

# Cover Page

**Achieving Millennium Development Goals:  
Challenges  
for  
Nepal**



**Nepal Rastra Bank**  
Research Department  
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## *Preface*

The turn of the century was marked by some significant and promising events in development vision. The United Nations' Millennium Declaration—signed by 189 countries in September 2000—led to the adoption of Millennium Development Goals (MDGs), which has set clear targets for eradicating poverty and other sources of human deprivation. The world has made, in general, a significant progress in reducing income and human poverty. But the outcomes have been highly unequal not only among the regions and the countries, but also within the countries. As there has been further deterioration in the distribution of income, inequality has widened. This has compelled the policy makers to think of a more egalitarian development process. The Millennium Declaration on MDGs and the proposition for MDGs-based development strategy is a milestone in this regard. With the broad agreement on the goals and strategies to be achieved, the task that lies ahead is implementation—to translate vision into action. This needs to take place within the countries and at the global level.

Nepal has undertaken a number of policy initiatives in the ongoing 10th Plan (2002-2007) for achieving the MDGs. Being one of the least-developed countries, Nepal could confront a number of challenges for attaining some of the MDGs. However, the country has made significant progress in the field of poverty reduction and human development despite the difficult situation prevailing in the country since the last few years. Still, the reduction in poverty has not been evenly distributed across all classes of the society. Moreover, inequality and social exclusion have continued to remain as one of the daunting challenges of this country.

This publication is brought out keeping in mind the significance of the MDGs in the socio-economic development endeavors of Nepal. The objective of this publication is to explore the professional and independent, analytical views on the subject matter. It is expected that this publication will serve as a useful reference to policy-makers, academicians, students, and the general public interested in this area. Besides the introductory chapter, this publication encompasses papers contributed by experts with in-depth knowledge and experiences in their respective fields.

I would like to express my gratitude to all the valued contributors without whose support this publication would not have been even conceived. Many thanks are due to Mrs. Shiba Devi Kafle, Director, Research Department for playing an instrumental role in the publication of this book and to Mr. Shaligram Dahal, Deputy Director and Mr. Ram Hari Dahal, Assistant Director, International Finance Division for their devoted and painstaking efforts in undertaking all the necessary works pertaining to this publication. The hard and able work of Mr. Amar Ratna Bajracharya, Computer Supervisor, in the formatting and processing of this book is highly acknowledged. I am also thankful to Mr. Sunder Shrestha, Chief Artist, Nepal Rastra Bank, for designing an attractive cover page for this valued publication.

Finally, the views and opinions expressed in this publication are those of the contributors themselves and do not necessarily reflect and represent the views and policies of the Nepal Rastra Bank.

*October 2006*

**Keshav Prasad Acharya**  
*Executive Director*

## ACRONYMS

ADB	:	Asian Development Bank
ADB/N	:	Agriculture Development Bank/Nepal
AEPC	:	Alternate Energy Promotion Centre
AIDS	:	Acquired Immune Deficiency Syndrome
ANC	:	Ante-Natal Care
ANM	:	Auxiliary Nurse-Midwife
APH	:	Ante-Partum Haemorrhage
APP	:	Agriculture Perspective Plan
ARI	:	Acute Respiratory Infection
ARV	:	Anti-Retro Viral Treatment
ATC	:	Agreement on Textile and Clothing/WTO
BEOC/CEOC	:	Basic/Comprehensive Emergency Obstetric Care
BIMSTEC	:	Bay of Bengal's Initiative for Multi-Sectoral Technical and Economic Cooperation
BMI	:	Body Mass Index
BoD	:	Burden of Disease
BPEP	:	Basic and Primary Education Program
BSP Nepal	:	Biogas Support Program Nepal
BSS	:	Basic Social Sector
CADEC	:	Community Awareness Development Centre
CAS	:	Continuous Assessment System
CBC	:	Community Birthing Centre
CBFRM	:	Community-Based Forest Resource Management
CBIMCI	:	Community-Based Integrated Management of Childhood Infection
CBOs	:	Community Based Organizations
CBS	:	Central Bureau of Statistics/Nepal
CDP	:	Community Drug Program
CEOC	:	Comprehensive Essential Obstetric Care
CFUGs	:	Community Forest Users Groups
CHD	:	Child Health Division
CHI	:	Community Health Insurance
CIS	:	Commonwealth of Independent States
CLTS	:	Community-Led Total Sanitation
CMR	:	Child Mortality Rate
COPE	:	Community Owned Primary Education
CPR	:	Contraceptive Prevalence Rate
CSOs	:	Civil Society Organizations
CWIN	:	Child Workers in Nepal
DALYs	:	Disability Adjusted Life Years
DANIDA	:	Denmark's Development Organization
DAO	:	District Agriculture Office
DDA	:	Doha Development Agenda
DDCs	:	District Development Committees
DEO	:	District Education Office
DFID	:	Department of International Development/UK
DFRS	:	Department of Forest Research and Survey
DNPWC	:	Department of National Parks and Wildlife Conservation/Nepal
DOA	:	Department of Agriculture/Nepal

DOE	:	Department of Education/Nepal
DOHS	:	Department of Health Services
DOTS	:	Directly Observed Treatment Short Course
DPR	:	Department of Plant Resources
DWSS	:	Department of Water Supply and Sanitation
ECD	:	Early Childhood Development
EDPs	:	External Development Partners
EFA	:	Education For All
EHCP	:	Essential Health Care Package
EHCS	:	Essential Health Care Services
EMIS	:	Education Management Information System
ENPHO	:	Environment Public Health Organization
ESAP	:	Energy Sector Assistance Program
EU	:	European Union
FAO	:	Food and Agriculture Organization
FCHVs	:	Female Community Health Volunteers
FDA	:	Foreign Development Assistance
FDI	:	Foreign Direct Investment
FECOFON	:	Federation of Community Forestry Users of Nepal
FHCVs	:	Female Health Community Volunteers
FHD	:	Family Health Department
FHS	:	Family Health Survey
FSWs	:	Female Sex Workers
FTA	:	Free Trade Area
FY	:	Fiscal Year
GDI	:	Gender Development Index
GDP	:	Gross Domestic Product
GER	:	Gross Enrollment Rate
GIP	:	Girls Incentive Program/Nepal
GIS	:	Geographic Information System
GNP	:	Gross National Product
GOs	:	Governmental Organizations
GPI	:	Gender Parity Index
GRB	:	Gender Responsive Budgeting
HDI	:	Human Development Index
HDR	:	Human Development Report/UNDP
HFA	:	Health For All by the Year 2000
HHs	:	House Holds
HIPC	:	Heavily Indebted Poor Countries
HIV	:	Human Immuno-deficiency Virus
HMG/N	:	His Majesty's Government of Nepal
HMIS	:	Health Management Information System
HP	:	Health Post
HRD	:	Human Resource Development
HSRS	:	Health Sector Reform Strategy
IAP	:	Immediate Action Plan
ICIMOD	:	International Centre for Integrated Mountain Development
ICPD	:	International Conference on Population and Development
ICS	:	Improved Cooking Stove
IDUs	:	Injecting Drug Users
IEC	:	Information, Education and Communication

IIDS	:	Institute for Integrated Development Studies
ILO	:	International Labour Organization
IMCI	:	Integrated Management of Childhood Illness
IMF	:	International Monetary Fund
IMR	:	Infant Mortality Rate
INGOs	:	International Non-Governmental Organizations
INSEC	:	Informal Sector Service Centre/Nepal
ISD	:	Institute for Sustainable Development/Nepal
IUCN	:	International Union for Conservation of Nature and Natural Resources
LBW	:	Low Birthweight
LDCs	:	Least Developed Countries
LFP	:	Livelihood Forestry Program/Nepal
LSG	:	Local Self Government
LSGA	:	Local Self Governance Act
MAPs	:	Medicine and Aromatic Plants
MCHW	:	Maternal and Child Health Worker
MDGs	:	Millennium Development Goals
MFSC	:	Ministry of Forest and Soil Conservation
MHP	:	Micro Hydro Plant
MMR	:	Maternal Mortality Rate
MOES	:	Ministry of Education and Sports/Nepal
MOF	:	Ministry of Finance/Nepal
MOHP	:	Ministry of Health and Population/Nepal
MOLD	:	Ministry of Local Development/Nepal
MTEF	:	Medium Term Expenditure Framework
MTSP	:	Medium Term Strategic Plan
MWCSW	:	Ministry of Women, Children and Social Welfare
NAC	:	National AIDS Council
NACC	:	National AIDS Coordination Committee
NARC	:	Nepal Agricultural Research Council
NBS	:	Nepal Bio-diversity Strategy
NDF	:	Nepal Development Forum
NER	:	Net Enrollment Rate
NFC	:	Nepal Food Corporation
NFEC	:	Non-Formal Education Centre
NFHS	:	Nepal Family Health Survey
NGOs	:	Non-Governmental Organizations
NLSS	:	National Living Standard Survey/Nepal
NMEM	:	Nepal Macro Economic Model
NMR	:	Neonatal Mortality Rate
NNSMP	:	Nepal National Safe Motherhood Plan
NPC	:	National Planning Commission/Nepal
NPV	:	Net Present Value
NRB	:	Nepal Rastra Bank
ODA	:	Official Development Assistance
OSP	:	Out of School Children's Program
PCE	:	Per Capita Expenditure
PEM	:	Protein Energy Malnutrition
PGR	:	Poverty Gap Ratio
PHCC	:	Primary Health Care Centre
PPP	:	Purchasing Power Parity

PRGF	:	Poverty Reduction and Growth Facility/IMF
PRSP	:	Poverty Reduction Strategy Paper
RADC	:	Remote Area Development Committee/Nepal
REDP	:	Rural Energy Development Program
RoO	:	Rules of Origin
Rs.	:	Rupees/Nepalese
RTI	:	Reproductive Tract Infection
S&DT	:	Special and Differential Treatment
SAARC	:	South Asian Association for Regional Cooperation
SAFTA	:	South Asian Free Trade Area
SBA	:	Skilled Birth Attendant
SHI	:	Social Health Insurance
SHP	:	Sub Health Post
SHS	:	Solar Home System
SLC	:	School Leaving Certificate
SLTHP	:	Second Long Term Health Plan
SMC	:	School Management Committee
SMI	:	Safe Motherhood Initiative
SNV Nepal	:	Netherland's Development Organization/Nepal
STD	:	Sexually Transmitted Disease
STI	:	Sexually Transmitted Infections
TBAs	:	Traditional Birth Attendants
TFR	:	Total Fertility Rate
UK	:	United Kingdom
UMR	:	Under-five Mortality Rate
UN	:	United Nations
UNAIDS	:	United Nations Program on HIV/AIDS
UNDP	:	United Nation's Development Program
UNESCO	:	United Nations Education and Social Council
UNFPA	:	United Nations Fund for Population Activities
UNICEF	:	United Nations Children's Fund
UPE	:	Universal Primary Education
VCT	:	Voluntary Counseling and Testing
VDC	:	Village Development Committee/Nepal
VHWs	:	Village Health Workers
WB	:	World Bank
WDR	:	World Development Report/WB
WFP	:	World Food Program
WHO	:	World Health Organization
WTO	:	World Trade Organization



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# Millennium Development Goals: An Introduction

*"We will have time to reach the Millennium Development Goals – worldwide and in most, or even all, individual countries – but only if we break with business as usual. We cannot win overnight. Success will require sustained action across the entire decade between now and the deadline. It takes time to train the teachers, nurses and engineers; to build the roads, schools and hospitals; to grow the small and large businesses able to create the jobs and income needed. So we must start now. And we must (have) more than double global development assistance over the next few years. Nothing less will help to achieve the Goals."*

*– Kofi Annan, United Nations Secretary-General*

The UN global conferences of the 1990s drew up a number of different key global development goals and targets to focus, equalize and harmonize the needs and status of the people all over the world. These goals and targets were known as the International Development Targets. Again in 2000, the representatives of 189 nations, including 147 heads of state and Government adopted the Millennium Declaration during the Millennium Development Summit (September 6-8, 2000) of the United Nations. The Millennium Declaration focused on peace, security and development concerns comprising environment, human rights and good governance. In this connection, the Declaration tried to mainstream a set of interconnected and mutually reinforcing development goals into a global agenda. The international development targets and the development goals were merged together and renamed as the Millennium Development Goals (MDGs). There are eight MDGs that include:

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

These goals had been decided and fixed earlier in many international forums and conventions. What is new about the MDGs is setting of targets under each goal. A joint meeting of UN Secretariat, specialized UN agencies, the World Bank, IMF and OECD

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identified a list of indicators for monitoring the Millennium Development Goals (**Nepal Government and United Nations Country Team, 2003**). A list of 18 numerical targets and 48 indicators has been agreed upon to ensure comparability across countries and facilitate tracking of the progress at global, regional and national levels. Under the MDGs, the major development priorities to be achieved by 2015 are also highlighted.

<b>Millennium Development Goals Goals and Targets from the Millennium Declaration of UN</b>	
<b>Goal 1</b>	<b><i>Eradicate extreme poverty and hunger</i></b>
Target 1	Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day
Target 2	Halve, between 1990 and 2015, the proportion of people who suffer from hunger
<b>Goal 2</b>	<b><i>Achieve universal primary education</i></b>
Target 3	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling
<b>Goal 3</b>	<b><i>Promote gender equality and empower women</i></b>
Target 4	Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels of education no later than 2015
<b>Goal 4</b>	<b><i>Reduce child mortality</i></b>
Target 5	Reduce by two-thirds, between 1990 and 2015, the under five mortality rate
<b>Goal 5</b>	<b><i>Improve maternal health</i></b>
Target 6	Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio
<b>Goal 6</b>	<b><i>Combat HIV/AIDS, malaria, and other diseases</i></b>
Target 7	Have halted by 2015 and begun to reverse the spread of HIV/AIDS
Target 8	Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases
<b>Goal 7</b>	<b><i>Ensure environmental sustainability</i></b>
Target 9	Integrate the principles of sustainable development into country policies and programs and reverse the loss of environmental resources
Target 10	Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation
Target 11	By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers

<b>Goal 8</b>	<b><i>Develop a global partnership for development</i></b>
Target 12	Develop further an open, rule-based, predictable, non-discriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction, nationally and internationally)
Target 13	Address the special needs of Least Developed Countries (includes tariff and quota free access for exports of the least developed countries; enhanced debt relief for heavily indebted poor countries and cancellation of official bilateral debt; and more generous official development assistance for countries committed to reducing poverty)
Target 14	Address the special needs of landlocked countries and small island developing states (through the program of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)
Target 15	Deal comprehensively with the debt problems of developing countries through national and international measures to make debt sustainable in the long term
Target 16	In cooperation with developing countries, develop and implement strategies for decent and productive work for youth
Target 17	In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries
Target 18	In cooperation with the private sector, make available the benefits of new technologies, specially information and communication

### **The MDGs and Nepal**

Nepal has set up its long-term development targets in line with the MDGs. The MDG programs are linked with the programs of the ongoing 10<sup>th</sup> Plan (2002-2007). The achievements attained by the end of the final year of the 12<sup>th</sup> Plan (2016/17) will be assessed with the achievements of the MDGs (NPC, 2002). If the objectives and targets of the 12<sup>th</sup> Plan are not fulfilled, the targets of MDGs will also become futile and incomplete.

*Global Monitoring Report of 2004* lays emphasis on high and broad based economic growth, empowerment and investment increment for the achievement of the MDGs. In order to empower the people, services designed for the targeted people should be rendered timely with quality, quantity and participatory approach. Nepal faces problems pertaining to project design, implementation and attainment of the targeted results. At times, policy ambiguity becomes an acute barrier. Still, the implementing pitfalls and rampant corruption have been primarily responsible for the failure of the projects. This reality calls for an awareness right from the designing phase of the project to the end of implementation.

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The economic growth rate remained low and even reached negative during the recent past years. The statistics disclose that poverty has been reduced by 11 percentage points from 42 percent in 1996 to 31 percent in 2004 primarily due to the rise in remittance income. However, the achievement is not consistent with the rural urban disparities.

The land-lockedness and difficult geographical set-up, diversified cultural composition and poor socio-economic conditions, among others, stand as the major challenges in accomplishing the MDGs in Nepal.



# Achieving Millennium Development Goals: Perspective of Nepal

**Dr. Yuba Raj Khatiwada\***

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## **1. Introduction**

The MDGs are commitments for all developing countries to halve, by 2015, the proportion of people whose income is less than a dollar a day, to halve the number of people who suffer from chronic hunger, to ensure that all children go to school, to eliminate gender disparity at all levels of education and to empower women, to reduce child mortality by two-thirds, to reduce maternal mortality by three-fourth, to halt and reverse the spread of killer diseases such as HIV/AIDS, malaria and tuberculosis, to halve the proportion of people without access to fresh drinking water and proper sanitation; and to make the process of development a sustainable one.

MDGs are the goal posts of the development efforts and do not tell how to reach there. So the UN Millennium Project (MP) has come up with MDG Needs Assessment which tells how much to spend on goods, services, and infrastructure to attain the goals by 2015. The MP tells that countries need to develop long-term strategies for delivering a full range of mutually reinforcing interventions. In most low-income countries including Nepal, the poverty reduction strategy (PRS) forms the operational framework for policymaking and planning and MDGs need to be central to the formulation of such national planning documents.

## **2. Why are MDGs Critical to Economic Growth and Poverty Reduction?**

Growth is necessary for poverty reduction, but not sufficient for MDGs. Some MDGs require direct investments regardless of economic growth (e.g. maternal mortality, gender equality, nutrition, environmental sustainability). Reaching the poor and reducing inequality requires direct investments in people, infrastructure, and the environment. Investments in the MDGs are critical for growth. Private sector led growth requires minimum standards in health, education, infrastructure, etc. Direct investments in these areas complemented by good economic policies create strong condition for private sector led growth.

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Besides, public investments are key due to lack of market and insufficient returns for private investment. Besides there are public goods (e.g. health, transport, environmental management) which the private sector can ill-afford to deliver. Public investment is also critical to ensure equity in the growth process. MDG related investments can achieve pro-poor focus and equity through (i) including interventions that target the poor directly (e.g. school feeding programs, scholarship for poor girls' attending school, or income generation programs for the poor), (ii) ensuring pro-poor coverage rates (e.g. universal coverage of essential health services, particular focus on underserved regions), and (iii) adapting financing strategy to the poor (e.g. exemption of school fees and health user fees, subsidized infrastructure services, cross subsidization to essential goods consumed by the poor, etc).

For making MDGs operational, undertaking MDG Needs Assessment (MDG NA) and linking NA with periodic plans is a critical milestone. Nepal has done MDG NA in core MDG areas and the interventions identified need to be fully integrated in the next cycle of PRSP. MDG Based Planning has a merit over others. First, MDG based planning is typically a bottom up approach. Second, physical targets based on goals are at the root. Third, financial targets are derived through costing. Fourth, priorities are clearly defined-MDG vs. others and within MDGs themselves. And Fifth, overall macro constraints are derived with necessary actions and required resource inflow. Despite various merits, the MDG NA (i) does not explicitly tell us the implied growth rate that can be achieved by investing in MDG related areas, (ii) does not give a holistic picture of total investment required to attain the desired economic growth, and (iii) does not take financing as a major constraint while arriving at investment requirements. In practical sense, availability and prospect of additional financial resources generation shape the size of public investment.

Key MDG related investment clusters are agriculture, rural income generation, and nutrition; education and adult literacy; gender equality and empowerment of women; maternal and child health, HIV/AIDS, malaria and TB; and environment sustainability and water supply. MDG interventions in any of these areas are supportive to growth and poverty reduction. Increasing agricultural productivity directly raises the incomes of the rural poor and generates rural jobs. Better nutrition contributes to human capital accumulation and improved labor productivity. Education increases human capital, which contributes to economic growth. Education is linked to lower fertility rates, which are in turn linked to increases in economic growth per capita. Awareness of and access to reproductive health rights and services enable and empower women to plan their families, leading to lower fertility rates and reduced poverty. Empowerment through access to work, property rights, political representation, and safety from violence leads to increased participation of women in economic activity.

Similarly, improved health has pervasive direct and indirect effects on raising both the level and the growth rate of income. Many poor people depend on natural resources for their livelihoods; thus improving natural resource management can sustain or even raise their incomes. Improved water supply for productive activities can raise economic growth through agriculture and the urban manufacturing and service sectors. Providing security of tenure can improve labor market participation and access to credit markets. Urban

infrastructure, including transport systems, is necessary for establishing manufacturing and service industries. Science and technology institutions improve technological learning in society and improve the adoption of technology by the private sector. Higher education can open new employment opportunities. Access to electricity, motive power, and improved thermal energy systems is necessary for manufacturing, service, or cottage industries. Roads, railroads, and ports lower transport costs and thereby increase the real incomes of the poor. In urban areas improved transport infrastructure supports manufacturing and service industries, contributing to employment.

### **3. Nepal's Progress in Attaining MDGs**

Nepal is among many least developed countries with high risk of not attaining many of the Millennium Development Goals (MDGs). When the first MDG progress report was published in 2002, only two goals (child mortality and drinking water) were seen to be potentially achievable. The recent set of information, however, indicates that Nepal would be able to meet some more of the goals if necessary interventions could be made with adequate institutions and resources at place. The supportive environment for some other goals is also improving despite conflict intensifying in the country.

A number of policy initiatives have been taken through the implementation of 10<sup>th</sup> Plan/ PRSP (2002-07) to promote an enabling environment for achieving MDGs. The 10<sup>th</sup> plan incorporates most of the MDGs in the plan with targets set for 2007. Some MDG target localization efforts are also made through linking MDG targets with intermediate indicators of PRSP. New initiatives in education and health sectors have been taken up; social inclusion and governance reforms are progressing; and an expenditure prioritization exercise through Medium Term Expenditure Framework (MTEF) is in place. However, there is a need to further localize MDGs in the context of gender, caste, ethnicity, and geographic region based poverty, inequality and discriminations while programs related to inclusion have to be streamlined and up-scaled.

Nepal has made a significant progress in the reduction of income poverty and enhancement of human development in the last decade. The estimated population below the poverty line in 2004 was 31 per cent, a decline of 11 percentage points from 42 per cent in 1996 (CBS, 2005). The decline was slower (from 43 to 34 per cent) in rural areas and faster (from 22 per cent to 10 per cent) in the urban areas over the period of 8 years.

Poverty at disaggregated level, however, remained highly disproportionate. Some social and religious groups, and geographic regions have high intensity of poverty-- 45 per cent of the dalits (so-called untouchables), 44 per cent of the hill Janajatis (indigenous people), and 41 per cent of the Muslim people are still absolutely poor. Moreover, while poverty in Tarai higher caste is less than 12 percent and that of Newar community only 14 percent, the same for Hill dalits is about 48 percent. The improvement on absolute poverty during 1996-2004 varies widely among caste and ethnicity. While all Nepal average reduction in absolute poverty was 26 percent, it was faster for the so-called high caste Brahman/Chhetri (37 percent) while dalits (21 percent), Hill Janajati (10 percent) and Muslims (6 percent) observed a slower reduction.

Poverty in Nepal has gender, spatial and occupational dimensions along with social ones. Women are poorer than men (UNDP, 2004). Most poor households are located in the



areas which are not connected by road, telecommunication and electricity and where service delivery in education, health, and drinking water is poor. Among the poor, 95 percent live in rural areas, 67 percent are self employed in agriculture, 71 percent are illiterate, 54 per cent are having family size of seven or more, and 51 per cent hold less than one hectare of land. Among the illiterate heads of the households, 42 per cent are poor compared to less than 2 per cent among the household heads attaining education level of 11 classes and more. Most of such households are hard-to- reach poor and thus additional efforts are needed to address their poverty.

The cross section and regional inequality in income distribution and consumption is growing over years. During the last 8 years, poverty in some geographical areas, social groups and development regions have increased even though there has been a significant reduction in poverty on average. The share of poorest consumption quintile in total consumption declined to 6.2 per cent in 2004 from 7.6 per cent in 1996. The Gini coefficient of income distribution which stood at 34.2 in 1996 deteriorated to 41.4 in 2004. Had income distribution remained neutral, the decline in poverty would have been by more than 24 percentage points compared to 11 percentage points that was achieved (CBS, 2005).

Overall, although the Nepal Living Standard Survey 2003/04 has shown poverty incidence reduced to 31 percent in 2003/04 from 42 per cent in 1995/96, the reduction in poverty has not been evenly distributed across regions, social groups, and classes of people. There has been some progress in the reduction of hunger, as reflected in food security situation; but malnutrition remains a great challenge. Based on the situation and trends of various indicators of poverty and hunger, the goal of reducing income poverty and hunger is achievable if the growth process is reasonably high, if income distribution is more benign, and if armed conflict is over.

The goal of achieving universal primary education is not easily attainable. Primary school net enrollment rate increased from 70.5 percent in 1998 to 84.2 percent in 2004. But the primary education cycle completion rate is still very low; in 2002 it was 50.4 per cent. The current scenario signals that universal primary education could be achieved earliest by 2021.

Promoting gender equality and empowering women is even more challenging. There has been slow but steady rise in girls' enrolment for all three levels of schooling. The gender gap has narrowed down in primary and secondary levels of education but has not improved in higher levels of education. The number of girls with graduate and higher degrees is still less than 23 to 100 boys, which has remained almost constant since early 1990s.

Gender gap is wide in all walks of life right from adult literacy to economic and social activities. In the civil service, the proportion of females is very low (7.5 percent, on average) at all levels as compared to males, and this gap widens as the level rises. The present level of gender differences in education, economic, and political achievements indicate that it is difficult to attain gender equality and fully empowering women by 2015.

The goal of reducing infant mortality seems to be attainable provided the current pace of progress continues in coming years. However, serious difficulties may be encountered in the reduction of Under-5 Mortality Rate as targeted.

Improving maternal health is a daunting task. Nepal Living Standard Survey 2003/04 shows that 84 per cent delivery takes place at home and 14 per cent at hospitals. In the absence of significant improvement in the essential health services system, it would be very difficult to achieve the goal of reducing maternal mortality by three-fourth before end of 2015.

Combating HIV/AIDS, malaria and other diseases seems to be partly attainable. Global support and country efforts made to contain these diseases seem to be able to stop their expansion by 2015. Even then, reversing the incidence of malaria and tuberculosis would not be easy.

Regarding the target to halve by 2015 the proportion of people without access to drinking water and sanitation from the level of 1990, Nepal is likely to reach near-universal access to 'basic' drinking water but 'safe' drinking water and sanitation coverage would fall far short of the target. Ensuring environmental sustainability is challenging but can be attained with some added efforts including the implementation of Sustainable Development Agenda for Nepal which the government has already approved and owned.

Overall, the positive developments are undermined by an intensified situation of armed conflict, making the supportive environment for attaining MDGs highly vulnerable and risky. While 4 of the 7 MDG goals are 'likely/ potentially' achievable by 2015, 2 are unlikely at this pace and the supportive environment is also weak. Besides, weakening political and social organizations, deteriorating aid environment, and poor economic growth outlook for the medium term pose a risk of reversal of some of the achievements made so far.

One serious concern is that the national aggregate achievements mask the cross sectional disparity in MDG progress. There are distinct regional, ethnic and gender disparities in the achievements (UNDP, 2004). For instance, per capita income in some of the districts (say Bara: PPPUS\$ 2156) is nearly three fold of that others (say Salyan: PPPUS\$ 754); life expectancy of people in some districts (say Mugu: 44 years) is nearly half of others (say Bhaktapur: 71 years); national Net Enrollment Rate (NER) in primary schools at 86.9 per cent for boys and 75.1 per cent for girls disguises the huge NER gap at district level (Sarlahi: 90.8 per cent for boys versus 49.8 per cent for girls; Rautahat: 74.3 per cent for boys versus 39.3 per cent for girls; Bara: 82.2 per cent for boys versus 49.9 per cent for girls). Besides, adult literacy rate in some districts (say Humla: 20 per cent) less than one-third of many other districts (say Kaski: 67 per cent, Jhapa: 62 per cent, and Palpa: 61 per cent); mean years of schooling in some districts (say Rolpa: 1.4 years) are not even one-third of that in many other districts (say Lalitpur: 4.4 years, Bhaktapur: 4.4 years); and literacy rate of Dalits is less than 40 per cent compared with 75 per cent of the Newar and Brahman/ Chhetri families. The composite well-being index shows Newar and Brahman/ Chhetri families at the top and Mushar at the bottom. Nearly 85 per cent of the schoolteachers are from Brahman and Chhetri families and Dalits account for 2 per cent only (TPAME, 2005).

In human development front also, Human Development Index (HDI) of some districts (say Bajura: 0.31 is just half of that in many districts (say Rupendehi: 0.55, Syangja: 0.53); fourteen of the fifteen lowest HDI districts fall in the mid west and far western regions; none of the districts of these regions except for Surkhet, Banke, and anchanpur have the HDI higher than national average (0.471). The development outcomes have stronger regional dimension along with caste and ethnicity. For instance, per capita income of urban Dalit family is higher than the income of rural Brahman and Chhetri families. Income of Terai middle caste rural family is not significantly higher than that of Dalits. Still, more than one-third of the Dalits are in lowest income bracket compared with little over one-tenth of Brahman and Chhetri families.

Policy implication of these poverty indicators is self-explanatory. They indicate that regional, gender, and ethnic targeting is necessary to address poverty in a holistic way and making development more inclusive. Minimizing regional and district level disparities in these indicators is also necessary to uproot socio-economic causes of the undergoing conflict. But caste and ethnicity alone should not be the sole criterion for targeting programmes. It is not only the government but also the non-government organizations that are exclusionary and inclusive governance should encompass such organizations and institutions as well.

The large differences in income and human poverty outcomes and widening income inequality across social groups and geographical regions over time needs those development strategies well targeted, and exclusion reflected in the profiles of poverty reduction instruments and institutions. The above-mentioned facts indicate the scope, direction, and specificity of the government's role in pro-poor policy formulation and implementation in Nepal. The overall widening trend of inequality and growing disparity among caste, ethnicity and regions of the country call for the urgent socio-economic actions of all development partners which would close this gap, minimize social tension and enhance the scope for peace building and sustaining it.

The lack of basic political, social and economic rights and disempowerment denies entitlement of the poor and widens the risk of their further marginalization. Economic and social policies need to be reoriented to address core structural issues; and donors - as a major player in creating a peaceful, equitable, and just society - also needs to orient/restructure their programs towards addressing these issues.

#### **4. Are Government Efforts Alone Sufficient to Achieve All MDGs by 2015?**

There are a number of issues identified in terms of achieving MDGs. Perception of MDGs as a global agenda for the governments or agenda of the government for the NGOs), indivisibility and reinforcing nature of the MDGs (achieving or not achieving one affecting the performance of other goals), gender blindness of most MDGs and the need for engendering all the goals and targets set in MDGs are some of them. More importantly, there are no targets set for Goal 8 and no mechanism is in place to monitor it along with other Goals.

The MDGs are well-defined, time bound, and properly targeted sets of expected development outcomes to ensure basic social and economic services for a decent living and serving basic human rights. Built in the MDGs are the basic human rights such as the

rights of all people to health, education, infrastructure, shelter, and security as pledged in the Universal Declaration of Human Rights and the UN Millennium Declaration. Thus MDGs are, and can be, most appropriate agenda for engagement to all social actors and development practitioners including the 'rights' and other civil society organizations like Development partners. Formulating and implementing plans and programs for attaining MDGs is considered a highly participatory process while MDG-based national development strategies have to be consistent with the principles of equality and nondiscrimination. It should include mechanisms that enable people to participate fully in public decisions about their socio economic causes and ensure that the MDG is achieved equitably within the country. Thus MDGs provide space to an inclusive development process.

The Millennium Declaration has recognized that an inclusive process—open, participatory, and including all stakeholders—is an essential part of MDG-based planning, execution, and monitoring and evaluation of outcome. In addition to government at local levels, civil society organizations, academic institutions, and the private sector have to be integral part of the MDG based development strategy. Although engaging such a wide range of stakeholders in the MDG planning, execution, and monitoring process is not an easy task, including nongovernmental actors is critical, because they often bring technical expertise and on-the-ground insights to planning and implementation and can share best practices from their experiences.

Nepal's Tenth Plan/ PRSP is the medium term development strategy and has been prepared and implemented with wider participation. But when the plan was formulated, the MDG progress report was being prepared and a few MDG targets could not be properly addressed in the Plan. While the 10<sup>th</sup> Plan is completing its five-year term in July 2007, the preparatory work for the 11<sup>th</sup> would probably begin soon. This would be an opportunity to fully align MDGs in the PRSP process. For ensuring the achievement of the MDGs, it is important that the policy content and policy priorities in the PRSP are consistent with ones needed to achieve the MDGs. The criticism that 10<sup>th</sup> plan was not sufficiently participatory could be avoided in the formulation of the 11<sup>th</sup> plan if all the stakeholders are engaged in the process right from the beginning of the planning process. Development partners and similar civil society organizations should find a space in such a process so that their views and experiences in social and economic development issues could be encapsulated in the planning document and their role recognized in the plan implementation and monitoring process.

Nepal faces added difficulty in achieving MDGs in the current political scenario- weak resource base, violence, conflict and weak governance. Alliances are fairly weak and ad hoc and there is lack of continuity in alliances, especially if driven by foreign donors. Nepal stands today at a high risk of de-trending from the achievements being made so far. The on-going conflict is a huge impediment towards achieving MDGs for a number of reasons including (i) the risk of domestic resource crowd out, (ii) the risk of fungibility of untied external assistance, (iii) programme implementation problem, (iv) ineffectiveness of service delivery, (v) prolonged absence of elected representatives at the local bodies, and (vi) setbacks in social mobilization and community participation. As MDGs can be achieved only through a strategic partnership among government, local bodies, NGOs,

CBOs, and donor partners, coordination of development activities, donor harmonization, and participatory monitoring and evaluation system are highly desired.

## **5. Key Strategies**

While the Nepal Government is committed to achieving the MDGs by putting the right policies in place, improving efficiency and effectiveness of the interventions that contribute to reaching the goals, and pursuing the required policy and institutional reforms, Poverty Reduction Strategy Paper (PRSP) should serve as a medium-term roadmap to get to the longer-term goals set out by the MDGs, and thus needs to be fully aligned with the MDGs and backed up by resources. All development activities must be strategically geared towards attainment of the Goals, which calls for enhanced coordination and harmonization among development actors. This, in turn, requires a comprehensive development framework which (i) prioritizes MDG based programs, and sufficient resources allocated to such programs and (ii) addresses the gender, caste, ethnicity, and spatial dimensions of poverty.

The next cycle of PRSP/ 11<sup>th</sup> Plan is the crucial instrument for the operationalization of MDGs through the PRSP process. The followings would be the milestones for the government fully integrate MDGs in the PRSP process: (i) preparing the national planners to devising approach paper of the Plan towards attaining MDGs, (ii) revising MDG NA and making it as the entry point for building the PRSP so that each activity in each sector of the PRSP/ 11<sup>th</sup> Plan is tied up with the goals, targets and indicators of MDGs, (iii) initiating the consultation process at the central and local level, supporting key Ministries to develop MDG based sectoral business plans and programs in the process of PRSP preparation, (iv) engaging in dialogue with other stakeholders, and (v) streamlining all donor programs towards the attainment of MDGs and coordinating aid programs to focus them towards this direction.

The current MDG NA covers only agriculture, education, gender, health and rural infrastructure sector. In order to achieve all the Goals, the needs assessment needs to incorporate other remaining MDGs related sector's such as energy, forestry, slum and global partnership. Based on the findings of MDG NA and MDG Progress Report 2005 and the review of PRSP, the existing institutional arrangements need to be assessed, and recommendations and findings thereof need to be implemented.

Capacity building for achieving MDGs requires to cover (i) government and local bodies, (ii) community workers and other volunteers, (iii) Civil Society Organizations (CSOs) including national non-governmental organizations and CBOs, (iv) private sector, (v) political activists, and (vi) media. This need to be done by the preparation of CSO strategies, capacity building for utilizing CSO strategies for moving towards MDGs, awareness creation to the private sector, and mobilization of teachers, students, political activists, health workers and social volunteers.

The government has introduced MTEF since 2002/03 for linking annual budget with PRSP, prioritizing the programs and projects, ensuring full budget release for the priority one projects even in a situation of resource shortfalls, and linking resource allocation with intended output/ outcome. This is critical step in translating MDG based development strategy into annual budget programs. Internalization of MDGs in the relevant Ministries

through the business plan and MTEF requires training to the officials involved in planning and monitoring, MTEF, and MDG operationalization.

The existing MTEF Working Committees in all the line ministries have to be involved in the preparation of MDG based annual program/budget, business plan, and monitoring and evaluation of sectoral programs. The committees should include planning and accounting officials in addition to technical staff of the concerned ministries/departments and be trained in MDG based PRSP, business plan and MTEF preparation, poverty monitoring and evaluation, and human development oriented approach to policy formulation and implementation. A Trainers' Training MDG, PRSP and MTEF preparation should be provided to a wide range of staff of line ministries and their local agencies.

Business Plans for major sectors like education, health, drinking water, agriculture and irrigation, and rural infrastructure (road and electricity) have been prepared. Making these business plans MDG based or at least MDG friendly is extremely necessary; as future PRSP and MTEF process will build on these business plans.

District Periodic Plans (DPPs) are instrumental in linking MDGs to annual development programs of the districts. Currently, 52 districts have periodic plans prepared under the guideline provided by NPC. These Plans suffer from various shortcomings. First, plans are ambitious and programs are not prioritized. Second, resource estimation is ad hoc and financing of the programs is not sufficient. Third, they are developed with limited participation and focus disproportionately on infrastructure (mostly road), often at the cost of pro-poor social, and MDG related programs. Localizing MDGs would require that DPP are MDG driven and sufficiently backed with resources, which is not the case so far. Now, as mid term review of the DPPs is on unveil, and as the remaining districts also need to prepare their DPPs if they are to be linked with the national PRSP, support in DPP strengthening and up-scaling exercise is necessary.

For localisation of MDGs, there is huge area for mobilizing the local bodies including the Village Development Committees and Municipalities. The current MDG Project has started to prepare the District MDG Progress report in some districts. But, given the remaining time for the deadline, this process needs to be substantially expanded to other districts. The importance of this program would be: (i) awareness generation to general public at the district level; (ii) getting commitment and ownership on the MDGs by local government bodies – particularly from the district level policy makers, planners and bureaucrats, external development partners, non-governmental sectors including the private sectors; and (iii) mobilization of all these stakeholders for preparing their MDG based time bound action plan.

The process of devolution should not end at the district level. Village Development Committees (VDCs) and municipalities are to be taken as the next stage of devolution. For MDG based resource allocation, VDCs need a vision and capacity to formulate plans and programs with priority on MDG and pro-poor areas. So far, the resource allocation pattern is ad hoc, based on who can garner pressure on the decision makers, resources are thinly distributed and in the absence of prioritization criterion, judgment of the key officials prevails in programming activities and financing them. For MDG based programming at the village and municipal level, these bodies also need to have their perspective plans, prioritize them in line with the MDGs based PRSP, and sequencing

activities as per the priority so that resource could be optimally allocated to prioritized projects. There is a need that NPC, DDCs, and donors pilot VDC plan preparation in selected villages and municipalities in some districts (preferably with the fully devolved districts).

## **6. Financing Challenges**

The MDG Needs Assessment has identified critical areas of intervention of the government in order to achieve the goals set for 2015. The program and resource gaps in key areas have been flagged. Many of these gaps have to be addressed while formulating next cycle of PRSP; meanwhile new programmes to be included in the MTEF cycle and on going programmes and projects can be focused towards better attaining the MDG goals. The exercise under MTEF has taken care of these possibilities while introducing new programmes and restructuring ongoing programmes. The resource availability, however, has posed a serious constraint on introducing new programmes to fill the gaps identified by the MDG Needs Assessment report.

The current level of resource allocation and financing gaps as worked out by the MDG NA in major sectors are quite revealing (NPC, 2005). Total resources allocated to the hunger reduction activities in 2005 is just 17 per cent of the total public investment requirement. During 2005-15, the financing gap will be 80 per cent of the requirement. The spending on education in 2005 is half of the requirement. During 2005-15, the financing gap will be 44 per cent of the requirement. Primary education will require largest amount of resources as largest number of students are expected to be at this level. Total resource allocated to the health in 2005 is 41 per cent of the total public investment requirement. During 2005-15, the financing gap will be 54 per cent of the requirement. Still a significant proportion of health cost would be borne by the households. Total resource allocated to drinking water in 2005 is 16 per cent of the total public investment requirement. During 2005-15, the financing gap will be 72 per cent of the requirement. Both coverage and quality of supply are problem. Total resource allocated to rural transport and electrification in 2005 is just 13 per cent of the total public investment requirement. During 2005-15, financing gap will be more than 71 per cent of the requirement.

Total resources required for selected five MDG areas during 2005-15 is US\$ 16.1 billion, public sector requirement is \$ 12.4 billion (NPC, 2005). Resource allocated to selected MDG areas in 2005 is just 32 per cent of total public investment requirement. During 2005-15, financing gap will be 62 per cent of the requirement. For 2005-2015, the estimated total financial requirement of attaining selected MDGs and rural infrastructure target is NRs. 1130.4 billion at 2004/05 prices. Of this, NRs. 263.4 billion is expected to be from sources other than public sector (e.g., households, private sector, communities etc.). The total public sector investment required to achieve MDGs and rural infrastructure targets for the period 2005-2015 is NRs. 867.0 billion at 2004/05 prices. Of this, NRs. 333.2 billion could be covered by the domestic resources (revenues and borrowings) of the government. For the remaining NRs. 533.8 billion, Nepal will have to rely on the external development partners. The financing gap for which Nepal will have to mobilize resources from its external development partners is US \$ 7.6 billion assuming

a relatively quick resolution of the current conflict in the country. The gap implies almost doubling of present level of financial support by Nepal's external development partners.

An analysis of sectoral requirements indicates that the largest proportion of public investment will have to be allocated to the education sector followed by the hunger related activities. However, in terms of the financing gap, hunger related activities have the greatest need. This is because of relatively low allocation to the sectors such as agriculture and irrigation at present. A review of PRSP objectives, strategies and activities indicate that they are, in general, in line with the interventions required to attain MDGs. However, significant up-scaling of several activities will be required if MDGs are to be attained by 2015.

A noteworthy shift in expenditure pattern in the recent years over the last two decades has been the fastest growth in security related spending and subsequently slower growth in social sector spending in comparison to overall spending. During 2001-05, expenditure on police and military went up by 19.2 per cent and 24.7 per cent respectively, nearly three folds the growth of spending on social sector in general.

One more area of concern has been the rising share of debt servicing in total expenditure. From 8 per cent of the spending in 1985, principal and interest payment of domestic and foreign debt went up to 15 per cent in 2000 and further up to nearly 20 per cent in 2004/05.

Compared to expenditure growth of nearly 19 per cent on average during the 1980s and 1990s, education sector observed a growth of less than 12 per cent during 2001-05. This is, however, a higher growth than the growth of overall spending and the highest growth among social sub-sectors.

During 2001-05, health sector spending grew by 8.0 per cent on average against the growth of overall spending by 9.0 per cent. Spending on drinking water virtually stagnated during this period against a spectacular growth in the 1980s and 1990s.

A few issues are disturbing in the budgetary trend over years. First, the growth of social sector spending which used to exceed the growth of overall budget is now lower than that of total spending. Second, the growing share of security related spending has siphoned off large resources which could otherwise be spent on Basic Social Sectors (BSS). Third, there is less room for intra-sectoral budget restructuring for attaining BSS compared to that for inter-sectoral budget restructuring. And fourth, low size of government budget is a serious concern for increasing delivery of BSS which the MDG needs assessment has also amply demonstrated. However, the fiscal space for enlarging the size of the budget, particularly to social sector, is shrinking owing to intensifying conflict.

Role of the local institutions (VDC, DDC and municipality) in basic social sector development is very nominal in terms of their expenditures from their own resources as well as from the government grant, indicating clearly a sharp divergence in expenditure patterns and priorities between the government and the local institutions. Expenditure patterns and priorities of the local institutions should correspond to those of the government for the simple reason that a desirable improvement in basic social services across the country and at the grassroots level is possible only when the local institutions



also work together with the government and harmonies their expenditure patterns and priorities.

Higher flow of Official Development Assistance (ODA) – at least double the present level—is necessary to meet the financing need of MDGs. But bilateral aids are growingly linked to human rights and good governance. Nepal’s deteriorating condition on both the fronts is shying away donors from scaling up their assistance. Even multilateral donors are down sizing their portfolio in the country. In such a situation, financing MDGs related programs would be a critical constraint, and the country has to compete with other low income countries to attract more ODA.

The problem of low absorptive capacity in the social sector may be considered grave. In basic social services a gap of 21 percent is seen between the budgeted amount and the actual expenditure in 2003/04. The gap has been narrowed down to 16 percent in 2004/05. Thus along with enlarging the size of the budget, improving implementation capacity is equally important.

## **7. Conclusion**

Nepal has made marked progress in the 1990s in some social indicators leading to the attainment of some MDGs by 2015. But the progress has halted in the recent years. The country faces added difficulty in achieving MDGs in the current political scenario- weak resource base, violence, conflict and weak governance. The on-going conflict is a huge impediment towards achieving MDGs for a number of reasons including the risk of domestic resource crowd out, fungibility of untied external assistance, ineffectiveness of service delivery, prolonged absence of elected representatives at the local bodies, and setbacks in social mobilization and community participation. The deterioration of the law and order condition coupled with donor backtracking from some projects poses added challenges for the achievements of the MDGs. As MDGs can be achieved only through a strategic partnership among government, local bodies, NGOs, CBOs, and donors, strategic partnership in project formulation, execution, coordination of development activities, donor harmonization, and participatory monitoring and evaluation system are highly essential.

MDGs are reinforcing to each other and the attainment of one goal would help the attainment of others. Education increases human capital, which contributes to economic growth and then poverty reduction; awareness of and access to reproductive health rights and services enable and empower women to plan their families, leading to lower fertility rates and reduced poverty; and empowerment through access to work, property rights, political representation, and safety from violence leads to increased participation of women in economic activity to come out of poverty. Thus, civil society organizations working in the areas of education, health, environment, or gender would be directly or indirectly contributing to attaining MDGs and honouring human rights. For rights based organizations, MDGs are proper agenda to work with other development partners. Then, it is the primary responsibility of the state to create an enabling environment for the same.

The multi party open political system has created an enabling environment for the non-governmental and civil society organizations to flourish. Many of such organizations have already demonstrated their accomplishments and have established themselves as an

integral part of social and economic development process. It would be a great mistake if the government tends to undermine this achievement and does not facilitate their noble attempts to co-work with the government. Besides, putting elected local government bodies in place is critical for MDG-nizing local development initiatives, enhancing people's participation in development, and enhancing accountability of public resource uses.

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# Goal 1 : Eradicate Extreme Poverty and Hunger

Dr. Shiva Sharma \*

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## Targets

- *Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day*
- *Halve, between 1990 and 2015, the proportion of people who suffer from hunger*

## Indicators

- *Percentage of Population Below \$1 per day (PPP Values)* : 17%
- *Percentage of Population Below National Poverty Line* : 21%

## Introduction

Reduction of poverty and hunger by half (between 2000 and 2015) is one of the key goals among the Millennium Development Goals (MDG). For Nepal it is a daunting task as the incidence of poverty and hunger stood high to begin with, and the reduction rates have remained far behind the required rates over the last decade. Poverty rate has been contained to 31 percent in 2004 from 42 in 1996, but to reduce it further by almost half in the next decade remains a daunting task given the slow growth, and rising inequality. As of 2000, almost half of Nepal's population did not get the minimum level of dietary energy consumption. Reducing this to 25 percent by 2015 again will be contingent on the overall poverty scenario, proactive efforts to target in the field of availability and utilization of food, and containing the food shortages due to natural disasters and calamities. This paper attempts to present the poverty and hunger situation in the country with implications on MDG goal achievement.

## Poverty in Nepal

Poverty in Nepal has been reduced in recent years. From 42 percent in 1996, the proportion of persons below absolute poverty line has declined to 31 percent in 2004. During this period, per capita income increased by 1.7 percent only, compared with 2.9

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percent during 1986-95. The decline in poverty by 1.4 percentage point every year during this period given the per capita income growth would imply a poverty elasticity of growth at 0.82. This is a significant improvement over the poverty elasticity of 0.46 percent estimated for 1990-96 (UNDP, 2002). This improvement is possible only with high quality growth-a growth which is built-in equitable. However, this was not the case as evidenced by widening income inequality in Nepal. Despite this, what is clear is that-- had the income distribution not worsened between 1996 and 2004, the decline in poverty would have been significant.

Decomposition of poverty reduction into economic growth and income distribution components shows that growth alone contributed to 24.1 percent decline in poverty. However, redistribution of income exacerbated poverty by 13.2 percent in 2004 resulting in net 11 percentage points decline in poverty from the 1996 level. Had income distribution remained neutral, the decline in poverty would have been more than 24 percentage points. On the other hand, had there been no growth and income distribution only worsened as shown by the Gini coefficient, absolute poverty would have gone up to 44 percent (Table 1).

**Table 1 : Contribution of Growth and Redistribution of Income in Poverty**

	NLSS Years		Contribution in the Incidence of Poverty		
	1995/96	2003/04	Growth	Redistribution	Actual change
Nepal	41.8	30.9	-24.1	13.2	-10.9
Rural	43.3	34.6	-17.2	8.6	-8.6
Urban	21.6	9.6	-11.9	-0.1	-12.0

Source: Computed from the NLSS II poverty results.

The analysis of the contributors to poverty reduction shows that income distribution in the urban areas was not a deterrent to poverty reduction, but rural income distribution was. Had income distribution not worsened in the rural areas, the decline in poverty in rural areas would have been at least 17 percentage points. There are a number of indicators which speak of the widening of income inequality over two survey periods (Tables 2, 3, 4). Salient information in the tables explaining the worsening inequality are as follows.

- (i) The percentage of total farm holdings that operate less than 0.5 hectares of land has increased by 4.7 percentage points (from 40.1 percent in 1995/96 to 44.8 in 2003/04). It points to three processes: either the incidence of subdivision has increased, or land ownership concentration has increased, or farmland has been transformed into non-farm use. None of these factors point to lessening of inequality of assets. More over, an increasing proportion of agricultural households are becoming landless, according to the Population Census 2001, almost 24 percent of households in Nepal do not own cultivated land, among the rural households the incidence of landlessness is in the range of 20 percent.
- (ii) This finding is corroborated by 2.7 percentage points increase in the percentage of holdings that operate in rented-in land only from 4.8 percent in 1996 to 7.3 percent in 2004.

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If one analyses the class-wise changes in consumption shares between the two points of time (1996 and 2004) the growing incidence of inequality gets more stark. Notwithstanding a 2.3 fold increase in average consumption in rupee term, the consumption of the poorest 20 percent of the households increased at the pace that is roughly half of the increase in consumption of the richest 20 percent of the sample households (91 percent vis-a-vis 177 percent). Taking the change in GDP deflator (47.7 percent) as the leveler, the real consumption of the poorest 20 percent increased by 43.4 percent in eight years (5.4 percent annually) as compared to 129.4 percent (16.2 percent annually) for the richest 20 percent of the households. This rate of annual increment in real consumption of the richest 20 percent is nearly thrice the similar rate of the poorest 20 percent of the households. Further, if one is to decompose the total consumption into the share of nominal per capita consumption of the poorest 20 percent of the households, it has absolutely fallen by 1.4 percentage points: from 7.6 percent in 1996 to 6.2 percent in 2004. This contrasts with the 8.4 percentage points rise in the share of nominal per capita consumption of the richest 20 percent of the sample households. Thus, trends in class-wise consumption share unequivocally points to the worsening inequality.

If one looks into the changes in the distribution of income, the nominal income of the poorest 20 percent of the households has increased at the rate which is 11.3 percentage points lower than the rate of increase for the richest 20 percent of the households: 98.2 percent verses 109.5 percent. In terms of real income by using GDP deflator, the income of the poorest one-fifth of the households increased by 50.5 percent as compared to 61.8 percent for the richest 20 percent. In terms of the rate of annual increase in real income it works out to 6.3 percent for the poorest compared to 7.7 percent for the richest. If one compares income statistics with that of the consumption, the class-wise consumption gap is more pronounced than the income gap. In case of the poorest 20 percent of the households the rate of consumption increased below the rate of income: 91.1 percent verses 98.2 percent, where as a reverse scenario occurs for the richest 20 percent: the rate of increase in consumption (177.1 percent) far exceeds the rate of increase in nominal income (109.5 percent). This contradicts the premise of introductory macroeconomics which postulates that marginal propensity to consume will decline with the rise in income. The statistics on the other hand, suggest that change in income over the period is more even than the rate of change in consumption.

In terms of employment scenario, there is an apparent shift away from agriculture, which is very plausible. But, there is a very sharp drop in the share of employment in agriculture as compared to only a marginal increase in the share of non-agricultural employment. This should have resulted into growing incidence of unemployment. But, the survey results are contrary to the expectation, which show that the rate of unemployment has fallen from 4.9 percent in 1996 to 3.8 percent in 2004. While probing into this anomaly it is revealed that there has been a drop in longer-term employment (20 hours and above in last seven days) as opposed to increase in short term employment share (1 to 9 hours).

As elsewhere in south-Asia, remittance's share in total economy is growing in Nepal too. More so in Nepal, as its growth rate of domestic economy pales down when compared to the neighboring economies. The percentage of households receiving remittances has increased from 23.4 percent in 1996 to 31.9 percent in 2004. So did the share of

remittance in total household income among the recipients: from 26.6 percent to 35.4 percent. However, a close scrutiny of NLSS data reveals that remittances, instead of narrowing down, have exacerbated the extent of inequality. This is manifested in the discrepancy in the rate of growth of total remittances and per capita remittances. Between 1996 and 2004 the amount of total remittances received by respondent households increased by 257.8 percent, whereas per capita remittances increased by 236.0 percent. This means richer received more amounts of remittances than the average.

While comparing the per capita income with per capita consumption and per capita remittances (NLSS II), it appears that per capita income at 97 percent has grown at the lower rate and per capita remittances at the highest rate of 236 percent, with per capita consumption growing at the intermediate rate of 133 percent. In per capita terms the share of remittances to income increased from 8 to 14 percent, where as share of remittances to consumption increased from 9 to 13 percent.

While reviewing remittance it is apparent that income grew at a rate which is nearly two-fifth of the rate of increase in remittance. This means during the intervening eight years, the domestic economy either shrunk or even if it grew, it did so at a very slow pace. This should have widened the magnitude of inequality between those:

- (i) who received and those households who did not receive remittance, and
- (ii) who received lower amount of remittance than those who received higher amount.

Another interesting feature of the remittance-income-consumption trajectory in 1996 and 2004 has been a big upsurge in consumption. This is revealed when one compares the consumption and income statistics in per capita terms. In 1996, individuals consumed 88 percent of their income of Rs. 7,690, where as in 2004 individuals' consumption exceeded their income by 5 percent. What does this mean? It would either mean that the affluent consumed much more while the poor starved, or the individuals sustained their consumption by borrowing.

While browsing the loans statistics, it is clear that proportion of borrowing households has increased substantially. Similarly, the proportion of households having outstanding loans also has increased. But while analyzing the use of loan, there is a fall in the proportion of households who borrowed for household consumption. On the whole, the following points reveal the accentuation of inequality in 2004 as compared to 1996 (see also Table 2, 3 and 4).

- (i) contraction of the size of operational land
- (ii) increase in the share of rented-in land
- (iii) fall in the consumption share of the poorest 20 percent
- (iv) slower growth of income vis-a-vis consumption
- (v) inequality in the receipt from remittances
- (vi) a sharper fall in employment share in agriculture and a modest increase in non-agricultural employment
- (vii) fall in employment share of longer duration

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**Table 2 : Indicators of Economic Activities and Inequality in two NLSS**

<b>A. Agriculture</b>	<b>1996</b>	<b>2004</b>	<b>% Change</b>
1. Agri'l HHs with land (% of total HHs)	83.1	77.5	-5.6
2. Average size of agri'l land (hectare)	1.1	0.8	-0.3
3. Percentage of irrigated land area	39.6	54.3	14.7
4. Holdings operating less than 0.5 ha. (% of total holdings)	40.1	44.8	4.7
5. Percentage of holdings operating renting-in land only	4.8	7.3	2.5
<b>B. Consumption</b>			
1. Nominal per capita (PC) consumption (Rs)			
All Nepal Average	6,802	15,848	133.0
Poorest 20 percent HHs	2,571	4,913	91.1
Richest 20 percent HHs	15,243	42,236	177.1
2. Share in PC consumption (%)			
Poorest 20 percent HHs	7.6	6.2	-1.4
Richest 20 percent HHs	44.9	53.3	8.4
<b>C. Income</b>			
1. National average HH income (Rs)	43,732	80,111	83.2
2. National average per capita income (Rs)			
<i>All Nepal Average</i>	<i>7,690</i>	<i>15,162</i>	<i>97.2</i>
Poorest 20 percent HHs	2,020	4,003	98.2
Richest 20 percent HHs	19,325	40,486	109.5
3. Share of farm income in HH income (%)	61	47.8	-13.2
Non-farm	22	27.6	5.6
Other	16	24.5	8.5
4. GDP deflator (1994/95=100)	107.9	159.4	47.7

**Table 3: Indicators of Economic Activities and Inequality in two NLSS**

<b>A. Employment</b>		1996	2004	% Change
1.	Percentage employed	67.2	74.3	7.1
2.	Percentage of not active during past 7 months	29.4	22.8	-6.6
3.	Labour force participation rate (%)	70.6	77.2	6.8
4.	Unemployment rate (%)	4.9	3.8	-1.1
	Aged 10-14	7.9	3.4	-4.5
	Aged 15-24	7.3	6.0	-1.3
5.	Percentage of employed individuals by worked hours			
	1-9 hours	21.5	24.4	2.9
	20-39 hours	25.6	23.4	-2.2
	+ 40 hours	52.9	52.2	-0.7
6.	Percentage of main sector of employment			
	<b>Agricultural sector</b>			
	Share of wage agriculture	12.2	6.8	-5.4
	Share of self agriculture	70.7	64.3	-6.4
	<b>Non-agricultural sector</b>			
	Share of wage agriculture	9.5	10.2	0.7
	Share of self agriculture	7.7	9.3	1.6
	Share of extended economic work	NA	9.4	
7.	Incidence of child labour among age 5-15 years old	NA	31.4	
<b>B. Non-farm Economic Activities</b>				
1.	Percentage of sample HHs w/enterprises	24.2	28.3	4.1
2.	Percentage share of mfg.	29.9	30.8	0.9
3.	Percentage share of trade	52.1	31.7	-20.4
4.	Percentage share of services	14.3	29.2	14.9
5.	Percentage of enterprises operating for 10-12 months	54.5	64.9	10.4



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**Table 4: Indicators of Economic Activities and Inequality in two NLSS**

<b>A. Remittances &amp; Transfers</b>		1996	2004	% Change
1.	% of all HHs receiving remittances	23.4	31.9	8.5
2.	Average remittances per receiving HH (Rs)	15,160	34,698	129.0
3.	Share of remittances received from within Nepal (%)	44.7	23.5	-21.2
	– From India	32.9	23.2	-9.7
	– From other countries	22.4	53.3	30.9
4.	Share of remittances in total HH income among recipients (%)	26.6	35.4	8.8
5.	Per capita remittance (Rs)	625	2,100	236.0
6.	Total remittances received (Rs Million)	12957	46,365	257.8
<b>B. Household (HH) Loans</b>				
1.	Percentage of HHs borrowing loans	61.3	68.8	7.5
	HHs having outstanding loans	58.4	66.7	8.3
2.	Average number of all loans	1.6	1.6	0.0
3.	Percentage of HH loans from banks	16.1	15.1	-1.0
	– From money lenders	39.7	26.0	-13.7
	– From relatives	40.8	54.5	14.7
	– From business or farm work	28.7	24.2	-4.5
4.	Household loans for consumption (%)	49.4	46.5	-2.9
	Loans with land/house as collateral (%)	16.8	14.1	-2.7
	Loans for without collateral (%)	74.7	75.1	0.4
<b>C. Adequacy of Consumption</b>				
HHs reporting less than adequate				
	Food consumption (% of reporting HH)	50.9	31.2	-19.7
	Housing ( ” )	64.1	40.6	-23.5
	Clothing ( ” )	57.6	35.6	-22.0
	Health care ( ” )	58.7	28.3	-30.4
	Schooling ( ” )	45.4	21.9	-24.0
	Total income ( ” )	72.6	67.0	-5.6
	Per capita income (Rs)	7,690	15,162	97.0
	Per capita consumption (Rs)	6,802	15,848	133.0
	Per capita remittance (Rs)	625	2,100	236.0
	Share of remittance to income (%)	8	14	
	Share of remittance to consumption (%)	9	13	

## **Hunger in Nepal**

As of 2000, 47 percent of people in Nepal did not get the minimum level of dietary energy consumption. The challenge to bring this proportion to 25 percent by the year 2015 seems to be formidable with the current pace of development (NPC-UNDP 2005).

Hunger is a condition in which people do not get enough food to provide the nutrients for fully productive and active lives. The phenomenon is embedded with food unavailability (production, distribution), poor access (economic and social entitlements of households) and poor utilization (health, sanitation and proper awareness on processing of food items). Although food production in the country is marginally surplus, of the total 75 districts, 41 are categorized as food deficit (DOA 2005). Two-fifths of 3.4 million land holdings in Nepal produce enough food only for less than six months (CBS 2002). Poor transport network (15 districts are not road connected) hinder movement of food from surplus to deficit areas. The current state of economic poverty (at 31 percent), and underemployment (45 percent) and the disparity in ownership of productive resources (20 percent of rural households not owning agricultural land) determine the entitlement pattern in Nepal. This disparity is prevalent across the geographical regions with hills and mountains being highly disadvantaged. Similar disparity is visible also across some of the socially disadvantaged groups (for example, Dalits, Janjaatis).

Inadequate basic health and sanitation facilities coupled with inappropriate feeding and child care practices have contributed to inefficient utilization of food. Various studies (WFP 2006, UNICEF 2005, MOH 2001) indicate that chronic malnutrition is a common phenomenon with almost 50 percent of children being underweight and stunted posing a daunting challenge of reducing it to 30 percent by 2015. There are wide disparities in malnutrition across regions and ecological zones. The intra-household food distribution and labour allocation pattern is also biased against female, making women more vulnerable to hunger. The proportion of women having Body Mass Index (BMI) less than 18.5 is 25 percent (New ERA 1998). Prevalence of anemia among women is 67 percent and among children it is 78 percent. Recurrent natural disaster and ongoing conflict has further worsened this situation with increasing vulnerability of households to food insecurity. The conflict has particularly impacted on the peoples' livelihood, market system, migration trend and general service delivery system. It has impinged on the problem of hunger the country has been facing.

All the three aspects of hunger and Nepal's positioning in these are presented separately in what follows.

## **Food Availability**

The low agricultural production, inefficient distribution mechanism and lack of transport network has eroded the national food production in Nepal and reduced per-capita food availability which remains very uneven among geographical regions making some of the hill districts vulnerable to food insecurity (Appendix 1).

Although food production and crop yield has marginally increased over the years it is barely keeping pace with the population growth of around 2.3 percent and crop yield is one of the lowest in South Asia, and depends much on the pattern of monsoon.

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Predominance of rainfed agriculture-only 35 percent of land is irrigated year round, and traditional farming practices have stagnated/thwarted the growth in agricultural production, eroding the surplus both at the national and regional levels. Recurrent natural disasters, mainly drought and floods have significant toll on agricultural production every year. On going conflict, especially in rural areas, has also hindered the flow of inputs and output to the market, reducing the incentives to producers and marketing intermediaries (Sharma and Sharma 2002). Rugged topography resulting into poor connectivity has severely constrained the flow of goods and services to the remote hill and mountain districts with net effect on the lower calorie intake of sizable proportion of population. Public food distribution system through Nepal Food Corporation is headquarters-centered leaving food insecure people of the district periphery largely un-reached. Conflict has further disrupted this distribution system by closure of depots outside the district headquarters. In addition, the food production is cereal led, 65 percent of total agricultural production is comprised of food crop production (Economic Survey 2005), causing imbalances in nutritional values of available food.

### **Access to Food**

Access to food is determined by the entitlement patterns, especially of poor and vulnerable population. The inability of households to secure adequate food is the most direct manifestation of poverty in Nepal. Poverty rate is high at 31 percent in Nepal, distributed unevenly between rural and urban, and across the geographical regions. Rural poverty stands at 35 percent compared to 10 percent among urban population. Similarly, in mid and far west regions, poverty rate is over 40 percent compared to less than 30 percent in other regions.

Inequality in access to land and employment opportunities are detrimental to shape the entitlement and secured access to food. Almost one-fifth of rural households do not own agricultural land. Similarly, even in the households owning land only in 10 percent any land is owned by female (Sharma and Thakurathi 2004). The underemployment rate is high at 40 to 45 percent. With low wage rate-less than a dollar, the wage income of the labour household is inadequate to secure food self sufficiency. The NLSS II findings corroborate to this-54 percent of agricultural labour headed households are below poverty line in Nepal (the poverty incidence was 56 percent in 1995), the highest among for various reported groups. Conflict has further limited employment opportunities due to constricted development activities. Besides, the prevalence of bonded type agricultural labour arrangements- about 180,000 labourers are under Hali/Haruwa labour system (CBS 2002), and widespread child labour practices has exposed poor workers to the vulnerability of hunger in Nepal. Social discrimination prevalent in the Nepalese social system has pushed some ethnic and social groups like Dalits and Janajatis to the periphery of vulnerability by depriving them of socio-economic opportunities.

Poor access to food, however, is also shaped by intra-household food distribution patterns which in turn are manifestation of cultural and patriarchal practices. Access to the available food is poor in case of women, leading to prevalence of hunger even in the non-poor households. There is a widespread practice of women eating last and men getting preference in food distribution within households. These render vulnerability of victim of hunger among women. Lower involvement in market economic activities and extremely

low ownership in productive assets such as land has helped perpetuate discriminatory practices against women, also in terms of access to food. Empirical data to corroborate and quantify the extent of discrimination, however, is not available.

### **Food Utilization**

Hunger is also caused by inability of individuals to convert the food into nutrients-poor health and sanitation conditions; and inappropriate food and feeding practices, especially to children and pregnant mothers, exasperate the onset of hunger. From 1975 to 2001 among the children of 0-59 months, the reduction in underweight is from 69.1 to 48.8; stunting from 69.4 to 50.3 and wasting from 13 to 9.7. In stunting, the reduction is less than a percent point per year. Halving the percentage of underweight children is thus unlikely by 2015. The problem of stunting and underweight is slightly more among the girls (MOH 2001). Similarly, children in rural areas are more likely to be stunted (52%) than those in urban areas (37%). The NLSS II clearly shows that, poverty is the cause of malnutrition problem; across the wealth quintiles, the severe underweight, stunting and wasting vary tremendously. In the highest quintiles, the severe stunting rate is 11.0 and in lowest quintile it is 27.9. While severe underweight rate is only 5.2 in the highest quintile and it is 16.9 in lowest quintile. The rate of severe stunting is 26.1 among Dalit children; some castes and ethnic groups are more disadvantaged than others.

Sanitation facilities including access to safe drinking water determine the ability of individuals to utilize the food intake to its full nutritional potential. In Nepal, 60 percent of households do not use toilets entailing bad sanitation condition. Indeed, as the NLSS II results show the rate of severe stunting is more than two times higher among the children of households who do not use latrine than those who do. The proportion of women in Nepal below 18.5 Body Mass Index (BMI) is 25 percent. Women's nutritional status is worse than men, as evident from high incidence of anemia, iron deficiency and maternal mortality. One in four Nepali women suffers from malnutrition and two thirds of pregnant women suffer from anemia.

### **Conclusion**

Poverty and hunger are interconnected concepts, and in both fronts Nepal has difficulties to meet MDG goals. As they are multidimensional issues, especially hunger, country's development in all fronts are essential. A much higher economic growth will be required to have dent on poverty significantly when inequality of income is high. Hence, equal attention is to be paid to inequality reduction—a pro poor growth is needed. Enhancing entitlement among the poor, and nutritional awareness and knowledge along with improvement in health and sanitation conditions are but must in the fight to hunger. Mere availability of food, but limited access and inefficient utilization will leave Nepali population in the state of hunger even if, in poverty measures, there may be achievements. This indicates to the need of practicing a holistic concept of poverty whereby hunger is included in poverty alleviation and measurement.

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**Appendix 1: Food Balance by Districts-2000/2001**

Districts	Production	Requirement	Balance
Eastern mountain	84,752	79250	5322
Central Mountain	92190	107901	-15711
Western Mountain	1452	4488	-3036
Mid-Western mountain	28781	59647	-30666
Far-Western mountain	40576	76331	-35755
<i>Mountain</i>	<i>247571</i>	<i>327617</i>	<i>-80046</i>
Eastern hills	380201	341111	39090
Central hills	449918	700572	-250654
Western hills	559450	575381	-15931
Mid-Western hills	268693	298626	-29933
Far-Western hills	83396	161656	-78260
<i>Hills</i>	<i>1741658</i>	<i>2077346</i>	<i>-335688</i>
Eastern Terai	808259	604648	203611
Central Terai	821713	706991	114722
Western Terai	383723	316259	67464
Mid-Western Terai	291239	223045	68194
Far-Western Terai	219016	174222	44794
<i>Terai</i>	<i>2523950</i>	<i>2025165</i>	<i>498785</i>
<b>Nepal</b>	<b>4513179</b>	<b>4430128</b>	<b>83051</b>

Source: Agriculture Special Bulletin, 2005, Marketing Development Directorate, DOA

## Goal 2 : Achieve Universal Primary Education

Dr. Mana Prasad Wagley\*

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### Target

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

### Indicators

- *Net enrolment ratio in primary education* : 00%
- *Proportion of pupils starting grade 1 who reach grade 5* : 00%
- *Literacy rate of 15-24 year-olds* : 00%

### Global Scenario

Five developing regions are approaching universal enrolment; Sub-Saharan Africa (62), South Asia (79), Oceania (76), Western Asia (83), CIS Europe (88). Those who crossed NER 90 are: South East Asia (91), Northern Africa (92), CIS Asia (94), Eastern Asia (95), Latin America and the Caribbean (96) But in sub-Saharan Africa, less than two thirds of children are enrolled in primary school. Other regions, including Southern Asia and Oceania, also have a long way to go. In these regions and elsewhere, increased enrolment must be accompanied by efforts to ensure that all children remain in school and receive a high-quality education. The gender gap is closing — albeit slowly — in primary school enrolment in the developing world. (UN, 2005: The Millennium Development Goals Report)

In all developing regions, the evidence is the same: children from the richest 20 per cent of households are three times more likely to be in school than children from the poorest 20 per cent of households. Similarly, children with educated mothers are more than twice as likely to be in school as children of mothers with no formal education. The lowest levels of attendance are found among indigenous peoples and other minority groups. Addressing these disparities and reaching the most disadvantaged will be the greatest challenge in achieving universal primary education. Enrolment is only half the battle.

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Once children are enrolled, it is important that they stay in school and receive an education that prepares them for life. Dropping out and repeating grades mean that many children never complete a full course of primary education. In sub-Saharan Africa, just over half the children reach the final grade. In Southern Asia, Western Asia and Oceania, the share is between 60 and 75 percent. The greatest progress in primary school completion has been made in Latin America and the Caribbean and South-Eastern Asia, where over 90 per cent of children reach the final grade. In Eastern Asia, all children complete primary school. School enrolment and attendance can be improved by reducing or eliminating school fees, providing school lunches, improving the quality of teaching and bringing schooling closer to home. In most developing regions, girls are less likely than boys to stay in school. In all developing regions, except Latin America and the Caribbean and Eastern and South-Eastern Asia, girls are less likely than boys to remain in school. The gap between girls and boys is greatest in the 22 countries where fewer than 60 per cent of children complete their primary education.

**Summary of Facts**

1. Eight out of ten children out of school live in Sub-Saharan Africa or Southern Asia
2. Children from poorer families are less likely to go to school
3. In most developing regions, girls are less likely than boys to stay in school.
4. Children with educated mothers are more likely to join schools than children with no formal education. (The proportion is 2.25:1)
5. The lowest level of attendance is among the indigenous and minority groups.
6. Girls still lag behind boys in school enrollment. And this disparity tends to increase as the level of education increases.

**National Context**

Like other countries, Nepal also has committed to achieving universal primary education by 2015. These goals include 100 percent enrollment of 5-9 age group, 100 percent of completion of primary schooling of those who enroll and 100 percent adult literacy rate of 15-24 year olds. The gender equality in primary and secondary level education envisaged by 2005 has not been completed yet. It is obvious that there have been positive impacts of schooling on economic and social development. Thus education has been considered a very powerful instrument to enhance earnings, decrease poverty and promote social mobility (WB, 2005). Nepal has made progress in primary education enrollment in the past decade. However the data sources say different things. NLSS II reports 72 percent NER whereas School Level Education Statistics provide a data of 84.2 in 2004. Whatever the case, if present trend continues and the government is able to devise adequate policies to address the existing out of school children, it is very likely that Nepal will achieve UPE by 2015. However, the enrollment scenario alone would not be enough; the completion rate is also equally important including the quality achievement by these children. Since the completion scenario is around 60 percent (MDG Progress Report 2) and the achievement in general is below 50 percent (EDSC 1997, 1999, 2001 and 2003) much is left to be done in order to fulfill the UPE dream by Nepal. The efforts of handing over the management of schools to community is at risk; the closure of schools, displacement of teachers and students; abduction and killings; making



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schools as battleground of the insurgency parties all have made things difficult to educate children in a proper way. The economic condition of the out of school children, the opportunity cost of the parents, and social poverty have obliged people to think education in economic terms thus not prioritizing it as their basic needs. That's why enrolling children to school alone will not solve the MDG problem in education. We already have our experience of increasing 2.6 percent enrollment between 2004 and 2005 through school welcome program but nobody knows how many of them again returned back to their homes without having rooms for study, without having teachers to address their educational needs and without having enough support to continue their education.

#### **Current Trends and Issues in Primary Education**

Since school level statistics 2005 (Flash Report1) is still to brush up to have correct figures this paper has used 2004 data of the Department of Education. Primary schooling is set for aged 5-9 age group. More than 26000 primary schools are established so far (28005 in 2005) with 3 million children enrolled and more than one hundred thousand teachers employed. The teacher student ratio is 1:28.

**Table 1: School Statistics**

	<i>Primary</i>	<i>Lower Secondary</i>	<i>Secondary</i>
<i>Age group</i>	5 – 9	10-12	13-14
<i>Number of schools</i>	26,638	7,917	4,541
<i>Number of teachers</i>	111,027	28,571	23,028
<i>Number of students (x1,000)</i>	3,074	1,188	496
<i>Students per school</i>	115.4	150.1	109.2
<i>Students per teacher</i>	27.7	41.6	21.5
<i>Teachers per school</i>	4.2	3.6	5.1

Source: HMGN (2004)

Both Gross Enrollment Rate (GER) and Net Enrollment Rate (NER) have been increased significantly between NLSS I and NLSS II period. The development will be in track if GER is in decreasing trend and the NER in increasing trend. However, in Nepal's case GER is also in increasing trend (112 in 2004 and 127 in 2005).

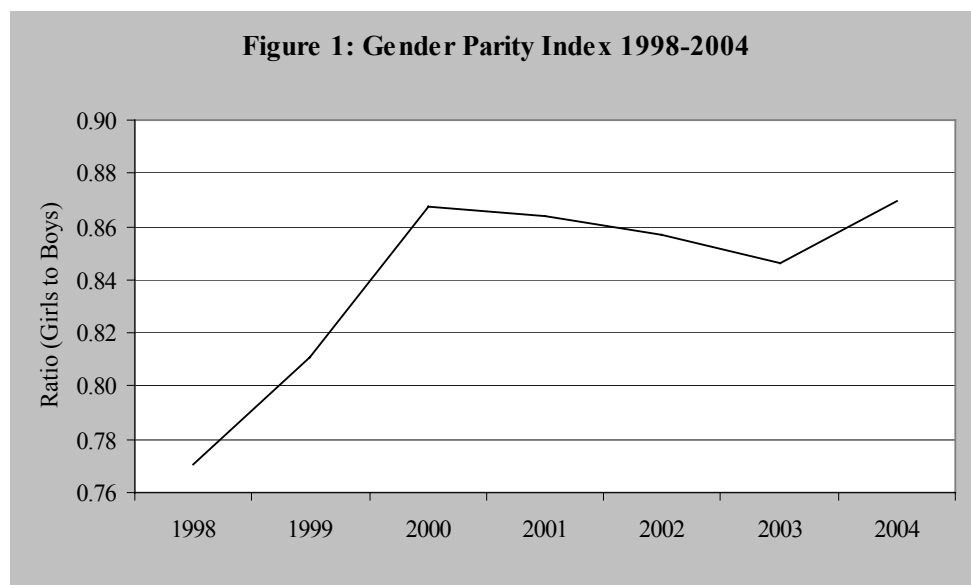
Table 2 shows that net primary enrollment rates have increased significantly in Nepal at all levels of the system. Net enrollment rates in primary school increased from 57 to 72 percent between 1995/96 and 2003/04.

**Table 2: Gross and Net Enrollment Rates Across Education Levels**

	NLSS I (1995/96)			NLSS II (2003/2004)		
	Boys	Girls	Total	Boys	Girls	Total
<i>Gross Enrollment</i>						
Primary	108.4	79.9	94.3	122.7	101.8	112.3
Lower secondary	61.9	44.1	53.6	73.8	67.2	70.7
Secondary	58.6	29.2	43.4	61.9	46.2	54.1
Upper Secondary	24.0	10.3	16.9	38.9	28.0	33.5
University	4.9	0.7	2.6	8.3	2.7	5.0
<i>Net Enrollment</i>						
Primary	66.8	46.5	56.8	77.9	66.9	72.4
Lower secondary	23.3	14.3	19.1	31.1	26.4	29.0
Secondary	12.9	6.0	9.3	16.8	13.4	15.1
Upper Secondary	1.9	1.8	1.8	9.3	6.0	7.7
University	1.6	0.5	1.0	3.7	1.5	2.5

Source: World Bank.

The increase in the primary school net enrollments noted above has narrowed gender disparities in enrollments. The primary driving force of this improvement has been the increase in NERs for girls. The gender parity index for NER (ratio of NER of girls to boys) increased from 70 to 86 in one decade. Assuming this trend continues, Nepal will achieve the MDG goal of gender parity for primary education by 2010 (WB 2005)



Source: Wagley & Poyck (2005)

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The enrollment rate in Nepal is higher than that of Bangladesh (80), Cameroon(79) and Thailand (80) but lower than enrollment rates in Malaysia(95) and Namibia (92). Compared to the progress on MDG of other nations Nepal's Primary NER looks like the following

**Table 3: Nepal Compared to Others NER 5-9 Age Group NER**

<i>Bangladesh</i> 2003	<i>Malaysia</i> 2003	<i>Cameroon</i> 2001	<i>Thailand</i> 2002	<i>Namibia</i> 2001	<i>Nepal</i> 2003
80	95+	78.8	80+	92	84

*Source: MDG Progress reports of Bangladesh 2005; Malaysia 2005; Cameroon 2002; Thailand 2004; and Namibia 2004*

Previous educational studies and NLSS reports show that children from low income group particularly girls do not attend schools. The number of children from Dalit and Janajati group is big. The proximity to school (distance), parental unwillingness and in some cases children's unwillingness also have affected positively. Moreover the indirect cost associated with education is found major cause in these low-income groups. Although primary education is free, schools ask some money from parents to meet recurrent costs. Similarly, other costs associated with education are out of capacity of the parents. It was also found that households with easy access to schools are more likely to enroll their children at school. Children from higher income households and educated parents are more likely to attend schools. As compared to the eastern region, children in the central region (low poverty) are less likely to be enrolled in primary school, while children in the western region (or high poverty) are more likely to be enrolled in primary school.

#### **Educational Policy**

There has been attempts made by the government in order to make education accessible to all children aged 5-9. Education Act, Education Regulations, Tenth Plan, Medium Term Expenditure Framework, EFA National Plan of Action are all the efforts towards this endeavor.

#### ***The Education Act***

Education Act (Eighth Amendment, 2004) along with Education Regulation (2002) has now been in effect. The eighth amendment only extended the time of registering private schools whether they want to join as company Act or Trust. All other provisions in the Eighth amendment are same to that of seventh amendment. The major reforms introduced in this Act are as follows:

- **Policy regarding free education:** The concept of free education is limited for the primary education sub-sector. The government has committed to provide primary education totally free including the textbooks. In the past, the government was silent about fund raising and the practice was that people raised money as tuition fee, which led the schools to raise some money from the students even if it was considered free. Through the 7<sup>th</sup> amendment in Education Act, the government has shown its commitment of national liability in primary education. However, there are cases where schools ask money with the parents to meet their recurrent costs.

- **Teacher licensing system for quality education:** Several issues have been raised about the qualification and training of schoolteachers. Considering the recommendations of the High Level Task Force, 2001, the government intends to implement teachers' licensing policy. Every teacher whether on the job or new has to appear and get through licensing examination in order to be certified as teacher. Prior to appearing in the licensing examination training has been made mandatory. It is hoped that this system would raise the quality of education. In this regard, Teacher Service Commission amended regulation (2059) has come into effect. However, the intent of the Act has not been implemented. All permanent teachers got the license without a single test. Moreover, the Teacher Service Commission is preparing to make all of the working temporary teachers permanent without training and license.
- **Empowerment of school management committee:** Unless the local bodies are mobilized and they own the schools within their vicinity, we can not achieve the quality of education. The Education Act has clearly defined the composition and role of School Management Committee so as to empower it for regular monitoring of school activities. The same provision was there before 1971. Moreover, there were schools run by the community and they were competitive before 1971. There were very few private schools and all the public schools were providing quality education. Now, SMC is made responsible to prepare the School improvement plan (SIP). To date the management of more than 2200 schools have been transferred to the community. The government has committed to provide incentive grants to the primary schools (Rs one lakh for one level) run by the community. The government has also committed to provide additional support in the form of scholarship and performance grants to the selected schools. However, the policy and programs are silent about empowering the local community in this regard. Only handing over may not serve the purpose. Similarly, in the absence of service cadre policy the recruitment of teachers by SMC will go in chaos.
- **Parental direct involvement in SMC through election:** The key stakeholders in education are parents. So they should be directly involved in day-to-day affairs of schools. Considering this fact the Education Act issued a policy of elected parents as chairperson and members of the SMC. And the process of forming SMC in many schools has begun. However, there are cases where second parents have been the chair of SMC. The government lacks monitoring thus having no information on the use of the intent of the Act.
- **Discouraging teachers' involvement in direct politics:** To make education aloof from politics the government made a rule that the teachers can not involve themselves in direct politics. This ensures teachers presence in schools and the maintenance of teaching-learning environment. However, in practice the teachers are still involved in direct politics which has crunched quality education at schools.

### ***Education and Poverty Reduction***

Proper education policy is an important instrument to bring about a greater equity. The amendment to the Education Act was done in cognizant to this fact. The PRSP/Tenth Plan emphasizes on universalization of primary education that prepares people for better future

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living and earning. The MOES has committed to improve the efficiency of the education system, increase access to primary and secondary education, expand literacy programs and extend opportunities for technical and vocational education as mentioned in the sub-sector goals of the PRSP/Tenth Plan. The Tenth Plan (2002-2007) envisages 90 percent NER for primary education, 70 percent literacy for 6 years+ and 63 percent for 15 years+ population, and female literacy of 55 percent.

The MOES has also committed to increase the investment efficiency by reducing dropouts and repetition rates and by increasing the promotion rates through a mechanism of Continuous Assessment System (CAS). Introducing the scholarship provisions the MOES also has shown its commitments to reduce dropouts and repetition rates in the disadvantaged sections.

Specifically, the following objectives and strategies as mentioned in the PRSP/Tenth Plan have been focused in order to relate education with poverty reduction.

- Help raise standards of living of disadvantaged communities and women by implementing literacy, post-literacy, income generating and functional non-formal education programmes
- Improve quality of education and universalise quality primary education according to the development needs of the country
- Define, standardize and review quality education. Develop prerequisites for mandatory training and determine proficiency certificate level as minimum educational qualification for primary school teachers and introduce teacher licensing at all levels of education. Strengthen supervision, monitoring and evaluation systems and develop leadership potentials at all levels of education
- Make special arrangements to increase educational opportunities for women and the disabled in the context of Education For All

#### ***Education in the MTEF***

Recent Mid Term Expenditure Framework highlighted the major objectives and goals of the education sector as below:

- To use education as an active medium for the development of human resources, alleviation of poverty and development of social and economic aspects of the country by
  - producing citizens that are responsible, committed, loyal and sensitive towards nationality, democracy, human right and social accountability, and;
  - raising the quality of life of people, specially females, through functional literacy.
- To prepare children for primary education by developing their cognitive, physical and emotional aspects.
- To universalize quality primary education.

### ***EFA Nepal National Plan of Action (2001-15)***

In the same line, Nepal developed its National Plan of Action (2001-2015) to achieve UPE by 2015. In addition to the above six goals Nepal added one more, a must to achieve in Nepalese context. The seventh goal is “Ensuring the rights of indigenous people and linguistic minorities to quality basic and primary education through their mother tongue”.

### **Strategies**

To achieve the seven goals mentioned above National Plan of Action Nepal (2001-2015) has developed several strategies. The strategies are divided into three parts, the immediate-term (2001-2005), the medium-term (2005-2012) and the long-term (2012-2015). In brief, the strategies in three different terms can be explained as follows:

#### ***Immediate Strategies***

- BPEP and Tenth Plan are the immediate strategy.

#### ***Medium-term Strategies***

- Integrated approach to ECD—community-based ECD and school-based ECD
- Free and compulsory primary education of reasonable quality
- Open learning opportunities to enhance life-long learning
- Income generation programme for the parents
- Completion of infrastructure for the initiation of basic and primary education up to grade 8
- Increasing the minimum qualifications of teachers (12 years of education with 10 months training)

#### ***Long-term Strategies***

- Extension of basic and primary education up to grade 8 (grades 1-8)
- Decentralized curriculum and textbooks with adequate life skills related contents
- Definitive improvements in school curriculum practices
- Full enhancement of the teacher qualification and training
- Introduction of information technology-based education at the basic and primary level
- Comprehensive approach to development of school education including pre-primary, primary and secondary education, drawing the support of the stakeholders focused on the contextual needs of children’s learning.

### **Challenges and Constraints**

Addressing a seminar on "Closing the Gaps: How Will Asia Meet the MDG Challenge?"

G.H.P.B. van der Linden, Vice President of the Knowledge Management and Sustainable Development of the ADB summarized the challenges as follows:

First, the international community must recognize the significant difference that often exists between their expectations and the capabilities of the developing member

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countries. This is especially true of the many countries in the region that have decentralized delivery of basic services to local governments. Building capacity in these countries means more than transferring skills. It means supporting leadership and strategic decision-making, accountability systems and a culture of learning and innovation.

Second, policy makers themselves must recognize the importance of the MDGs. Many countries simply lack awareness of the problems and the degree of deprivation that underlies non-achievement of the MDGs.

Third, resource gaps must be addressed. It is very difficult to build a credible, operationally-relevant program for MDG attainment on an assumption of financing that may or may not materialize. For their part, governments of developing countries need to prioritize allocations for MDG sectors through spending cuts in less essential areas.

Finally, economic growth is crucial - both as a means to reduce income poverty and as a source of financing to achieve the non-income MDGs. This means that the private sector, the engine of growth, has a direct role to play. But private sector participation is unlikely to happen until governments create an enabling environment, including governance and institutional reform.

#### ***Challenges of Nepal***

##### **1. Enrollment Gap**

At the macro level the NER stands at 84.2 (DOE, 2004) which is calculated as 72 (NLSS II). At the micro level, the NER analysis shows the following picture (DOE, 2004)

- NER below 60 = 3 districts (Saptari, Sarlahi, Rautahat)
- NER from 60-79 = 8 districts (Sunsari, Siraha, Dhanusha, Mahottari, Bara, Kapilbastu, Jumla and Mugu)
- NER from 80-89 = 20 districts (Lalitpur, Taplejung, Baitadi, Terathum, Udayapur, Morang, Kavre, Makawanpur, Parsa, Manang, Nawalparasi, Rupandehi, Dolpa, Rolpa, Humla, Jajarkot, Kalikot, Bajhang, Banke and Kanchanpur)
- NER from 90-95 = 36 districts (Rest of the districts)
- NER above 95 = 8 districts (Gulmi, Palpa, Syangja, Kathmandu, Chitawan, Khotang, Okhaldhunga and Ilam)

These figures suggest that the MOES should focus its UPE activities more on 11 districts where the NER is below 80.

##### **2. Gender Gap**

At the macro level the gender disparity index stands at 86 (Wagley & Poyck, 2005). At the macro-level, again, the NER of girls is 78 which is below 12 percent point than that of boys (DOE, 2004). The gender parity index is 0.87 (EFA Status Report, 2004). Attempts have been made to increase girls' enrollment in primary schools by scholarship provisions. In some districts oil for education program has been launched. Separate toilets

for girls were constructed in 5231 schools (EFA Status report -2004). Scholarship for 50 percent girls was one of the programs under 18 EFA indicators.

At the micro-level the enrollment of girls provides the following scenario: (DOE, 2004)

- NER below 60 = 5 districts (Siraha, Dhanusha, Kapilbastu, Jumla, Mugu)
- NER from 60-69 = 4 districts (Bara, Parsa, Kalikot, Humla)
- NER from 70-79 = 8 districts (Sunsari, Kavre, Dolpa, Rolpa, Jajarkot, Banke, Bajhang, Baitadi)
- NER from 81-90 = 17 districts (Taplejung, Terathum, Rasuwa, Sindhuli, Makawapur, Lalitpur, Nawalparasi, Rukum, Salyan, Dailekh, Dang, Bardiya, Bajura, Achham, Doti, Dadeldhura, Kanchanpur)
- NER above 90 = the rest 41 districts

The figures suggest more emphasis should place on 17 districts where the NER of girls is below 80.

### **3. Retention Gap**

Universalization of primary education also calls for universal retention. The cycle completion rate should be 100 percent to achieve the purpose of UPE. The scenario of dropout, repeaters, and cycle completion rate is as follows:

- Cycle completion rate = 76 (EFA Status Report, 2004; MDG Progress Report, 2005)
- Dropout rate = 15.3, 5.8, 7.0, 7.5, and 13.5 in grades 1, 2, 3, 4, and 5 respectively in 2003 (EFA Status Report 2004)
- Repeaters' rate = 34.0, 19.4, 15.3, 15.7, and 13.5 in grades 1, 2, 3, 4, and 5 respectively (Ibid)
- Drop outs = around 15 percent in Grade 1 and around 10 percent in grade 5

The figure is alarming Nepal for grade 1 dropouts and repeaters. Same can be said about the cycle completion rate. The figure of repeaters can not be neglected in other grades too. The dropout rate in grade 5 is also big.

### **4. Dalit's Education Gap**

To make MDG success, all children should join and complete primary schooling. Many primary aged children from the disadvantaged minorities and Dalits are still denied their right to primary education. The reasons are mostly due to social, economic and educational constraints rather than lack of physical access to school (MDG Needs Assessment Study 2005). Out of 13.3 percent share in 5-9 age population, the enrollment of Dalit children in primary level is 8.7 percent.

### **5. Janajati's Education Gap**

The case of Janajati's is not that bad as that of Dalit children. However, a large number of 5-9 age population of these have been out of school. Out of 43.7 percent share in 5-9 age population the enrolment of Janajatis' children in Primary education is 25.8 percent.



## 6. Literacy Gap

The Tenth Plan envisages 70 percent literacy for 6 years+ and 63 percent for 15 years+ population, and female literacy of 55 percent. MDG requires 100 percent literacy of 15-24 age group by 2015; now it stands at 73.

### **Factors Jeopardizing the Attempts Toward Meeting the Gaps**

#### *The Insurgency*

The intensity and extent of the 'People's War' launched in 1996 by the Communist Party of Nepal (Maoist) have significantly increased since 2001, when the army was directly drawn into the conflict. Over the course of the ten years of the insurgency, the violence has intensified and the geographical spread of the conflict has extended. Now almost all districts of the country are affected by the conflict to varying degrees. It is difficult to determine with any accuracy how many school age children have been denied access to schooling in areas especially affected by the insurgency. The apparent influx of children to relatively secure areas (and consequent overcrowding in schools in or near district capitals as observed in the district case studies) suggests that the insurgency has had a significant, negative impact on access Development activities in many of the most affected areas have been severely constrained or halted. Most development organisations are unable to operate in the rural areas under Maoist control and have pulled back to district headquarters or to Kathmandu.

Schools appear to be continuing to operate throughout the country. However, concerns over education policy and the everyday practices of schools have been a key element of the Maoists' demands. From the information available, it is clear that educational institutions have been adversely affected by the conflict in a number of ways

A significant number of school days have been lost as a result of forced closures - either as a result of education-specific strikes or general shutdowns. According to an Informal Sector Service Centre (INSEC) report, over 2,000 schools (including 200 government schools) have been closed, affecting over 250,000 students. Overcrowding in some school has been exacerbated by the influx of children to the towns from the surrounding insurgency-affected rural areas. Teachers in many areas are 'caught in the middle' between the security forces and the Maoists - and are fearful of being targeted or victimized by both sides. Teachers' Associations estimate that over 180 teachers have been killed during the conflict and many hundreds more are no longer in post (whether as a result of forced migration or as a result of abduction). Teachers throughout the country are being forced to make 'donations' to the Maoists, further adding to the climate of fear.

Without systematic data, it is difficult to know the exact impact of the conflict on children. What is clear is that the Maoists have targeted older students (grades 8-10) as potential supporters. There is also evidence that students - even in younger classes - have not attended school for extended periods of time due to fears of being kidnapped on the way to or from their classrooms. The psychological impact of the conflict on children has not been investigated.

### Weak Implementation Strategy

As regards the non teaching personnel, Nepal has achieved important results in the area of capacity development. The capacity building of teachers, however, has not been given priority except the ritual supply based training at the ETCs. In the lack of monitoring and supervision the government has failed to implement its policy towards its intent. There are no data available whether all schools have SMC, the exact number of children enrolled, the internal efficiency information about schools etc which has made it difficult to adopt ways to improve the situation. The major roles of the DEOs have been to transfer budgets to schools rather helping them meet the MDG. Moreover, the DEOs themselves are not aware of the MDG enough to help schools and community achieve them. At the central level some staffs at DOE and MOES seem aware of MDG but efforts towards educating people at the implementation level is lacking thus making the government unable to implement strategies to meet MDG. Although the government prepared EFA NPA (2001-2015) in line with MDG, the implementation strategies of the document are still to observe.

### Funding Gaps

The MDG Needs Assessment Study Report 2005 has indicated the resource gaps in meeting the MDG by 2015. The major findings of the study are summarized in the following paragraphs.

Although Nepal has been increasing its public investment in education it is too low as compared to what is needed if access to quality education is to be provided to all children. Nepal's public expenditure in primary education is about 550 (about US \$ 7.40 at current exchange rate) per child. This is far too low even compared to its South Asian neighbors. "The total cost of attaining MDG on education for 2005-2015 amounts to Rs. 334.5 billion (US \$ 4,778.9 million) at 2004/05 prices. The average annual cost amounts to Rs. 30.4 billion (US \$ 434.4 million) at 2004/05 prices. The costs estimated are significantly higher than what the government is spending at present. For instance, the total basic and primary education budget of the government in 2005 (FY 2004/05) was Rs. 11.2 billion, but the estimated cost for 2005 is Rs. 13.7 billion or more than 20% higher." (pp.25-26). To summarize the financial gaps the report gives the following scenario:

**Table 4: Cost of Key Educational Interventions to Achieve MDG (Rs. in million)**

Key Intervention Areas	FY 2005		FY 2010		FY 2015	
	Amount	%	Amount	%	Amount	%
Early Childhood Development	365.7	1.7	1,409.0	4.7	4,032.8	9.8
Primary Education	13,060.1	59.0	17,237.7	58.1	21,868.6	53.3
Secondary Education	7,534.2	34.0	9,580.0	32.3	13,344.0	32.5
Adult Literacy	317.2	1.4	323.9	1.1	214.4	0.5
Education Management and Support Cost	851.1	3.8	1,142.0	3.8	1,578.4	3.8
<b>Total (in million Rupees)</b>	<b>22,128.3</b>	<b>100.0</b>	<b>29,692.6</b>	<b>100.0</b>	<b>41,038.2</b>	<b>100.0</b>
<b>Total (In US\$, million)</b>	<b>316.1</b>		<b>424.2</b>		<b>586.3</b>	
<b>Total (2005 to 2015)</b>	<b>Rs. 334,524.2 mn (US\$ 4,778.9 million)</b>					
<b>Average Annual Cost (2005 to 2015)</b>	<b>Rs. 30,411.3 mn ( US\$ 434.4 million)</b>					

Note: US \$ 1= NRs. 70. It was the average rate around the end of February 2005.

### ***Financing Problems***

As regards transparency and efficiency the flow of funds were well-defined according to the Nepal Government system. However, it is reported that there were the following problems, delays in the authorization of funds transfers, the allocation of SIP funding had been determined largely by centralised authorities and not by the needs of individual schools, DEP resource allocations proved to be 'top down' and did not reflect the needs of the district, financial information varies considerably from report to report (with different formats), the lack of data accessibility diminished transparency, financial reporting was burdensome and inefficient, linkages between financial allocations and the quality of interventions were not generally evident, on information financial performance was not related to the achievement of programme results.

### ***Monitoring Inefficiency***

The critical part has been the lack of monitoring of educational programs both at the central and at the local level. The regional and district level educational authorities have not been able to monitor the programs and activities on a regular basis. Major problem areas of the implementation have not been identified to correct the mistakes and/or weaknesses in time. Moreover, quality indicators of performance have not been developed leading the authorities nowhere of what and how to monitor. There is hardly any evidence that schools are supervised on a regular basis. It was found that even schools in the district headquarters are not monitored/supervised on a regular basis. Thus, problems still exist like poor quality and reliability of input data. Enrolment data are based on the schools registration of a pupil, and not on the actual attendance. When the pupils name is in the school register, this is counted as being enrolled without considering the dropouts. Also, with the insurgency, there is a lot of displacement of children. It is impossible to calculate the NER if it's not known where the children are (because the government does not have any information on how many children are internally displaced and where they are located).

### ***Poverty-Education Nexus***

Education is directly related and positively correlated with poverty. Many children are not going to school because of poverty. Unless they are educated, poverty can not be reduced again. Thus, ways reducing poverty through attraction in educational programs are vital. The present system of providing scholarships, cooking oil and midday meal has helped attracting children to school to some extent. Besides these, income generating programs for the children and their parents are essential so that they could earn to support basic education.

### ***Performance Indicators in a Nutshell***

It would be interesting to note the performance indicators to meet the MDG by 2015. The following table explains the status of each indicator and its projection.

**Table 5: Performance Indicators**

<i>Indicators</i>	<i>2001</i>	<i>2004</i>	<i>2008/09</i>	<i>2015</i>
<i>Gross enrolment rate of early childhood/pre school</i>	<i>13</i>	<i>39,4</i>	<i>51</i>	<i>80</i>
<i>Percentage of new entrants at Grade 1 with ECD</i>	<i>8</i>	<i>10,9</i>	<i>60</i>	<i>80</i>
<i>Gross intake rate at Grade 1</i>	<i>141</i>	<i>125,9</i>	<i>110</i>	<i>102</i>
<i>Gross enrolment rate</i>	<i>123</i>	<i>130,7</i>	<i>104</i>	<i>105</i>
<i>Net enrolment rate</i>	<i>81</i>	<i>84,2</i>	<i>96</i>	<i>100</i>
<i>Indicators</i>	<i>2001</i>	<i>2004</i>	<i>2008/09</i>	<i>2015</i>
<i>Percentage of total education budget channeled to primary education subsector</i>	<i>55.6</i>	<i>62+</i>	<i>62</i>	<i>65</i>
<i>Percentage of Gross National Product channeled to Primary education sub sector</i>	<i>1.6</i>	<i>1.9</i>	<i>2.3</i>	<i>2.5</i>
<i>Pupil Teacher Ratio</i>	<i>39</i>	<i>39,7</i>	<i>37</i>	<i>30</i>
<i>Repetition rate for Grade 1</i>	<i>39</i>	<i>na</i>	<i>37</i>	<i>0</i>
<i>Repetition rate for Grade 5</i>	<i>9</i>	<i>na</i>	<i>3</i>	<i>0</i>
<i>Survival rate to Grade 5</i>	<i>66</i>	<i>76,2</i>	<i>85</i>	<i>90</i>
<i>Coefficient of Efficiency</i>	<i>60</i>	<i>na</i>	<i>83</i>	<i>85</i>
<i>Percentage of learning achievement at grade 5</i>	<i>40</i>	<i>52,5</i>	<i>60</i>	<i>80</i>
<i>Literacy rate age group 15-24</i>	<i>70</i>	<i>70</i>	<i>82</i>	<i>95</i>
<i>Literacy rate age group 6+ years</i>	<i>54</i>	<i>54</i>	<i>76</i>	<i>90</i>
<i>Adult literacy rate (15+ years)</i>	<i>48</i>	<i>48</i>	<i>66</i>	<i>75</i>
<i>Literacy gender parity index (15+ years)</i>	<i>0.6</i>	<i>0,6</i>	<i>0.9</i>	<i>1.0</i>

Source: Wagley & Poyck (2005) EU Evaluation Report of BPEPII.

### **Meeting MDG Goal 2 by 2015**

It is not at all possible to explain all measures in this small paper. However, the following measures have been recommended so that major factors hindering in meeting the goal can be minimized. Special attention has been given to initiate newer (innovative) approaches rather age-old non-functional recommendations.

#### ***To Meet Enrolment Gap***

1. A rapid assessment of the after math effect of the enrollment campaign through school welcome program is essential to identify local problems and to devise planned activities from the coming year.
2. Informally there are information about schools having difficulties to manage the load of the number of students after the school welcome program. These information were the focus of the newspapers from August 2005 and on. Assessment of the situation can also be done by confirming the news published during that period.
3. Much of the difficulties discussed in many forums were associated mainly with the lack of classrooms and teachers. Provisions for temporary classrooms were there but they were started only after the problems were reported. Thus attention needs to be

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paid before the problem encounters. Based on the last years' experience the MOES should devise ways of constructing new classrooms and hiring more teachers in advance in the years to come.

4. Identification of the socio-economic status of the 11 districts having NER below 80 is essential.
5. The cases of Saptari, Sarlahi and Rautahat should be developed. Their NER is below 60. The social structure of these districts needs to be addressed in order to enroll more children at primary level.
6. Similarly, the cases of Sunsari, Dhanusha, Siraha, Mahottari, Bara, Kapilbastu, Jumla and Mugu) having NER from 60 to 79 need to be developed to see the possible ways to enroll as many children as are possible in the formal mainstreaming and/or devise ways of alternate approaches.
7. Possibility of Food for Education for boys' enrollment should also be examined as for girls in selected districts.
8. The successful primary education and/or NFE programs run by other agencies (GO, NGO, INGO) can be replicated, for example COPE.

#### ***To Meet Gender Gap***

1. Study the success of 41 districts where the NER is above 90 percent and try to replicate the efforts in other districts.
2. Assess the problem of 17 districts where NER is below 80 and devise ways to enroll as many girls as are possible.
3. Most of the problem districts are either Terai belt or remote hill and mountain districts. Thus a study of the social structure of those areas needs to be carried out to design special packages for girls' education.
4. A study on the impact of girls' scholarship on enrollment needs to be carried out because most of the girls' incentives in primary schools are scholarship-based.
5. The tendency of girls' enrollment has been increased by 28 percent from 2002 to 2004 (Food for Education Project, 2004) in districts where Girls Incentive Programs (GIP) were initiated. A Review Study of GIP states that the Girls Incentive Programme (GIP) is a sub-component of the Food for Education Activity that provides a take-home ration of 2 litres of vegetable oil to mothers of school attending girls in the selected food insecure districts. To be entitled, the girls must at least attend 80 percent of the school opening days in a particular month, and the school opening days must be at least 15 days a month. GIP Programme is implemented in 14 districts (Doti, Dadeldhura, Surkhet, Dailekh, Baitadi, Pyuthan, Achham, Bajhang and Bajura, Udayapur, Makawanpur, Nuwakot, Ramechhap, Rasuwa). As mentioned above, the GIP needs to be extended to other districts where the girls' enrollment is below 90.
6. The mid-day meal program running in 21 districts can be extended to other districts to raise girls' enrollment.
7. Addressing gender equity in rural areas requires consideration of more than just the number of girls versus boys enrolled in school, as was often the approach. Parity

constitutes a first step, but true equity required equal opportunities to attend school, equality in the learning process, of learning outcomes and job opportunities and earnings (UNESCO 2005).

8. School calendar can be adapted to crop calendar in places where girls are obliged to work in fields.
9. Increase in female teachers, latrines for girls at school premises, eliminating gender negative stereotypes in curriculum revision and making curriculum relevant to girls' life may help boost girls' enrollment.

#### ***To Meet Retention Gap***

1. The reasons for dropouts and repeating classes need to be studied very carefully to provide viable opportunities to the students to complete their primary education cycle.
2. The government needs to devise policies regarding the rehabilitation of dropouts and also make provisions that the repeaters rate be decreased with all the repeaters complete their respective grades. The Non-formal Education Centre (NFEC) of the MOES is now planning to conduct a pilot test for rehab of 8000 dropouts in 5 selected districts. This kind of initiations should be guided by a proper policy and be extended to all the districts where dropout is a big problem.
3. Enabler and motivators should be an in-built mechanism of the education system so that children would love to go to school without any hindrances from their parents.
4. ***Work for education program*** should be launched to raise enrollment figures and to sustain them until grade 5 in school. For example, if the government devises a policy to provide employment to parents in development activities in the nearby VDC or DDC who send and/or sustain their children at least for five years (from grade 1) in school, the problem of opportunity cost of the parents will be diminished. It will, in fact, help achieve MDG in the stipulated time.

#### ***To Meet Literacy Gap***

1. Identification of 15-24 illiterates in each VDC
2. Facilitators to be appointed in each VDC
3. Mobile team for scarcely populated areas
4. Time bound plan associated with NFEC activities
5. Replication of good lessons learned from high 15-24 literate areas

#### ***To Meet Dalit and Janajati Education Gap***

1. Identification of Dalit and Janajati (poorer groups) in each VDC and preparation of a roster
2. Providing ID to each of them.
3. Making provisions of free education to them wherever they want to study.

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4. Providing employment to parents of Dalit and Janajati (poorer groups) who send their children in school and sustain them from grades 1-5. Once employment is planned primary education can be made compulsory too.
5. This requires localizing the education through handing over the management of schools to the local communities. The government has already started the process and 2600 schools have been decentralized so far. However, due to Maoists threat, the schools in rural districts have asked the government to withdraw the decision. The teachers' unions have not supported the government in decentralizing education to local communities on the ground that the teaching cadre will be disadvantaged by the current educational policy of handing over school management to local community. Thus revision in policy to expedite the handover is a must. The hand over is more important in a situation of conflict to address the needs of local schools. However this implies needs of capacity building of the local communities in a massive scale and at the same time a responsive and capable educational system (MDG Needs Assessment Study, 2005).

#### ***To Meet Resource Gap***

1. Municipalities should start raising education tax based on the family income
2. DDCs should allocate at least 1 percent in education from the aggregate income made within the district.
3. Schools should be allowed to decide its expenses based on the approved SIP budget so that more resource generation will be possible in local community. A matching fund system should be allowed in expenses other than the recurrent costs.

Besides these, commitment from the part of government, in other words political commitments to implement best possible strategies in action is highly essential. Prioritization of UPE can be seen in development plans and MTEF; however, the implementation gaps need to be minimized. Similarly, dissemination of MDG from central to the local level is equally important since many people at the implementation level do not understand what MDG is all about. Last but not the least, all commitments in paper should be translated into action utilizing all available resources from within and outside the nation.

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## Goal 3 : Promote Gender Equality and Empower Women

Dr. Meena Acharya\*

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### Target

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

### Indicators

- *Ratios of girls to boys at primary level* : 1.0%
- *Ratios of girls to boys at secondary level* : 1.0%
- *Ratios of women to men at tertiary level* : 1.0%
- *Ratio of literate women to men 15-24 years old* : 1.0%
- *Share of women in wage employment in the non-agricultural sector* : -
- *Proportion of seats held by women in National Parliament* : -

### I. Nepal's Millennium Development Goals on Gender

In preparing national MDGs, each country has the flexibility to set its own targets. Nepal has specified her own millennium goals (2003). The first goal is reduction in poverty. As per this goal proportion of people with incomes less than one PPP dollar a day is to be reduced from the 1990 level of 37.7 percent to 17 percent by 2015 and those below national poverty line income to 21 percent from 1990 level of 38 percent. Targets have been fixed for reducing the malnutrition and proportion of underweight under-5 children and male/female parity in educational attainments. Nepal's specific gender related millennium goals along with most recent achievements are listed in Table 1.

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\* Economist.

**Table 1: Nepal's Selected Millennium Goals, Targets and Current Achievements**

<i>Goals</i>	<i>Indicators specified for monitoring</i>	<i>1990 Status</i>	<i>2015 Targets</i>	<i>2003/4 Status</i>
1. Eradicate extreme poverty and hunger	Percent of people below national poverty line income	42.0 (1996)	21	30.8
	Percent of people below minimum level of dietary energy consumption	49 (1992)	24.5	na
	Percent of underweight under five children	57	28	na
2. Achieve universal primary education	Net enrolment in primary education (percent)	64	100	84.2
	Proportion of people starting grade one, who reach grade 5	38 (1994)	100	
3. Promote gender equality and empowerment of women (preferably by 2005 and to all levels of education no later than 2015).	Percent of girls to boys in primary gross enrolment	56	100	81.8
	Percent of girls to boys in lower secondary gross enrolment	41	100	78.5
	Ratio of girls to boys in higher secondary gross enrolment	65 (1999)	100	78.5
4. Reduce under-5 child mortality rate	Under-5 child mortality rate (per 1000 live births)	161.6	54	na
5. Improve maternal health	Maternal mortality ratio (per 100, 000 live births)	850	213	na
	Percent of deliveries attended by health care providers	7.4	Over 60	29.5**
	Percent contraceptive prevalence rate	24.1 (1991)	Over 60	38.3
6. Combat HIV/AIDS, Malaria and other diseases.	Percent HIV/AIDS prevalence among adults (15-49 Ages)	0.29 (1999)	2	na
	Number of malaria cases per 100,000 population	29 (1997)*	½ from 1990 level	na
	Number of tuberculosis cases per 100,000 population	106 (1998)	and begun to halt	

\* Reduced from 115 in 1990

\*\* Professional care-takers include Doctor, Nurse/auxiliary nurse, midwife, health assistant/auxiliary health worker, maternal child health worker, VH. Worker, TBAs attendant,

Sources: Nepal Government /UNDP, Millennium Development Goals, Nepal 2002, Health Department/ Nepal Government Annual Report 2003/04 and NLSS, 2003/04.

The above review clearly indicates that millennium targets and indicators hardly match the goal of gender equality and empowerment. Empowerment is a much broader, multi-dimensional, an ongoing and dynamic process, which enhances women's and any other marginalized and alienated groups' abilities to change the structures and ideologies that keep them subordinate. It is a process of making present power structure more inclusive to all including all women and men, senior citizens, Dalits/Janajatis.. It is concerned with

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distribution of power between individuals and groups (See Bashain K. and Dhar S. 1998 and Batliwala, S. 1994, NHDR, 2004 for details on concepts).

Empowerment and inclusion are often seen as complementary processes, empowerment focusing on enhancing the various capabilities of the excluded groups – a process *"from below"* while inclusive policies *"from above"* creating enabling environment at the systems level for the excluded groups to enjoy their rights (DIFID/WB, 2003). A combination of these two complementary processes is needed to enhance human capabilities, voice and agency role of women and other disadvantaged and alienated groups.

Summarizing and further developing these ideas Acharya and Ghimire (2005) review empowerment as a three dimensional process, economic, social and political, reinforcing each other. While the economic aspects would include increasing women's access to, and command over tangible and intangible resources, such as wealth, property, employment, knowledge and information, social aspect would include changing the existing discriminatory ideology and culture, which determine the environment of her existence. Finally, political process must increase her presence and influence in the power structure. Political ability to bring about changes in women's legal status, to direct resources to women, and to get access to positions of power is of crucial importance.

Generally, women and girls have fewer opportunities, lower status and less power and influence than men and boys. Millions of women around the world have to work harder than men to secure their livelihoods. They have less access to education, health and other productive resources and less control over income and assets. They have a subordinate position in the society and are subject to different forms of violence. They are poorly represented in policy and decision-making and have smaller sphere of opportunities for human development. Nepal is no exception to this general scenario and the Nepalese are advocating for a more inclusive and non-discriminatory structures and ideology.

Often exclusion is multi-dimensional - economic, social, cultural, geographic, rural and each aspect reinforces the other. It could be formal or informal and related to participation or living modes. Women are victims of multiple layers of exclusion. Blatant discrimination against widows in upper caste Hindu culture, especially in Nepal and in India is a mixture of both participation and living modes of exclusion. Women's freedom to choose employment, education, training including higher studies and other options of career development is severely limited by social mores and expected roles. Caste, ethnicity, class, religion urban/rural and regional differentiation reinforce their subordination. The poor women from socially discriminated groups suffer from multiple discriminations.

The millennium goals and targets, however, have taken a minimalist approach in fixing targets. Nepal's millennium goals do not even mention the targets for economic and political empowerment of women. Targets have been fixed only in terms of school level education and maternal safety. However these targets can be achieved only if women's overall access to economic resources, political power structure and social status changes towards a more egalitarian structures and ideology. The commitments on women's empowerment and gender equality made by Nepal Government, under ICPD (1994) and the BPFA (1995) and later on CEDAW were much comprehensive. The following

analysis reviews the progress of Nepal towards millennium goals on gender in this broad perspective.

## **II. Policies and Programs Initiative<sup>1</sup>**

Following the commitments made in ICPD (1994) and the BPFA (1995), Nepal Government adopted mainstreaming, eliminating gender inequality and empowerment as its major strategies for promoting advancement of women in the Ninth Plan (1997-2002). In policy terms it promised to integrate gender in all sectors at the national and regional levels. It also promised to eliminate existing gender inequalities in all laws and affirmative action and policies and programs to reduce current inequality in all fields. The section on empowerment also included mandatory representation of women in the formulation of policies and programs at all levels and ensuring women's rights in ownership of land and other services. The Tenth Plan has continued this approach. A noteworthy feature of the Tenth plan is an effort towards integration of gender in sectors such as governance and PRSP besides in education, agriculture and health, traditionally considered of interest to women. PRSP has also adopted an inclusive vision towards other disadvantaged groups. The four pillars of PRSP are broad-based development, social sector and rural infrastructure development, targeted programs of inclusion (to women and other disadvantaged groups), and good governance. Its monitoring system has also been made gender and inclusion sensitive in outcomes to certain extent.

As some studies in the late the nineties (For example see Acharya, 1997; ADB, 1998) had identified the weakness of the institutional structures and lack of capacity for gender mainstreaming in government as the major bottlenecks in the implementation of the government policies on gender equality and empowerment, much effort has been spent on redressing these lacunas in the government machinery in recent years.

Some of the institutional changes include strengthening of the Ministry of Women, Children and Social Welfare, appointment of a woman member in NPC, full-fledged divisions on gender and inclusion in ministry of agriculture and education and appointments of gender focal points in all ministries and major Departments. The Police Force has established Women's cells (Women and Children Service Center) in its 19 district units and 6 Border Women and Children Service Centers to deal specifically with problems of violence against women.

MWCSW has concentrated on advocacy. With assistance from UNDP funded MGEP and UNIFEM, it has commissioned new gender audit and gender budget studies of various ministries, including Finance, MLD, Education, Health, MWCSW, MLD and Ministry of Agriculture. Implementation of the recommendations of these reports, particularly MLD and Finance, is under way. These gender audits, particularly those of MOF and Finance made assessment of laws, acts and regulations, policies, plans and programs and budgets from a gender perspectives and their likely impact on achieving government's and sector's objectives on advancement of women and inclusion. Some of the recommendations

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<sup>1</sup> The progress review part of this article is based on an UNFPA forthcoming publication, submitted by SAHAVAGI (2006) to UNFPA [Gender Equality and Empowerment of Women -- An update](#). Hence the data sources are not specified in the text.

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coming out of these studies have started to be implemented. Guidelines provided for engendering the whole process of plan formulation and implementation at the local level has been translated into Nepali and being executed in 16 districts on experimental basis. Ministry of Finance has started to institutionalize the process of gender budgeting. A Gender Responsive Budgeting (GRB) Committee has been formed to engender Economic Survey and Budgeting Guidelines. Other major task completed under its umbrella, were successful engendering of the Census, 2001 and the 10<sup>th</sup> Plan. A series of gender sensitization exercises have been carried out for all levels of government officials. The Planning Commission in collaboration with MWCSW is in the process of setting up a gender management and monitoring system in the government of Nepal as a whole.

Programs /projects in many sectors have gender sensitization components providing gender training to personnel at all levels and to local women leaders and mandatory requirement for inclusion of women in their programs (see MOWCSW/MGEP/UNDP, and SAHAVAGI MLD Gender Audit and Gender budget audit, 2003). Even the rural infrastructure project had mandatory requirement inclusion of 30 percent women in user groups.

Women Farmers Development Division in MOA has been upgraded and renamed Gender Equity and Environment Division in 2004. Its focus has changed to gender mainstreaming in MOAC programs, although it still operates some women specific programs. The Ministry has set a target of 50 percent women's participation in all agricultural programs. Current participation rate is about 33-41 percent, depending on the activity category. Rural Development Academy has specific gender training programs.

Many other specialized training institutions have also developed special gender components. For example the CTEVT, government's umbrella organization for regulating vocational training in the country, has set its objectives to increase number of trainees, especially women and other representing underprivileged groups, in both government and private training programs. It has created Vocational Training for Community Development Division, which also looks after the training need of women. It has set aside quota for women and underprivileged class in its training programs.

Ten skill training centers under the Ministry of Labor and Transport Management has tried to provide specialized training to women's groups in the subjects of their interest as perceived by them. IEDI has developed a gender component in its micro-enterprise development program. CSIDB opened a Women Entrepreneurs Development Cell under Training, Consultancy and Extension Division to cater exclusive needs of women in 1995. The Administrative Staff Training College has gender as one of its subjects in many of its courses, besides running specific gender related trainings from time to time.

Since gender empowerment targets have been defined exclusively in terms of access to schooling and basic health services in the Millennium targets, attempts have been made to integrate gender in these sectors most extensively.

In the education sector a number of institutional reforms have been implemented, which include establishing and strengthening its Gender Equity Education Section, engendering the curricula, books and the teaching materials, the teaching processes and putting women in all the Committees working for MOE/Department. Specific incentives, such as

scholarships and vegetable oil, have been provided to girls and their parents for enrolment and continuation of their studies (Annex 1). It is also operating informal literacy classes for adults and outreach programs for out of school children with their ultimate admission to schools at appropriate levels. The Tenth Plan has provisioned increase in the mandatory proportion of primary women teachers from 20 to 30 percent. Currently (since 2002) the government of Nepal has instituted a new provision to have at least two women teachers in schools with more than 4 teachers. It is also instituting some minimum requirements for women teachers at the secondary level as well.

In the Health sector, the Second Long Term Health Plan (1997-2017) and the Tenth Plan have taken a life cycle approach to women's health. Specific strategies and programs have been formulated for delivery of reproductive health services. The plan targets on reproductive health are, reduction of the MMR from 539 per 100,000 to 300, reduction of the CPR from 39 per 1,000 live births to 32, increasing child delivery by professional health workers to 18 percent, and increasing the percentage of women receiving antenatal care 4 times to 25 percent by the end of the Plan period.

Notable features of the Tenth Plan program on health are integration of reproductive health services through out the public sector health system, broadening the content of the traditional reproductive health package to cover reproductive health problems beyond family planning and mother-child health, taking notice of women's specific needs for privacy in construction of health facilities and addressing the needs of adolescents and elderly as well. Reproductive health is now a regular component of health facilities all over the country with the provision of access to services up to ward level and below. The activities are related to voluntary surgical contraception, spacing method, counseling IEC activities and training to FCHVs and TBAs. Besides innovative programs like Safe-Motherhood, RHIYA<sup>2</sup> and PARHI<sup>3</sup> have tried to address many of the gender issues in their IEC materials and training.

The institutional health delivery mechanism consists of a huge empire with 4099 health institutions up to ward level and 78,629 front line health workers beyond ward level. It has mobilized community participation by establishing reproductive health committees at district and VDC and ward level. Rural women are becoming aware due to the formation of mother clubs, posts of nurses FCHV, MCHW and trained TBA. The Reproductive Health Coordination Committee under the ministry with inter-sector representation provides a mechanism for policy guidelines and monitoring and evaluation of the reproductive health activities. A provision for a woman member in the village health development committees has been made.

### **III. 2001 and Current Gender Status**

As a consequence of specific attention to women's needs in development process since the early eighties and a move towards their empowerment in the nineties, with specific attention to their social mobilization, access to education, micro-credit and MCH services women have gained much in terms of literacy and life expectancy as did the men. In 2001

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<sup>2</sup> Reproductive Health Initiative for Youth in Asia

<sup>3</sup> Population and Reproductive Health Integrated Program/Project

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Nepal's Human Development Index (HDI) was 0.499, 171 points higher than in 1981. The Gender Development Index (GDI) comparing male and female attainments show that female/ male disparities have been reduced faster than the overall gains, during the 1990s. In a comparative analysis women's life expectancy seems to indicate progress towards gender equity. The achievement in the educational fields has been greater for women than for men.

Still GDI at 479 was 20 point less than HDI in 2001. In 2005 this difference has declined to 15 percentage points (HDR, 1995, 2004 and 2005). However, these achievements are not distributed equally as between the urban/rural population. Neither are all development and ecological regions prospering with equal speed. In less development regions gender disparity in these indicators is higher (Table 2).

**Table 2: HDI and GDI and GEM, 2001**

<i>Ecological/development regions</i>	<i>HDI</i>	<i>GDI</i>	<i>GEM</i>
<i>Nepal</i>	<i>0.471</i>	<i>0.452</i>	<i>0.391</i>
<i>Urban</i>	<i>0.581</i>	<i>0.562</i>	<i>0.425</i>
<i>Rural</i>	<i>0.452</i>	<i>0.430</i>	<i>0.365</i>
<i>Echo-cultural-zones</i>			
<i>Mountains</i>	<i>0.386</i>	<i>0.363</i>	<i>0.356</i>
<i>Hills</i>	<i>0.512</i>	<i>0.498</i>	<i>0.408</i>
<i>Terai</i>	<i>0.478</i>	<i>0.450</i>	<i>0.372</i>
<i>Development Regions</i>			
<i>Eastern</i>	<i>0.493</i>	<i>0.475</i>	<i>0.382</i>
<i>Central</i>	<i>0.490</i>	<i>0.467</i>	<i>0.407</i>
<i>Western</i>	<i>0.491</i>	<i>0.477</i>	<i>0.395</i>
<i>Mid-western</i>	<i>0.402</i>	<i>0.385</i>	<i>0.363</i>
<i>Far-western</i>	<i>0.404</i>	<i>0.377</i>	<i>0.368</i>

Sources: NHDR, 2004

Further GEM, an index of women's empowerment, which in addition to life expectancy, education and earned income (components of GDI), also includes women's representation in decision making positions much less than GDI, only 0.391. Moreover urban rural difference in both GDI and GEM was substantial. Deciphering these indicators, the following section delves into some specific details on current status of women in terms economic, educational, health and political representation indicators.

### ***Economic Status***

Economic status may be measured in terms of comparative access to income, resources and avenues of employment. In terms of purchasing power parity, women's earned income is only half of what the men earn (Table 3). In 2005 also female\male earned income maintained that ratio with incomes of PPP\$ 1868 for men and 949 for women.

Women constitute 43 percent of the total labor force. But their access to non-agricultural wage employment is much more limited than in agricultural sector, where they constitute slightly more than 50 percent. In the non-agricultural sector wage employment, their

proportion has remained at about 18 percent since 1991, despite expanding carpet and garment industries and services, the main sectors of their current employment. Women lag behind men in terms of wages as well. Overall women earned about 3/4 of what men earned both in agriculture and non-agricultural sectors as daily wages. The female\male of agricultural wages has even declined as compared to 1995/96.

The majority of women in the both agricultural and non-agricultural sector are employed in the non-formal sector. Even in the organized labor-market, they have access to only low quality employment. They are concentrated at low paying and less productive, low capital-intensive jobs (NLFS, 1999). Most of the labor regulations are side tracked by employing women at piece rates (GDS\FES, 1997; GEFONT, 2001).

**Table 3 : Income, Employment and Wages (1995/96–2003/4)**

<i>Indicators\Years</i>	<i>1996</i>	<i>2004</i>
<b><i>Per Capita Purchasing Power Parity ratio PPP \$</i></b>		
<i>Men</i>	<i>na</i>	<i>1776</i>
<i>Women</i>	<i>na</i>	<i>891</i>
<b><i>Percent women in Labor force</i></b>		
<i>Total labor force (economically active)*</i>	<i>40.1</i>	<i>43.4</i>
<i>In agricultural employment*</i>	<i>45.0</i>	<i>48.1</i>
<i>In non agricultural employment*</i>	<i>20.2</i>	<i>34.4</i>
<i>In agricultural wage employment</i>	<i>25.0</i>	<i>50.6</i>
<i>In non agricultural wage employment</i>	<i>18.9</i>	<i>17.7</i>
<b><i>Overall wage rates at 1995/96 consumer prices (NRs.)</i></b>		
<i>Agriculture</i>	<i>75</i>	<i>51</i>
<i>Non-agriculture</i>	<i>74</i>	<i>89</i>
<b><i>Female\male wage ratio</i></b>		
<i>Agriculture</i>	<i>0.80</i>	<i>0.76</i>
<i>Non-agriculture</i>	<i>0.75</i>	<i>0.75</i>

Sources: HDR, 2004 and 2005, NLSS, 2003/4 for wage rates. Census 1991 and 2001

\*1991 and 2001 figures

Detailed studies show much worse conditions of work in carpets and garments as compared to non-export industries, such as hotels and noodle-making (Acharya, 2005). Generally women did not fare as well as men. From the fact that the carpet workers were mostly migrants from rural areas, other than Brahmin\Chetri and Newars, came from landless or near landless families with less than 0.05 hectare of land while workers in other industries were more evenly distributed between the urban and rural origin, migrants and non-migrants and caste\ethnicity, the study concludes that:

“... The traditional social discriminatory structures are getting transferred to the globalized modern sectors as well”.



Another indicator of access to resources is property ownership, by which they lag further behind men. As per the Census 2001, women in very few households won property by themselves. About 11 percent of the households reported some land in female legal ownership. Similarly only 5.5 percent households had some house in women's name. Only 7.2 percent households reported female livestock ownership, in spite multiple credit-institutions targeting and funding this activity for women. Only 0.8 percent household had all three, house, land and livestock in female ownership. Almost 83 percent of households had no property, whatsoever, under women's legal ownership. This contrasts sharply with 88 percent of the households owning their own house and nearly 71 percent having animals. Similarly 76 percent of the households had their own farm in the district of residence<sup>4</sup>. On the average female headed households had only 0.50 hectare of farm land compared to 0.78 hectares of the male headed households.

There is no ground to believe that women's access to land and other economic resources has increased in last 20-25 years as their legal rights over property and inheritance has not changed much in this period. Particular changes affected during the nineties included ensuring access of unmarried daughters to parental property and her right of equality in upbringing in addition to making women's rights to property more secure in her a final household. Single women (widows) are now fully entitled to inherit the property of the deceased husband without any condition. Previously the widow had to be 35 years old or completed 15 year of married life, to claim for her diseased husband's property. On divorce, the courts are to ensure wife's share of property before declaring divorce. As evident the above changes do not change her access to parental property substantially. The institution of marriage is still the major determining factor for her rights to claim, own, use and control the property.

In spite of various credit programs, women's access to institutional credit is also still marginal, both at individual and household enterprise levels irrespective of ecological regions, urban/rural areas and ethnicity/caste (Acharya, 2000). It is estimated that even in 2004 (mid-July), of the total outstanding credit from the banks and financial institutions amounting to NRs.217 billion, amount outstanding against women borrowers does not exceed two percent (Annex 2)<sup>5</sup>.

### ***Educational Status***

In terms of educational status women are still far behind men, even though they have gained substantially in the preceding decades. Male literacy among 6 and above age group reached 65 percent in 2001 from 34 percent in 1981. Similarly female literacy rate

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<sup>4</sup> The information on household farmland collected in 2001 Census includes all farmland under the household's cultivation in the district, while excluding rented out land and land in other districts under its ownership. Therefore not quite comparable with women's ownership, but in Nepal rented out and rented-in land constitute a small proportion of the total farmland.

<sup>5</sup> As commercial or development banks do not disaggregate number of borrowers or amount by gender, it not possible to calculate exact figures. But the commercial or large development credit is still primarily property and goods based and women won very little pledged property, it can be assumed that direct credit to them from such institutions is insignificant.

among this age group has more than trebled, from 12.0 percent in 1981 to 42.5 percent in 2001<sup>6</sup>.

Yet the disparity persists. There are only 66 literate women per 100 literate men. Higher the education levels lower the number of women with comparable educational degrees (Table 4).

**Table 4: Educational Achievements Number of Females Per Males 2001**

<i>Indicators</i>	<i>1981</i>	<i>1991</i>	<i>2001</i>
<i>Literate 6 years +</i>	33.8	46.3	65.8
<i>With primary education</i>	41.5	53.5	76.8
<i>SLC and Above</i>	21.0	28.2	43.6
<i>Graduates and above</i>	18.4	22.5	22.9
<i>Female percent among full time students</i>	27.2	34.7	43.1
<i>SLC and Above (Females/100 male ) Number</i>	21.0	28.2	43.6
<i>Graduate and above (Female/100 Male) (Number)</i>	18.4	22.5	22.9

Sources: (1) CBS: Population Census, 2001; (2) CBS: Population Monograph, 1995

For example, while the number of women to hundred men with primary education was 77 in 2001, the number of women with SLC and higher degrees was still only 43. Such ratio was only 23 for those with graduate and higher degrees. What is more, this ratio has remained almost constant as compared to 1991. The female percent among the full time students was still only 43 percent.

Gender parity<sup>7</sup> in enrolment has not been achieved even at the primary level. Such parity was 0.91 for the gross enrolment rate and 0.97 for net enrolment rate even in 2004. Progress is much slower at higher levels of schooling. Both gross enrolment and net enrolment rates at lower secondary and secondary levels are also increasing, but at much slower rate at the secondary than at the lower secondary level. The overall gross enrolment in the nation in 2004 was 74 percent and 86 percent for girls and boys respectively and at the secondary level it was 45 percent for girls and 55 percent for boys (MOES, 2004).

Gender plays a major role in this unequal access of girls and women to education. Girls face much discrimination in access to quality education also. The social compulsion of marriage and then expectation of children are major impediments to women's advancement in education and career jobs, in addition to opportunity cost of educating daughters to the natal families, which comprises their forgone labor in addition to the financial cost of schooling. Although male education has some what helped increase girls schooling as educated grooms also want brides with minimum education, at higher levels it has become an impediment to female education because of the practice of dowry/Tilak, particularly in Terai communities. Parents have to find grooms with higher education for

<sup>6</sup> NLSS 2004 however has reported slightly lower rate in 2003/4 but the differences are slight.

<sup>7</sup> Gender parity in enrolment rates is different from proportion of girls to boys in table 1 on millennium goals and achievements, as parity in enrolment rates depends also on the total population of boys and girls in the respective age cohorts.

girls with such education and grooms with higher education are demanding increasing amounts as Tilak.

Higher the degree, greater is the price. In other communities also, the form of dowry has acquired new dimensions, as the prospective husbands have started to look at it as seed capital for new business or their own overseas trips, motorbikes, cars, TVs, and other consumer durables. Although this is more of a middle and educated class phenomenon, it is putting much social pressure on lower middle class as well. While searching for bridegrooms for their daughters, they may be out bidden in the marriage market. As not being able to marry off their daughters is still considered a disgrace for the natal family, they may have to spend all their savings and accumulated capital in marrying off their daughters.

Thus, the globalization of process and the consumer culture has not done away with the onerous system of dowry/Tilak, but converted it into a vehicle for promotion of consumerism and seed capital for new business and made it more onerous for families to have girls. This whole system of compulsion of timely marriage of the daughters for their parents, her total transfer to a final household and then the compulsion of having sons and child care responsibilities after marriage put a cap on women's chances of higher education in Nepal.

Besides gender many other factors hinder women's access to education. Some of such factors are related to the location of their residence, rural or urban, accessible or more remote development/ ecological regions, and most important to one's caste/ethnicity. The difference in male/female educational access was higher in rural areas (23 percent) than in urban areas. Similarly, while there were 51 women with SLC certificates to each 100 men with similar qualifications in rural areas, this number was 70 for urban areas. Urban/rural differences are visible at all levels of education (SAHAVAGI, 2006). Echo-development region differences are also notable both on account of differing cultural practices as also availability of facilities (SAHAVAGI, 2006).

Another most important differentiating factor in one's access to educational access at all levels seems to be caste/ethnicity (See for example NHDR, 2004 and TPAMF, 2005). Higher caste groups have much better access while the Dalits of Terai have the lowest access to education. Even in terms of decennial gains between 2001 and 1991, the Terai Dalit women, with just 11 percent literacy rate in 2001, had made least progress as compared to other caste/ethnic group women.

### ***Health Status***

Gender disaggregated data are a rarity on the general health status of men and women. Only end results in terms of sex ratio and life expectancy are visible. Internationally women live longer than men and sex ratios are generally in favor of women. In Nepal, the overall sex-ratio in the country changed in favor of women during the eighties (CBS, 1995). Since then the trend seems to have been reversed slightly (Table 5).

**Table 5: Selected Vital Statistics, (1991–2001)**

<i>Indicators\Years</i>	<i>1991</i>	<i>2001</i>
<i>Sex Ratio: Nepal</i>	<i>99.5</i>	<i>99.8</i>
<i>Rural</i>	<i>98.6</i>	<i>98.8</i>
<i>Urban</i>	<i>108.4</i>	<i>106.4</i>
<i>Maternal Mortality Rate (MMR) per 100,000 delivery</i>	<i>539</i>	<i>415*</i>
<i>Child mortality rates</i>		
<i>Boys</i>	<i>36</i>	<i>104.8</i>
<i>Girls</i>	<i>50</i>	<i>112.4</i>
<i>Life Expectancy at births (years)</i>		
<i>Male</i>	<i>55.0</i>	<i>60.1</i>
<i>Female</i>	<i>53.5</i>	<i>60.7</i>

\* Tenth Plan Estimates

Source: Population Monographs, 1995, Table No.9,10 and 18, Population Monograph 2001.

A significant decline in MMR during the seventies from 850 to 539 in the eighties clearly had an impact on changing the sex ratio in favor of women in 1991 as compared to 1981. During the nineties, NPC estimates MMR to have declined to 415, but it is not reflected in the sex ratio. On the other hand, male female life expectancies at birth do show significant improvements in both male and female health status. Expansions of health services and out reach have been notable. Consequently IMR, MMR and CDR have declined. Not much data are available on intermediate indicators of health status in a comparative gender perspective. Some of the indicators are aggregated with no gender breakdowns, others such as nutritional status relate only to children and adult women (For example see NDHS, 2001).

Gender related Millennium targets in the health sector are set in terms of three indicators only, namely MMR, the percentage of deliveries attended by health care providers and contraceptive prevalence rate. Recent data are not available on IMR, CHDR or MMR. The 2001 estimates on MMR and CHDR do show some progress in reducing both rates during the nineties. Regarding the access indicators on health women's access to various services related to family planning, pregnancy and delivery is increasing. Contraception acceptance rate (CPR) has reached 39 percent in 2001 from 29 in 1996. Most recent departmental information estimates show 40.2 contraceptive prevalence rate and professional assistance in deliveries at 29.6 percent of expected pregnancies (2003/04) as featured in table one above. NLSS (2004), however, shows contraceptive prevalence rate still at 38.3 percent.

The increasing impact of the armed conflict may have been reflected in this indicator. The armed conflict, now covering the entire country, has made the access problem more acute. Although confirmed data on the health status and access to health services in the more insurgency affected areas are not available, two recent reports (Nepal Government-UNFPA, Semi Annual Program Review August 2005, and Dixit, 2005/ World Bank) from the affected area have high lighted problems encountered in providing health

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services. On the whole, the health-system in remote rural areas has become dysfunctional. Women with reproductive health problems including difficult pregnancies, complicated abortions, bleeding emergencies etc have suffered extensively because of disruption of transport system. Their problems related to pregnancy and delivery and bleeding are always emergencies, which can not wait for treatment. Several unsafe delivery and even deaths of women due to lack of treatment have been reported frequently during bandas and blockades declared by the rebels.

The unequal access of various regions of the country and groups of the population is as much a problem in health as in education. There is a large difference in the access of urban and rural women to all kinds of services. The coverage of services is not even throughout the country. For example while it takes only 20 minutes to get to the source of contraceptive devices in CDR, it takes 60 minutes in the mid-West (NDHS, 20001). The differential access to reproductive health services in the various regions of the country, caste and gender problems involved are illustrated starkly by a case study of Darchula (SAHAVAGI, LSP Program, 2005) where 144 cases of prolepses were found in just three VDCs. Mostly women from dalit and poor families reported to be suffering. The sufferers' ages ranged from 19 to 75. Other studies (DFID/World Bank, 2005) have also pointed out such differences in access. Brahmin/Chetri and Newar women have highest access rate while Dalits and the communities of remote areas have the lowest access.

### ***Political Status and Empowerment***

Political status of women (and men) may be analyzed in several dimensions, formal constitutional and legal equality, political representation, political awareness and capacity to influence the decisions in the family, community, locality and national levels. However, often the only indicator available and analyzed, besides the constitutional and legal equality, is their numerical representation at various levels.

### ***Constitutional and Legal Equality***

Legal equality is a necessary condition for empowerment and political equality. As such legal reforms have been one of the main planks of women's movement. As per CEDAW also, the country is committed to reforming those laws. However, very little has been achieved in this field. Many discriminatory provisions still exist in the Constitution, laws, acts and regulations. As per one review (FWLD, 2003), there were a total of 137 different legal provisions in the Constitution Acts and Regulations that discriminated against women. These discriminatory provisions related to inheritance, ownership and disposal of property, marriage and family, legal and court proceedings, trafficking and sexual abuse, employment, education and citizenship and nationality.

The Constitution of the Kingdom of Nepal (1990) is seemingly non-discriminatory, as in its preamble and in the section on fundamental rights it guarantees no discrimination among citizens in the application of laws on the basis of sex, caste, ethnicity or religion. The Constitution provisions that political parties must have at least 5 percent women candidates in Parliamentary elections and that the Upper House must have at least 3 women among the sixty members. Yet, this Constitution is fundamentally discriminatory, as it discriminates between men and women in their rights of citizenship and nationality itself. A woman's citizenship does not entitle her children for Nepalese

citizenship. The child can claim Nepalese citizenship only on the basis of his father's line of descent. Further as the clause of equality applies in the application of law only, this clause is often used to pass different laws for women and men.

It is evident that lack of equal inheritance rights limits her access to property and economic resources, which in its turn limits her participation in politics. Politics is an expensive hobby. Moreover, for women to exercise their political rights fully, they need socio-economic equality and freedom from threat of violence in the first place. But women in Nepal face numerous socio-economic inequities as discussed above. Institutionalized violence against her in the public and private spaces limits her freedom further.

### **Political Representation**

As a consequence, women's access to positions of power, political or otherwise has not improved much in the last 10-15 years except at the grass roots level. In the outgoing House of Representatives women constituted less than 6 percent, although their proportion was much higher in the Upper House, where the members are either nominated by the King or get elected on the basis of party strength in the lower House. The cabinets formed in the last decade have not included more than two women or given important positions to them, barring one or two exceptional cases. One female member in 20-45 ministers has been the rule. Still in 2005, women constituted less than 10 percent of the Central Committee members of the major politically parties (Table 6). Only at the grass roots level, the 20 percent reservation by the Local Self-Governance Acts -1999 has made a difference. It created at least 46,000 grass-roots level politicians in one instance. Still in DDC council, women constitute only 1.5 percent even with the mandatory nominations. The higher the position the lower is the female representation. Moreover, the system of nominating women in the Local self-government (LSG) - executive bodies is not compatible with the general process of LSG structure, in which all other members are elected. They should be elected as other members in all related LSG institutions.

Women's representation in government administration also is still miniscule, though compared to 1978 their overall representation has almost trebled and at officer and higher levels it has doubled. Still women constitute less than ten percent of the total government staff. As per the respective population censuses, the proportion of women among the professional and technical group in the occupational classification had declined in 1991 as compared to 1981 but the trend has fortunately reversed in 2001. The trend of continuously increasing proportion of women in administration and management is more encouraging.

**Table 6: Access to Positions of Power: Percent Women in Various Positions of Power**

<i>Details</i>	<i>1991/92</i>	<i>2000</i>
<i>Percent in parliament</i>	3.8	6.4
<i>Number of women in the Cabinet</i>	2	2
<i>Percent in executives of the major political parties</i>	7.8 <sup>1</sup>	8.3 <sup>2</sup>
<i>VDCs</i>	0.45	7.7
<i>Municipal executives</i>	0.38	19.5
<i>DDCs</i>	0.65	6.7
<i>Government administration</i>	<i>na</i>	7.8
<i>Of which: officers</i>	4.39	6.2
<i>High Government positions - first and special class</i>	2.46	2.4
<i>Professionals and technicians</i>	15.1	19.0
<i>Administration and management</i>	9.3	13.8

<sup>1</sup>/ Five nationally recognized parties (NC, UML, RPP, SJN, and NSP)

<sup>2</sup>/ Seven Parties in the Parliament (NC, UML, RPP, SJN, NSP and NPWP)

Source: Acharya 1994; CBS/MGEP, Asmita Publishing House, 2002. Acharya 2003 TPAMF

In access to positions power and decision-making positions also, one's caste/ethnicity emerges as another major differentiating factor. The indices (TPAMF, 2005; NEFIN, 2003; DFID/WB, 2005) calculated in recent years on literacy rates, educational attainments and presence in administrative, political, legal/judicial and professional positions- all show least access of Dalits to education and such positions of power in general. Terai Dalits and certain Janajatis, in particular, are found at the bottom of all such indices while Brahamin/ Chetris and Newars top the list.

Nevertheless, gender seems to be a common discriminatory factor among all castes and ethnicity, even though the upper caste women may have better opportunities than men from many other caste and ethnicities.. Only among the Mushars the indices approached equality, as both men and women had almost zero access. While the men from ruling caste/ethnicity are able to take advantage of the new openings rapidly, women are hampered by the patriarchal cultural traditions and social responsibilities binding her to home, and the gender disparity in access to modern facilities and positions of power tends to widen.

### **Socio-political Mobilization and Empowerment**

With the democratic changes in the early nineties, women have been mobilized extensively into groups by various NGOs/INGOs, the government programs and the political parties for participation, especially after the mandatory provision in LSGA-1999. As a socio-political mobilization by various institutions, political and gender consciousness among the man and women has increased in general. A survey conducted by GEFONT among women/men workers reports (GEFONT, 2003) that 27 percent of the women workers interviewed had ever joined one or other woman's organization, although

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many of these women also reported that they could not continue such membership due to familial and social non-acceptability and household responsibilities.

Another study (Bennett/Gajurel, 2005) based on information from about 2000 men and women from 60 villages of different parts of the country, covered by the Rural Water Supply and Sanitation project, also found that women were much empowered today than in 1978 in terms of their mobility and voice within the household decision making. Nevertheless compared to men, women in general had less confidence in availing of the government/NGO provided services, police and courts, although larger percentage of women, were group members than men. Further women from high Brahmin/Cheetri castes were much more empowered in terms of their access to services and confidence in dealing with law enforcement agencies or service providers than women and even men from other ethnicity and castes. Dalits were most disadvantaged in this respect as well.

Acharya's study (2005) one hill and one Terai<sup>8</sup> village and urban Kathmandu workers goes further and tries to measure attitudes towards socio-political changes. The study found positive attitude changes towards girl's education in general. Further questions administered to test the social environment for change included whether it was all right for husbands slapping /beating his wife sometimes or using shamans against witches, observing caste system, and taking money for sending girls for employment. Majority of responses indicated negative perceptions towards such mal practices. It is revealing that generally, proportionately more men than women thought that it was alright to use little violence against their wives or witches. The women's rights-related questions tested the attitudes on divorce, daughter's inheritance, and widow remarriage, equal and full citizenship and abortion. The attitudes in the Terai areas on such issues were more conservative than in the Hills or urban areas. However, an overwhelming majority of men and women every where were in favor of reservations in educational institutions, political positions and civil service for all, women, ethnic groups and *dalits*.

#### **IV. Issues and Challenges**

Reviewing the government's gender related policies programs and achievements in the light of the millennium goal of promotion of gender equality and empowerment in a broad perspective, following conclusions may be drawn.

##### ***The Mainstreaming Process and Its Adequacy***

The process has been started towards gender mainstreaming. However, such processes are still incomplete. For example, about PRSP, the DFID/WB (2005), notes that inclusion and gender mainstreaming do not enter in the criteria listed for according priority to government programs. Several additional points may be made in its criticism. What is to be monitored in the Civil Service is the proportion or number of women, dalits, Janjatis among the applicants and not the number of actual entrants. Further, it is not clear why women, children and social welfare are again lumped together, despite advocacy of gender mainstreaming. Women are half of the population with full right to equality and self-development, not a minor group needing welfare attention.

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<sup>8</sup> These villages were part of the case studies included in 1977/78 Status of Women Studies, CEDA, 1981



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Institutional capacity within the government is still very inadequate to make faster progress towards gender equality and empowerment. The MWCSW does not have adequate capacity to fulfill its responsibility of gender mainstreaming and monitoring effectively. Most gender focal points are too junior and have little power to influence the mother Ministry's decisions effectively. Most of them have not been adequately inspired to work for gender equality and empowerment nor do they have adequate capacity to do that.

As to the programs, significant progress has been made in selected sectors, particularly, education, health, agriculture and MLD may be noted for big strides. But lack of adequate gender sensitivity in the implementation system- structures and mechanisms, many programs flounder at the implementation level. For example while the Local –Self Government Acts required the DDC to take into account women's interests, the criteria for priority did not mention gender or women. The committees and subcommittees under DDC did not have any requirement for female representation either. The mandatory requirement of 30 percent women in the Infrastructure user committees was taken just as formality. Many of the DDC personal and VDC secretaries had not even seen it.

In spite of policy emphasis, the gender mainstreaming efforts in the health sector as a whole seems to be very inadequate so far. At the policy level, the Tenth Plan health sector does not talk about the impact of gender on access and use of health facilities. Gender issues get side tracked even in programs directed to women. In spite of redefinition and refocus of traditional programs at the policy level, the programs at the implementation have not changed much either in contents or in targeting. Side effects from family planning devices are still ignored. Safe-motherhood services are still focused on child health. The Tenth Plan aims to address the problem of anemia and malnutrition, which is the root cause of almost all health problems, especially among women and children. Yet, the sub-components of the program are mainly focused on child health, hygiene and nutrition. Similarly, the policy is also silent about the food security and food taboos imposed on girls and women in different stages of their lives.

Annual Health Plan for 2005/2006 has programs relating to improving safe motherhood services and reducing maternal mortality rates, but it does not have programs related to pre-delivery and post-delivery awareness. Further, though reproductive health strategy is based on life cycle approach the basic treatment related to infertility, cancer, elderly disease and treatments are yet to be included in the packages of reproductive health or family health services provided by the government's health system. Further, all these policies and programs ignore the patriarchal socio-economic structures and ideology, which hamper women's access to reproductive and other kinds of services and assume that on availability of services women can access them.

The whole primary health care system depends to a large extent on FCHVs, the female health volunteers with 12 days basic health training, who work as the front line workers. But they are not on central or government payroll and expected to work for the community on voluntarily or user charge basis. This is both exploitative of FCHVs and gender biased. There is no comparable category of volunteer male workers. Even the VDC chairpersons and parliament members pay themselves for their own services. The system is inefficient as well. It is most likely that only women from relatively better off

households can afford to provide voluntary services and avail of the training. Often they would be from higher castes. How can they be expected to provide services to the poor? Will they provide service to the poor Dalit women, who probably need her services most?

### ***Inadequate Monitoring***

The most glaring lacuna is found in the monitoring and evaluation of gender impact of programs and progress towards gender equality. The review of the whole planning, programming and implementation process at the local level showed that few women were involved in such processes and there was no monitoring of such processes (MGEP/UNDP/MLD 2004). Even the Economic Survey information is still limited to the activities of the MWCSW. Many of the sectors even do not maintain gender-disaggregated data on their own sector-level. This is very clearly illustrated by the lack of data at the central level on number of trainees of the all ten training institutions under the Ministry of Labor and Transport or the Ministry of Agriculture.

Lack of gender responsiveness in monitoring and evaluation system is illustrated most glaringly once again by the health sector. MOH still seems to consider its general health programs gender neutral and does not even compile or analyze gender disaggregated data on incidence of various diseases and their treatments. Even the millennium goals on indicators such CHMR and prevalence of malaria and tuberculosis are set on gender neutral terms as mentioned above. The recent service- access tracking system also does not compile, analyze or provide gender breakdown on users of health facilities at any level (For example see Health Department Annual Reports (1993/94 - 2003/2004). These reports provide women-related data only in safe-motherhood and female based contraceptive related indicators. Monitoring format of MOH does not have gender-disaggregated reporting system at all.

Even the periodic health and family planning surveys lack gender perspective in design and processing. For example the 2001 NDHS did not have adequate sample to provide information on gender disaggregated infant mortality rates. The information on number of children wanted by number of existing children can not be disaggregated by sex. Given the fact that son-preference is often cited as one of the causes of high fertility, one would have thought that such information would be collected and processed even in a birth control perspective. But it is not. Further there seems to be a general lack of indicators to measure quality improvement in services or capacity building.

Disaggregated data are not available even for staffing at all levels. Similarly the projection of human resource need is made in total without male/female disaggregated analysis (MWCSW/MGEP/UNDP 2002), even though success of the whole delivery system depends on the women front-line workers. Given such data gaps, one wonders whether various targets (MMR, IMR, CHMR) fixed in the health sector are worked out with proper analysis about the contributions of each factor, quality of services, infrastructure, motives of the service providers etc.

### ***Internalization and Localization of Programs***

Major programs in all sectors seem to be donor driven and not internalized. Many of them collapse once the funding ceases. Donors naturally are guided by their own priority of the

moment. The health structure in many parts of the country is not even equipped to provide services as per the standards laid down in the donor programs, while most ordinary problems that could be treated easily at the local level remain uncared for.

The discussions both on education and health made it clear that blanket approach to programs will not be able to cater to the specific needs of the population in different parts of the country. For example girls-only school at higher levels maybe required in Terai areas. Similarly, unless specific efforts are made to cater to the needs of the working children, 10 to five schools will not be able to attend the school. Taking account of local specificities is most important in health. In spite of varying status of women's health and reproductive health services in different parts of the country and varying socio-economic structure governing women's lives all the policies and strategies are based on blanket approach. The health need of Nepali women in the village of western region is different from those living in Kathmandu or those from the Hill or Terai communities. For example much emphasis is placed on HIV/AIDS while problems like prolepses pervasive among women are not getting adequate attention. Even the specific reproductive health projects SMP, PHARI, RHIYA paid very little attention to the issues of prolepses, Chau padi (FWDR), Knee-burning (Mohattari) first minstrel trauma etc.

## **V. Conclusions**

As a consequence of inadequate gender sensitive in the system, despite the lofty goal of promoting equality and empowerment of women, the Nepal's millennium development goals and targets do not even talk about gender or women in the poverty, environment, general health or other sectors. Specifically, glaring are lack of gender disaggregated targets on:

- Men and women below poverty level
- Under five mortality rate
- Infant mortality rate
- Prevalence and death rates associated with malaria and other diseases

Moreover, they do not set targets on proportion of women in decision-making levels, non-agricultural employment or elimination of gender disparity in income and wages, in-spite of its earlier policy enunciations and commitments in the international forums. Since, measures adopted so far to promote women in politics or government administration have been miniscule and not much progress is visible in women's access to political or administrative power structure as discussed above, one would have expected more concrete targets in respect of women's political representation, economic access and access to general health services as indicator of reduction in social discrimination.

Gender is a universal factor of discrimination pervading all walks of live. It is a cross cutting issue, which should have been reflected in all the goals and indicators. More recently inclusion has emerged as a major issue for poverty reduction as well as overall prosperity of the society. On both these counts Nepal's Millennium Goals fail miserably.

Exclusion, poverty, and gender overlap in many ways and may be visualized in terms of three partly overlapping circles, although not completely. Each circle is larger than the overlapping parts, but reinforcing each other manifold within the overlapping part.

Although neither all women are poor nor from the discriminated groups, nor all people in the excluded group are poor, when all three discriminatory factors overlap, the burden is tripled. The poor women of excluded groups have to live with this triple burden of oppression. The experience of decades of development efforts has made it clear that unless this reality is understood and policies and programs are designed to eliminate gender inequality and exclusion of various traditionally discriminated groups people neither of the millennium goals may be achieved. Since poverty is a result of as much as lack of voice and power as of material resources, empowerment of women and other disadvantaged groups is a precondition to breaking the vicious circle of poverty and voiceless status. This is not reflected anywhere either in the international or national millennium goals.

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**Annex 1: Cumulative Loan Outstanding from Different Banks and Financial Institutions**

(Rs. in million)

Program	Date (as of)	Outstanding (Rs)	
		Total	Women
Women Development Program (WDP)	Jul-05		
Small Farmers Cooperative Ltd. (SFCL)	May-04		
5 Rural Development Banks (RDBs)	Jul-05	1358	1358
4 other RDBs	Jul-05		
DLGSP			
Commercial banks	Jul-04	168693	na
Agricultural Development Bank (ADBN)	Jul-04	19714	na
Nepal Industrial Development Co. (NIDC)	Jul-04	1990	na
12 Other development banks	Jul-04	4236	na
6 Micro-credit development banks	Jul-04	1463	1463
59 Finance companies	Jul-04	17833	
21 Cooperative Societies	Jul-04	1298	649
25 NGOs	Jul-04	114	114
<b>Total</b>		<b>216699</b>	<b>3584</b>
<i>Percentage of total outstanding loan to women</i>		<i>100.0</i>	<i>1.7</i>

Source: Department of Women (Record file), Emergence of small farmer cooperative limited in Nepal, RUFIN/GTZ small farmer development bank: brochure, NRB record file, 2005, DLGSP Record file 2005, NRB Economic Report 2004

**Annex 2 : Incentive Programs in Education**

Programs	Program specifics	Rupees per person annually	Coverage/ Introduced year/ period	Beneficiaries/ year
<b>Primary Level Scholarship</b>				
1. Dalit Scholarship	Primary school boys & girls	Rs. 300	75 districts, since 1990	543441 students in FY 2004/05
2. Booster Scholarship	50 percent of girls, excluded by Dalit scholarship	Rs. 300	70 districts	616,939 girls
3. Scholarship for Karnali Zone	Primary level girls in Karnali Zone	Rs. 1200	5 district	27073 girls
4. Food for education program (21 food deficit district)	Girls incentive program	24 liters of vegetable oil to mother *	11 district 2002-2006	1,02,700, mothers (At present)
<b>Secondary Education support Program</b>				
5. Full Scholarship	Scholarship program for both girls and boys	Rs. 1000	10 districts (5 girls each from 50 schools and 50 schools each from 10 districts)	2500 girls
6. Free ship	For both boys and girls	Rs. 500 per student	10 district (5 students each from 50 schools and 50 schools each from 10 districts)	2500 students
7. Full scholarship		Rs. 1000 per student	65 district (3 students from each school and 48 school each from 65 district)	21645 both in, 2005
8. Free ship		500	65 district	21 645 both, 2005/2006
9. Upgrading scholarship for girls		Rs. 10,000 for girls in accessible & Rs. 12,000 in remote district		
10. School grant	i. All Dalit students and ii. All students of SESP district	Rs. 500 per student (6 to 10 grade)	i. Dalit students of 70 district and ii. All students of SESP districts	
11. Himali Hostel Scholarship	Students of 6 to 10 grades	Rs. 1200	Mustang and Rasuwa	66 students

Source: SAHAVAGI, 2006

Note: \* Primary level girls who score 80 percent attendance and with the school open for at least 15 days a month



# Goal 4 : Reduce Child Mortality

Dr. Sharad Onta\*

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## Target

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

## Indicators

- *Infant Mortality Rate (IMR)* : 34 per 1000 live births
- *Under-five Mortality Rate (U5MR)* : 54 per 1000 live births
- *Proportion of 1-year-olds immunised against measles* : >90%

## 1. Context

Improving child health is seen not only as the goal in itself, it is rather taken as the pre-conditions for the health development in general. The international community has always shown a greater concern about the childhood and health of children. These concerns are expressed in several important global events. Approval of Convention on the Rights of the child by the United Nations General Assembly in 1989 is among the landmark events, which recognised child as an independent entity with its special needs for the development. The Assembly was followed by the World Summit for Children in 1990 where the Heads of the States and Governments expressed their commitments for the survival, protection and development of children. The countries took initiative to develop plan of actions in this direction and set national targets to be achieved by the year 2000.

Since the adoption of Convention, there have been remarkable and visible improvements in some of the indicators of child health globally. Service provisions like immunization, oral re-hydration and other, essential for the child survival, are substantially increased. Some concrete results are achieved during this period. Between 1990 and 2000 under-five mortality declined by 11 percent worldwide. The global child deaths from diarrhoea declined by half during the decade of 1990-2000, which saved about one million lives. Underweight among the children in developing countries fell from 32 to 28 percent (1). However, these noted improvements were not considered to be enough to meet the auspicious vision of child rights Convention. It was admitted that conditions of millions of children did not match the vision of Convention. Childhood of these children

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\* Associated with Kathmandu Model Hospital

continued to be under threat. More had to be done to avoid premature loss of lives and ensure the quality of childhood. Millennium Development Goals (MDGs) set by the UN Millennium Summit in 2000 set the development targets to be achieved by the year 2015. The MDGs have once again laid an important emphasis on child development. One of these goals, MDG Goal 4, is to reduce child mortality, which targets to reduce by two thirds the mortality rate among the children under five.

### ***A Concerted Effort to Meet the MDG Target***

Realizing that failure to achieve the MDG target means tragic consequences for children, particularly those in developing countries, the UN General Assembly Special Session on Children in 2002 pledged the member states and the world community to accelerate progress on child development. The Special Session demanded commitment from all sectors to address the issues of development of children in comprehensive way by creating 'A World fit for Children'.

Despite that some improvements are made, meeting MDG target of reducing under five mortality is seen as the most difficult one among other goals. According to UNICEF Report 2005, around 29,000 children under five years of age die every day – 10.6 million every year, from preventable causes such as diarrhoea, acute respiratory infections, measles, and malaria. Progress towards meeting the targets to reduce under-five mortality rate is considered as seriously off track. While the MDG 4 targets to 4.4% annual reduction of under - five mortality rate, in 45 countries annual reduction is less than 1%. Poverty, armed conflict and HIV/AIDS are perceived as key threats for developing countries to translate the MDG 4 into a reality. Over 1 billion - more than half the children in developing countries - are deprived of services required for their survival and development; poverty has been the root cause of high rates of child morbidity and mortality in these countries (2). Millions of children are caught in the trap of armed conflict. Since 1990, out of 3.6 million people directly killed in conflict, more than 45% - at least half of the civilian casualties - is estimated to be children (3). Apparently, it is predicted that without a concerted effort by the government, multi and bi-lateral donors and all concerned sectors to address the issues affecting child development, meeting targets of MDG 4 may not be possible.

### ***Nepal Context***

Nepal is one of the poorest countries in the world with annual per capita income of approximately \$235 per year. About 38% of total population live with below \$1 a day (3). Infectious and parasitic diseases, nutritional disorders, maternal and childhood problems are the dominant health problems in Nepal causing morbidity and mortality in the population. Half of all deaths and more than two third of morbidity leading to Disability Adjusted Life Years (DALYs) lost is attributable to these problems (4).

Demographically, Nepal is among the countries with high percentage of child population. Children under-five accounts for about 16% percent of total population, higher than that in neighbouring countries India and Bangladesh (5). Childhood development and survival is gateway to overall development of Nepalese people. Unfortunately, children below five years are at the highest risk. Although children of under-five represent only 16% of the total population, they account for more than 50% of the total DALYs lost from all causes.

Eighty percent of all deaths among this group is due to the above mentioned problems (4). In addition, considering that the key threats to development of children in developing countries, that is poverty, armed conflict and HIV/AIDS (2), are prominent in the country, efforts to accelerate progress in childhood development and survival is a major challenge for Nepal.

Amidst these challenges, Nepal, as one of the signatories of Millennium Declaration, is committed to meet the Millennium Development Goals. Target of Nepal to achieve fourth Millennium Development Goal is to reduce under five mortality rate from 161.6 per 1,000 live births in 1990 to 54 per 1,000 live births by the year 2015 (6). This target closely coincides with the Second Long Term Health Plan of Nepal (1997-2017) (Table 1).

**Table 1. Target of MDG 4**

<i>Indicators</i>	<i>1990</i>	<i>2000</i>	<i>2015</i>	<i>2016*</i>
<i>Under 5 mortality rate per 1,000 live births</i>	<i>161.6</i>	<i>91</i>	<i>54</i>	<i>55</i>

\* Second Long Term Health Plan target (7)

Source: Ref (6)

The other targets related to MDG 4 are reduction of infant mortality rate from 108 per 1,000 live births in 1990 to 34 per 1,000 live births and increase coverage by measles vaccine more than 90% among one-year old children (8). The Second Long Term Health Plan has set even more ambitious target to achieve by the year 2016 (Table 2).

**Table 2. Other targets of MDG 4**

<i>Indicators</i>	<i>1990</i>	<i>2000</i>	<i>2015</i>	<i>2016*</i>
<i>Under 5 mortality rate per 1,000 live births</i>	<i>162</i>	<i>91</i>	<i>54</i>	<i>55</i>
<i>IMR per 1,000 live births</i>	<i>108</i>	<i>64</i>	<i>34</i>	<i>25</i>
<i>Measles vaccine among one year old children (%)</i>	<i>42</i>	<i>71</i>	<i>&gt;90</i>	<i>NS</i>

\* Second Long Term Health Plan target NS= Not Specified

Source: Ref (8)

## **2. Nepal's Response to MDG 4**

Response of Nepal to MDG 4 has received its expression in formal commitment of Nepal Government to Millennium Development Goals in general. There has been formulation of policy and strategies, development of programmes and setting targets in line of MDG 4. As a response to MDG 4, Nepal has sought an extended support from the external development partners to meet these targets.

### ***Policies, Strategies and Programmes***

Nepal is one of the signatories of Convention on Child Rights and, therefore, is formally committed to the obligation of childhood development. These commitments are reflected in policy and planning documents of the Government of Nepal. Reduction of infant and under-five mortality rates are two top most targets among five targets of National Health Policy 1991(9). Similarly, Second Long Term Health Plan (1997-2017) and tenth five

year plan (2002-2007) have given high priority to the targets of reducing mortality rates of infants and children under five (7,10). The Government of Nepal had developed a Master Plan of Operation (1997-2001) together with UNICEF for the realization of children's and women's right, notably their rights to survival, protection and care (11).

### ***Health Sector Reform***

Millennium Development Goals have been the central focus of health sector reform, planning and strategy formulation. It has been clearly expressed that the goal of the health sector strategy is to *achieve the health sector Millennium Development Goals* (12). It implies not only to meet the health related targets, but also to create an environment conducive to development and reduction of poverty. In view of the recognition that health status of Nepalese people continues to be low and disparity in health across social groups persists and recognition that there is a need to increase utilization of health care services, reform of health sector is demanded. Health sector reform strategy aims to achieve these goals ensuring essential health care services to the poor, enhancing management efficiency through decentralization of health services, and fostering partnership with NGOs and private sector as well as recovering cost in public sector. The health sector implementation plan has set targets for five years period to be achieved in the year 2009. Among other, these targets include reduction infant mortality rates to 45 per 1,000 live births and under five mortality rate to 65 per 1,000 live births (12). These targets are set in light of MDG 4.

### **Essential Health Care Services (EHCS)**

The health sector programme has listed the prioritised essential health care service to be delivered through service outlets. These services are categorised into 4 elements. Two of these elements are neonatal health and child health. The implementation plans are to increase the coverage by these services and ensure that these services are reaching the poor. The different components of these essential health care services are identified for the different levels of facilities (13).

### **Decentralisation of Health Services**

Decentralisation of health services is seen from two important views: improving management efficiency and increasing health budget at the local level. It is expected that the local bodies will be responsible and capable of managing health services in a participatory, accountable and transparent way (4). It is also anticipated that decentralisation of health services will lead to mobilise more resources at the local level.

### **Cost Saving and Sustainability**

Although proportion of budgetary allocations to the health sector is marginally increased during the last few years, percent of GDP, that is 1%, spent on health remains constant in Nepal. With the rising cost of health services, there is a chronic inadequate public investment in health. Health Sector Reform Strategy expects that implementation plan will result in increased contribution of the government and external development partners (EDP) to the health sector. In addition, cost effectiveness of the EHCS will contribute to cost saving and ultimately to sustainability of health sector.

## ***Strategies and Programmes***

Nepal has adopted a key strategy to view child survival in a continuous and life cycle approach. Interventions aimed to improve child survival and development are linked with different junctures of this process. These junctures are healthy pregnancy, safe delivery and care and support to new born and children and include social supports and health services delivered through several programmes.

### **Safe Motherhood**

Healthy birth is considered as pre-requisite for child survival and development. Birth of a healthy child is linked with the health of mother, healthy pregnancy and safe delivery. Safe motherhood programme in Nepal contributes to child survival by preventing neonatal deaths. In relation to child survival, safe motherhood programme focuses on maternal nutrition during pregnancy, antenatal visit by the pregnant women, basic and comprehensive essential obstetric care (BEOC/CEOC), management of delivery by skilled health workers, and care of new born baby. Safe motherhood programme contributes to child survival by preventing low birth weight – one of the determinants of infant mortality, birth trauma and complication during postnatal period. The National Safe Motherhood Plan (2002-2017) aims to reduce neonatal mortality rate from the current level of 39 per 1,000 live births to 15 per 1,000 live births. The plan has set the targets to establish BEOC and CEOS services in all districts and provisions of attendance of all births by skilled health workers by the end of the plan period (14).

Different supportive strategies, programmes, and activities like National maternity Care Guidelines (15), IEC/BCC (Information, Education, Communication/Behaviour Change Communication) strategy for safe motherhood in Nepal (16), SUMATA (17) are in place to support the national Safe Motherhood Plan.

### **Neonatal and Child Care**

In Nepal 60% of infant deaths occur within 28 days after birth resulting in 30,000 neonatal deaths annually. Two third of them die in the first week of life. Although infant mortality rate in Nepal is declined over the year significantly, neonatal mortality rate is not reduced with the same pace. From 1987 to 2001 IMR was decreased from 113 to 64 per 1,000 live births whereas neonatal mortality rate was lowered from 45.2 to 38.6 per 1,000 live births during this period. Apparently, in 14 years from 1987 to 2001, neonatal mortality has risen from 40% to 60% as a proportion of infant mortality (18). It clearly indicates that for further reduction in infant and child mortality rates progress in survival of neonates will largely be decisive. In view of this, Nepal has developed and implemented National Neonatal Health Strategy with the goal of improving the health and survival of newborn babies in Nepal. Based on the global experiences on causes of newborn deaths and proven interventions the National Neonatal Health Strategy has listed the essential care for newborn health and identified level of health facilities to provide this care.

Malnutrition is among the leading underlying causes of child mortality in Nepal. Among the children under-five 50.5% are stunted (19) as a result of under-nutrition over a long period of time. These malnourished children are vulnerable to communicable diseases

and other problems resulting in death. The National Nutrition Programme has adopted specific strategies to improve infant and child feeding practices, breastfeeding promotion (20), deworming, Vitamin A distribution and growth monitoring, IEC/BCC activities. Vitamin A supplementation, growth monitoring are improved over the years. Coverage of Vitamin A distribution among the children under-five is nearly universal (97%) and growth-monitoring coverage among the children below three years is increased from 38% in 2001 to 51% in 2004 (21).

### **Control of Childhood Communicable Diseases**

Considering that communicable diseases remain the major child killer in Nepal, control of these diseases has been a special strategy to reduce child mortality in Nepal. The main objective of the National Control of Diarrhoeal Diseases is to reduce mortality from diarrhoea (30,000 deaths per year) by 50% through increasing access to Oral Rehydration Solution for 100% population (21).

Expanded Programme on Immunization (EPI) is among the strategies to control childhood communicable diseases. The programme aims to eliminate neonatal tetanus and reduce mortality by 95% caused by measles. Proportion of fully immunized children of one-year old increased from 57% in 1990 to 71% in 2003 (3).

Control of childhood communicable diseases and malnutrition are managed in integrated way through IMCI programme, which includes five major killer diseases: diarrhoea, pneumonia, malnutrition, measles and malaria) The community based IMCI programme has been implemented in several districts in phase-wise.

### **Female Community Health Volunteer (FCHV)**

FCHV programme, mobilization of female volunteers in the community, is seen as the instrumental for the success of these activities. Strengthening female community health volunteers (FCHV) and expansion of outreach clinics (ORC) over the last few years may have significantly affected the survival of children. There are about 50,000 FCHVs voluntarily working at the community level. The FCHVs play crucial role in linking the people with available health services and are key to the effective implementation of community based IMCI programmes in many parts of the country contributing to child survival. It is notable that 30% of the total oral re-hydration solution (ORS) packets supplied in the country through government service facilities was distributed by FCHVs. They have so far detected and treated 120,000 pneumonia cases among the children under-five years in 16 community based IMCI programme districts (21).

Expansion of basic care through outreach clinics has to certain extent increased access to services for the people. In addition, outreach clinics have contributed to creating awareness and demand for the services. There has been gradual increase in ante-natal visits by the pregnant women from 40% in 2000/2001 to 53% in 2002/2003. During this period, proportion of deliveries conducted by health workers and post-natal visits by the mothers are slightly increased (21). There is an increasing trend of seeking health services during diarrhoea and pneumonia and decreasing case fatality rate from diarrhoea. In those districts, where IMCI programme is implemented, more pneumonia cases in under-five children were treated than it was expected.

Apparently, these services play an important role in survival and health development of children.

### 3. Progress in Reduction of Infant and Child Mortality

Nepal has made remarkable achievement in reduction of infant and child mortality over the last three Decades. Pace of the reduction in these mortality rates is faster compared to many other developing countries in Africa and South Asia. The annual reduction in under-five mortality from 1990 is more than 4 % in Nepal compared to less than 2% in Pakistan, less than 3% in India and more than 5% in Bangladesh (22). These improvements in Nepal are largely attributable to control of childhood communicable diseases through immunization coverage, Vitamin A supplementation, and other programme package like Integrated Management of Childhood Illness (IMCI), Safe Motherhood programme including neonatal care. Reduction in childhood deaths from two major killer diseases – diarrhoea and acute respiratory infection, especially pneumonia, has significantly contributed to improvement of the situation.

**Table 3. Trends of Neonatal, IMR, and Under Five Mortality (1990-2005)**

<i>Mortality indicators per 1,000 live births</i>	<i>1990</i>	<i>1995</i>	<i>2000</i>	<i>2005</i>
<i>Neonatal mortality *</i>	<i>63</i>	<i>56</i>	<i>38</i>	
<i>Infant mortality **</i>	<i>108</i>	<i>79</i>	<i>64</i>	<i>61</i>
<i>Under-five mortality **</i>	<i>162</i>	<i>118</i>	<i>91</i>	<i>82</i>

Source \* Nepal Demographic and Health Survey 2001 (19) estimated 5 years preceding the survey

\*\* Nepal Millennium Development Goals Progress report 2005 (8)

The current trend of decline of neonatal, infant and under-five mortality rates in Nepal portray an optimistic picture and direction of meeting MDG 4. While meeting the fourth goal of MDG is thought to be one of the most difficult tasks globally and about half of the countries in the world are 'not in the track', Nepal has made outstanding progress. The achievements in child development cannot be assessed only on the basis of the current level of survival; it should be examined from its bottom line when systematic efforts were initiated to address the issue. In the 1960s, Nepal was among the rare countries with under-five mortality rate of more than 300 per 1,000 live births and infant mortality rate of more than 200 per 1,000 live births. Until 1990, Nepal had infant and under-five mortality rates higher than the average in South Asia. These rates in Nepal are now below the South Asian average (5). Recently, Nepal has declared the elimination of neonatal tetanus, which is a landmark in reducing neonatal and infant mortality.

#### ***Opportunities***

In a situation where the government is committed to achieve the targets of MDG 4, and National policies, strategies, planning and programmes are guided by the MDG 4, the environment is certainly supportive and conducive to meeting the millennium development targets. Accessibility and utilization of child health related service utilization over the last few years is encouraging. In addition, support and commitment shown by the external development partners in child health development through different programmes and technical as well as financial assistance have added a great value in the efforts of Nepal. Considering these positive factors present in the country,

Nepal has opportunities and possibilities of meeting the targets set by fourth Millennium Development Goal.

#### 4. Challenges and Problem Issues

Despite a bright picture of progress in reduction of child mortality, there are massive challenges before Nepal on the way to success. Even though a fast decline in child mortality is seen over the last three Decades, childhood mortality in Nepal remains still much higher compared to the targets of Millennium Development Goal to be achieved in less than ten years from now. Some of the major challenges are decelerating pace of decline of child mortality, disparity in health status across the different social groups and influence of other health targets of MDGs in child survival and development. Conflict and violence in the country cannot be overseen in the scenario as obstacles in achievements of the targets.

##### *Deceiving Figures*

Child survival statistics in Nepal has received a profound appreciation both in the National forums and in the International literature. However, these figures need to be carefully analysed to surface the true situation. First of all, reliability of these statistics- not only the survival, but also the service utilization statistics – cannot be unquestioned. The infant and child mortality data should be cautiously interpreted, since the Nepal Demographic and Health Survey Report, on which these statistics are based, cannot exclude the underreporting of neonatal, infant and child deaths during the household survey (19). There is a potential risk of planning and setting targets on the basis of overstated achievements.

Although there is a sharp decline in mortalities rates since 1990, the pace of reduction has been gradually decelerated. The statistics indicate that differences in mortality rates in every five years period since 1990 have been visibly narrowed. The required differences in fall of mortality rates are much greater than they have been in the past. This could be an indication that further reduction in infant and child mortality rates is a difficult task before Nepal achieves the final targets.

**Table 4. Trends of Reduction in Neonatal, IMR, and Under Five Mortality (1990- 2005)**

<i>Mortality indicators</i>	<i>Difference between the years rates per 1,000 live births</i>			<i>Required difference to meet the target</i>
	<i>1990-1995</i>	<i>1995-2000</i>	<i>2000-2005</i>	<i>2005-2015</i>
<i>Neonatal mortality</i>	7	17	-	-
<i>Infant mortality</i>	29	15	3	27
<i>Under-five mortality</i>	44	27	9	28

Calculated on the basis of Tables 1 and 3

Neonatal mortality rate seems to decline faster compared to other mortality rates. However, the current neonatal mortality rate of 39 per 1,000 live births is third highest in



the world (8). As has been mentioned above, neonatal mortality is increased during this period as proportion of infant mortality rate.

### ***Unsolved Problems***

Several interventions are initiated in Nepal to improve child survival, but these efforts seem to be inadequate in order to bring about the desired result. There are too many unsolved problems, that demand more inputs than have been currently. One of the most likely causes of reduction in infant and child mortality rates is control of communicable diseases through immunization coverage and management of diarrhoea. Despite that immunization coverage by different vaccines improved, 40% of the children above one year are not fully immunized (19), making them vulnerable to one or other killing diseases. Although accessibility to life saving services is claimed to be increased, this may not be true in all problems. Supply of Oral Rehydration Solution in the primary health care facilities is grossly reduced over the last few years. On the other hand, market price of ORS packets is increased compared to the price in the past. This may have serious implications in further reduction of childhood death from diarrhoea and dehydration that still remains high in Nepal. It is notable that more than one third of diarrhoea cases do not seek any treatment. Many of them may require rehydration therapy. Community based IMCI programme has covered less than one third of the districts and has not yet seen its full impact in improving child survival. Post natal care of newborns is seen as crucial for prevention of neonatal morbidity and mortality. According to the statistics, about 80% of mothers do not visit the postnatal clinic at all. Some of the examples of these unsolved problems indicate to a hard way ahead.

### ***Disparity and Asymmetrical Progress***

One of the hardest challenges is persisting considerable disparity in health across the social groups, geographical region and gender. The gap exists both in child survival indicators, accessibility and utilization of health services related to MDG 4 and other health targets of Millennium Development Goals. The indicators are worst in hard to reach areas where access to health services are particularly poor.

### ***Disparity in Child Survival Indicators***

Nepal Health and Demographic Survey 2001 revealed a wide difference in mortality rates in different age groups between the geographical regions and socio economic characteristics of population. Nepal Family Health Survey conducted in 1996 showed the similar disparity in these indicators (23). The trend does not demonstrate the indication of closing this gap over the years.

**Table 5. Mortality by Geographical and Socio-economic Characteristics (1996-2001)**

<i>Geographical and socio-economic characteristics</i>	<i>Mortality indicators per 1,000 live births</i>					
	<i>Neonatal</i>		<i>Infant</i>		<i>Under five</i>	
	<i>1996</i>	<i>2001</i>	<i>1996</i>	<i>2001</i>	<i>1996</i>	<i>2001</i>
<i>Rural/urban</i>						
<i>Urban</i>	43	37	61	50	82	66
<i>Rural</i>	59	49	95	79	143	112
<i>Ecological zone</i>						
<i>Mountain</i>	70	65	136	112	207	157
<i>Hills</i>	50	42	87	66	127	94
<i>Terai</i>	62	50	91	81	139	113
<i>Mother's education</i>						
<i>No education</i>	60	52	97	85	148	121
<i>Primary</i>	52	41	80	61	99	73
<i>Some secondary</i>	41	31	53	50	61	63

Source: Figures for the year 1996 Reference (23)  
 Figures for the year 2001 Reference (19)

The table represents only some of the examples of differences in child survival in the population. A wide difference also exists between the districts. Surprisingly, the IMR in the worst districts are 6 times higher than those in the best districts, and Dalits are in a much worse situation (22). Analysis of the current wide disparities and tendency to persist them is crucial to project the future trend and success in reduction of child mortality. Several important characteristics of child survival situation in Nepal can be derived from this analysis. First, the present level of child survival is largely attributable to the improvement in urban areas or hills or improvement among socio-economically better section of population. Overall reduction of child mortality cannot be achieved unless indicators in other sections are equally improved. Second, pace of improvement in child survival in these sections of population is slower. This could be an indication that further reduction in child mortality is more difficult even in the better section. In such condition, improvement at the national average could be stagnant. Third characteristic is derived from the assumption that the disparity existed long before 1996. In lack of stratified information, it is not possible to make such comparison. However, assumption is more likely to be true. If it is so, there is less space to be hopeful that the gap will be bridged in the near future.

The poverty gap in child mortality level is unacceptably wide. The World Bank Analysis from 1996 data showed that under five mortality among the poorest was 156 per 1,000 live births compared to 83 per 1,000 live births among the poorest population; IMR in poorest and richest population were 64 and 96 per 1,000 live births (12).

### **Disparity in Service Indicators**

Differences in status of child survival across the geographical region and socio-economic group of people may be a result of several factors interconnected to each other. One of

them could be accessibility and utilization of health services. The available statistics suggest an unequal utilization of health services by different groups of population.

Immunization is said to be a successful child survival intervention programme in Nepal through control of childhood communicable diseases. However, there is a significant disparity in immunization coverage across the geographical regions. According to NDHS 2001, 66% of the children aged 12-23 months received all vaccines whereas in far west hill only 48% of the children of this age group were fully immunized. In 2003, coverage by measles vaccine was 80% in the national average. In 19 districts, the coverage was 70 or less than 70% while in Humla District measles vaccination coverage was only 46% (21). Similar gap is seen in management of diarrhoeal diseases. While National Control of Diarrhoeal Diseases programme has been successful in preventing childhood deaths from diarrhoea, the contribution is not equal in all sub population. Central mountain sub region is found to have a high prevalence of childhood diarrhoea – 25% against 20% of National average. Ironically, highest percent of children do not receive any treatment during diarrhoea -51% against 35% of National average (19).

The statistics suggested a large poverty variation in service utilization, which is a matter of serious concern. While about 76% of children from urban rich family are fully immunized, only 32% of rural poor children have received all vaccines (12). Unless these existing disparities in child survival levels and health service utilization are effectively addressed and the gaps are bridged to a certain level, it is less likely to meet the targets of MDG4 in target time.

#### **Influence of Other Millennium Targets**

Child survival cannot be seen as an independent target of Millennium Development Goals. This is largely influenced by progress in other, particularly health related goals. Child health is dependent on health of mothers and health service utilization by mothers. Child mortality, especially neonatal and infant, is associated with birth weight. Babies born with low birth weight have less survival probability. Birth weight in turn is influenced by the nutritional status of pregnant women. In Nepal, 21% of the children are born with low birth weight- seventh highest in the world (5). This may have directly or indirectly contributed to high infant and child mortality rates. Indicators related to MDG 5, like antenatal care, delivery attendance and postnatal care are closely associated with child survival status.

Among the expected pregnancies, 53% visited antenatal clinic only once. Only 37% of them completed 4 visits, which is considered a standard (21). Proportion of deliveries attended by skilled health workers is only 20% much lower than MDG5 target of 60% (8). Clearly, these services are not evenly distributed across the population. According to data obtained from NDHS 2001, 82% of the pregnant women from western mountain sub region did not receive any injection of tetanus toxoid; most likely that these pregnant women never visited antenatal clinic for pregnancy check up. In this sub region only 2% of deliveries was attended by the skilled health workers. This overall low level of service indicators related to MDG 5, and particularly in some selected sub region may adversely influence the child survival.

Only 28% of population in Nepal have access to improved sanitation (3). The situation has not been progressed much for the last several years. Improved sanitation is key to control diarrhoeal diseases, which is among the top killer diseases of children.

HIV/AIDS global epidemic is a serious threat to children worldwide. Children are adversely affected by the epidemics either by being infected by HIV or being orphan as a result of aids related death of the parent/s. Globally, every day about 1,700 children are infected with HIV. There are an estimated 2.1 million children under 15 years of age are currently living with HIV. Although there is not an estimation of children living with HIV in Nepal, reported few cases indicate to a tendency of HIV infection in children. It is not possible to precisely predict the impact of HIV/AIDS epidemic on child survival in Nepal. However, apparently, Nepal cannot be an exception in devastating effect of the epidemic on survival and development of children with implication in meeting MDG 4 targets.

### ***Conflict and Violence***

The ongoing violence has multiple direct and indirect implications in the progress of overall MDGs including fourth millennium development goal. Hindering service delivery may be one of such direct implications. There has been periodical reporting that services like vaccination, drug supply, deployment of health workers in many parts of the country are affected by the conflict. The security expenditure has tremendously increased over the last few years. It increased from 1.8% of GDP and 9.7% of annual budget in 1998 to 3.3% of GDP and 15% of annual budget in 2005 (24). The increment of security expenditure has been enforced when there is a significant financing gap in Health Sector Programme – Implementation Plan 2004-2009. The plan assumes that the Government will increase the budget for health sector to 7% of total budget by 2008/2009 to manage the financial gap (12). If the Government fails to fulfil this assumption, resource gap may be a major single hindrance in meeting MDGs.

### **5. Conclusions**

Commitment of Government, formulation of policy, health sector reform strategy, planning and development of programmes around the targets of MDG 4 together with support of external development partners are encouraging aspects in meeting the targets of MDG 4. Improvement in related target indicators over the last few years clearly provides a basis for optimistic prediction. If the current trend of progress is sustained, Nepal can be closure to the targets of improving child survival. However, challenges before Nepal are enormous. There are too many unfinished agenda in relation to service coverage across the geographical region and socio-economic groups of people. Looking at the skewed progress and service utilization, it gives an impression that improvements in the indicators are achieved through technical intervention than the socio-economic development. Consequently, sustaining the present pace of progress and meeting MDG 4 may be more difficult than assumed. Progress in child survival and development is influenced by improvement in other health related goals, particularly goal to reduce maternal mortality. Supportive environment for the improvement in these health related goals is still not strong and progress made in these areas is comparatively weak. This may retard the pace of progress in MDG 4. Resource gap in health may have further adverse impact on the progress. Despite these constraints, achievements and possibilities of meeting MDG 4 targets are far better compared to other health goals.

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## Goal 5 : Improve Maternal Health

Dr. Saroj Dhital\*

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### Target

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

### Indicators

- *Maternal Mortality Ratio (MMR)* : 213
- *Percentage of deliveries attended by health care providers (doctors, nurses, and auxiliary nurse midwives)* : 60
- *Contraceptive prevalence rate* : 67%

### 1. Confession

Writing on the theme, it would have been more proper to present with a formal, 'classical' and 'scientific' posture. However, because of some queries, perceptions and perspectives that have been obsessing me for some time, I have opted to get out of that rigid frame and be myself. I wish this could be an opportunity to discuss and have a closer look at some issues that, in spite of being spilled over for long, are still asking for attention.

We have been playing with figures for long - convinced that they are the *only* facts. As they do help in simplifying truth, we also feel comfortable with them, and, of course, will continue using them. But it is good to be aware of the hazards of simplism and of the reality that there are facts beyond figures. Therefore, it is often useful to return back, now and then, to contemplate over some core issues that are hidden in the foundation of problems we are facing- like that in maternal health.

This is why, in spite of being aware of the possibility of creating disharmony in a standard publication and of all the possible penalties of being informal, I have willingly taken the risk.

With that confession, I presume, I can have the liberty to start with my bias which I believe is silently shared by many.

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## 2. Bias

After the ‘successful’ sabotage of the Alma-Ata declaration for Primary Health Care (PHC), it was but natural that the goal of Health for All by the Year 2000 (HFA) should have ended up in an embarrassing failure. As an alternative to the radical approach of Comprehensive PHC, measures to improve people’s health without having to work for any change in the socio-economic fabric were suggested and implemented. If Health were purely a bio-medical issue and not something as complex as Life itself, those measures of ‘selective primary health care’, in spite of their inherent flaws, could still have shown some worthwhile results. These ‘politically less risky’ approaches for achieving HFA could indeed have been successful if Health were something that could be understood outside the societal context.

Unfortunately, it was not. And it is not.

Now, we have started talking about and acting for the “Millennium Development Goals” (MDGs). Improving Maternal Health (IMH), of course, is one of them- a very important one. Not surprisingly, the goals are set, again, based on figures related to some indicators. And these figures, indicators, and strategies to achieve the set goals seem to be based on the same old view point that health is but an issue to be dealt with purely in the bio-medical domain. In an effort to find some tangible parameters that could effectively test the achievement, maternal mortality rate (MMR) and proportion of births attended by skilled health personnel (P-BASH) have been chosen as the most appropriate (or the only) indicators.

Reasons do exist to ask the question- Is that all about IMH as an important millennium development goal?

## 3. Diving into the Shallow Water

Talking about maternal health, we are involved, explicitly or implicitly, in *defining* two concepts: one, Mother and two, Health.

What is Mother? And what is Health? These questions may sound absurdly simple. But a huge difference in understanding them will be evident as soon as they are discussed and this ‘absurdly simple’ exercise suddenly starts taking the form of either a profound intellectual discourse or a noisy, amorphous ‘anarchistic’ chaos.

Furthermore, when maternal health is being discussed in the context of MDGs, a whole myriad of other questions and elements come into the scenario –human and non-human, objects and processes, direction and destination, science and politics, state and revolution ... and the list goes on. It might seem safe to avoid these ‘*sophobatics*’ and focus on what has been decided- changing the two statistics-MMR and P-BASH. But trying to avoid the pain of accepting realities only invite more pain and that is not really safe. Redundant as it may seem, definitions still needs to be revisited.

## 4. Health

Health has always been a theme that is one of the easiest and, at the same time, most difficult to understand. Health is indeed a very complex, multi-factorial and multi-dimensional concept that has been constantly undergoing evolution- in a spiral pattern-



along with civilization. Early civilizations understood health in primitive holistic view- as a resultant of complex interactions between various components of Nature- including stars and planets, environment and seasons, humans and animals, good spirits and bad spirits... Over last several centuries, it gradually started being understood in terms of very objective and more mechanistic sense and was brought deeply into the domain of bio-medical sciences. And now, discussions that revolve around the question- whether it belongs to the bio-medical or the societal domain- are bringing health into a much broader holistic vision.

For many, WHO has made life easy by defining health as “...*a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity*”. This definition has been in use for more than half a century now. And very few efforts to examine it in relation to changing human life have been in the scene.

Six decades is not a short period given the ever accelerating speed of the changing world. Over the past several decades, human life has undergone spectacular changes not only in relation to its own creation but also in relation to Nature. This change is not only confined to the domain of material world but also extends to the domain of philosophy, spirituality, arts and aesthetics. ‘Truth’ achieved fifty or sixty years back would have been valid at least for a few years and that particular owner of ‘truth’ could have been content with his or her achievement for some time. But, today, ‘truth’ revealed to an individual at bed time may need to be abandoned in favor of another ‘truth’ by the wake-up call next morning.

Shan’t we start reconsidering the accepted definition of Health?

- Is Health a ‘*state*’ that can be measured in certain fixed parameters or something to be understood in terms of *relationship* between the individual and Nature at large (both of which are always in motion)?
- Should health be taken as a static *condition* or considered in *dynamics* of interaction of the ‘worlds’ within and outside an individual?

Today, when

- words like ‘disabled’ are being replaced by words like ‘differently able’,
- some people in their wheelchairs are living extremely worth-while lives contributing enormously to the humankind,
- beautiful poems and bold essays are pouring from the pen held between toes of some ‘disabled’ poet/writers, and when
- individuals seemingly in perfectly ‘good health’ and dwelling in palaces are rather showing all signs of insanity and dependency,

what measures and parameters or what physical and mental tests in current use can properly reflect good or ill health? And how does the “*complete wellbeing*” as mentioned in the WHO definition really relate to this all?

How much of a difference it means to regard health as a ‘*state*’ (a static condition within a certain time frame) and to understand it as an *ability* of an individual (to maintain useful, desired and rewarding *relationship* with the whole universe in perpetual *motion*)

will be obvious if we look at someone with a terminal illness or someone with serious physical disability. Do they have the possibility to live 'healthy' hours or days or weeks in spite of their infirmity? If health is a measurable *state*, then they don't. If health is an *ability* (to maintain a *dynamic relationship*), then they do. If they do have the possibility, then that possibility needs to be taken care of. Whatever health system we create, the system should be able to address the needs of people who can be 'differently able' in spite of their disability or 'differently healthy' in spite of their grave illness. Health, defined differently, could also be hope, communication, commitment and assertiveness.

Looking for a proper definition of Health is much more than a leisure-time intellectual discourse. It has a very practical importance. Actually, how we define health has implications that have enormous impact on shaping world strategies in and beyond health. For us in Nepal, ready to embark upon the path of inclusive republican democracy, this importance is even greater. Nobody will disagree that we want to build a nation with healthy people. Then, musing over what it means to be healthy is not something that we can afford to dismiss as futile '*sophomantic*' exercise. It is not only a taste of civil society or intellectuals, but is equally important for the state. How health is defined will shape policies and priorities. It will decide the state's vision and health plans for the whole country. If these visions and plans are not compatible to the need of the people, citizen's groups will be taking measures to fulfill their own dreams or, more commonly, to express their discontent with the state. And that may mean perpetuation of conflict often expressed in explosions of discontent. If that's not what we want for our democratic future, we have to be serious about it.

## **5. Mother and Maternal Health**

Who is Mother? What is Mother? Living in 21<sup>st</sup> century, actually, we can't ignore the ever expanding definition of this word and confine ourselves to the issues of 'biological' mother alone.

However, for the purpose of convenience and in an effort to avoid being involved in extensive discussions, probably there is no harm in starting with biological mother. Interestingly though, with the advances in science and technology in the area of reproductive medicine and genetics, even the definition of biological mother has become quite complicated and confusing. Newer dimensions of motherhood have emerged along with more and more test-tube babies being born. And the threatening possibility of uterus being 'rented out' will create even more confusion. Not only these 'problems' have to be addressed, seemingly even more 'weird' concept of male mothers may need to be addressed soon - countries like Nepal are not going to be spared. So far limited largely to intellectual discussions or sporadic events in socio-cultural domain, such 'weird' concept may become events belonging to the realm of bio-sciences any time in near future.

We may further confine ourselves to 'conventional' or 'natural' biological mothers. But then we may again find ourselves tangled in 'outmoded' old questions like: When does an individual start the process of being a mother? When does that process cease? If the indicators such as MMR and P-BASH are the most (or the only?) practical indicators for IMH as an MDG, how are these indicators possibly related to early pregnancy and to postpartum days, months or years? And till how long after the birth of a baby does

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‘maternal health’ still mean something to the natural biological mother? “*Governments have a responsibility for the health of their peoples which can be fulfilled only by the provision of adequate health and social measures.*” This is what WHO says. Obviously, then, how the state recognizes a mother must be important for maternal health!

- Is mother a biological machine owned by a family or a community that produces babies or is she an independent individual experiencing series of special physiological and psychological events?
- Is mother to be seen only in relation to other individuals or does she have her independent existence?
- Is she only a function of the society and culture or an actor who can shape the society and culture?
- Should mother be seen as a citizen that is contributing to society by securing the future of the race and nation or as a person ‘paying’ for what she did or suffering for whatever happened to her?

Government systems differ a lot. Economies differ, too. It is obvious that our world can neither remain a collage of a thousand systems yet uniformly full of justice nor can it be monochrome, grey and cold world. Whole spectrum of economies ranging from ultra liberalism to centralized economy will continue to exist, at least for a few decades. Commonness and agreements essential for existence of an international community and institutions like UN are sought within the limits of this reality. Then what could be the basis of commonness in *maternal* health if it is not the understanding of the very word *Mother*? While controversies will continue, at least an inclusive, workable and rational definition acceptable to all for moving ahead is needed.

The MDG targets are ‘set’ for 2015. The world will not remain the same till then. It would be better if we work with projection based on the dynamics of the changing world. And changing world means more than numbers and figures- it includes everything human and para-human.

Under usual circumstances, we are basically in the sociopolitical domain when talking about the health of the deprived ones, and more in the technical domain while talking about the health of elites. And, the very reason for IMH to be one of the MDGs is the acknowledgement that most mothers (or would-be mothers) in present day world are deprived. Then, it is but natural to think that improving maternal health is more of a broader socio-political issue than something belonging to biomedical plane alone. Naturally, achieving the declared goal of IMH by avoiding social interventions is not conceivable.

But, in the first place, what do we really mean by ‘maternal health’? And why is such terminology needed, or how is it really useful? It is surprising to see that most of the publications under titles related to maternal health are actually not dealing with maternal *health*. They are, at the most, dealing with *ill-health* and most of the times, actually, only with maternal *mortality*.

Tolerating high mortality rate is a crime. Maternal mortality rate definitely has to be reduced if not abolished. There is no question about that. But is preventing death alone equivalent to achieving health?

Birth should be attended by skilled health personnel. We must do everything possible to make it a common happening. It may reduce MMR. It may also contribute to maternal health. But is that all about maternal health? Why do we tend to forget or ignore even the WHO definition of Reproductive Health?

Actually, it might have been much better and rational to put the Goal # 5 in MDGs simply as decreasing MMR rather than putting it as IMH. IMH is a much broader objective. It should be taken much more seriously.

MMR has been defined as “the number of women who die while pregnant or during the first 42 days following delivery per 100,000 women of reproductive age in a given year for any cause related to or aggravated by pregnancy, but not from accidental or incidental causes”. If we were to take this as a reference to extend the WHO definition of Health to that of Maternal Health, we could probably put it as “...a state of complete physical, mental and social wellbeing and not merely the absence of disease or infirmity in a woman from the time of conception to 42 days after the child birth” . Given the complexity of being a mother- even natural biological mother- such definition would not probably carry much sense.

## **6. Looking Through Retroscope and Continued Sin**

Here, it is worth mentioning that maternal health is not a new thing that has emerged only in the modern civilization. It has been important for centuries. But it was important only to the extent that the body of that mother should be biologically fit enough to produce the desired offspring.

If mythology is something that at least indirectly can suggest some historical facts about the period around which it was written, scriptures of almost all religions mention the concern about health and wellbeing of ‘important’ mothers. It seems clear that in ancient times mothers *were* taken care of. It was not only the Queens like Yashodhara who got excellent care, but also Mother Mary who probably was not as lucky materially. Both were taken good care of, not because they were individuals with their health rights, but because great saviors were expected to born out of them. The similarity between rulers trying to kill mothers along with babies yet to be born, but potentially dangerous for the ruler, both in the in the eastern and the western mythology and history is also astounding. Some episodes in old-testament and Mahabharat are really amazing. If these religious scriptures in some way represent the history of human development, these should be taken seriously. Even in the more objective and documented history of states, the differences and changes in the level of care that elite mothers got in different situations are quite illustrating.

Extension of this observation to our times is the discrimination between male and female child and between the mothers giving birth to them. Even now in the 21<sup>st</sup> century, mothers have to undergo forced abortion or even hysterotomy to prevent the birth of an unwanted child- mostly if it is a female one. If the sex is not yet determined, an expectant

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mother receiving extraordinary prenatal care loses everything as soon as she gives birth to unexpected and unwelcome baby.

If mother is understood and recognized only in relation to the baby yet to be born, such dehumanization will continue- may be in newer forms.

Distributing 'delivery kits' is good. Vaccinating women in their reproductive ages is also good. And Vitamin-A project and other likewise programs are good, of course. But, unless we are clear about the essence of being a mother, and unless we are able to translate this at a very individual level, we will not achieve much even inside the boundaries of those 'comfortable' indicators and 'doable' or 'feasible' plans and programs.

Science and technology, by their very nature, are not something that can be blocked. They will continue to create more confusion in defining, identifying and acknowledging mother and motherhood, and thus continue to feed the discussions in the sociopolitical sphere. Actually, advance in scientific knowledge is one of the accelerators of the pace of history. Naturally, attempts to use the domain of science and technology as a recluse to get away from the pain of having to deal with societal issues are, most of the times, futile. It is like, as the saying goes, trying to lift oneself by pulling hairs on the head.

If the uterus being 'rented out' becomes a common phenomenon, it is not going to be the uterus of rich or elite women- it is bound to be uterus of the poor that will bear the tag 'to let'. Then, the advances in science and technology become tools for exploitation of the deprived ones. They cease to be 'safe' and isolated tools in laboratories and become social attribute. There will be people saying that a new opportunity for the poor has opened up for making money. It will be hailed as a great leap forward – one from the old 'lowly trade' of prostitution to highly advanced ritual of science! But the newer 'height' of dehumanization will invite larger waves of upheavals in socio-cultural domain.

Advances in medical science and technology seem to follow certain pattern. At the experimental phase, they are *tested* on the poor. When something is proved to be harmless and beneficial they are *tasted* by the elites. And, finally, when the 'laboratory experience' becomes available to the market, they are used to *lure* the poor. When it is done, either a new aggressive brand of consumerism begins or newer dimension of dehumanization unfolds.

Talking about maternal health without even trying to understand mother is going to be problematic. Trying to address maternal health based on technicalities alone can't achieve goals.

### **7. Proposal of the Blasphemist**

Goals need to be focused on Health, not ill health or mortality. If we start working for health, ill health will disappear. If we start working for life, mortality will decrease.

Focusing on reducing mortality alone will only limit vision, and allow room for escaping from responsibilities.

Health and motherhood needs to be understood and approached in broader societal context.

That means going back to the fundamental determinants of health- food, hygiene, water, sanitation, infrastructure, knowledge and understanding of health, adaptation of health behavior in line with these understanding...

And, finally, all the efforts for health are needed leading to solve these societal issues and establishing them as inherent human right and obligation of both the individual and the establishment.

All that means is continued, relentless movement towards perfection of the human race. This movement may be punctuated by violent rebellions, if the discontent against *status-quo* is not properly dealt with and the energy ensuing fro this is constructively utilized.

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## Goal 6: Combat HIV/AIDS, Malaria and Other Diseases

Dr. Renu Rajbhandari\*

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### Targets

- *Have halted by 2015 and begun to reverse the spread of HIV/AIDS*
- *Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases*

### Indicators

- *HIV prevalence among 15-49 years of age (%)*
- *Contraceptive prevalence rate including condom use (%)*

### I. Introduction

MDGs are political commitments made by the heads of the states to improve quality of life of their citizens. Millennium Declaration includes all previous commitments made by member states of United Nations in area of human rights and social justice. MDGs set benchmark for member states to show their commitments into the realities. The eight goals set by the head of states range from halving extreme poverty to tackling the problem of maternal mortality, and reversing the HIV/AIDS epidemic—all by 2015; and emphasises international cooperation to achieve these. It has clearly indicated that promoting gender equality and empowerment of women- one of the eight MDGs- as critical to the success of the other seven<sup>1</sup>. The MDG advocates for implementation of activities using rights-based approach with the interlink of all goals by reaffirming the commitments of all states to protect, promote and ensure fundamental principles of human rights.

This is already 6<sup>th</sup> year (2006) of the setting of MDGs. Almost all states committed to work to fulfil MDGs have prepared their reports of accomplished activities. Unfortunately, except a few nations including Nepal, are far from the desired outcome. There are various reasons to give for not being able to work according to desired outcome; however, lack of commitment from people in power remains the core. Although

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<sup>1</sup> World Population Report- UNFPA 2006

MDGs also emphasise on international cooperation and responsibility of developed states to support developing nations to achieve desired result, the level of cooperation and support can be challenged. Definitely there are some areas, where international cooperation has been improved but largely the structural areas are still the same. Similarly, internal issues as of good governance, corruption leading to political instability, conflicts and imposed war needs to be seriously considered.

International development cooperation is not a matter of charity. This is a collective responsibility of the global community. Every country has rights to develop and it is the responsibility of developed states to facilitate countries of developing world to enjoy their rights to be developed. This principle is enshrined in the UN Charter, the Universal Declaration of Human Rights, and international treaties such as the Convention on the Rights of the Child.

Despite the identified roles of developed nations, aid provided by donor government are either heavily loaded with the welfare attitude or tied with different conditionality. Also the shares of assistance of donor governments are far lower than commitments and the stream of aid-flow is largely determined not by the need of recipient countries but according to the interest of the donor country or agency leading to scarcity of resources in needy areas and abundance in the others. The non-compliance by the developed nations of the assistance targets are, by and large, attempted to justify as the lack of resources; however, assessment of ever increasing military expenditure can easily challenge this justification. For example, the donor governments spent \$69 billion on development-aid in 2003 whereas in the same year global military expenses totalled approximately on trillion dollars (UNFPA, 2005). This disparity clearly shows that to achieve tangible result of MDGs, resources are not the constraints provided they are canalised properly. This is only the matter of true political commitment<sup>2</sup>.

By setting MDG 6 to combat HIV/AIDS, Malaria and other Diseases, the member states of United Nations made their commitment to halt the spread of these diseases and to reverse the spread of HIV/AIDS. This is really an encouraging commitment; however, it is quite frustrating to observe the statistics of around 8000 person dying every day in 2006 due to absence of anti-retroviral therapy. In 2005 alone, AIDS killed more than 3 million people including 570,000 children (UNAIDS, 2005). From an emerging health problem two decades ago, HIV/AIDS has transferred itself into a devastating global development challenge. A UNDP-sponsored study (1995) has revealed that 1 percent increase in HIV/AIDS prevalence rate leads to 2.4 year loss in human development as measured by Human Development Index (UNDP 2005).

When HIV/AIDS had emerged as a public health concern, majority of the people living with HIV/AIDS (PLWHA) were men. Today approximately half of the estimated 40 million PLWHA are women with the greatest increases occurring in young population between the ages of 15 to 24. Poverty, discrimination and violence are found responsible for making women vulnerable to HIV infection. The change in the dimension of HIV/AIDS and its victims symbolize that it is shifting from power to powerless, in terms

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<sup>2</sup> World Population Report, UNFPA, 2005



of economies or countries, communities and sexes. Poor countries, poor communities and poor people, especially women are becoming the victims of untimely death.

According to UNAIDS (2006) the AIDS epidemics appears slowing down globally but new infections are continued to increase in certain regions and countries. The report observed important progress made in some countries; however, AIDS remains an exceptional threat. Improved planning, sustained leadership and reliable long-term funding to the AIDS prevention are the daunting challenges for the countries with high prevalence<sup>3</sup> Negative association of AIDS prevalence with economy, political stability and improvement in demographic indicators depict the need for international cooperation.

## **II. The Challenges in the Context of Nepal**

Nepal is a signatory to the Millennium Development Goals which has set year 2015 as a target to be able to stop the spread of HIV/AIDS and reverse the trend. A progress report on the Millennium Development Goals with regard to halting the spread of HIV/AIDS in Nepal is not encouraging. Although the country is likely to halt the incidence of Tuberculosis and has the potential to halt the incidence of malaria and other diseases by 2015, it is unlikely to meet the target with regard to HIV/AIDS.<sup>4</sup>

In case of Nepal, the long-standing political conflict within the country has definitely affected the results of MDG. However, it will be unjust to make Maoist-led political conflict solely responsible. Structural arrangements which are the root causes of conflict have played a very strong role. Semi-feudal structure of Nepali society makes poor more poor and takes away their negotiating power resulting in their livelihood more difficult is one among core issue which is making people more vulnerable. Similarly, strong patriarchal values control women's body, sexuality and reproduction hence make them powerless and vulnerable. These structural factors have been controlling against the desired results in area of social justice and human rights. When any group of people does not get environment to enjoy human rights then that group of people becomes vulnerable to get affected by developmental problems such as HIV/AIDS. The same situation also affects access to care and support to the PLWHA by adding much vulnerability to already vulnerable people.

In Nepal, the first AIDS case was reported in 1988 but by the year 2005 more than 800 full blown AIDS cases and over 4,700 cases of HIV infection have been officially reported. Prevalence of HIV infection among general population of Nepal can be considered as low; however, looking at the ground realities of the country it is very difficult to trust the reported prevalence rate of HIV in Nepal. According to that, the estimated prevalence rate of HIV infection among 15-49 years groups 0.5 percent (UNAIDS, FHI/NCASC 2000).

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<sup>3</sup> NDG report–Nepal.

<sup>4</sup> UNAIDSs report, 2005

**Table 1: Estimates of the HIV/AIDS, 2005**

<i>Estimation Area</i>	<i>Number</i>
<i>Estimated Number of HIV cases (Adults and children)</i>	<i>75,000</i>
<i>Adults (15-49 years)</i>	<i>74,000</i>
<i>Women (15-49)</i>	<i>16,000</i>
<i>Children</i>	<i>--</i>
<i>Estimated number of deaths due to AIDS</i>	<i>51,000</i>
<i>Estimated Number of AIDS orphans</i>	<i>--</i>

*Source: UNAIDS, Global AIDS Report 2006*

Although the prevalence rate of HIV infection in Nepal is still low, the epidemiological data suggest that it has already entered into the stage of concentrated epidemic. The reason for this situation is HIV/AIDS prevalence rate consistently exceeding 5 percent to sub groups such as sex workers, their clients and injecting drug users (UNAIDS 2005, UNDP 2005).

**Table 2: Nationwide Summary Estimate, Nepal 2005**

<i>2.1%</i>	<i>HIV prevalence rate in client of SW</i>
<i>3.8%</i>	<i>HIV prevalence rate in sex worker</i>
<i>32.7%</i>	<i>HIV Prevalence rate in IDUs</i>
<i>22%</i>	<i>(15,310) Number of Women (15-49) LWHA</i>
<i>0.55%</i>	<i>Adult Prevalence (15-49)</i>
<i>70,000</i>	<i>Numbers of Adults (15-49) LWHA</i>

Main mode of transmission of HIV in Nepal is sexual contact. It has been characterised by the high prevalence rate on high risk behaviour groups such as sex workers and IV drug users. In recent years, it has noticeably increased the prevalence rate of HIV among labour migrants. There are evidences of the increasing prevalence rate among housewives. As there are a number of men having sex both with men and women, FHI report suggests that majority of this group has limited information on HIV/AIDS. Similarly, a man selling sex is a prevalent activity in various locations in Kathmandu but that group has been largely unrecognised in the policy and programme of the Nepal Government<sup>5</sup>[BA2].

### **Analysis of HIV transmission pattern**

Pattern of HIV transmission in Nepal clearly shows relationship with social status of a person. It makes clear that power relation contributes to vulnerability. Societal attitude towards women's sexuality and sex-work has made sex-work invisible and underground. People associated with sex-trade are performing activities in a very clandestine way. Women involved in this trade are stigmatized in such a way that they are forced to hide their identity and operate. This takes away their negotiating power to have safe sex with

<sup>5</sup> Rapid ethnography male to male sexuality—FHI, 2001.

their clients and gives opportunity to brothel owners to force women to work without making any demand for their safety. There are no official brothels in Nepal; however, there are various places where women are kept for prostitution. This situation makes them even more vulnerable.

Another rapidly increasing HIV infected population group is IV drug users. Scarce information regarding risk associated with, stigmatization by the society and lack of harm reduction facilities is making these groups more vulnerable to HIV infection. Some times, these two groups intersect with each other such as sex workers using IV drugs and IV drug users involved in sex work. Stigmatization of sex workers and IV drug users makes them silent and forces them to work taking risks.

Third category of people with high HIV prevalence rate is labour migrants and their wives. Due to uneven development policies a lot of people are forced to migrate as a labourer both inside and outside the country. This has aggravated in the last 10 years because of conflict in the country. Thousand of people have been internally displaced. Mass of up rooted population has been created by both parties of conflict. These people need a place to hide out at the same time work to generate livelihood. National and international perspective about terrorist and equating Maoist liberation movement with terrorism has stigmatized all youth residing in so called high voltage Maoist insurgent areas. Due to stigmatization, getting job to these youths inside the country is very difficult. Similar attitude can be seen in neighbouring countries. Desperate to make living and find a place to hide out in peace is making migrants labourers to take any job availed to them and be silent to all forms of discrimination against them. They are forced to work in isolation, in low paid job, and remain silent even if they have been abused. These people usually do not have social network. Information about their health and security is far from their access. Far from their families, their age and strong desire to be with someone plays as a push factor for them to visit sex worker. Lack of information on safe sex makes them vulnerable to get contacted with HIV.

Together with this, it has been revealed that in some areas where information HIV/AIDS targeting to them is available, these people do not like to visit. The reason for this is given by them is fear of stigmatization. This situation is forcing them to hide their desire to take appropriate information and make them safe.

Another rapidly growing HIV infected population in Nepal is women. Women's status in Nepali society is low. Generally, a woman has subordinate status in the society, family and at the state level. Women's body, sexuality, production and reproduction are controlled by men, who are heads of their family. Even society has control over their means of production, sexuality and reproduction. Due to this, they have very little negotiating power. Women are poorest among poor with almost negligible decision-making power. This situation has made them dependent on their husbands and family members. Discriminatory legal provisions of state perpetuate this. Powerlessness, dependable status and weak legal protection mechanism to women forces them to be silent and accept all forms of abuses and violence against women. Moreover, wives of migrant labourers, who largely depend on earnings of their husbands, are neither in position to question their husbands' behaviour nor negotiate with them to have safe sex with them after they return. Sex is a taboo to discuss in Nepali society. Society has double

standard on male and female sexuality. This situation makes women more vulnerable to undergo different forms of violence if they dare to question their husband or ask for safe sex. This situation leaves women with no alternative rather than listening to their husbands and having sex in the way how their husbands want after they come back. Thus subordinate status of women in Nepali society has weakened women's negotiating power for safe sex, which can be taken as a core cause of HIV infection to them.

Millennium Development Goal (MDG) has clearly identified some of the areas demanding clear tangible result within 2015. One of those areas is need to reduce gender gap as soon as possible to meet the goal. Gender discrimination, social exclusion and marginalisation of people due to mainstream development programs due to faulty developmental policies, is making people vulnerable to HIV infection, without reducing this gap and bringing people in mainstream development program combating problems such as HIV can not be successful.

### **The Political Economic and Human Rights Aspects**

Every person is entitled to have rights to food, shelter, education and health care. These are basic human rights. In situations where governments can not protect these basic rights of the people, they are forced to take different measures for survival. The low developmental indicators and less bargaining power of the state in free market economic world makes countries weak. As weak countries can not protect Human Rights of their Citizens conflict arises. Wide range of corruption espoused with political instability and various national and international agencies that support directly or indirectly to these situations are responsible for conflict. The consequent result appears in eroded livelihood options of people and is responsible for displacing them from their place of origin. The State is not in a position to provide livelihood opportunities to the people within the country.

Globalization of free market policies has created market in certain sector of work where people of developed countries do not like to work. These sectors are being looked as points of rescue for these people looking for livelihood options. Competition in market to maximise profit with little investment and viewing resource poor people as a commodity for profit generation has lead to exploitation of person's body and labour. When a human being gets converted into a means of production for another's profit they then usually do not have any negotiating power. A person without any negotiating power for their safety and well being are always vulnerable and at risk to contract infections like HIV and other forms of problems associated with denial of their developmental and human rights. Research around the globe has largely established that HIV is a developmental problem. It is therefore imperative that the government should formulate appropriate policy and implement integrated programs with right-based comprehensive development approach within the framework of the MDGs.

Increasing feminization of poverty and availability of work in limited service sector of work to women in world labour market limits women's area of work. Sexist view on women's work gives low status. Women's work is considered to be low paid and controllable. There are moralistic views towards certain type of women's work. Increasing demand in labour market in certain type of work i.e. work in entertainment

sector, including sex work in one hand and moralistic view to look at these sectors of work forces women to hide the type of work in which they are involved due to fear of being stigmatized. This situation forces them to be silent and takes away negotiating power from them for their safety and well being. This situation gives power to operators of these industries to exploit them, abuse them and finally become more powerful by making area of women's work illegal.

### **The National Response<sup>6</sup>**

Nepal Government has Prioritised HIV / control program within its plan of Action. There is high level commitment to control the spread of this epidemic. This is good news.

The main governmental agency responsible for HIV/AIDS and STD is the National Centre for AIDS and STD Control (NACSC) under the Ministry of Health and Population. The NCASC lunched a HIV/AIDS control strategic plan (1997-2001) in 1997. The first two strategic plans of NACSC, known as the short and medium term plans, were very much formulated within reproductive health package. This lacked clear objective of the program at the National level. To make up for the shortfalls of the past plans and strategies, the government formulated a comprehensive National HIV/AIDS strategy in 2002, to bring all sectors into the mainstream and instructed the National AIDS Council chaired by the Prime Minister, to proclaim political commitment.

The National Strategic Plan 1997 clearly indicates government's commitment to mobilise and involve various ministries.

The major strategies of the government for STI/HIV/AIDS prevention, control and management are as follows:<sup>7</sup>

- "Prevention and control of STIs and HIV infection among vulnerable people including female sex workers (FSWs) and their clients, injecting drug users (IDUs), mobile populations, (especially migrants to India), and men who have sex with men and prisoners;
- Prevention of new infections among young people;
- Ensuring the availability and accessibility of care and support services for all people infected and affected by HIV/AIDS;
- Expansion of the monitoring and evaluation frame-work through evidence-based effective surveillance and research; and Establishment of an effective and efficient management system for an expanded response "

### **III. Conclusion**

This is an established fact that HIV/AIDS is an issue related with development, social justice and human rights. When people can not enjoy their basic rights, they become vulnerable to HIV/ AIDS. Ensuring Human Rights of every citizen is the states' responsibility. When states fail to do so then people have to suffer.

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<sup>6</sup> The National response – is taken from Nepal's National HIV/AIDS strategy.

<sup>7</sup> Nepal's National HIV/AIDS strategy

Right to be equal before the law and live with dignity is fundamental human right of a person. Due to strong patriarchal semi feudal structure of society, family and the state, people are being discriminated within family, society and state on the basis of their sex, caste and class.

Every country has right to be developed. Countries should be sovereign. Right to decide by whom they want to be governed, and what type of political economical regime country wants to establish is countries right. However in the context of Globalization of free market policies countries rights to take decision about their policies are becoming more and narrower. International financial institutions and market are controlling states power. This situation makes countries weak limiting their capacity to ensure human rights of their citizen. It is being observed that Governance of states are more and more influenced by International factors, which results into political instability, corruption and poor governance. These factors become responsible for internal conflicts, even armed conflicts. This situation creates pool of up rooted population.

Market largely control labour sector. In this era of globalization capital can flow freely around the world but there is restricted access to labour to flow, forcing them to take clandestine route to move. This clandestine procedure makes moving population vulnerable to different forms of abuses and receiving state difficult to ensure their rights.

All above mentioned factors work hand in hand making human being especially person from developing world weak and easy to be manipulated. Similar situation can be seen within the country. Discrimination, stigmatization and marginalization of people on the basis of their sex, caste and class make them weak and easy to be manipulated. This situation makes people vulnerable to get infected with HIV/AIDS.

This fact indicates that in order to combat HIV/AIDS and to reverse its spread, it is imperative to analyze all above mentioned factors and come forward with plans and programs in an integrated way. This is the notion of Eight MDGs as well. As all MDGs are interrelated and interlinked all target needs to be fulfilled. There are certain factors which are more responsible than others. Factor like Gender inequality has been identified as one of the primary drivers of social exclusion and poverty so without dealing with it, prioritizing programs responsible to reduce the gap, other goals can not be achieved. Poverty is a cause and consequences of HIV/ AIDS situation and gender inequality. This is because discrimination denies one half of humanity the right to realize their full potential. More than 1.7 billion women worldwide are in their reproductive and productive years, between the ages of 15 and 49. Targeted investments in their education, reproductive health, economic opportunity and political rights can spur growth and sustainable development for generations to come, which ultimately empower them to control over their body and negotiate for safe sex.

The Nepal Government has expressed its commitment to work towards fulfillment of MDGs. The Government needs to be congratulated for that. Nepal Government has expressed her commitment to work towards combating HIV/AIDS and to reverse the spread by 2015, by developing clear National strategies. This is very positive step. There is no question that at high level there is desire to combat this epidemic. In changed political scenario where government is led by peoples aspiration and desire the

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commitment will more strong however there are certain challenges with Nepal Government to achieve the desired result. Patriarchal and moralistic value deeply engrained at different level of policy makers is one of the challenge with Nepal Government has to face to meet the goal.

Similarly semi-feudal structure of the society which views people's body as means of profit is another structural factor that needs to be completely changed to meet the desired goal. Nepal Government's programs have been heavily influenced by international market and financial institutions; and that is making the country weak. However, at present the Nepal Government has opportunities as well. Nepal Government is at the stage of political transformation, so discriminatory structures, policies and laws can be completely replaced which would definitely help to restructure Nepali society and develop culture of Human rights.

These are some of the structural causes responsible for the spread of HIV/AIDS. These can be restructured due to changing political situation of the country. However, there are some specific areas where the Nepal Government has to focus in order to combat HIV/AIDS and reverse its spread by 2015 as demanded by MDG goal 6. These can be followings.

1. Integrated programs to curb all forms of discrimination on basis of class, caste and gender. (Costs of gender discrimination are always high for low income countries like ours.)
2. More intensive and holistic program to facilitate women empowerment and increase negotiating power.
3. Implementation of holistic women's health program focusing on their sexual and reproductive rights.
4. More extensive and focused programs are imperative to substantially reduce the risk of HIV transmission among the commercial sex workers and injecting drug users.
5. Making universal access to anti- retroviral treatment to all HIV infected persons.
6. Targeted programs to internally displaced and migrated population.
7. Ensuring labour slandered and right to work without any abuses to all persons involved in all sectors of work.
8. Universal access to information about health including HIV to all people.
9. Programs to curb all forms of violence against women including trafficking.
10. Work to ensure socio-economic rights of all citizens focusing on marginalised group of population.

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## Goal 7: Ensure Environmental Sustainability

Dr. Binayak Bhadra\*

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### Target

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

### Indicators

- *Area under forests (%)*
- *Area protected to maintain biological diversity (sq. kms)*
- *Energy used per unit of GDP (ton of oil equivalent/mRs)*
- *Proportion of people using wood as their main fuel (%)*
- *Commercial Energy/GDP (ton of oil equivalent/mRs)*

### Introduction

MDG GOAL 7 indicated above, and more specifically, **Target 9: Integrate the principles of sustainability or sustainable development into country policies and programmes and reverse the loss of environmental resources**, is the focus of the present paper. The paper is divided into the following sections, namely, **General Status and Trends, Biodiversity Conservation Initiatives, Challenges in Conservation, Renewable Energy Initiatives, Challenges in Renewable Energy, Enabling Environment and Recommended Actions and Policies**. The present paper was prepared in the process of writing up the MDG Progress Report (UN, 2005). The paper however is independent in view vis-à-vis the UN published Progress Report and represents the views of the author alone. It is noted and hoped that, the details on the programs and policies described here may be more helpful or relevant for the environmental policy analysts in the future. Still, the paper has ignored many aspects that ought to be included, and as such does not claim to be comprehensive.

### General Status and Trends

Environmental sustainability remains to be a major challenge in Nepal. Deforestation continues to be a serious local problem in many areas of mountains, hills and churia range. There are increasing commercial pressures on biodiversity resources, such as,

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NTFPs and rare/endangered flora and fauna. The growing population has posed a great challenge to provide safe drinking water and sanitation services in both the urban and rural areas. The conservation initiatives, both policies and programs, have increased as has been the initiatives to promote renewable energy resources. Although, no systematic evaluation exists so far, the deceleration of depletion and degradation of the forests and biodiversity resources are not considered to be significant. The potentials are, without doubt, far greater than what has been achieved so far, and thus achievement of environmental sustainability goal remains in doubt. Migration continues unabated into urban areas, due largely to the lack of safety and security in rural areas. And despite great efforts on the part of the security forces to curb this fast influx, the growing cities faces grim prospects to be able to meet the urban demands for safe drinking water and sanitation. In the context of millennium development goal, of environmental sustainability, the initiatives may be broadly categorized into four broad themes, namely, **forest conservation, biodiversity conservation, renewable energy promotion and water-sanitation service**. Quite naturally, these themes are overlapping to a great extent, and there are plural roles for government institutions, CBOs and NGOs, and donors in this complex thematic arena.

### **Forest Conservation**

Presently, about 70% of population depends on forests for firewood and forest fodder contributes more than 40% of total digestible nutrients of cattle. Given this subsistence demand on forests, deforestation and forest degradation is natural. Forest conservation has been moderately successful, where as biodiversity conservation efforts have been weak. Although, there is yet no concrete evidence that, community forestry has resulted in increased forest cover at present, there is no doubt that the contributions of the community forestry, towards poverty alleviations and long term sustainability, is quite positive.

Land area under the forests has probably declined slightly ( from 29% in 1995 to 29% in 2002), although there is no definitive estimate of the forest cover recently. Due to rising population, dependence on forest wood and fodder is gradually increasing despite community and leasehold forestry efforts, and initiatives to popularize renewable energy substitutes (such as, biogas, photo-voltaics and micro hydro). Energy use per unit of GDP (1000Nrs) has slightly increased to about 30 TOE per 1000Nrs. But this does not affect the majority of rural populations where demands for fuel-wood and fodder remains high. Thus, *proportion of households which used wood as main fuel for cooking* has increased slightly to 69.1% in 2003 from 67.8% in 1995 (Source: NLSSs,1996 and 2003/4). This trend is likely to have continued in recent years, particularly because of the reduced availability of kerosene in rural areas due to the Maoist insurgency (frequent bandhs and embargoes).

Nepal has initiated innovative policies of community forestry with participatory system of forest management. Community forestry has achieved substantial progress in handing over of forests, as seen in the graph. Over 1.065 million hectares of forest area had been handed over to 13,125 forest user groups in 2004, and over 1.153848 million hectares handed over to 13,793 FUGs by June,2005. (FUG database, CFD, June 2005). Although largely deemed successful, the approach has raised considerable debate about its

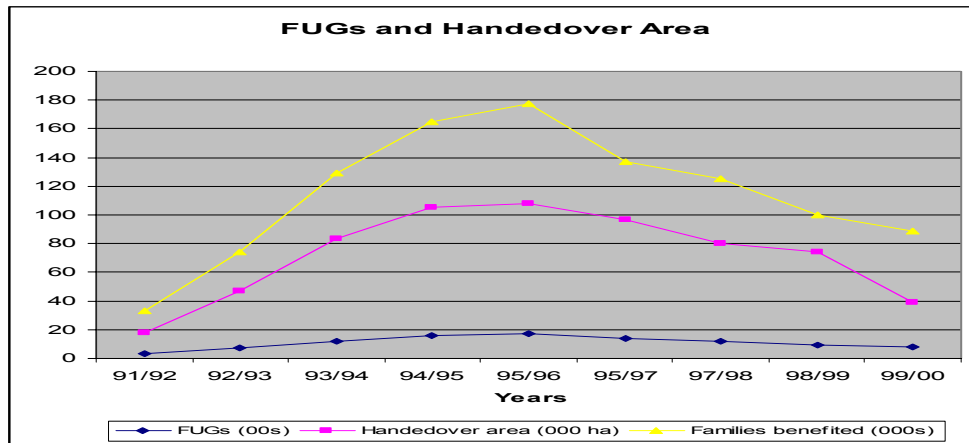
outcomes.

The recent data on forest cover of community and national forests, both in terms of quality and quantity, are lacking at present, due to lack of recent assessment surveys. The systematic survey and evaluation of forest cover, forest condition, using quantitative data obtained from inter-temporal plot measurements, are needed for policy analysis and review. An assessment of the forest cover was recently carried out for twenty districts of Terai, using satellite imagery from 1990/91 and 2000/1 and ground truthing methods (See the Case Study I), but it is not possible to generalize this result to other parts of Nepal. Sample comparative studies of handed-over community forests and national forests have been carried out (Karna et al, 2004). These show increasing levels of biomass and plant abundance in community forests, due to fast regeneration in the middle hills. However, in national forests, the forests were found to be degrading, due to open access in national forest, where there is more extraction and less protection. Such sample studies however can not be generalized, specially to higher altitudes, where the regeneration rates are not so high but the extraction rates are higher.

Similarly, Branney and Yadav (1998), and Jackson et al. (1998), showed that community forestry was having beneficial effects on forest cover. Gautam et al. (2003) shows that the number of forest patches decreased substantially due to forest regeneration and or plantation. LFP (2003) noted that the majority of users feel that forest conditions are improving.

The handing-over process, has presently decelerated gradually (see chart below). The rate of growth of FUGs, and the rates of growths of handovers, have both declined recently. Overwhelming indications from the studies indicated earlier, is that, in the past the community forestry process has been successful in compensating the deforestation process, by increasing the forest biomass and crown densities, and the forest area to a smaller extent. In a similar manner, the leasehold forestry has also countered the process of deforestation, although reliable forest cover measurements and data, on leasehold forestry, are still absent. Given the situations and studies so far, a reasonable conclusion is that, deforestation continues, albeit at a reduced rate.

The deceleration of community forestry can be explained through many factors, such as, the advent of insurgency, weakening of government push (budget and other capacity constraints) and/or excessive “social mobilization push” on the part of the NGOs not supported by the governmental initiatives. The latter tends to be more generic, and may have reduced the formation of local FUGs. More recently there has been some policy debate on forty percent benefit sharing in the income of FUGs of the *Terai, inner Terai and Churia* (Bhattarai, 2005). The government has proposed sharing of FUG incomes, as *bona fide* royalty, from very high value timber and non-timber forest products. However, FECOFUN, which represents Community Forest User Groups of the country as their umbrella network, advocated against it. The case was taken to the courts. This may also have been responsible for the slowdown of community forestry process in the Terai.



### Biodiversity Conservation Initiatives

The Nepal Biodiversity Strategy (NBS) is a commitment of Government and the people of Nepal for the protection and wise use of biological resources of the country. The strategy provides a platform for the development of new policies and initiatives to address the existing gaps and obstacles in the conservation of biodiversity.

The following six priority programs are being implemented in NBS;

(a) Protected Areas, (b) National Forests, (c) Wetland/Inland Waters, (d) Agro-biodiversity, (e) Dry and sub-humid land, and (f) Mountain biodiversity.

### The Protected Area Biodiversity

Area protected to maintain biological diversity has increased from 10,948 sq. km in 1990, to 20077 sq. km. in 1995 and, to 26971 sq. km. in 2002 and to 27887.5 sq.km. in 2004. This amounts to about 18.6% of the total land of the country, and represents all ecological regions (Terai, Mid-hills, High Mountains and Himalayas) is under protected areas and bufferzones, and is considered vital for conservation of biodiversity in Nepal. It includes 9 national parks, 3 wildlife reserves, 3 conservation areas, 8 buffer-zones, and 1 hunting reserve representing major ecosystems found in Nepal. These include two in the *World Heritage list* and the other is a *Ramsar site*.

*Status of Program Initiatives: Protected areas management plans:* Most of these protected areas have *management plans* in operation and plans are being revised regularly. Protection and improvement of habitat of certain important endangered and threatened wildlife species like wild buffalo, snow leopard, Tiger, Rhinoceros, Musk deer, Swamp deer, Blackbuck, Gangetic Dolphin, and Ghariyal are in place. But, problems of *grazing and poaching* still exist in all the protected areas. Half of the rhinoceros population has disappeared in 2002 -2005 period, according to a recent census. This demands stern actions against poachers and translocations is needed to protect such endangered wildlife. *Protected Species:* TAL project (with assistance of WWF) is in operation for *conservation of genetic resources* through ecosystem approach which

considers trans-boundary movement of wildlife. Specific attention has been given to check further decline of fauna and flora. At present, 56 mammal, 226 bird, 25 reptile, 9 amphibian, 35 fish and 142 butterfly species are threatened with extinction. The government has also provided legal *protected status* to 13 plants, 26 mammal, 9 bird and 3 reptile species. **Training:** Local communities are provided *training* on eco-tourism in buffer-zone areas and Central Zoo staffs are trained in ex-situ conservation of wildlife genetic resources. **Legislation:** Provision has been made through *legislation*, the *farming* of common wildlife species such as wild pigs, deer, elephants, etc., to facilitate ex-situ conservation.

**Trans-boundary cooperation:** Nepal has initiated *trans-boundary cooperation* for the protection and management of biodiversity, as well as the preservation of rare and endangered wildlife species. *Park corridors* between Nepal-India borders have been identified to allow movement of big mammals like rhinos, tigers, elephants, etc. across the border. Trans-boundary Committees for national parks are in operation.

### **National Forest Biodiversity**

At the beginning, the primary issue of community forestry was to protect the biodiversity through increase in greenery and improving the growing stock, the present concern of community forestry program is to achieve the national goal of poverty reduction. Due attention has been given to the management of forests in the Siwalik hills, to protect against erosion and landslides. Similarly, participatory conservation measures have been evolved in the management of buffer-zones of protected areas for biodiversity conservation. (see the Case Study II, on MAP, NTFP). The community forestry has improved forest cover and contributed to biodiversity conservation. However, the livelihoods of particular groups of rural indigenous people, especially livestock grazers and non-timber forest products (NTFPs) collectors have declined. The challenge is to ensure the traditional rights and privileges of indigenous poor and socially disadvantaged groups over forest resources.

**Programs:** **In-situ protection and conservation** of important threatened species are being pursued in community forests and lease hold forests, botanical gardens and private lands, through establishment of gene bank. National register of plant species is established in the Department of Plant Resources (DPR) of MFSC. Germ plasm conservation for indigenous and endemic plants have been started. **Biodiversity hot-spots**, such as, Milke Danda - Jaljale Himal, Badimalika, Phulchowki and Berandavar forests with large genetic diversity are legally protected and managed. Nepal Flora Implementation Project is going to register indigenous plant species, and protect endangered animal species - Tiger and Rhinoceros. Department of Plant Resources is trying to ensure *preservation of plants included in CITES appendices*, as well as conserve their biodiversity (including genetic resources). A *National Register* of MAPs was updated in 2004 (IUCN-Nepal). It is also proposed to establish a '*Central Biodiversity Information (Data base) and Monitoring Centre* at the Department of National Parks and Wildlife Conservation (DNPWC) with help from Global Environment Facility (GEF). Training seminars, workshops and other information sharing programs are being provided by King Mahendra Trust for Nature Conservation (KMTNC), which will establish a *Conservation Research Centre* in Kathmandu with the help of Government of China.

### **Wetland Biodiversity**

Nepal contains different types of wetlands including permanent flowing rivers, seasonal streams, lowland oxbow lakes, high altitude glacial lakes, swamps and marshlands, paddy fields, reservoirs and ponds. Wetlands have been recognized as one of the important ecosystems that harbor about 25 percent of the biodiversity of Nepal. The National Wetland Policy (NWP, 2003) has classified wetlands into three categories: a) Wetlands that lie within the protected areas or buffer zones, b) Government or public wetlands that lie outside the protected areas, and c) Wetlands in private lands.

*Status of programs:* The Department of National Parks and Wildlife Conservation (DNPWC) with IUCN Nepal, is implementing a project aimed at developing local incentive measures at Koshi Tappu Ramsar Site. Koshi Tappu Wildlife Reserve (KTWR) is helping to control buffalo grazing and harvesting of certain grass species to maintain plant succession. However, problem of invasion by alien species like water hyacinth is serious in many wetland areas, including the Ramsar Sites. A total of 185 species of fishes are found in wetlands in Nepal, some endemic, along with endangered endemic plants such as *Spiranthes* orchid, tree fern, *Sphagnum* moss and *Pandanus* screw pine. These have strong poverty alleviation links through livelihoods of many ethnic groups dependent on wetlands for their livelihoods. Globally significant wetland sites such as Rara lake, KTWR, Ghoda Ghodi Tal, Jagdishpur Reservoir and Bish Hazari Tal are conserved and protected as per the specification of Ramsar sites.

### **The Agro-biodiversity**

Agricultural biodiversity is useful for both immediate needs and long-term sustenance of rural people. The Tenth Plan has identified the need for sustainable agricultural development for poverty alleviation through conserving and proper utilizing agricultural biodiversity and ecosystems. The Plan also emphasized the documentation and registration of plant genetic resources associated with indigenous knowledge, and research on application of agricultural biodiversity conservation and biotechnology. The Nepal Biodiversity Strategy (2002) has identified the following three areas under sectoral strategies, they are (a) Participatory plant breeding, (b) Participatory variety selection, and (c) Gene bank.

*In-Situ Conservation and Ex-Situ Conservation strategies are being adopted:* National Seed Board of Nepal (NSBN), agricultural research centers and farms under NARC and Department of Agriculture (DOA), are involved in on-farm conservation of local crop varieties, with the active participation of farmer to i) conserve the process of evolution and adaptation of crops to their environment; ii) conserve diversity at all levels of ecosystem, species, and genes; iii) improve the livelihood of resource-poor farmers; iv) maintain or increase the control and access of farmers over their genetic resources; and v) integrate farmers into the national plant genetic resources conservation system. Various stakeholders are involved in ex-situ conservation. The cultivation of traditional crops like buckwheat, horse gram, foxtail millet and perilla have continuously decreased (replaced by new crops), mainly due to the lack of market for these crops. National Plant Register and Centre for Plant Genetic Resources (CPGR) in NARC are involved in **genetic resource conservation** activities, genetic resource monitoring and enhancing the technical

capacity for germplasm conservation. National database and inventory for indigenous livestock has also been setup in NARC, along with a conservation action plans for endangered species (Yak, Lulu and Achhame. The Plant Genetic Resources Unit (PGRU) of Agricultural Botany Division, NARC has conserved orthodox seeds, with the Agriculture Botany Division. Inventory of indigenous and endemic wild rice varieties were made (with International Rice Research Institute) and research is being done on the food value of such rice varieties and the conservation of the genetic resources.

### **Dry and Sub-humid land Biodiversity/Mountain Biodiversity**

The dry and arid lands of the high Himalayan region are characterised by the biodiversity of the Tibetan Plateau that lies to the north of Nepal. Mustang (Annapurna Conservation Area), Dolpa (Shey Phoksundo National Park), Solokhumbu (Sagarmatha National Park) and some other similar places fall within the protected area system. Very little research has been conducted in these parts, despite the unique floral and faunal species diversity of these lands. The mountain biodiversity (Hills and Mountains comprise 83 % of the total land arm of Nepal), has a great significance in Nepal's unique floral, faunal, cultural and social diversity. Out of the total protected areas of Nepal, more than 80 percent lies in the mountains. The mountain biodiversity, especially the natural resources, provides food, shelter, water, fiber, medicine, energy, and cash generating products to local population. The mountain forest ecosystems have been subjected to great stress and continue to face multiple threats due to deforestation. Improper harvesting of forest resources, poaching, and invasion by exotic species, unscientific farming practices and unregulated tourism are all contributing to accelerated soil erosion and watershed degradation and loss of biodiversity. Three approaches for biodiversity conservation in the mountains are: 1) participatory management of forest, wildlife and watersheds; 2) enterprise-based, community involved biodiversity management; and 3) landscape approach to biodiversity management.

### **Challenges in Conservation**

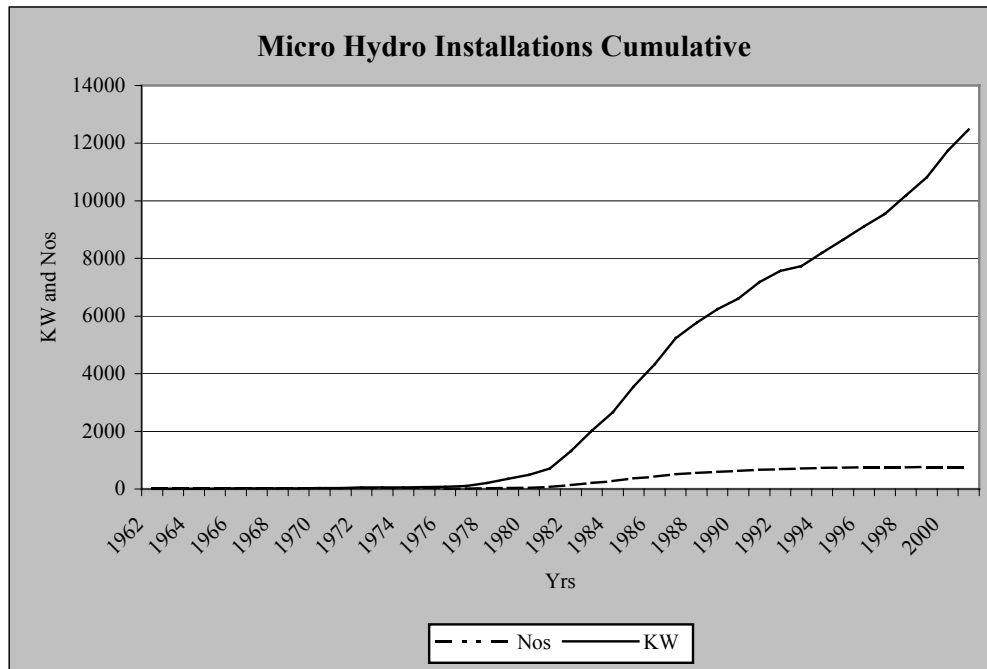
The primary aim of community forestry in terms of greenery expansion has been more or less achieved. But, there are the second generation issues. Tenth Plan and Millennium Development Goals<sup>2</sup> (MDGs), challenge the system to increase the forests productivity, streamline the forests benefits towards livelihood promotion (particularly poverty alleviation), and strengthen good governance for greater equity. As community forestry is a dynamic and adaptive programme, redirecting the focus of community forestry programme on these issues can lead to the attainment of the MDGs. The next stage of the programme should be focused on livelihood promotion, good governance and sustainable forest management. Community forestry has to have new and effective policies designed to deal with **the second generation issues** related to new growth and its management. The protection oriented policies now have to give rise to policies which deal with the mechanisms for fair and equitable sharing of the wood and timber harvests. Similarly, ***parks and conservation areas policies*** have to tackle commercial interests in protected and buffer areas. The economic value of these endangered species in the world market is very high and therefore their number tends to decline, for example, Nepal has lost 63 rhinos to poaching in the last two decades. It is clear that, the efforts of Nepal have to be complimented by other countries, both, neighbors and others, to reduce the forces leading to poaching and over exploitation (medicinal plants).

### Renewable Energy Initiatives

The renewable energy initiatives are observed in **micro hydro, biogas, photo-voltaics and wind**. The last two are not as significant as the first two in magnitude. Thus the present analysis is focused on the first two.

#### Micro Hydro

The micro hydro plant (MHP) came into widespread use when a technological breakthrough made it possible to generate electricity from milling units, about 1981. During the first 4 years when a subsidy scheme was introduced, only 10 MHPs were installed generating 79 kW electricity. However, by 1985, altogether 23 schemes were generating 166 kW. The government subsidy amounted to 95 million rupees through ADB/N. A total of 1956 micro hydro plants generate over 13 MW of electricity by 2001, and is continuing to grow despite insurgency (see chart below).



Micro hydropower scheme can play crucial role as a speedy tool for the country's development. Particularly in mountains, this scheme in terms of cost and technology offers advantages over other technologies such as solar, wind, biogas, etc. Spatial decentralization of the plants is the most important element of this scheme, as the mountain terrain offers a large number of potential sites for micro hydro development across the country. Decentralized production of power at the point of demand avoids the necessity for long and expensive transmission. Micro-hydro electrification has featured prominently in the Five-Year Plans. A major deregulation feature of the sector, was abolishment of licensing requirements for about two decades now. Since 1985, subsidy in various forms has been a key policy feature. The establishment of the AEPC in 1997 as

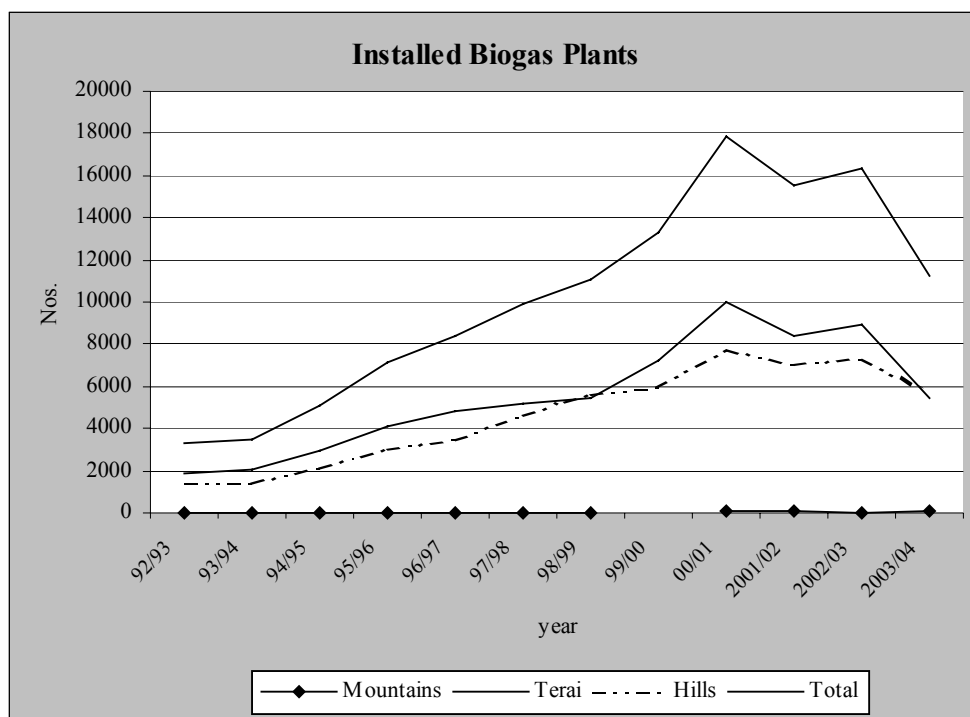


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a government agency for promoting renewable energy technologies, including micro-hydro, led to a reformulation of the subsidy policy. Since 2000, the AEPC's Interim Rural Energy Fund (IREF), supported by the DANIDA Energy Sector Assistance Program (ESAP), has continued to provide subsidy for micro-hydro.

### **Biogas**

Biogas is an important sector in terms of energy output at household level in rural Nepal. It is estimated that the country has a potential of establishing 1.3 million biogas plants. Currently about 123,400 biogas plants have been installed in the country. The biogas program is being moderately successful in Nepal. Its success may be attributed to mainly the availability of government subsidy, as well as the involvement of a number of INGOs, donor agencies and private biogas companies. At present there are 36 private companies in the country and many more are underway to join this program. Efforts are being made by various agencies to reduce the cost of the dome type of biogas digester plants of different sizes. The Biogas Support Program (BSP), a joint venture between ADB/N and the Netherlands' Development Organization (SNV Nepal), has been set up to support the development of the biogas. The maximum rates of installation of biogas plants have ranged upto 18000 per annum, during 2000/01 (see chart below). The progress has been hampered by the insurgencies in the recent years (installation rates have fallen to about 11000 units in 2003/04).



The total number of biogas plants, by 2004, has reached 123,395. About 57 private biogas companies and 14 workshops have been promoted so far. The plants have a good

proven technology and the good training programs have resulted in trouble free operations of these biogas plants (97%). There are also 80,000 toilets now connected to the biogas plants, which represents a very good contribution to the improvement in sanitation and health conditions of the rural areas. This biogas program is also the first CDM project in Nepal.

There are 104 micro finance institutions mobilized in this program and the total number of beneficiaries exceed about 860,000 persons and the estimated employment is about 11,000 persons. The installed plants represent a modest progress amounting to only 6.37% of 1,937,015 potential biogas households.

### **Challenges in Renewable Energy**

#### ***Renewable Energy Development Policies***

The *renewable energy development policies*, particularly as they relate to biogas and photo-voltaic panels or small hydro based rural electrification, have been recognized by many as successful policy examples from Nepal. The institutional development policies, such as the setting up of the AEPC, were also appreciated by many donors. The ninth and the tenth plan have carried this idea further. These programs in renewable energy have been promoted through an *initial subsidy* policy for rapid introduction and dissemination of the appropriate (e.g. *Chinese type biogas plants*) and often indigenous modern technologies (e.g. *Peltrix sets*). So there are natural concerns about the sustainability of these programs. However, there has also been a lot of criticisms of inequitable nature of these programs, in the fact that they are not able to reach the bottom rung of the poverty ladder. New policies and programs need to focus on how to deal with lower income and remote households, in both biogas and small-hydro development. Although grid electricity can play a greater role for the development of urban industry, agriculture and rural electrification, the high tariff regimes combined with extensive theft of grid electricity poses a great challenge. The *lowering of electricity tariff*, though desirable from the environmental goals perspective to replace imported fossil fuels, is not so easy to change, given the vested interest of the donors and foreign investors. The challenges in the future will relate to the question of how to deal with private sector participation and lower economic returns associated with lower tariff regime.

#### ***Policy Changes in Micro-hydro***

The factors that have contributed to the development of micro hydro schemes to its present stage are: low cost of investment, short construction period, existence of large micro hydro potential, indigenous technology, simple operation, government incentives, and the involvement and interest of many national and international agencies. The electricity generated from the MHP can be used for lighting, cooking, heating, agro-processing, entertainment, lift irrigation, communication, etc.

The operation of existing micro hydro power plants is not without problems, maintenance is a problem in remote areas, and insurgency may have affected the operations also. About 10% of the MHPs may not be in operation. The end-use diversification remains a continuing challenge, specially, in the context of the subsistence conditions of many rural villages in Nepal. The situation may be expected to improve with greater access to the markets, which MHPs can themselves help through energizing of the ropeways. The

subsidy policy and delivery mechanism newly introduced by the Nepal Government in 2001 saw an increase in subsidy levels. Additionally, subsidy is provided as part of a promotion programme that links financial support with a productive end-use and quality requirements. The key to this link is provision of subsidy on a KW-output basis. This leads developers /manufacturers to pay attention to quality and actual output. The new policy requires a minimum 10% of productive load, and this places micro-hydro in a better rural development perspective. Subsidy is augmented by a program that supports the project with procedural guidelines, ideas for productive end-uses, local support structures, training activities and the standards development.

#### ***Institutional Support for Micro-hydro***

In addition to the AEPC's micro-hydro support programme, supported by ESAPDAN IDA, the Rural Energy Development Programme (REDP) of the UNDP provides significance. REDP-supported micro-hydro projects obtain subsidy funds from AEPC's Interim Rural Energy Fund. The REDP, which sees micro-hydro as an entry point to enhancing rural livelihoods, supports community projects in 15 (?)districts. Major features are the involvement of local government in energy planning and social mobilisation. REDP has supported 60 non-Peltric and 9 Peltric projects from 1998 to mid-2001; and it has been recognized as a very innovative and successful program, with various international awards. (See the case study for more details). Remote Area Development Committee (RADC) is another key player in the promotion of micro-hydro, which supported 24 non-Peltric and 3 Peltric projects (1995 and mid-2001).

#### ***Biogas Plants for the Poorer Families***

The criticism has been frequently made that, the present biogas program tends more to serve the middle class rather than the poor households. This is largely due to the fact that the poorest households do not own the required number of cattle (at least four cows or three buffalos). There are further potentialities, if community biogas plants are thought of , where the large number of poorer households can contribute the dung and share the gas. The future will probably see more growth towards the community type of plants, if the government would make more subsidies available to these plants.

#### **Enabling Environment**

##### ***Complimentarity with Other Goals (poverty, education and health)***

Complentarity of the environmental goals with other goals (in education and health) has been well recognized. Community forestry, biodiversity conservation, renewable energy development have been regarded as opportunities for *livelihoods, employment and income generation* in the rural areas. These in turn are expected to have larger impacts on the ability to access health and education services, in the rural areas. Community forestry and renewable energy development, especially rural electrification have positive impacts, the fertility rate tends to decline, health improves (due to less smoke inhalation), and population growth becomes lower. A complex set of economic and social forces are operating here. As fuel wood and fodder become readily available in the nearby community forests, less time for collection is required (mostly by women). This reduces “demand for the children” for household labor, women’s drudgery are also considerably reduced. Rural electrification and primary education go hand in hand in rural areas with

small hydro projects. The rural electricity provision, and the planned integration with rural economic activities and social mobilization, have been seen to have great impact on local level poverty reduction in Nepal. Unfortunately, no in-depth study has been carried out in Nepal to identify the factors leading to their success and failures. However elsewhere in Bangladesh, the positive impacts of rural electrification have been well established with empirical proof. The expansion of livelihood options and reduction in fertility is well documented. Similar study is *recommended* for Nepal to reconfirm the rural electrification hypothesis.

### **Recommended Actions and Policies**

#### ***Resource Gaps***

The requirement of financial resources is approximately Rs. 2.3 billion per annum. These investments (in infrastructures and institutions) cover both the roads, gravity ropeways and electrification costs, both the main grid extensions as well as the isolated grid. It does not however cover the cost for training the technical and skilled manpower. It has been well recognized that, the dissemination of renewable energy technologies and micro hydro development have been constrained by lack of skilled technical manpower required for implementation and maintenance of these schemes. Human resources constraints need to be addressed through training, and on-the-job knowledge and skills impartation programs. The training and skill development, at the local and grassroots level, can be an area for donor support. The funding for the micro-hydro infrastructure investment could also be done through mobilization of local private capital through co-operatives and community organizations.

#### ***Institutional Capability and NGO capacity***

Institutional and organizational capacity of the Ministry of Forests, and Departments for Community Forestry, and FUG units has to be examined. Implementation capacities at various levels need to be examined in the light of the new policies as mentioned above.

#### ***Policy Priorities***

- community and leasehold forestry; new growth and its management, new NTFP promotional policies, and policies to push livelihoods based on forest products
- management plans for biodiversity hot spots, e.g. Milke Danda, Koshi Tappu, Lake Rara etc.
- parks and conservation areas; commercial interests in protected and buffer areas, the bilateral cooperation with India and China for biodiversity corridor between national parks at the borders
- renewable energy; biogas and small hydro based rural electrification for lower income and remote households, policies to promote community biogas plants, end-use diversification policies for micro hydros
- enabling environment policies: grid electricity tariff ; for urban industry, agriculture and rural electrification with private sector participation and reduced tariff, policy to reduce subsidy on fossil fuels.

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## Goal 8 : Develop a Global Partnership for Development

Dr. Badri Pokhrel\*

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### Targets

- *Develop further an open, rule-based, predictable, non-discriminatory trading and financial system (includes a commitment to good governance, development, and poverty reduction, nationally and internationally).*
- *Address the special needs of Least Developed Countries (includes tariff and quota free access for exports of the least developed countries; enhanced debt relief for heavily indebted poor countries and cancellation of official bilateral debt; and more generous official development assistance for countries committed to reducing poverty).*
- *Address the special needs of landlocked countries and small island developing states (through the program of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly).*
- *Deal comprehensively with the debt problems of developing countries through national and international measures to make debt sustainable in the long term.*
- *In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.*
- *In cooperation with pharmaceutical companies, provide access to affordable, essential drugs in developing countries.*
- *In cooperation with the private sector, make available the benefits of new technologies, specially information and communication.*

### Inception

Globalization & partnership have been a catchword for today's world. The contributing factors for this catchword are the wave of four factors:

- a. Democracy & Pluralism
- b. Cultural assimilation
- c. Jump progress in information & communication technology.

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d. Economic Liberalization & free trade environment around the globe.

So, one can find these words as global, widespread and rampant for overall development of an individual, a society, a country as in a global village concept.

Global partnership process entails myriads of principles and facts. Now, the concept of land locked and sea locked, concept of self sufficiency and attitude of imperialism have been disappearing. The principal bases of this global partnership concept are mainly the cross breeding and interfacing of technology (which include recent cybertech), gradual erosion of cross border bottlenecks, innovation of multi use novel engines- the mono money like euro, dollar, free movement of goods and services without any geographical boundary barrier, the sharp knowledge of low cost and high value growth of knowledge band economy and value system. Within these variables and ingredients, somehow, global partnership ask for quality, time and service management for sustainable development and long lasting growth.

Since, the concept of development especially in physical term occurred after the II<sup>nd</sup> world war. Need of human resource development also began almost together. Typhoons in colonization pervade. The commercial business in Europe, North America, Japan followed by coastal area of China, Singapore, Malaysia expanded. But the nature, ratio, size and quality of development varied. Consequently, the economic and social status, education- base and use of technology differed. This gave a grave turn in between the gap of haves and have n'ts. The people of a corner used to chew the cashew nuts, played international costly games and educated in high tech high standard schools. On the contrary, the people of another corner suffered from hunger, basic medicine and literacy. They remain and treat as a brute and separate from normal being. This created a severe concern in global partnership for equality scheme which motivated the development lovers to think and to dig about the cause and long term effect of this curse.

### **Advent of UN's Notion in Global Partnership and Initiation of MDGs**

Advent of United Nations itself is a strong symbol of global harmony, partnership and mutual cooperation among the member countries. Nepal attaches great importance to the United Nations and considers it as the primus international organization for the promotion of peace, security and economic development in the world through global partnership. Since, UN deserves the virtue of being a permanent diplomatic market where representatives from all parts of the globe assemble and exchange views and information. It pressures the national governments to explore new possibilities and charting a new course to develop relations among. Many general assemblies, special discussions and exchange of views held in this path, where United Nation took success in many fields and efforts. Among the many conference efforts of UN in fixing of Millennium Development Goals (MDG) has become a pioneer effort in global equity perspective.

### **Millennium Development Goals, Targets and Projections**

The Millennium Development Goals set by UN declaration are centered on eight major areas: Eradicate poverty and hunger; Achieve universal primary education; Promote gender equality and empower women; Reduce child mortality; Improve maternal health; Combat HIV/AIDS, malaria and other diseases; Ensure environmental sustainability;



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Develop a global partnership for development. Out of these eight goals, 7 goals have their specific area where as the 8<sup>th</sup> goal has to bridge all other goals in a partnership way which ultimately gears up development procedure uninterruptedly.

Millennium development goal is targeted to achieve by 2015. Every country has to improve at least 50% in all goals by that time. Earning less than 1 US\$ per day is real poor. The number of the people of this bracket should be reduced by at least half. The number of hunger should also be reduced by 50 %. All the children without any gender discrimination should get equal opportunity of education. Policy of gender participation and women empowerment should be followed equally in all stages. The infant mortality rate & maternal mortality rate of 1990 must be reduced to at least two third and three fourth by 2015 respectively. Epidemiology of HIV/AIDS, malaria and other similar diseases must be eradicated. Policy of sustainable development must be followed without disturbing the future environmental resources. Indicators and norms of minimum standard in all consumable goods as well as in drinking water must be fixed and applied. All these goals are to be met by global partnership where local resource and skill is insufficient and incomplete.

It has been estimated that if the success is achieved on the basis of target, this program will benefit 100 million urban dwellers making an open, lawful, predictable and discrimination free commerce policy which may further reduce the poverty. The customs rate, quantitative restriction in export and import, debt relief mechanisms could also be the straight forward way outs in poverty reduction. Such programs may help reduce poverty in landlocked and small island states. Special program for sustainable development, identification and execution of production oriented programs for young and elders help reduce poverty.

### **Need & Objectives of 8<sup>th</sup> Goal**

Goal 8 of MDG reflects with partnership. Shared responsibility is its prime aim. Generally independent countries in the world are about 200. In the report of UNDP there are 50 LDCs. Out of 200 countries, there are more than 100 countries who are recognized as developing and few others are Europeans, some are G7, some are industrials, some are atomics and some are high techs. Their level of development, base of infrastructure and capacity of financial support do not match each other. Therefore, work on this 8<sup>th</sup> goal has underscored the fact that action at the national level is not enough for poor countries to meet the other seven development goals. Therefore, the poor countries specially need international assistance from developed countries. The international aid for global partnership can be possible from different ways like ODA, FDA, trade, debt relief and debt sustainability, exchange of information and communication technology, technical support etc.

### ***ODA/Foreign Aid***

Various studies reveal that Official Development Assistance (ODA) is fairly successful in Nepal, because it has been contributing to economic growth directly. Foreign aid has been increasingly contributing to the national financial requirements over the years. Further the saving investment gap is also being reduced by foreign aid. It is found in Nepal that consumption is high and savings are very low. The saving investment gap remained as

high as 10% of the GDP during 1996 to 2000, but it was only 4.4 % in 1976-80. The saving investment gap of last year was recorded about 15%. These data make clear that Nepal has to depend on foreign assistance to meet its investment requirement. However, the nature of external assistance has been changing. The amount of grant is deliberately decreasing while the loan is increasing. Similarly the aid from bilateral source is being replaced by multi lateral agencies. This is also affecting the scenario of foreign aid in Nepal. In order to increase quality foreign aid, Nepal has been using the foreign missions as an effective means of economic diplomacy. "In the context of fast changing global policy on aid and trade there is a constant need of reorientation and reformulation of our own policy perspective so as to make our economic diplomacy effective and meaningful. Foreign aid for example is not likely to continue as the most attractive component of economic diplomacy partly due to declining ODA, shift from grant to loan and partly due to growing preference for funneling aid through INGO and local institutions. It is argued that with or without our own efforts certain aid flow will continue as part of the donor community's commitment to international cooperation (Nepal's Economic Diplomacy: Institute of Foreign affairs 2002) may be based on their GNP/GDP structure, natural resource base or based on any standards/ norms.

In order to increase ODA, Nepal has been making many efforts- reforming the policies, strengthening the institutional capacity of Ministry of Foreign Affairs and of the missions abroad, arranging donor consultations, meetings of Nepal Development Forum (NDF) and frequent visits of high level political leaders, high level bureaucrats and different business communities to in and abroad. Besides this, Nepal is improving her project performance in many ways, for example, aware in time and cost saving, quality improving and institutional capacity enhancing and governance reform. Among many other efforts NDF has been very much successful to mobilize the foreign assistance. Since 2002 NDF meeting, the government had committed to bring reforms basically in areas of public expenditure management, implementation capacity and public accountability for poverty reduction. In order to materialize the commitment, government introduced fiscal discipline packages, like (a) the amendment of Fiscal Acts, Income tax acts and other related rules (b) activation of Commission on Investigation of Abuse of Authority, and (c) fiscal control measures in revenue and expenditure management.

Subsequent to the NDF 2002, the government stuck to its promise through three interrelated documents, the annual Immediate Action Plan (IAP) , the three year Medium Term Expenditure Framework (MTEF) and the five year Poverty Reduction Strategy Paper (PRSP) i.e. the tenth plan. All these efforts helped to secure budgetary supports from different partners like World Bank, IMF and ADB. Further, Nepal began sector wide approach in grant fund mobilization under a resource pooling arrangement. All these made possible Nepal to enter in IMF's Poverty Reduction and Growth Facility (PRGF). This placed strong emphasis for enhanced accountability in public life and poverty reduction.

Visualizing the development effort made by Nepal many development partners expressed their comment in 2004 MDF meeting. Denmark expressed-“ We welcome what you have been doing, specially the follow up on the commitments you made two years ago. We welcome reform agenda and monitoring frame work, the reforms in education sector and

attempts to be inclusive and include the minorities and *Dalits*, the pro poor focus on the budget and progress on anti corruption. But there is still long way to go... (NDF 2004). Similarly, Department for International Development (DFID/UK) had expressed its view as “We strongly support the PRS process in Nepal, and indeed we have drawn up our own country Assistance Plan, specially, with the government’s the PRSP at its core. We also welcome the government’s report as an honest attempt to evaluate progress and agree that important reforms across all four pillars of the PRSP have been implemented or are already underway.” On the said meeting Japan expressed comments accordingly: This has clearly shown the strong commitment of Nepal Government towards the development of this country. We recognize that sincere efforts have been made to work on the reform agenda as well as the PRSP, MTEF and the Foreign Aid Policy. Likewise, representatives from United Nations commented “I had opportunity of giving you earlier a statement which UN agencies working in Nepal have put together to try and cover the issues. We believe are important for our ability to assist in the implementation of the PRSP and other programs for improving the living conditions and improving the development options and perspectives of the people of the country.” Representatives were very pleased to hear the reference statement of the MDG’s put from Nepal side as the leading goal to which Nepal had committed. The version of European Union was such that Union is pleased to see that the government is putting the focus on poverty eradication. According to Asian Development Bank (ADB), the 10<sup>th</sup> plan/PRSP provides a long term video for strong partnership between donors and government. Similarly , many other donors/ development partners like World Bank , Switzerland, USA, Finland, Norway, Germany, Canada, France, India, Netherlands, IMF also expressed their sincere views towards the partnership to achieve MDGs and to reduce severe poverty of the people of Nepal.

However, In order to achieve one to seven MDGs, foreign aid is not only essential but also necessary. Nepal’s resource gap, balance of payment gap and low scale of saving and investment call for foreign aid to boost the economy to run development works continue. In order to meet all needs through mutual cooperation, developing global partnership has been must.

### ***Market Access and International Trade***

Nepal is a landlocked country. Therefore market access for international trade is difficult and costlier. Diversification of export market both product-wise and destination-wise has been a major challenge. This not only makes the country susceptible to global economic volatility but also restricts market access in the post- WTO accession era (NPC 2004).

Nepal’s export trade is still highly concentrated to India– both product wise and destination wise. Nepal has very few number of export items whereas import items are enumerable. Nepal’s major export items are carpets, garments and agricultural products. Export share to SAARC countries except India is nominal. Concentration of exports to only a few countries and few items makes Nepal susceptible to global economic volatility.

Nepal was decided to provide Poverty reduction and Growth Facility (PRGF) of International Monetary Fund (IMF). PRGF is expected to support economic reform program directed at strengthening the balance of payment to foster sustainable economic

growth leading to higher living standards and poverty reduction (RB Karki , THT, May 31, 2006)

Since, Nepal is facilitated by the bilateral trade treaty signed with India in 2002, Treaty is providing facility of duty free access to the Indian market. However the renewed said trade treaty of 2004, imposed some stringent rules like – rule of origin, tariff rate quota, clear specification of safeguard clauses and submission of information regarding the basis of calculating rules of origin to the Indian Government per year. This really is eroding the competitiveness of Nepalese products in Indian market. In addition, sluggish economic growth, low level of industrialization, underdeveloped production structure, unbridled population growth, high concentration of labor force in agriculture and low investment capacity of handful exporters are further back pushing the international trade capacity of the Nepali Businessmen.

Out of the major export items of Nepal, garment deserves separate story of deterioration. Nepal's garment industry and trade was fostering due to duty free market access in USA. But after terminating this facility, it was being difficult for Nepalese producers to compete with the producers who still enjoy this facility in export. In addition, garment industries of Nepal are facing tough competition after the expiry of WTO's Agreement on Textile and Clothing (ATC) in 2004. Some of the garment industries have been closed due to this competition paradox. Similarly, many types of standard measuring practices, accreditation legislations, quarantine norms, precautionary principles are also creating export-problems. Nepal is aware about these newly discovering arrangements. Nevertheless, she has some problems on information receiving and administration under existing financial, human and technical capabilities.

Nepal has been a benefited member of South Asian Free Trade Area (SAFTA) and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation- Free Trade Area (BIMSTEC- FTA) who are emphasizing global partnership for trade and development in regional level. Objectives of these regional organizations fall on south-south cooperation providing a platform for countries like Nepal to expand and strengthen regional partnership for trade and development. Undoubtedly, these provisions would have further opportunity to receive new markets to Nepal for export promotion.

It is a bare fact that without removing trade restrictions in the international markets, countries like Nepal cannot expand their volume of international trade. The trade volume in domestic level alone will not support Nepal to raise revenue, increase employment and augment saving/investment. Therefore, the business experts argue that Nepal should not be subject to any type of tariff and non tariff barriers. In all levels; bilateral, regional and multilateral; without any hesitation, Nepal should be granted duty free access to the markets of developed countries without any quota restrictions. Together with, all good wishers of Nepal must realize and bring their realization into practice recognizing and understanding technical and financial resource lack, poor institutional capacity and land locked geographical setback which are actually the bottlenecks in export market and export promotion of Nepal. The millennium development effort should address these constraints country-wise.

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It has been accepted that the problems of one country which is unable to cope individually, must be shared by another country or by the group of countries. May be, the developed countries can help the developing countries by providing financial, technical or final products. And, the developing countries may reciprocate the developed countries by providing natural resources, labor force, semi finished goods and so on. However, there should be a deep consideration about sustainability. The assistance package should be formed not in the cost of future generation of the donor as well as recipient countries. Therefore, in foreign aid flow, environmental degradation and future shocks must be articulated carefully. In this regard, goal 8 of the millennium development campaign qualifies the followings by the year 2015 to:

- Develop further an open trading and financial system that is rule based, predictable and non discriminatory. It includes a commitment to good governance development & poverty reduction nationally and internationally.
  - Address the least developed countries special needs. This includes tariff and quota free access for their exports; enhanced debt relief for heavily indebted poor countries; cancellation of official bilateral debt; and more generous official development assistance for countries committed to poverty reduction.
  - Address the special needs of land locked and small developing Island states.
  - Deal comprehensively with developing countries debt problems through national and international measures to make debt sustainable in the long-term. In cooperation with the developing countries, develop decent and productive working environment for youth.
  - Provide access to affordable essential drugs in developing countries in cooperation with pharmaceutical companies.
  - Make available the benefits of new technologies-especially information and communication technologies in cooperation with the private sector.
- ( <http://www.millenniumcampaign.org>)

### **Partnership: Nature and Need**

Partnership for development is not only related with natural or physical resources, but its relation extends to person to person as well as political parties and private sector each and together. Now is the era of searching alternative to bureaucracy. Malaysian Prime Minister, a famous development architect, had the vision of partnership for development in three different aspects- a. The partnership with political parties. b. The partnership with the person. And, c. The partnership with private sector. According to the Mahathir's vision, poverty cannot be eradicated until and unless partnership approach adopted. Partnership must be tied-up with humanitarian operations, protection of vulnerable groups like *Dalits*, *Janajaties* and other minorities, working with different democracy lover groups. DFID Nepal has expressed its purpose of country assistance plan specially to reduce poverty and social exclusion, establishing a basis for lasting peace. In order to establish peace, protection of vulnerable group, working with pro-democratic groups is highly awaited, which eventually help sustain democracy. (<http://www.dfid.gov.uk/countries/asia/Nepal.asp>)

DFID has the data of supporting Nepal through food for work (£5.3 million over 3 years), rural access (£33.3million over six years) and Helvetas (£6.7 million over 4 years) programs which contribute towards reducing the number of people whose income is less than a dollar a day by providing employment opportunity and food resources for over 70 days to more than 130,000 deprived households every year.

Similarly DFID claims that they have developed an innovative district based funding mechanism, the District Agriculture Development Fund (DADF), operating in 20 districts in 2005/6. Around £ 600,000 has been spent during this period benefiting 68,000 agriculture households (out of 375,000 households) of which 58% are poor and excluded people, compared with 40% of the overall district population. This year, the government plans to roll out DADF in 10 more districts. Similarly, £20 million support is availed for the Education For All (EFA) program since August 2004. DFID is of the view that the key factor of exclusion in Nepal is gender biasness, cast barrier and ethnicity division. In order to discourage this socio-cultural black mark, DFID, together with the World Bank, funded the Gender and Social Exclusion Assessment, which provides an analytical framework and in-depth analysis of exclusion in Nepal including barriers and opportunities. In line with partnership approach, DFID, for example, has extended foreign aid in health sector, worth of £ 30 million. Health sector program aims to increase the quality and coverage of essential health services which includes services for children and mothers. Similarly DFID being a major donor commenced £ 15 million support for the national HIV and AIDS program. For TB drugs, logistic supports and technical assistance have been extended through World Health Organization.

In order to keep environmental sustainability, a lot of partnership programs are run. Since 2001, DFID has been contributing directly to increase forest coverage through the livelihood forestry program (LFP). The program covers almost 20% of Nepal's total Community Forest users groups benefiting 464000 households. It has also provided support to construct 684 water supply and sanitation schemes covering 500,000 people in remote settlements during the period of 1999-2005.

( <http://www.dfid.gov.uk/countries.asia.nepal.asp> ) .

DFID is just an example. In addition to DFID, there are many development partners, good-wishers and even investors who seem very much eager to support Nepal in reaching MDGs. Specially, when Kofi Annan, the General secretary of UN expressed the view about MDG<sup>®</sup>. This endeavour represents a global partnership for world's main development challenges. The MDGs promote poverty reduction, education, maternal health, gender equality and aim to combating child mortality, AIDS and other diseases. Set for the year 2015, the MDGs are an agreed set of goals that can be achieved if all actors work together and do their part honestly. Poor countries have pledged to govern better, and invest in their people through health care education. And, rich countries have pledged to support them through aid, debt relief and fairer trade. In this globally accepted and committed spectrum, UNDP is also working with a wide range of partnership to help create coalitions for change to support the goals at global, regional and national level, to

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<sup>®</sup> “The Millennium Development Goals were adopted 5 years ago by all the world's governments as a blue print for building a better world in the 21<sup>st</sup> century” – Kofi Annan, General Secretary, UN.

bench-mark progress towards them, and to help countries build the institutional capacity, policies and programs needed to achieve the MDGs. (<http://www.undp.org/mdg>). Other many international organizations, INGOs, policy engineers and implementation stake holders are supporting countries and people on the basis of their policy strategy and resources. Moreover, it has been a global campaign of interdependent development module.

### **Conclusion**

The development area covers all aspects of changes needed to make human life easier. Many international forums tried to bring all human needs & challenges focusing, synchronizing and bringing into a common plate form to resolve. But, there is still feeble consolidation and integration to each other regardless the developed or developing. However, a global concern has been started.

In the UN global summit of 2000, where the representation of 191 countries, including the representation of 147 heads of state and governments was possible, the Millennium Declaration was adopted. The theme of the declaration was outlined within the need of peace, security and development including environmental protection, human right recognition and governance setting. With this broad concern, however, international development targets which were set in UN global conferences of 1990s were amalgamated and merged under the then newly coined MDGs.

As envisaged the 8 goals of millennium development, first 7 goals are country based and country wise. The 8<sup>th</sup> goal is a bridging one which calls for inter connection either by foreign aid and foreign trade or by debt relief and/or technical, financial and trade support.

Nepal has committed to achieve MDGs by 2016, just after the completion of 12<sup>th</sup> plan 2016/17 (10<sup>th</sup> plan document: NPC, 2001/2002). But the goals set and resources available have long gap. This practically, legally and as committed internationally, is supporting Nepal to have foreign assistance in required amount / form/ nature to achieve the targets envisaged in MDGs.

In global village concept or in globalization paradigm, all developed countries are asked to provide assistance on the basis of their GNP. It is their commitment and symbol of harmony and gesture of pulling developing countries upward.

Nepal, an independent, sovereign and an active member of United Nations has a privilege of enjoying foreign assistance on the basis of the program of poverty alleviation and MDGs. The gap between resources available and investment-need can be shortened only by global partnership program. Therefore, meeting all 1 to 7 MDGs is possible by well understanding, recognizing and properly using the 8<sup>th</sup> goal, i. e. Development of a Global Partnership. It would be a futile exercise of meeting MDGs for developing countries if the 8<sup>th</sup> goal was not set. This acute reality further underlines the importance of global partnership.

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## Financing of Millennium Development Goals in Nepal

**Dr. Bhuban B Bajracharya\***

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### **Context**

The World Summits on different themes have set a series of goals and targets that the world community pledged to achieve within certain time frame<sup>1</sup>. Millennium Development Goals represent the commitment of the world community to improve the quality of life and reduce the poverty incidence at the global level. With more than a decade passed over after some of the goals and targets were established, there is an increasing realization that one of the constraints in achieving these global targets will be inadequate level of financial resources. Hence there are exercises on assessing the financial needs, increasing aid effectiveness, donor harmonization, increasing assistance level, and at the same time developing common poverty reduction strategies for the countries under consideration. This paper deals with financing of the MDGs in Nepal.

As a member of the United Nations, Nepal has also defined its own set of Millennium Development Goals on the basis of the benchmarks of 1990 (See Appendix I). The government has launched several programs some of which are directly contributing to these MDGs such as Education for All.

The paper is organized into several sections covering different dimensions of financing - sources of financing and their potentials, requirement of financial resources and funding gaps, and potentials for mobilizing resources to meet the funding gaps. In this context, a cursory glimpse will also be given to public expenditure management particularly in terms of its composition.

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<sup>1</sup> Some of them are Summit of Children (1990), Education for All (1990), Social Summit (1995) etc. Later on, a series of expert group meetings concluded in identifying indicators for these goals and targets and establishing quantified targets for each of the indicators attached to these goals. They are International Development Goals (IDGs) proclaimed in 2000. The General Assembly of the United Nations in its Millennium Declaration of 2000 incorporated all these IDGs and added few more, which later are termed as Millennium Development Goals (MDGs).

### **Financing Development Targets**

Financing primarily involves identifying sources of funding and allocation of resources; though effectively managing expenditures is also equally important. There are primarily two sources of funding – internal and external. Internal sources include revenue at both central, and district and VDC/municipality levels, and domestic debt. On the other, the external sources cover foreign assistance and loans from both bilateral and multilateral sources. Within these broad categories, there are various terms and conditions in mobilizing resources from these sources. On the side of effective utilization, attempt includes realistic planning and budgeting exercise, and better expenditure management.

The recent efforts to strengthen planning and budgeting comprises of the development of country's poverty reduction strategy paper accepted by all concerned including development partners, medium term expenditure framework making budgetary exercise more realistic with medium term perspective, development of business plans at the sector level promoting sector-wide approach, harmonization in the procurement policies, and measures in financial decentralization.

As is indicated earlier, inadequate financial resources is one of the critical problems in achieving MDGs at the global scale. It is equally so for Nepal, more so due to its low level of development and low level of resource mobilization. The current conflict situation has compounded the problem in achieving the national MDGs. In the following lines, an effort is made to highlight the financial needs for achieving national MDGs and the level of resource mobilization that Nepal could likely to achieve. It will give an indication of funding gap that will be there hampering the achievement of Nepal's national MDGs.

### **How Much Does Nepal Need for Achieving Its MDGs?**

Assessing the financial need for meeting the national MDGs is not an easy task. Since they are not independent of overall development process, it is difficult to separate them out from the overall financial requirement. It is even more so if we consider the macroeconomic implications of the spending level through their accelerator and multiplier effects. The Tenth Plan, the country's PRSP, has delineated the financial need for achieving its targeted growth rates which reflect the targets set for achieving national MDGs as well.

The Tenth Plan has estimated the financial needs for two alternate growth targets – normal growth at 6.2% and low growth rate at 4.3% which was envisaged in view of the continuing conflict situation. The performance of the economy in the first three years of the Tenth Plan showed that even the low growth rate of 4.3% as in-achievable high growth rate. The development expenditure for this 4.3% growth rate is estimated at Rs.178,350 million over the five years period. The deficit was foreseen at 36% of total expenditure level. The economy has shown revenue deficits due to escalating security expenses with no revenue left from the country's domestic revenue for the development expenditure. In such a situation, there is a total funding gap to meet the planned targets including those for national MDGs. These estimates for the Tenth Plan are not directly based on the costing exercise of specific MDGs.

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With a view to help in resource allocation and at the same time to assess the funding gap at the aggregate level, there are few isolated efforts in costing the efforts to meet the MDG targets. One such study is the Estimation of Resource Requirement and Resource Gap in Meeting Some of the Millennium Development Goals in Nepal undertaken in 2003. It has attempted to estimate the resource requirement for some of the MDGs and assess the resource gap. The MDGs included in this study relate to i) universal primary education (100% NER and 100% primary education completion rate by 2015), ii) under 5 child mortality rate (U5CMR) by 2/3<sup>rd</sup>. – 54 per 1000 live births by 2015, iii) maternal mortality ratio (MMR) by three-quarters – reduce MMR to 213 per 100,000 live births, and increase deliveries by trained health care providers to 100% by 2015, and iv) sustainable access to safe drinking water – 100% access to drinking water by 2015.

The requirement was estimated on the basis of activities and inputs for achieving each of these MDGs, their per unit costs, and population projection for the period under consideration. In order to estimate the funding gap, revenue and resource that could be available for these programs are estimated on the basis of targeted growth rates, and forecasted revenue to GDP ratios. The resource requirement for these few MDGs at 2002 prices is estimated at Rs.29,022 million for the year 2006 (Bajracharya and et.al., 2003).

As can be approximated, five years' total could be anywhere around Rs.100,000 million, more than half of the entire development expenditure allocated by the Tenth Plan during the Plan period. It indicates the inadequate financial resources for achieving all the MDGs. The estimated resource availability from domestic sources showed little more than 50% of requirement being met. That is to say, about 48% of the financial requirements need to be met through external resources. Even if about 10%-age point is expected from the external sources at the existing level of foreign assistance, there will still be 38% resource gap that need to be mobilized from other external sources. Higher allocation of domestic resources to MDG programs will reduce the dependence upon external resources to a certain extent. But yet significant dependence cannot be ignored.

As the study discussed above did not cover all the MDGs, it is followed by more comprehensive study undertaken as a part of UNDP's Needs Assessment Models developed by the UN Millennium Project Team. It has used the common approach propagated by the UN Millennium Project (UN-MP) on MDG Needs Assessment methodology (UN-NAM). It has selected MDGs related to:

- Reduction of hunger
- Attainment of universal primary education
- Reduction in child mortality
- Reduction in maternal mortality
- Reduction in communicable diseases
- Provision of drinking water and sanitation
- Construction of rural roads and extension of rural electrification
- Promotion of gender equality and empowerment of women

This approach again is based on the identification of activities and interventions for achieving these MDGs, targeting these interventions, and unit costs for these

interventions. For the year 2005, it has estimated the public investment requirement at Rs.56,650 million. With government resources estimated at Rs.20,271 million, financing gap of Rs.36,379 million is expected. Thus, it indicates that there is likely to be an annual funding gap of anywhere between Rs.36,379 to Rs.49,628 million in the coming five years. This funding gap will significantly increase once the overall financial requirement is assessed in the context of overall development goals which will not be limited to achieving MDGs alone.

If we are to assume that about 25% of this funding gap comes from the existing level of foreign assistance, there will remain a critical funding gap of Rs.27,000 to Rs.38,000 million per year over the period of five years. These figures are indicative and can change due to the alternation in the sectoral allocation of government expenditure in the conflict situation, changes in unit costs, program efficiency, and changes in level of revenue efforts of the government. However, it is evident that at whatever level these changes take place, there is still a possibility of significant funding gap for which the country has to look towards foreign assistance at the enhanced level.

These estimates of funding gap could be simplistic with large funding gaps in the later years as the assumption of constant growth rate for GDP or even if it is changed on an ad hoc basis could be inadequate in taking into account the likely increase in its growth rate due to a significant increase in the public expenditures at the level desired by the MDGs. In order to gauge this as an example, the Nepal Macro Economic Model (NMEM) is used. It is a medium sized Keynesian income-expenditure model. It has 37 equations – 20 behavioral equations and 17 identities. Of the 22 exogenous variables, 5 are treated as policy variables<sup>2</sup>. For this, the public investment level as given by NPC/UNDP study by Zohir and et.al. is inducted in the Model as regular, development and foreign borrowing components for FY2006. Since the public investment level given by this study is limited to some of the MDGs, it is blown up to the total public investment level on the basis of the proportion between MDG and non-MDG components in the total expenditures. Thus, for MDGs public investment requirement of Rs.60,657 million, the total public investment level is estimated at Rs.147,677 million. This expenditure level by the government means regular expenditure to grow at more than 76% and development expenditure by more than 37% over the last year. This level of public expenditure is likely to result into almost 30% of growth in GDP with consequent growth in government revenue by 30% having revenue to GDP elasticity of 1.15. If the intervention is just for one year only for 2006, the consequent high level of revenue mobilization of 30% will lead to GDP growth of 7% in the following year. Since the intervention is just for one year only, revenue growth in the subsequent year will get down to 8% leading to GDP growth of 5.5% in the subsequent year. This example gives two clear messages – i) as indicated above, the funding gap will be lower than the estimates made in the NPC/UNDP study if enhanced revenue level is also to be taken into account, and ii) the public investment level required for achieving MDGs could lead to very high GDP growth rates which will not sustain over a long period. So, achieving MDGs is not a

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<sup>2</sup> It is developed for making debt sustainability analysis in the ADB TA-NEP 4017 project on Strengthening Institutional Capacity for Effective Public Debt Management. For details, see Bajracharya, BB (ed.). 2005. *Managing Public Debt in Nepal*. Ministry of Finance, HMG/N and Asian Development Bank: Kathmandu.

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question of mobilizing additional financial resources only. It also means managing the economy much more effectively including expanding market and competitive strength of the economy to sustain double digit growth rates from the required level of public expenditure. It means for achieving MDGs, other measures of increasing the efficiency of public expenditure, better allocation of resources, and better public expenditure management need to be given critical importance.

Attempt is also made to assess the funding gap at the existing level of the performance of the economy given by the Nepal Macro Economic Model. It is done at two levels – one, a baseline scenario given by the trend from the period under consideration (FY1974 - FY2004), and second, a good year scenario when the expenditure growth was at its highest, around 16%. Such gaps are estimated for public expenditure levels for meeting the MDGs and also for total public expenditure levels as demanded by the expenditure levels for meeting the MDGs.

The funding gaps varies between Rs.33,394 million to Rs.39,671 million per annum under baseline scenario for the next five years if public expenditure levels for achieving the MDGs alone are taken into account. They can be brought down to Rs.21,407 million to Rs.34,470 million if the country can achieve its good year performance once again in its expenditure growth.

**Table 1: MDG Financial Gap in 2004/05 Price (Rs. in million)**

	<i>MDG Financing Requirement from Public Sector</i>	<i>MDG Financing Under Good Period Scenario</i>	<i>MDG Financing Gap Under Good Period Scenario</i>	<i>MDG Financing Under Baseline Scenario</i>	<i>MDG Financing Gap Under Baseline Scenario</i>
2006	60656	39248	21407	27262	33394
2007	64945	42712	22233	30115	34830
2008	69538	44470	25067	33158	36379
2009	74456	45080	29375	36446	38009
2010	79721	45250	34470	40049	39671

The funding gap will significantly increase if the public expenditure levels are taken into account for the economy as a whole, not just for sectors concerned with MDGs. In so doing, the funding gap under the baseline scenario reaches to Rs.52,259 million for 2006 and Rs.53,868 million for the year 2010. It can be seen that if good year performance can be re-enacted, funding gap will decrease in the later years.

**Table 2: Total Financial Gap in 2004/05 Price (Rs. in million)**

	<i>Total Financing Requirement from Public Sector</i>	<i>Total Financing Under Good Period Scenario</i>	<i>Total Financing Gap Under Good Period Scenario</i>	<i>Total Financing Under Baseline Scenario</i>	<i>Total Financing Gap Under Baseline Scenario</i>
2006	147677	98121	49555	95417	52259
2007	158077	116592	41485	105403	52673
2008	169256	132533	36723	116055	53200
2009	181225	146053	35171	127562	53662
2010	194040	169476	24564	140172	53868

### **How do We Finance the Funding Gap?**

These exercises clearly show that funding gap will be a serious hindrance in achieving MDGs in Nepal. There is a need for increasing the external assistance. The development partners need to show greater commitment in funneling more resources to Nepal. The donors are also under greater pressure to meet their commitment to set aside 0.7% of their GDP for official development assistance. The pressure is mounting in view of rising military spending – a whopping US\$800 billion a year. The Iraq war was also stated to have spent US\$2 billion a day while the achievement of MDGs would require a ‘modest’ US\$100 – US\$120 billion a year. It comes to about 0.5% of their GDP (Jahan 2003). At the global level, there is a proposal for the establishment of global fund for MDGs also. It can be formed from the money released from developed countries’ subsidy and tariff reductions. So, at the aggregate level, availability of financial resources should not have been a problem.

The development partners at the international level are working out to make higher level of financial commitment from their side and at the same time find ways to coordinate between themselves and with recipient countries for greater aid effectiveness. The emphasis upon donor harmonization in administering foreign aided programs, common opinion towards poverty reduction strategies, and focus upon managing results are some of the initiatives towards this direction.

In view of the weak implementation capacity, there is also a question if funding gap is the only problem towards achieving country’s MDGs. Policy and institutional reforms are usually slow in many developing countries, even more so in Nepal. The slow disbursement of the foreign assistance is an indication of low utilization level of the country. So, indirectly, our ability to mobilize further foreign assistance depends ironically upon our own utilization capacity. Low utilization rate not only dampens further mobilization efforts but also complicates debt management and reduce the concessionary component of the soft loans.

The other aspect is whether the economy can absorb such a large shock of additional public investment or not. The macroeconomic stability including a reasonable and acceptable level of inflation needs also to be taken into consideration. The massive induction of foreign assistance in the economy for the programs having long gestation period could easily result into inflation, too many money chasing too few goods. So, there

is a need for strengthening macro economic management. Moreover, the estimates of the likely availability of domestic resources are based on the static projection of existing trend of revenue efforts, and the assumption of the achievement of targeted growth rates which are not generated through the policy interventions. So, in order to check the resource availability considering the dynamic economic relationships, the first year MDGs based financial investment need is injected as a shock to the economy in the Nepal Macroeconomic Model developed for the public debt sustainability analysis. What growth rate will be resulted due to the high investment level necessitated by the MDGs in the first year i.e. 2006. Given this higher growth rate, what is the likely level of revenue generation? Is this likely increase in revenue reflected adequately when the funding gap exercise made an assumption of increasing revenue efforts of the government reaching upto 17% of GDP in the period under consideration.

It is to be noted that when the shocks are injected for all the years as per the financial requirement that need to be invested for achieving MDGs, the Model could not run. Rather sudden increase in the public expenditures for the successive years went totally out of tune for the macroeconomic performance so far Nepal has attained. So, then shock is given for only one year at the beginning and see how the economy responds to it. It shows that in the second year onwards, the revenue availability to three main MDGs come to about Rs. 36,358 million. It means that the macroeconomic compulsion could restrict the availability of financial resources. It hints at improving and strengthening economic management.

In the mid-1990's, there was an idea of allocating 20% of domestic resources as well as official domestic assistance to social priority sectors (known as compact 20:20). Nepal's allocation for social sectors, not just to social priority sectors, has reached to 20% level. But they are still inadequate if the per capita expenditure level is any indication. Per capita expenses on social sectors are less than US\$15. At the aggregate level, about 3.5% of GDP has gone to social sectors though the rule of the thumb says that at least 6% of GDP has to be allocated to social sectors. So, restructuring of public expenditure in favor of MDGs has to be given serious thought though once again weak implementation capacity could be a hindrance. Moreover, the government's commitment on regular and on-going development programs leave little development fund that can be reallocated.

Nepal spends little more than 20% of its regular expenditure (roughly similar percent of current expenditure) on debt servicing. In some of the years, it has gone up also. With the escalation of security expenses, there might be some artificial decline in this percentage. But, if contingent liabilities of the government are also to be taken into account, the government finance is quite vulnerable. In such a situation, there is little possibility of releasing fund from other sectors and sub-sectors except for the initiative for debt relief. Nepal is not a HIPC country, and except for some of the Japanese loans to Nepal, debt relief has never been given thought of. But now Nepal is reaching to the threshold of HIPC norms for highly indebted countries – in terms of NPV of the external loans to GDP and revenue ratios to exceed 150 and 250% respectively. Though HIPC country is eligible for debt relief, there are many macroeconomic conditions that need to be fulfilled, which could often restrict the economic management to achieve desired results. So, this

option could facilitate to a certain extent but will not be a significant support to the funding gap.

To conclude, financing MDGs should not be looked at from the angle of generating additional financial resources only as there could be significant limitation in terms of absorptive capacity and sustaining high level of growth associated with such high level of spending. It has also to be analyzed in terms of improving public expenditure management, restructuring allocation of public expenditures, and overall economic management functions.

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