding external debt was estimated at 30.5 per cent of GDP in 2008 (in nominal terms) (Table 8.9), of which about 93 per cent was owed to multilateral institutions, mostly the IDA and the Asian Development Bank. Bilateral debt stock is estimated at about seven per cent, with Japan being the largest creditor, accounting for more than half of bilateral debt (IMF 2008).

The debt-to-GDP ratio has declined over the reporting period, as a result of relatively low external loan disbursements and the appreciation of the Nepalese rupee. Domestic debt stock accounted for around 12.4 per cent of GDP in 2008/09 (MOF 2010).

Challenges

With regard to the situation of debt distress, the IMF concluded that Nepal's external debt dynamics are subject to a moderate risk of distress. However, it warns that any shocks to export growth and non-debt-creating flows could result in a protracted breach of debt thresholds (IMF 2008).

Recommendations

A programme for debt relief without any conditions on the use of the resources should be initiated outside the HIPC Initiative and MDRI, and the debt relief programme should be additional to regular ODA.

The economy is not performing satisfactorily in terms of growth, exports and foreign exchange earnings, owing to the unstable political situation as well as the global financial and economic crisis. If needed, donors should agree to a temporary moratorium on existing debt payment obligations.

TARGET 8.F

In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

Status and Trends

Access, usage and quality of telephone and internet services in Nepal have improved significantly over the reporting period. Between 2000 and 2008, mobile phone and internet subscriptions continued to grow and reached 4.24 million and 0.5 million, respectively (UNCTAD 2009), and the penetration ratio for fixed telephone lines has increased about three-fold during the same period. Possession of a personal computer increased from 0.3 per household in 2000 to 0.5 household in 2007 (Table 8.10), and internet users and broadband subscribers also increased over the period. Currently, 3,450 out of 3,915 VDCs have been served with fixed or mobile telephone connections, and internet can be accessed from all 75 districts owing to the presence of the CDMA signal.

TABLE 8.10: Connectivity through information technology

Connectivity	2000	2007	2008
Access			
Telephone lines (per 100 people)	1.1	2.5	3.14
Mobile cellular subscriptions (per 100 people)	0.0	11.6	15.72
Internet subscribers (per 100 people)	0.0	0.3	0.35
Personal computers (per 100 people)	0.3	0.5	–
Households with television set (%)	3	13	–
Usage			
International voice traffic (minutes/ person/month)	0.2	0.5	–
Internet users (per 100 people)	0.2	1.4	–
Quality			
Population covered by mobile cellular network (%)	–	10	–
Fixed broadband subscribers (% of total internet subscribers)	0.0	12.5	–
International internet bandwidth (bits/second/person)	0	5	–

Sources: ITU 2009; World Bank 2008b.

Challenges

The major challenge is to close the digital divide in society. For this, increased access to information and communications technology (ICT) for different regions as well as different income groups is crucial. However, only greater access is not sufficient; Nepal also needs to increase awareness of the potential uses of ICT for income generation, and invest in the development of human capital capable of absorbing and effectively using technology.

The second challenge is to increase participation of the private sector in providing services, and strengthen the regulatory system. As 'today's telecommunication market [is] private, competitive, mobile and global…, calls for liberalization of the industry are increasingly overtaken by reality' (ITU 2002). The MDG target on technology development implicitly aims to encourage public–private partnerships. In Nepal, telecommunication and ICT markets are increasingly open to competition in the areas of mobile and internet services. However, Nepal Telecom, still accounts for more than 63 per cent of the total telecommunications market, and it is absent from limited mobility and global mobile personal communications by satellite (GMPCS) services. About 40 per cent of

mobile services are provided by the private sector (Table 8.11).

The other challenge is financing of infrastructure, taking into account the costs of adjustment of displaced technologies. However, international development partners as well as the private sector can make a significant contribution to this.

TABLE 8.11: Public and private service providers in telecommunications, 2008

Services	Nepal Telecom	Private service providers	Total
Mobile (GSM, CDMA, and 3G)	2,512,153 (59.3)	1,725,959 (40.7)	4,238,112
Fixed (PSTN, fixed wireless)	720,870 (91.6)	66,670 (8.4)	787,540
Limited mobility (LM)	0 (0.0)	2,980 (100.0)	2,980
GMPCS	0 (0.0)	1,517 (100.0)	1,517
Total	3,233,023 (63.6)	1,853,334 (36.4)	5,086,357

Note: Figures in parentheses are percentages of total. Source: ITU 2009.

Recommendations

Despite remarkable progress in the deployment of ICT, the costs of access and services remain high, especially in rural areas. Shared access points have an important role to play in increasing access. Tele-centre initiatives should be strengthened and intensified.

The potential of ICT to bring social and economic benefits to its users depends on a large set of factors that go beyond access and connectivity. Factors such as users' ability to access relevant content and apply it in ways that are relevant to their contexts are also important in attaining an 'all-inclusive' information society.

The existing telecommunications infrastructure cannot adequately support modern ICT applications. Consequently, the quality and quantity of this infrastructure needs to be upgraded in order to serve the rapidly expanding market. External resources and partnerships can play a significant role in providing the needed human and financial resources.

MONITORING ENVIRONMENT FOR TRACKING PROGRESS IN ACHIEVING THE MDGs

Status of the Monitoring Framework

The Government of Nepal has developed a framework for monitoring development process. The NPC has established a Monitoring and Evaluation Division (formerly the Poverty Monitoring Division). Although it used the Poverty Monitoring and Analysis System (PMAS) to monitor development plans and programmes from a poverty perspective since the Tenth Plan/PRSP, more recently the focus has been on monitoring and evaluation of its plans, programmes and projects.

The PMAS is used to coordinate, consolidate, harmonize and analyse data. Its output is fed into the planning system to make policy changes for effective implementation. It has five components: (i) implementation monitoring; (ii) outcome monitoring; (iii) impact analysis; (iv) poverty management information system; and (v) communication and advocacy. Most of the poverty-related MDG indicators are monitored as part of the PRSP, and a progress report is published. However, the PMAS needs to be strengthened and report publication needs to be regularized as such reports were not published after 2006.

A system of data collection that includes government ministries, implementing agencies, and the NPC's own system regularly generates and feeds data into the monitoring system; these are analysed and reported on annually. Recently, efforts are being made to make web-based monitoring and evaluation system. Two major national surveys, the Nepal Living Standards Survey (NLSS) and the Nepal Demographic and Health Survey (NDHS), are conducted every five years and provide information for most of the MDG indicators. In addition, the National Labour Force Survey (NLFS) and other surveys fill the gaps. These surveys and the Census together make up the whole system of data generation, and provide information for planning and decision-making including on MDG-related actions. The Central Bureau of Statistics (CBS) prepares information related to the MDGs in a system called Nepal Info—a database available on CD-ROM. This system includes most of the poverty and MDG indicators.

Monitoring Issues

While preparing the 2010 report, several issues related to the data were encountered. Issues that were identified in the 2005 report continue to be a challenge for effectively monitoring MDG progress. Some of the challenges faced include unavailability of data directly related to the MDG indicators, unavailability of updated data, lack of consistency in definition and survey methodology, and lack of disaggregated data.

For MDG 1, the absence of information disaggregated by area and caste/ethnic groups makes it difficult to capture the real depth and spread of poverty and hunger. This gap needs to be addressed before the next progress report. Unreliability of data due to underreporting, limited scope, and insufficient sample size is often pointed as a major problem. For monitoring MDGs 4 and 5 on child and maternal mortality, Annual Reports of the Department of Health Services provide some information, including immunization,

percentage of deliveries attended by health care providers, and contraceptive prevalence rate, but these data remain underreported and, therefore, their reliability is sometimes questioned. This limitation explains why they could not be used for tracking the progress of MDG implementation. There is some information on HIV prevalence among 15–24-year-old pregnant women but it is based on reports received from eight hospitals only, and cannot be considered representative of national-level data.

With respect to MDG 2, there is an urgent need for disaggregated data, particularly related to the net enrolment rate of various marginalized groups, so that there is better understanding of the number of out-of-school children from these communities that need to be brought into mainstream education. Geographical mapping of these children would better enable their identification and subsequent mainstreaming.

Some indicators need to be redefined to best suit the country's context. For example, orphan children's education is more relevant and appropriate under MDG 2 than under the goal related to HIV/AIDS.

Gender and social inclusion should be dealt with as cross-cutting themes. Thus, in each of the goals, data must be disaggregated and analysed from gender and social inclusion perspectives. Since MDG 3 covers the broader theme of women's empowerment, more specific indicators, other than primary and secondary education (which could be included in MDG 2), need to be identified and pursued.

It has been felt necessary to assess MDG 7 with particular emphasis on access to improved water (quality and quantity of water supply) and improved sanitation to meet the target of universal coverage by 2017, and on enhancing the capacity to regularly monitor glacial lake outburst floods and ozone layer depletion. It should be mandatory for all projects categorized as P1 (high priority) by the government to develop environmental indicators in addition to the indicators already being monitored.

In addition, redefinition and inclusion of new indicators that were not present in previous reports create difficulties. For example, new indicators related to environmental sustainability (MDG 7) have been developed; consequently, the government system is not in a position to provide the required data. Nepal has yet to develop monitoring indicators for climate change and GHG emissions (Target 7.A *pro parte*), and slum dwellers and squatters (Target 7.D). It has been felt necessary to develop a definition of slum dwellers and squatters (including *kamaiya* and *sukumbasi*) for Nepal by harmonizing with other regional countries. In addition, biodiversity monitoring indicators (Target 7.B) have to be improved, following 2010 targets of the Convention on Biological Diversity.

Tracking progress on HIV and AIDS has been addressed through the development of unified national monitoring and evaluation guidelines with the participation of all stakeholders. Progress tracking on malaria and tuberculosis is ongoing and has proven tools for recording, reporting and monitoring. Before preparing the monitoring report, a rapid assessment with limited field visits would be beneficial, as this would allow an opportunity to verify implementation status. Furthermore, it would lessen the chance of simply accepting data and policies already in place at face value without questioning of their appropriateness.

It is suggested that annual national snap surveys be conducted between the periodic surveys; for example, living standards surveys and family health surveys. Such surveys should include information on MDG indicators such as vital statistics, health indicators, food availability and hunger, agriculture production, education indicators, and the economy. In addition, the regular data compilation system of the government on foreign aid and international trade also needs to be revamped to include MDG indicators. For this, investment in statistical services is urgently needed.

REFERENCES

Acharya, S., Bairagi K., Thapa Magar, L.B., Yadava, Y., Tiwari, A.K., Shrestha, D., and Tripathi, V.M. (2009) Report on MLE Policy and Strategy (Based on Analysis of Mother-Tongue-Speaking Children's Learning Environment in Kanchanpur, Palpa, Rasuwa, Dhankuta, Sunsari and Jhapa). Kathmandu: Department of Education.

Acharya, S. and Luitel, B.C. (2006) The Functioning and Effectiveness of Scholarship and Incentive Schemes in Nepal. Kathmandu: UNESCO.

Adhikari, S. and Shrestha, N.L. (2008) School-led Total Sanitation: A Successful Model to Promote School and Community Sanitation and Hygiene in Nepal. Beyond Construction: Use by All: A Collection of Case Studies from Sanitation and Hygiene Promotion Practitioners in South Asia. London and Delft, The Netherlands: Water Aid and IRC International Water and Sanitation Centre.

AEPC (2010) File document. Kathmandu: Alternative Energy Promotion Centre.

Baral, H.S. and Inskipp, C. (2005) Important Bird Areas in Nepal: Key Sites for Conservation. Kathmandu: Bird Conservation Nepal.

Baral, N.R., Sah, R.N., Sherpa, D. and Paudyal, A. (2008) Physiographic and Geographic Aspects of Forestry Sector. In B.N. Oli and S.P. Dhungana (eds.) Democratization, Governance and Sustainable Development of the Forestry Sector of Nepal. Proceedings of the National Workshop, 5–7 July 2007, Kathmandu. pp. 83–110. Kathmandu: Nepal Foresters' Association.

Belbase, N. (1999) National Implementation of the Convention on Biological Diversity: Policy and Legislative Requirements. Kathmandu: IUCN Nepal.

Bhattarai, P.C. (2009) Role of Social Partnership in Improvement in Trade Relation. [In Nepali]. Labour and Employment [Nepalese Journal of Labour and Employment], 2(2):12–22.

Bhuju, U.R., Khadka, M., Neupane, P.K. and Adhikari, R. (2009) Lakes of Nepal: 5358 - A Map Based Inventory. National Lakes Strategic Plan Preparation (Report). Kathmandu: National Lakes Conservation Development Committee.

CBS (1993) Population Census of Nepal 1991. Volume I. Kathmandu: Central Bureau of Statistics.

CBS (1996) Nepal Living Standards Survey Report 1995, Main Findings. Volumes I and II. Kathmandu: Central Bureau of Statistics.

CBS (1999) Report on the Nepal Labour Force Survey 1998/99. Kathmandu: Central Bureau of Statistics.

CBS (2002) Population Census 2001: National Report. Kathmandu: Central Bureau of Statistics.

CBS (2003) Population Monograph of Nepal. Volumes I and II. Kathmandu: Central Bureau of Statistics.

CBS (2004) Nepal Living Standards Survey 2003/04. Statistics Report. Volumes 1 and 2. Kathmandu: Central Bureau of Statistics.

CBS (2006) Small Area Estimation of Poverty, Caloric Intake and Malnutrition in Nepal. Kathmandu: Central Bureau of Statistics, World Food Programme, and World Bank.

CBS (2007) Statistical Year Book of Nepal 2007. Kathmandu: Central Bureau of Statistics.

CBS (2008) Environmental Statistics of Nepal 2008. Kathmandu: Central Bureau of Statistics.

CBS (2009) Report on the Nepal Labour Force Survey 2008. Kathmandu: Central Bureau of Statistics, United Nations Development Programme and International Labour Organization.

CBS/World Bank (2005) Preliminary Analysis based on the Nepal Living Standards Survey Report 2003/04. National Seminar, 11–12 May 2005. Kathmandu: Central Bureau of Statistics and World Bank.

CERID (2003) Management Transfer of Public Schools. Formative Research Project, Study Report 14. Kathmandu: Research Centre for Educational Innovation and Development, Tribhuvan University.

CERID (2004) Management Transfer of Community Schools. Formative Research Project, Study Report 19. Kathmandu: Research Centre for Educational Innovation and Development, Tribhuvan University.

Chaudhary R.P. (1998) Biodiversity in Nepal: Status and Conservation. Saharanpur, India and Bangkok: S. Devi and Tecpress Books.

Devkota, D.C. (2007) Drinking Water Policies and Quality Issues in Nepal. www.nepal.watsan.net/page/398 (12 August 2010).

DFRS (1999a) Forest and Shrub Cover of Nepal 1994. Kathmandu: Department of Forest Research and Survey.

DFRS (1999b) Forest Resources of Nepal (1987–1998). Kathmandu: Department of Forest Research and Survey.

DNPWC (2010) Protected Areas of Nepal (brochure). Kathmandu: Department of National Parks and Wildlife Conservation.

DOE (2005) Flash I Report. Kathmandu: Department of Education.

DOE (2006) Flash I Report. Kathmandu: Department of Education.

DOE (2007) Flash I Report. Kathmandu: Department of Education.

DOE (2008) Flash I Report. Kathmandu: Department of Education.

DOE (2009) Flash I Report. Kathmandu: Department of Education.

DOF (2010) CFUG Database Record. Kathmandu: Department of Forest.

DOHS (2008) Annual Report 2007/08. Kathmandu: Department of Health Services.

DOHS (2009) Annual Report 2008/09. Kathmandu: Department of Health Services.

DWSS (2010) DWSS Database. Kathmandu: Department of Water Supply and Sanitation.

Earthtrends http://earthtrends.wri.org/pdf_library/country_profiles/cli_cou_524.pdf

EDCD (2007) Internal Assessment of Malaria and Kala-Azar Control Activities 2004, 2005 and 2006. Kathmandu: Epidemiology and Disease Control Division, Department of Health Services.

FHD (2002) Nepal Demographic and Health Survey 2001. Kathmandu: Family Health Division, New ERA, and ORC Macro.

FHD (2009) Nepal Maternal Mortality and Morbidity Study 2008/09. Summary of Preliminary Findings. Kathmandu: Family Health Division.

Hamilton, A.C. and Radford, E.A. (2007) Identification and Conservation of Important Plant Areas for Medicinal Plants in the Himalaya. Salisbury, UK and Kathmandu: PlantLife International and Ethnobotanical Society of Nepal.

HMGN/IUCN (1988) The National Conservation Strategy for Nepal: Building on Success. Kathmandu: His Majesty's Government of Nepal and International Union for Conservation of Nature Nepal.

HMGN/MFSC (2002) Nepal Biodiversity Strategy. Kathmandu: Ministry of Forests and Soil Conservation.

HSCB/NCASC (2007) National Estimates of HIV Infections: Nepal 2007. Kathmandu: HIV/AIDS and STI Control Board and the National Centre for AIDS and STD Control.

HSEB (2007) File document. Kathmandu: Higher Secondary Education Board.

ICIMOD (2008) Strategic Framework: Enhancing Resilience and Supporting Adaptation of Mountain Communities. Kathmandu: International Centre for Integrated Mountain Development.

IDA/IMF (2009) Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI)—Status of Implementation. Washington: International Development Association and International Monetary Fund.

IMF (2008) Nepal: Selected Issues. Washington DC: International Monetary Fund.

IRIN (2009) Slum dwellers\IRIN Asia NEPAL Impoverished urban squatters face high risk of poor health Asia Nepal Children Gender Issues Health and Nutrition Urban Risk Feature. htm.

ITC (2009) Market Access Map. International Trade Centre. www.itc.org (20 February 2010).

ITU (2002) World Telecommunication Development Report 2002. Geneva: International Telecommunication Union.

ITU (2009) Document INF/010-E. 24 February 2009. Geneva: International Telecommunication Union.

Jamarkattel, B.K., Dhungana, S., Baral, S., and Rana. B. (2009) Democratizing Tarai Forestry Governance: Emerging Innovations in the Western Tarai Region of Nepal. Kathmandu: Livelihoods and Forestry Programme.

KC, S. (2009) Socio-economic distribution of geographical accessibility in Nepal. *Studies in Nepali History and Society*, 14(1): 3–34.

Laborde, D. (2008) Looking for a Meaningful Duty-Free Quota-Free Market Access Initiative in the Doha Development Agenda. Geneva: International Centre for Trade and Sustainable Development.

MFSC (2006) Nepal Biodiversity Strategy Implementation Plan (2006–2010). Kathmandu: Ministry of Forests and Soil Conservation.

MFSC (2009) Nepal Fourth National Report to the Convention on Biological Diversity. Kathmandu: Ministry of Forests and Soil Conservation.

MFSC/ADB/FINNIDA (1988) Master Plan for Forestry Sector Nepal. Kathmandu: Ministry of Forests and Soil Conservation, Asian Development Bank, and Finnish International Development Agency.

MOAC/WFP/FAO (2009) Crop and Food Security Assessment (Joint Assessment Report May 2009). Kathmandu: Ministry of Agriculture and Cooperatives, World Food Programme, and Food and Agriculture Organization.

MOE (2008) School Sector Reform Plan 2009–2015 (Volume I). Kathmandu: Ministry of Education.

MOEST (2009) Nepal's Status Paper for COP15 to UN Framework Convention on Climate Change and CMP 5 to Kyoto Protocol. Kathmandu: Ministry of Environment, Science and Technology.

MOF (2004) Economic Survey. Fiscal Year 2003/04. Kathmandu: Ministry of Finance.

MOF (2008a) Economic Survey. Fiscal Year 2007/08. Kathmandu: Ministry of Finance.

MOF (2008b) Nepal Country Report: 2008. Survey on Monitoring the Paris Declaration. Kathmandu: Ministry of Finance.

MOF (2009a) Three-Year (2009/10–2011/12) Projected Expenditure Details. Kathmandu: Ministry of Finance. www.mof.gov.np (20 February 2010).

MOF (2009b) Economic Survey 2008/09. Kathmandu: Ministry of Finance.

MOF (2009c) Nepal Portfolio Performance Review 2009. Kathmandu: Ministry of Finance.

MOF (2009d) Foreign Aid Policy. A Draft for Discussion at the National Development Forum Stakeholders Consultation Meeting. Kathmandu: Ministry of Finance.

MOF (2010) Economic Survey 2009/10. Kathmandu: Ministry of Finance.

MOGA (2009) MOGA Civil Personal Record Office. Kathmandu: Ministry of General Administration.

MOH (1992) Nepal Fertility, Family Planning and Health Status Survey 1991. A Premilinary Report. Kathmandu: Ministry of Health.

MOH (1996) Nepal Family Health Survey. Kathmandu: Ministry of Health, New ERA, and Macro International.

MOHP (2005) Adolescent Health and Development in Nepal. Status, Issues, Programmes and Challenges: A Country Profile. Kathmandu: Ministry of Health and Population.

MOHP, New ERA and Macro International Inc. (2007) Nepal Demographic and Health Survey 2006. Kathmandu: Ministry of Health and Population, New ERA, and Macro International Inc.

MOICS (2004) Nepal Trade and Competitiveness Study. Kathmandu: Ministry of Industry Commerce and Supplies.

MOLTM (2005) Labour and Employment Policy 2005. Kathmandu: Ministry of Labour and Transport Management.

MOLTM (2007) Foreign Employment Act 2007. Kathmandu: Ministry of Labour and Transport Management.

MOLTM (2008) Foreign Employment Regulation 2008. Kathmandu: Ministry of Labour and Transport Management.

MPPW (2008) National Urban Water Supply and Sanitation Sector Policy 2008. Third Draft. Kathmandu: Ministry of Physical Planning and Works.

NARC/MOAC (2008) Country Report on the State of Nepal's Plant Genetic Resources for Food and Agriculture. Commission on Genetic Resources for Food and Agriculture. Kathmandu: Nepal Agriculture Research Centre and Ministry of Agriculture and Cooperatives.

NCASC (2009) Fact Sheet 2009. Kathmandu: National Centre for AIDS and STD Control and Ministry of Health and Population.

NCASC (2010) National Estimates of HIV Infections Nepal 2009 (Final Draft). Kathamandu: National Centre for AIDS and STD Control.

NCASC, ASHA Project, and USAID/FHI (2007, 2008, 2009) Integrated Bio-Behavioural Surveys (IBBS) Reports on IDUs, FSWs, MSM and Labour Migrants. Kathmandu: National Centre for AIDS and STD Control, ASHA Project, and US Agency for International Development/Family Health International.

NFHP (2010) Family Planning, Maternal Newborn and Child Health Situation in Rural Nepal. A Mid-term Survey 2009. Kathmandu: Nepal Family Health Programme.

Norad (2009) Joint Evaluation of Nepal's Education for All 2004–2009 Programme (Evaluation Report 1/2009). Oslo: Norwegian Agency for Development Cooperation.

NPC (1998) The Ninth Plan, 1997–2002. Kathmandu: National Planning Commission.

NPC (2002) The Tenth Plan. Kathmandu: National Planning Commission.

NPC (2007) The Three-Year Interim Plan 2064/65–2066/67 (2007/08–2009/10). Kathmandu: National Planning Commission.

NPC (2008) Annual Programme of Fiscal Year 2065/66. Kathmandu: National Planning Commission.

NPC (2010a) Poverty Measurement Practices in Nepal and Number of Poor. Kathmandu: National Planning Commission.

NPC (2010b) Approach Paper to Three Year Plan (2010/11-2012/13). Kathmandu: National Planning Commission.

NPC/UNCT (2005) Nepal Millennium Development Goals: Progress Report 2005. Kathmandu: National Planning Commission and United Nations Country Team, Nepal.

NPC/UNDP (2006) Millennium Development Goals Needs Assessment for Nepal. Kathmandu: National Planning Commission and United Nations Development Programme.

NRB (2009) Macroeconomic Indicators of Nepal, July 2009. Kathmandu: Research Department, Nepal Rastra Bank. www.nrb.org.np.

NTC (2008) National Tuberculosis Programme at a Glance 2008. Kathmandu: National Tuberculosis Centre.

Pandey, P.R. (2007) Hong Kong Duty Free Quota Free Market Access Decision: Implications for South Asian LDCs in CUTS International. In.: South Asian Position in The WTO Doha Round: In search of a True Development Agenda Vol II. India.

Pokharel, S. (2007) Kyoto protocol and Nepal's energy sector. *Energy Policy* 35: 2514–2525.

Reid, W.V. (1992) How many species will there be? In T.C. Whitmore and J.A. Sayer (eds). Tropical Deforestation and Species Extinction. pp. 55–73. London: Chapman and Hall.

SAARC (2006) Regional Poverty Profile 2005. Kathmandu: SAARC Secretariat.

Shrestha, A.B., Wake, C.P., Mayewski, P.A., Dibb, J.E. (1999) Maximum Temperature Trends in Himalaya and Its Vicinity: An Analysis Based on Temperature Records from Nepal for the Period 1971–94. *Journal of Climate*, 12: 2775–2787.

Shrestha, H.M. (1985) Water Power Potential. In T.C. Majupuria (ed). Nepal: Nature's Paradise. pp. 4 – 8. Bangkok: White Lotus Co. Ltd.

Supreme Court (2009) Administration Section. Kathmandu: Supreme Court.

Thakur, J., Ramanathan, A.L., Kumar, M. (2009) Arsenic Contamination of Ground Water in Nepal – An Overview.. www/scribd.com

UGC (2005) File document. Kathmandu: University Grants Commission.

UGC (2007) File document. Kathmandu: University Grants Commission.

UN (2008) Delivering on the Global Partnership for Achieving the Millennium Development Goals. New York: MDG Gap Task Force Report 2008.

UN (2009) The Millennium Development Goals Report 2009. New York: United Nations.

UNAIDS/FHI/NCASC (2003) National Estimates of Adult HIV Infections: Nepal 2003. Kathmandu: United Nations Programme on HIV/AIDS, Family Health International, and National Centre for AIDS and STD Control.

UNCTAD (2009) Information Economy Report 2009. Geneva: United Nations Conference on Trade and Development.

UNDP (1992) Human Development Report 1992. New York: United Nations Development Programme.

UNDP (2001) Human Development Report 2001. New York: United Nations Development Programme.

UNDP (2003) Human Development Report 2003. New York: Oxford University Press.

UNDP (2005) Human Development Report 2005. New York: United Nations Development Programme.

UNDP (2009) Nepal Human Development Report 2009: State Transformation and Human Development. Kathmandu: United Nations Development Programme.

UNICEF (2009) Situation of Children and Women in Nepal 2009. Kathmandu: UNICEF.

UNSD (2003) Indicators for Monitoring the Millennium Development Goals. Definitions, Concept and Sources. New York: United Nations Statistics Division.

WaterAid (2009) Harmonizing the Action: How the Global Framework for Action can Work in Nepal? (Draft.) Kathmandu: WaterAid Nepal.

WCMC (World Conservation Monitoring Centre) (1992) Global Biodiversity – Status of the Earth's Living Resources (Edited by B. Groombridge). London: Chapman and Hall.

WECS (2005) National Water Plan Nepal. Kathmandu: Water and Energy Commission Secretariat.

WECS (2006) Energy Synopsis Report: Nepal 2006. Kathmandu: Water and Energy Commission Secretariat.

WEF (2009) Global Competitiveness Report 2009/2010. Geneva: World Economic Forum.

WFP (2006) Standardized School Feeding Survey: Country Status Report Nepal 2006. Kathmandu: World Food Programme.

WHO/UNICEF (2009) Comparing International and National Data on Access to Drinking Water and Sanitation. www.mdgs.un.org

World Bank (2008a) Nepal: Trade at a Glance. December 2008. New York: World Bank.

World Bank (2008b) ITC at a Glance. New York: World Bank.

World Bank (2009) Implementation, Completion and Results Report on a Credit in the Amount of SDR 3.6 Million to the Federal Democratic Republic of Nepal for Community School Support Project. New Delhi: South Asia Regional Office, World Bank.

World Bank (2009b) Logistics Performance Index. http://info.worldbank.org/etools/tradesurvey/mode1a.asp (23 February 2010).

World Resources Institute (n.d.) Earthtrends.wri.org.

WTO (2009). The Doha Round Text and Related Documents. Geneva: World Trade Organization.

WTO/OECD (2009) Aid for Trade at a Glance 2009: Maintaining Momentum. Geneva: World Trade Organization.

www.indexmundi.com/nepal/consumption-of-all-ozone-depleting-substances-in-odp-metric-tons.html (July 10, 2010).

www.irinnews.org/Report.aspx?ReportId=85314 (July 10, 2010).

www.lawcommission.gov.np/index.php/en/rules/doc/493/raw (July 10, 2010).

www.sdinet.org/documents/doc4.htm.

www.thehimalayantimes.com/fullNews.php (August 18, 2010).

ANNEX 1: PREPARATION OF NEPAL'S MDG PROGRESS REPORT 2010

In line with previous reports, the MDG Progress Report 2010 placed high importance on ensuring that the report was truly a 'national document' with shared ownership. Thus, special attention was given to making the process as participatory as possible, by going through a series of consultation meetings with various individual experts, academia, members of civil society, NGOs and the private sector, government officials, and representatives from external development partners including UN agencies and other international development partners. All those consulted provided valuable information, inputs and insights into the key issues faced by Nepal in terms of meeting the MDGs. The final draft has greatly benefited from this involvement.

For the preparation of the report, a team of seven experts on poverty and hunger, education, gender, child and maternal health, environment, and global partnerships was recruited. Under the leadership and guidance of the NPC, the team prepared the report with frequent consultations with stakeholders and experts.

In early January 2010, the first draft of the report was prepared and circulated for review, followed by series of goal-wise consultation meetings. More than 40 representatives from various UN agencies participated in the initial discussion on the first draft. Members of the NPC, in a separate meeting, also provided substantial feedback on the draft. The initial discussion focused on issues related to data usage and sharing of perspective on analysis of the findings.

DATE	ACTIVITIES
	Initial Discussion with Members of NPC
Jan 16 – Jan 19	Circulation of 1st Draft to NPC and UN agencies for feedback
Jan 20	Consultation with UN Agencies on Goals 2, 3, 4, and 5 on Draft 1 contributor
Jan 21	Consultation with UN Agencies on Goals 1, 6 and 7 on Draft 1
Jan 22	Consultation with UN Agencies on Goal 8 on Draft 1
	Consultation with NPC on Draft 2
Feb 14	Consultation with National stakeholders; including members of civil society, academicians, experts, government officials; etc, on Draft 2
Feb 23	Consultation with Donor Agencies on Draft 2
March 4	Consultation with United Nations Country Team on Draft 2
April 2	Finalization of the report

After incorporating the initial feedback, the second draft was prepared and shared with national stakeholders. A consultation meeting was then convened in mid-February 2010 with participation of over 130 individuals, academicians and experts representing various civil society organizations, non-governmental federations and associations, the private sector, and government line agencies. During the meeting, the report was shared and opened up for feedback in a plenary session as well as in smaller group thematic discussions, enabling participants to delve more deeply into each chapter. The meeting con-

cluded with valuable suggestions on further strengthening of the report, by highlighting important achievements made as well as gaps in each sector.

Following the national stakeholder meeting, a donor consultation meeting was convened to build their perspective into the report, especially on Goal 8 Global Partnership. The meeting was attended by 12 donor agencies. Important feedback on the challenges faced by donor agencies in meeting the commitments was provided. Additionally, a few agencies held sectoral meetings within their organization and provided consolidated feedback to the respective consultants on each of the eight MDGs.

The third draft was shared again at the UN Country Team meeting and additional inputs on finalizing the report were collected.

All the consultation meetings resulted in a high level of participation and feedback that further strengthened the report and brought out different perspectives and analyses that dug deeper into the issues, beyond what was revealed by the numbers alone.

ANNEX 2: UNITED NATIONS MILLENNIUM DECLARATION

I. Values and Principles

1. We, heads of State and Government, have gathered at United Nations Headquarters in New York from 6 to 8 September 2000, at the dawn of a new millennium, to reaffirm our faith in the Organization and its Charter as indispensable foundations of a more peaceful, prosperous and just world.

2. We recognize that, in addition to our separate responsibilities to our individual societies, we have a collective responsibility to uphold the principles of human dignity, equality and equity at the global level. As leaders we have a duty therefore to all the world's people, especially the most vulnerable and, in particular, the children of the world, to whom the future belongs.

3. We reaffirm our commitment to the purposes and principles of the Charter of the United Nations, which have proved timeless and universal. Indeed, their relevance and capacity to inspire have increased, as nations and peoples have become increasingly interconnected and interdependent.

4. We are determined to establish a just and lasting peace all over the world in accordance with the purposes and principles of the Charter. We rededicate ourselves to support all efforts to uphold the sovereign equality of all States, respect for their territorial integrity and political independence, resolution of disputes by peaceful means and in conformity with the principles of justice and international law, the right to self-determination of peoples which remain under colonial domination and foreign occupation, non-interference in the internal affairs of States, respect for human rights and fundamental freedoms, respect for the equal rights of all without distinction as to race, sex, language or religion and international cooperation in solving international problems of an economic, social, cultural or humanitarian character.

5. We believe that the central challenge we face today is to ensure that globalization becomes a positive force for all the world's people. For while globalization offers great opportunities, at present its benefits are very unevenly shared, while its costs are unevenly distributed. We recognize that developing countries and countries with economies in transition face special difficulties in responding to this central challenge. Thus, only through broad and sustained efforts to create a shared future, based upon our common humanity in all its diversity, can globalization be made fully inclusive and equitable. These efforts must include policies

and measures, at the global level, which correspond to the needs of developing countries and economies in transition and are formulated and implemented with their effective participation.

6. We consider certain fundamental values to be essential to international relations in the twenty-first century. These include:

   - **Freedom.** Men and women have the right to live their lives and raise their children in dignity, free from hunger and from the fear of violence, oppression or injustice. Democratic and participatory governance based on the will of the people best assures these rights.

   - **Equality.** No individual and no nation must be denied the opportunity to benefit from development. The equal rights and opportunities of women and men must be assured.

   - **Solidarity.** Global challenges must be managed in a way that distributes the costs and burdens fairly in accordance with basic principles of equity and social justice. Those who suffer or who benefit least deserve help from those who benefit most.

   - **Tolerance.** Human beings must respect one other, in all their diversity of belief, culture and language. Differences within and between societies should be neither feared nor repressed, but cherished as a precious asset of humanity. A culture of peace and dialogue among all civilizations should be actively promoted.

   - **Respect for nature.** Prudence must be shown in the management of all living species and natural resources, in accordance with the precepts of sustainable development. Only in this way can the immeasurable riches provided to us by nature be preserved and passed on to our descendants. The current unsustainable patterns of production and consumption must be changed in the interest of our future welfare and that of our descendants.

   - **Shared responsibility.** Responsibility for managing worldwide economic and social development, as well as threats to international peace and security, must be shared among the nations of the world and should be exercised multilaterally. As the most universal and most representative organization in the world, the United Nations must play the central role.

7. In order to translate these shared values into actions, we have identified key objectives to which we assign special significance.

II. Peace, Security and Disarmament

8. We will spare no effort to free our peoples from the scourge of war, whether within or between States, which has claimed more than 5 million lives in the past decade. We will also seek to eliminate the dangers posed by weapons of mass destruction.

9. We resolve therefore:

   - To strengthen respect for the rule of law in international as in national affairs and, in particular, to ensure compliance by Member States with the decisions of the International Court of Justice, in compliance with the Charter of the United Nations, in cases to which they are parties.

   - To make the United Nations more effective in maintaining peace and security by giving it the resources and

tools it needs for conflict prevention, peaceful resolution of disputes, peacekeeping, post-conflict peacebuilding and reconstruction. In this context, we take note of the report of the Panel on United Nations Peace Operations[1] and request the General Assembly to consider its recommendations expeditiously.

- To strengthen cooperation between the United Nations and regional organizations, in accordance with the provisions of Chapter VIII of the Charter.

- To ensure the implementation, by States Parties, of treaties in areas such as arms control and disarmament and of international humanitarian law and human rights law, and call upon all States to consider signing and ratifying the Rome Statute of the International Criminal Court[2].

- To take concerted action against international terrorism, and to accede as soon as possible to all the relevant international conventions.

- To redouble our efforts to implement our commitment to counter the world drug problem.

- To intensify our efforts to fight transnational crime in all its dimensions, including trafficking as well as smuggling in human beings and money laundering.

- To minimize the adverse effects of United Nations economic sanctions on innocent populations, to subject such sanctions regimes to regular reviews and to eliminate the adverse effects of sanctions on third parties.

- To strive for the elimination of weapons of mass destruction, particularly nuclear weapons, and to keep all options open for achieving this aim, including the possibility of convening an international conference to identify ways of eliminating nuclear dangers.

- To take concerted action to end illicit traffic in small arms and light weapons, especially by making arms transfers more transparent and supporting regional disarmament measures, taking account of all the recommendations of the forthcoming United Nations Conference on Illicit Trade in Small Arms and Light Weapons.

- To call on all States to consider acceding to the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer of Anti-personnel Mines and on Their Destruction,[3] as well as the amended mines protocol to the Convention on conventional weapons.[4]

10. We urge Member States to observe the Olympic Truce, individually and collectively, now and in the future, and to support the International Olympic Committee in its efforts to promote peace and human understanding through sport and the Olympic Ideal.

III. Development and Poverty Eradication

11. 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 than 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.

1. A/55/305-S/2009/809; see Official Records of the Security Council, Fifty-fifth Year, Supplement for July, August and September 2000, document S/2000/809.
2. A/CONF.183/9.
3. CD/1478.
4. Amended protocol on prohibitions or restrictions on the use of mines, body-traps and other devices (CCW/CONF.I/16 (part I) annex B).

12. 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.

13. Success in meeting these objectives depends, *inter alia*, on good governance within each country. It also depends on good governance at the international level and on transparency in the financial, monetary and trading systems. We are committed to an open, equitable, rule-based, predictable and non-discriminatory multilateral trading and financial system.

14. We are concerned about the obstacles developing countries face in mobilizing the resources needed to finance their sustained development. We will therefore make every effort to ensure the success of the High-level International and Intergovernmental Event on Financing for Development, to be held in 2001.

15. We also undertake to address the special needs of the least developed countries. In this context, we welcome the Third United Nations Conference on the Least Developed Countries to be held in May 2001 and will endeavour to ensure its success. We call on the industrialized countries:

- To adopt, preferably by the time of that Conference, a policy of duty- and quota-free access for essentially all exports from the least developed countries;

- To implement the enhanced programme of debt relief for the heavily indebted poor countries without further delay and to agree to cancel all official bilateral debts of those countries in return for their making demonstrable commitments to poverty reduction; and

- To grant more generous development assistance, especially to countries that are genuinely making an effort to apply their resources to poverty reduction.

16. We are also determined to deal comprehensively and effectively with the debt problems of low- and middle-income developing countries, through various national and international measures designed to make their debt sustainable in the long term.

17. We also resolve to address the special needs of small island developing States, by implementing the Barbados Programme of Action[5] and the outcome of the twenty-second special session of the General Assembly rapidly and in full. We urge the international community to ensure that, in the development of a vulnerability index, the special needs of small island developing States are taken into account.

18. We recognize the special needs and problems of the landlocked developing countries, and urge both bilateral and multilateral development partners to increase financial and technical assistance to this group of countries to meet their special development needs and to help them overcome the impediments of geography by improving their transit transport systems.

19. We resolve further:

    - To halve, by the year 2015, the proportion of the world's people whose income is less than one dollar a day and the proportion of people who suffer from hunger and, by the same date, to halve the proportion of people who are unable to reach or to afford safe drinking water.

    - To ensure that, by the same date, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling and

5. Programme of Action for the Sustainable Development of Small Island Developing States (*Report of the Global Conference on the Sustainable Development of Small Island Developing States, Bridgetown, Barbados, 25 April-6 May 1994* (United Nations publication, Sales No. E.94.I.18 and corrigenda) chap. I, resolution 1, annex II.)

that girls and boys will have equal access to all levels of education.

- By the same date, to have reduced maternal mortality by three quarters, and under-five child mortality by two thirds, of their current rates.

- To have, by then, halted, and begun to reverse, the spread of HIV/AIDS, the scourge of malaria and other major diseases that afflict humanity.

- To provide special assistance to children orphaned by HIV/AIDS.

- By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers as proposed in the 'Cities Without Slums' initiative.

20. We also resolve:

- To promote gender equality and the empowerment of women as effective ways to combat poverty, hunger and disease and to stimulate development that is truly sustainable.

- To develop and implement strategies that give young people everywhere a real chance to find decent and productive work.

- To encourage the pharmaceutical industry to make essential drugs more widely available and affordable by all who need them in developing countries.

- To develop strong partnerships with the private sector and with civil society organizations in pursuit of development and poverty eradication.

- To ensure that the benefits of new technologies, especially information and communication technologies, in conformity with recommendations contained in the ECOSOC 2000 Ministerial Declaration[6], are available to all.

IV. Protecting our Common Environment

21. We must spare no effort to free all of humanity, and above all our children and grandchildren, from the threat of living on a planet irredeemably spoilt by human activities, and whose resources would no longer be sufficient for their needs.

22. We reaffirm our support for the principles of sustainable development, including those set out in Agenda 21[7], agreed upon at the United Nations Conference on Environment and Development.

23. We resolve therefore to adopt in all our environmental actions a new ethic of conservation and stewardship and, as first steps, we resolve:

- To make every effort to ensure the entry into force of the Kyoto Protocol, preferably by the tenth anniversary of the United Nations Conference on Environment and Development in 2002, and to embark on the required reduction in emissions of greenhouse gases.

- To intensify our collective efforts for the management, conservation and sustainable development of all types of forests.

- To press for the full implementation of the Convention on Biological Diversity[8] and the Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa.[9]

- To stop the unsustainable exploitation of water resources by develop-

6. E/2000/L.9.
7. *Report of the United Nations Conference on Environment and Development, Rio de Janeiro, 3-14 June 1992* (United Nations publication, sales No. E.93.I.8 and corrigenda), vol. I: *Resolutions adopted by the Conference*, resoultion 1, annex II.
8. United Nations Environment Programme, *Convention on Biological Deversity* (Environmental Law and Institution Programme Activity Centre), June 1992.
9. A/49/84/Add.2, annex, appendix II.

ing water management strategies at the regional, national and local levels, which promote both equitable access and adequate supplies.

- To intensify cooperation to reduce the number and effects of natural and man-made disasters.

- To ensure free access to information on the human genome sequence.

V. Human Rights, Democracy and Good Governance

24. We will spare no effort to promote democracy and strengthen the rule of law, as well as respect for all internationally recognized human rights and fundamental freedoms, including the right to development.

25. We resolve therefore:

- To respect fully and uphold the Universal Declaration of Human Rights.[10]

- To strive for the full protection and promotion in all our countries of civil, political, economic, social and cultural rights for all.

- To strengthen the capacity of all our countries to implement the principles and practices of democracy and respect for human rights, including minority rights.

- To combat all forms of violence against women and to implement the Convention on the Elimination of All Forms of Discrimination against Women.[11]

- To take measures to ensure respect for and protection of the human rights of migrants, migrant workers and their families, to eliminate the increasing acts of racism and xenophobia in many societies and to promote greater harmony and tolerance in all societies.

- To work collectively for more inclusive political processes, allowing genuine participation by all citizens in all our countries.

- To ensure the freedom of the media to perform their essential role and the right of the public to have access to information.

VI. Protecting the Vulnerable

26. We will spare no effort to ensure that children and all civilian populations that suffer disproportionately the consequences of natural disasters, genocide, armed conflicts and other humanitarian emergencies are given every assistance and protection so that they can resume normal life as soon as possible. We resolve therefore:

- To expand and strengthen the protection of civilians in complex emergencies, in conformity with international humanitarian law.

- To strengthen international cooperation, including burden sharing in, and the coordination of humanitarian assistance to, countries hosting refugees and to help all refugees and displaced persons to return voluntarily to their homes, in safety and dignity and to be smoothly reintegrated into their societies.

- To encourage the ratification and full implementation of the Convention on the Rights of the Child[12] and its optional protocols on the involvement of children in armed conflict and on

10. Resoultion 217 A (III).
11. Resolution 34/180, annex.
12. Resolution 44/25, annex.

the sale of children, child prostitution and child pornography.[13]

VII. Meeting the Special Needs of Africa

27. We will support the consolidation of democracy in Africa and assist Africans in their struggle for lasting peace, poverty eradication and sustainable development, thereby bringing Africa into the mainstream of the world economy.

28. We resolve therefore:

- To give full support to the political and institutional structures of emerging democracies in Africa.
- To encourage and sustain regional and subregional mechanisms for preventing conflict and promoting political stability, and to ensure a reliable flow of resources for peacekeeping operations on the continent.
- To take special measures to address the challenges of poverty eradication and sustainable development in Africa, including debt cancellation, improved market access, enhanced Official Development Assistance and increased flows of Foreign Direct Investment, as well as transfers of technology.
- To help Africa build up its capacity to tackle the spread of the HIV/AIDS pandemic and other infectious diseases.

VIII. Strengthening the United Nations

29. We will spare no effort to make the United Nations a more effective instrument for pursuing all of these priorities: the fight for development for all the peoples of the world, the fight against poverty, ignorance and disease; the fight against injustice; the fight against violence, terror and crime; and the fight against the degradation and destruction of our common home.

30. We resolve therefore:

- To reaffirm the central position of the General Assembly as the chief deliberative, policy-making and representative organ of the United Nations, and to enable it to play that role effectively.
- To intensify our efforts to achieve a comprehensive reform of the Security Council in all its aspects.
- To strengthen further the Economic and Social Council, building on its recent achievements, to help it fulfil the role ascribed to it in the Charter.
- To strengthen the International Court of Justice, in order to ensure justice and the rule of law in international affairs.
- To encourage regular consultations and coordination among the principal organs of the United Nations in pursuit of their functions.
- To ensure that the Organization is provided on a timely and predictable basis with the resources it needs to carry out its mandates.
- To urge the Secretariat to make the best use of those resources, in accordance with clear rules and procedures agreed by the General Assembly, in the interests of all Member States, by adopting the best management practices and technologies available and by concentrating on

13. Resolution 54/263, annexes I and II.

those tasks that reflect the agreed priorities of Member States.

- To promote adherence to the Convention on the Safety of United Nations and Associated Personnel.[14]

- To ensure greater policy coherence and better cooperation between the United Nations, its agencies, the Bretton Woods Institutions and the World Trade Organization, as well as other multilateral bodies, with a view to achieving a fully coordinated approach to the problems of peace and development.

- To strengthen further cooperation between the United Nations and national parliaments through their world organization, the Inter-Parliamentary Union, in various fields, including peace and security, economic and social development, international law and human rights and democracy and gender issues.

- To give greater opportunities to the private sector, non-governmental organizations and civil society, in general, to contribute to the realization of the Organization's goals and programmes.

31. We request the General Assembly to review on a regular basis the progress made in implementing the provisions 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.

32. We solemnly reaffirm, on this historic occasion, that the United Nations is the indispensable common house of the entire human family, through which we will seek to realize our universal aspirations for peace, cooperation and development. We therefore pledge our unstinting support for these common objectives and our determination to achieve them.

8th Plenary Meeting
8 September 2000

14. Resolution 49/59, annex.