



# Operational Plan 2011-2015

## DFID NEPAL

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### Contents:

	<b>Introduction</b>	<b>2</b>
Section 1:	<b>Context</b>	<b>3</b>
Section 2:	<b>Vision</b>	<b>4</b>
Section 3:	<b>Results</b>	<b>5-6</b>
Section 4:	<b>Delivery and Resources</b>	<b>7-10</b>
Section 5:	<b>Delivering Value for Money</b>	<b>11</b>
Section 6:	<b>Monitoring and Evaluation</b>	<b>12</b>
Section 7:	<b>Transparency</b>	<b>13</b>
Section 8:	<b>Human Rights Assessment</b>	<b>14</b>
	<b>Annexes</b>	<b>15-16</b>



# Introduction

The UK Government is determined to help end extreme poverty around the world. We believe that international development is not just the right thing to do, but the smart thing to do. Britain has never stood on the sidelines, and it is in all our interests for countries around the world to be stable and secure, to have educated and healthy populations and to have growing economies. DFID aims to end aid dependency through jobs – building the economies of developing countries so that they can stand on their own feet.

No country can develop with only half of the population involved, that is why DFID is scaling up its support for women and girls across all of our country programmes, including an increased emphasis on girls education and preventing violence against women and girls.

We are also focussing on what works, investing in research and taking advantage of new technology to ensure that UK development support has the greatest impact.

DFID is committed to being a global leader on transparency, and in 2012 was ranked the top aid organisation in the world for transparency. Transparency is fundamental to improving accountability both to UK citizens and to citizens in the countries where we work. Transparency also helps us achieve greater value for money and improves the effectiveness of aid. As part of our commitment to transparency we publish Operational Plans for each area of our work setting out what we will achieve and how we will achieve it. In June 2013 DFID launched a new online tool, Development Tracker, to provide an easy way to access information and data about DFID programmes.

With less than 1000 days to go, we will continue to focus our efforts on delivering the Millennium Development Goals, creating wealth in poor countries, strengthening their governance and security and tackling climate change. The prize, in doing so, is huge: a better life for millions of people, and a safer, more prosperous world.



# 1) Context

Nepal suffers chronic poverty entrenched by a complex set of interrelated factors including gender, geography, disability, age, caste, ethnicity, and religion. Ranked by average national income (GNI per capita) it was the 16th poorest country in the world in 2011 - a ranking which has changed little in recent years. A recent National Living Standards Survey shows that the proportion of people living below the international poverty line has fallen to 25% - almost certainly driven by the flow of remittances into the country. This is a significant drop since the last survey but one which should be treated with caution as the majority of those lifted over the poverty line are still close to it and at risk of quickly dropping back below it. The combined picture is that, although some people have been lifted above the poverty line, the changes in people's incomes are almost certainly small and have been achieved by migration rather than economic growth in Nepal. As a consequence many Nepalese remain extremely vulnerable to economic, health, social and climatic shocks.

Since the Comprehensive Peace Agreement was signed in 2006 following a ten year conflict, progress has been slow in its implementation and a lasting political agreement on key issues has yet to be reached. The Government of Nepal failed to meet the deadlines for the new constitution and the country has entered a new period of political uncertainty. Although a return to widespread conflict is unlikely, development in Nepal could be stalled or reversed by multiple risks, including on-going political instability, weak rule of law, corruption, economic shocks and natural disasters.

**Nepal has struggled to fulfil its economic growth potential in recent years.** The domestic economy is characterised by low productivity and under investment from the private sector resulting from political instability, corruption, poor infrastructure, and insufficient political attention to economic policy. The lack of domestic opportunities, in employment or new business creation has dramatically increased labour migration, making Nepal highly dependent on remittance flows. As a consequence, inequality and economic exclusion remain widespread.

**Inequality remains a major challenge:** only 6% of women are in formal employment, and only 10% of working women receive payment for their work. Exclusion is not just confined to income poverty: 64% of out-of-school children are from disadvantaged families. The poorest women are five times as likely as the richest to cite distance from a health facility as the main reason for not accessing health care. Net enrolment rates in secondary school are 57% for the richest but just 8% for the poorest.

**The poor are also highly vulnerable to climate change and natural hazards.** As monsoon patterns change, ten million poor farmers are at greater risk from droughts, flooding and food insecurity in the 4th most climate vulnerable country in the world. Nepal's National Adaptation Programme of Action sets out the immediate areas where support is required to reduce these peoples' vulnerability to climate change, which DFID will support during the Operational Plan period.

**Nepal is highly exposed to earthquakes,** with the capital Kathmandu identified as the world's most at risk city. Vulnerability to a major earthquake is compounded by the country's inaccessibility and the weakness of national response systems.

**Nepal is also important for the wider region,** where it has a critical role to play in trade and wealth creation, as a transit route between the world's two largest countries. Nepal is also regionally important for responses to climate change, as the source of rivers that support 700 million people and a potential supplier of clean energy to the region from its large hydro-power resources .

**The UK's support to Nepal** recognises the need to support the completion of the peace process and improve stability if progress on poverty, vulnerability reduction and wealth creation is to be achieved. In tandem we also need to deliver tangible changes and economic opportunities on the ground for the poor, vulnerable and excluded to reduce the likelihood of a return to conflict.

**The three UK departments in Nepal - DFID, the Ministry of Defence (MoD) and the Foreign Office (FCO)** work very closely to ensure a coherent approach through implementation of a joint HMG Business Plan. Plans to make the UK's work more efficient by sharing services and co-locating are underway.



## 2) Vision

### Overview

UK development support to Nepal has the single goal of reducing poverty. Our support targets the poorest people in Nepal, reducing inequality and vulnerability by increasing the poor's wealth, their "resilience" to disasters and climatic shocks and by improving their access to essential services such as health, water and sanitation, security and justice and education. In order to deliver successfully we also recognise the need to strengthen citizen's ability to hold their government to account. Although Nepal has been peaceful since the end of the conflict in 2006, on-going political instability has slowed development. This has been very evident since May 2012 when the impact of the dissolution of the CA had negative impacts on growth, service delivery, and accountability, increasing the risks of corruption. Nepal has recently entered a new political phase with an Interim Election Council of Ministers established and agreement to move to elections by November 2013 at the latest. These delays in the political process have threatened some of the life-changing development gains that Nepal has made in the last decade. It is for this reason that the UK recognises the need to work with Nepal's leaders, civil society representatives and the international community, to support political stability and build government and non state capacity to deliver development outcomes during this period of uncertainty.

In order to ensure we are targeting the poorest and most vulnerable our Operational Plan is based on good evidence, ensuring that we can demonstrate results and value for money for the UK taxpayers and the people of Nepal. Our approach is informed by internationally agreed aid effectiveness principles and risk-management approaches. This ensures that we can respond flexibly to rapidly developing political events and still deliver development outcomes for the poorest.

Our programme recognises the challenges of working at the central and local levels of government and to address these we will strengthen their financial systems and improve their delivery of services to the poorest. Greater political stability will allow our wealth creation programmes to help more people move out of poverty and allow a greater focus on the very poor and vulnerable. Stability will also allow our support to address corruption and rule of law issues more effectively. The Operational Plan also sets out how we will support the private sector, the engine of wealth creation, to invest and create more jobs. Work in this area will include private sector programmes in agriculture and tourism, private sector skills training and micro, small and medium size enterprise financing. The programme will also ensure poor people are more resilient to climate change and natural disasters, so that vulnerable people are not thrown back into poverty by single events.

### Alignment to DFID and wider UK Government priorities

The UK is seen as a trusted partner and a long-standing friend of Nepal. We work closely with the UK Embassy in Kathmandu on many issues, making best use of our complementary roles and capacity. We will lead on development issues for the UK providing leadership and technical expertise in key sectors, working closely with the Government and other development partners to support political stability and reduce poverty. The Operational Plan fully supports the UK Government's Structural Reform Plan priorities. Specifically, it will increase our focus on governance and security, supporting health (maternal and child mortality), inclusive wealth creation and the UK Prosperity agenda and measures to address climate change and increase disaster resilience. To inform our work on the latter, we have recently prepared a resilience strategy and completed a risk profile for Nepal, consistent with the minimum standards which DFID has defined for embedding resilience across country offices. Our programming goes beyond these minimum standards, in the form of dedicated work to reduce risk and build resilience to earthquakes and climatic disasters as well as a process of mainstreaming disaster resilience into our other programmes to safeguard our development and infrastructure investments. The Plan also has a strong focus on delivering tangible improvements for girls and women, for example prioritising women in our private sector development work and tackling gender based violence.

### What we will stop doing

This Operational Plan reflects Nepal's needs and the UK Government's areas of strength. We have continuing commitments which we will consider withdrawing from as current commitments run out – for example in education and other areas where other development partners are already heavily involved.



## 3) Results

### Headline results

Pillar/ Strategic Priority	Indicator	Baseline (including year)	Expected Results (including year)
Wealth Creation	Number of direct jobs created with DFID's support	0	230,000 by 2015 (115,000 for women 115,000 for men)
Wealth Creation	Length of roads built, upgraded, maintained or rehabilitated with DFID support	0	4232 kilometres by 2015
Climate Change/Disaster Risk Reduction	Number of people with increased climate and disaster resilience	0	4 million by 2015 (2.19 million women 1.81 million men)
Climate Change/Disaster Risk Reduction	Number of poor and excluded people lifted out of poverty by DFID's Forestry work	0	570,000 by 2015 (313,500 women 256,500 men)
Governance & Security	Number of people who vote in elections supported by DFID	0	7 million by 2015 (3.57 million women 3.43 million men)
Governance & Security	Percentage of local government projects for which public audits conducted	78% in 2009	93% by 2015
Human Development	Additional number of unwanted pregnancies averted through DFID funding	0	400,000 by 2015
Human Development	Additional number of people who benefit from safe latrines	0	250,000 by 2015 (127,500 women 122,500 men)



## 3) Results (continued)

### Evidence supporting results

Given the range and scale of proposed interventions the quality of the evidence to support the headline results is variable. This is partly as a result of Nepal's recent conflict history, which makes the collection of good impact data difficult. So the programme contains a mixture of:

- i) proven interventions that are being scaled up, and where evidence is good; and
- ii) new innovative programming which can potentially lift large numbers out of poverty, or reduce vulnerability to shocks such as natural disasters or climate change, but where the evidence is less robust.

In **Wealth Creation** there is strong evidence of the impact of previous interventions on (i) private sector development job creation and (ii) poverty reduction through direct skills training and rural infrastructure, both of which are being scaled up. The international evidence on the impact of providing access to finance is also increasing. There is more limited evidence of the impact of private sector development programmes on job creation and poverty reduction, so this will be monitored very closely during the OP period. The evidence around the impact of high level economic and investment climate reforms is more difficult as the impacts are less direct and will be felt by a wider range of people over a longer time period than more direct interventions. To address these difficulties we have developed a clear, logical set of indicators that will test the effectiveness of our high-level policy work on the realities on the ground, e.g. from changes in investment policy, to increases in inward investment, to job creation and finally poverty reduction.

In parts of our **Governance and Security** work the strength of the evidence base is poor and, collectively, the proposed interventions are relatively high risk. While it is difficult as an external international development partner to drive progress in these areas (e.g. the peace process), global evidence strongly indicates that without progress instability will continue and development and wealth creation will be undermined.

In **Climate Change** the evidence of impact is medium. While at the scientific level there is inadequate data to evidence climate change impact, particularly for new and innovative adaptation programmes, there is clear evidence of impact at the community level. It is clear that failure to reduce the impact of shocks deepens poverty and that development gains will be at risk unless safeguards are put in place. For disaster risk reduction, there is strong evidence of impact at both the community and scientific levels.

In the **MDGs** pillar - focused on health, education, and water and sanitation - the evidence base is strong. There are well developed approaches and an evidence base to support our interventions in these areas, which are applied to all MDG programming areas.

### VFM rationale

The proposed set of interventions represent good value for money in Nepal's unstable, post-conflict situation, where good programmes that reach the poor are hard to deliver. In this context we need a variety of programmes and projects so we can respond flexibly. This is inherently more expensive than working in more stable countries where fewer programmes are required. Safeguarding these investments is also important. So programmes that address exclusion to reduce the probability of a return to widespread violent conflict are critical, as are programmes that address weak governance and support the peace process. Working in these areas has high delivery risks and cost, but high potential returns. We will continue this work if the risks can be effectively reduced through careful programme design and appropriate funding mechanisms designed to minimise the risks of corruption and misuse of UK taxpayer's money and maximise the benefits for the poor of Nepal.



## 4) Delivery and Resources

DFID's investments in Nepal are designed with government, with programme funds either channelled through their systems, directly managed by DFID or, where others have better capacity, implemented through partners. This enables us to balance risk in a volatile political and economic climate. Our ability to develop innovative approaches is highly valued by others who often buy into them (forestry and climate change are recent examples). This OP balances new, and potentially transformative, programmes (e.g. economic policy reform, private sector development and interventions on gender-based violence) with scaled-up proven approaches (for example in health services and rural infrastructure). We are also valued for our technical expertise in many policy and delivery areas (governance and security and climate change, in particular), and our ability to deliver resources through the state, civil society or private sector - whichever is the most appropriate.

When we believe we will achieve the best development outcome by using Government systems to disburse we will, as we do already with most health, education, and local governance (LGCDP) funding, and the Nepal Peace Trust Fund (NPTF), adding stringent safeguards where necessary. This approach, although higher risk, enables us to achieve policy reforms, ensure value for money for our own, Government's and other donors' funds as well as ensuring results are achieved on a national scale.

DFID Nepal has now introduced its new Anti-Corruption and Counter Fraud Strategy which will ensure even greater scrutiny over how UK funds are spent and how they achieve value for money. Over the course of this Operational Plan we are providing significant resources to the Government of Nepal to help them strengthen their financial management systems so that they achieve better development outcomes and value for money, so that donors will have greater confidence in them. We will also assist relevant ministries to make these improvements with an increasing focus on public financial management and anti-corruption. Where support through the Government is not possible and does not present the best means to deliver the development outcome we will use external partners to deliver within the framework of the Government's stated development plans.

Throughout the course of this Operational Plan period we propose to continue work with the UN on peace building, both through the UN Peace Trust Fund, complementing the Government's Nepal Peace Trust Fund (NPTF), and through targeted support to the Resident Coordinator's Office. This will be supplemented by direct support where more appropriate. Where the multilaterals have a comparative advantage in a particular sector, we will support them, for example UNDP on elections and climate change, UNICEF on paralegal committees, or the World Bank & Asian Development Bank on public financial management. We have a new multi-donor approach in forestry with the Swiss and Finnish governments. Similarly, we are providing a disaster risk reduction expert to the Resident Coordinator's office to manage the large and complex Nepal Risk Reduction Consortium, set up to mitigate the risk of natural disasters. Such steps will not only support and promote leadership other than the UK's, but also reduce the programme management burden within DFID Nepal. Through our Enabling States Programme we continue to promote good governance, inclusion and promote accountability.

In addition we will do more work with the private sector. This includes substantial new investments in the agricultural, tourism and forestry sectors, to help businesses grow in these areas; giving small businesses and poor people access to money so they can invest and create more jobs. We will also help change Nepal's economic and investment policies and laws so that is easier for everyone to invest and do business.

We will also work closely with other UK Departments to deliver in areas where they have comparative advantage, for example working more closely with the FCO on political analysis and prosperity, and the Gurkhas on water and sanitation delivery and earthquake response.



## 4) Delivery and Resources (continued)

### Planned programme spend

Pillar/Strategic prior	2010/11		2011/12		2012/13		2013/14		2014/15		TOTAL	
	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000	Resource £'000	Capital £'000
Wealth Creation			9,498	8,597	9,322	6,895	23,984	9,632	22,132	11,000	64,936	36,124
Climate Change			7,008	0	8,723	750	21,209	550	18,215	932	55,155	2,232
Governance and Security			16,324		17,396		18,024		13,048		64,792	0
Education			5,416		4,843		1,965				12,224	0
Maternal and Newborn Health			3	98	54		2,500		4,334		6,891	98
Malaria											0	0
HIV/Aids			940								940	0
Other Health			10,548		3,323		13,220		13,574		40,665	0
Water and Sanitation			1,401	882	1,466	1,000	250	1,000	277	1,352	3,394	4,234
Poverty, Hunger and Vulnerability			687		672		11,470		8,299		21,128	0
Humanitarian											0	0
Other MDG's											0	0
Global Partnerships			1,119		1,482						2,601	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>52,944</b>	<b>9,577</b>	<b>47,281</b>	<b>8,645</b>	<b>92,622</b>	<b>11,182</b>	<b>79,879</b>	<b>13,284</b>	<b>272,726</b>	<b>42,688</b>

\*Based on current forecast





## 4) Delivery and Resources (continued)

### Planned Operating Costs

	2010/11	2011/12	2012/13	2013/14	2014/15	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Frontline staff costs - Pay	1,213	1,500	1,731	1,915	1,934	7,080
Frontline staff costs - Non Pay	505	571	769	854	865	3,059
Administrative Costs - Pay	176	173	301	280	296	1,050
Administrative Costs - Non Pay	257	111	162	215	215	703
<b>Total</b>	<b>2,151</b>	<b>2,355</b>	<b>2,963</b>	<b>3,264</b>	<b>3,310</b>	<b>11,892</b>



## 4) Delivery and Resources (continued)

### Planned Efficiency savings

Category	Details	Residual cost in the SR period £'000
Strategic Reprioritisation	Health sector disbursement not made	8,000
Further examples of Programme efficiency	Reviewing our consultancy contract issued locally	

Administrative Cost Savings Initiative	2011/12		2012/13		2013/14		2014/15		
	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	PAY £'000	Non Pay £'000	
Reduction in Consultancy Payments									
Reduction in Travel									
Reduction in Training									
Reduction in Estates & Property Costs		4		4		4		4	
Reduction in costs as a result of Office Restructuring		23		23		23		23	
Other Reductions		95		82		67		53	
<b>Total</b>	<b>0</b>	<b>0</b>	<b>122</b>	<b>0</b>	<b>0</b>	<b>109</b>	<b>0</b>	<b>0</b>	<b>80</b>



## 5) Delivering Value for Money

### Overview

DFID Nepal has a strong track record of delivering interventions in this fragile and conflict-affected country. To ensure we maximise the impact of our development programme, we will continue to take action to better understand the results we set out to achieve and the costs of delivering these results. While Value for Money (VFM) is not just about cutting costs, unit delivery costs in Nepal are often higher than those of countries with a more stable political environment and easier topography, and the weakness of Government of Nepal systems hampers our ability to maximise value for money due to a limited choice of aid instruments. This makes it important to be very clear about the results we hope to achieve – both short-term tangible results as well as long-term, sustainable benefits - and how these justify the costs involved. The office has a specific team - which now includes a full time results and evaluation adviser - and strategy to drive forward our VFM agenda. To date we have been able to secure good value for money in many areas by adopting a flexible approach to programme design and selecting high quality delivery partners. We have also delivered strong financial management performance, ensuring programmes are managed effectively and delivered within budget, and will continue to set stretching targets in this regard.

### Challenges

Between 2011 and 2015 DFID Nepal has and will face a number of VFM challenges in our four main thematic areas:

- In **governance and security** ensuring effective risk mitigation and management to achieve VFM in high risk programming areas such as police reform, supporting the peace process, and development of effective local governance
- In **inclusive wealth creation** further development of approaches to attribute DFID's contribution to job creation and poverty reduction - through policy reform work focused on inclusive growth and investment climate reform - so that we can improve VFM and use incentives to stimulate innovation in the private sector
- In **climate change/earthquake preparedness** further development of methodologies and indicators to track impact and value for money; on disaster resilience, adaptation, low carbon development and protecting forests
- In **human development/basic services** reducing unit delivery costs through more effective use of national delivery systems while managing fiduciary risks

### Actions

In order to respond to these we are implementing a VFM strategy based on Operational Plan needs. We will continue to focus on:

- Increasing office capacity on VFM issues through training and mentoring;
- Greater commercial awareness, including monitoring our use of consultants and implementation of actions following Commercial Capability Review (CCR);
- Driving substantive improvements in VFM performance through our implementing partners and monitoring this progress;
- Ensuring all our programmes have good monitoring systems so they can be effectively managed based on performance against expected results
- Routinely considering the evidence base and need for evaluation at design stage, to ensure evidence gaps are addressed that can influence future programme choices and maximise value for money;
- Assessing and monitoring the value for money of our entire country programme to inform programming choices and respond to the ever changing political and security context.
- Developing a results-based management system to better monitor results delivery and VFM, and influence management decision making; and
- Maintaining a high level of forecasting accuracy and improving spending performance in a very challenging delivery environment, ensuring financial forecasting remains within a 10% variance, and overall spending performance within a 15% variance of planned budget on a rolling monthly cycle.



## 6) Monitoring and Evaluation

### **Monitoring**

How – The DFID Nepal programme has a full Monitoring and Evaluation framework which tracks progress against expected outcomes and outputs across the entire programme. Logframes are developed alongside the Business Case process, ensuring that the logframe fully captures the results to be achieved as set out in the Business Case, whilst the setting of baselines and realistic milestones and targets allows effective monitoring of progress. Where baselines are missing, early programme activities will develop these, and the results-based management system will ensure that there is 100% compliance in this respect. All new programmes conduct annual and project completion reviews using the revised approach to project scoring, which places greater emphasis on comparison of results achieved against forecasts, allowing much greater scrutiny of performance. In addition, DFID Nepal is developing its own results-based management system which will link progress on programme outputs to headline results and poverty impacts. To increase data availability, DFID supports innovative surveys and data collection in climate change, job creation, access to justice, and access to finance. DFID Nepal is also supporting the production of several key national statistical products which will allow more effective poverty monitoring at the national level (e.g. National Living Standards Survey).

Who – primary responsibility for monitoring falls to the DFID Adviser responsible for each programme. However, arrangements vary depending on the programme. In the Health and Education sectors monitoring is the responsibility of the Government of Nepal through sector-wide arrangements, with additional safeguards to mitigate fiduciary risks; in other areas primary responsibility resides with multilateral partners (for example in disaster risk reduction) or contractors appointed by DFID (for example in market development and inclusive growth).

When – Monitoring at programme level is continuous and DFID Nepal has a regular reporting schedule with programme partners (generally quarterly). The DFID Nepal Results Framework is updated regularly, while the results based management system will also generate quarterly management reports among other products. A balanced scorecard has been developed to monitor performance across a number of programme and corporate areas – this is reviewed monthly.

What – DFID Nepal and programme partners use a mix of methods to measure progress, including both statistics and interviews with beneficiaries to judge progress on the impact of our programmes on poverty and project specific indicators e.g. length of roads, children attending school or mothers giving birth in health posts and hospitals. This information is used to inform our annual Operational Plan updates.

### **Evaluation**

DFID Nepal is committed to scaling up evaluation work across all programming areas, which includes the commissioning of detailed evaluations in each of our four major programming areas (pillars) each year. Detailed evaluation plans will be included in 50% of programmes within DFID Nepal's portfolio, with these programmes representing at least 20% of our expenditure during the OP period. We have developed an evaluation strategy which sets the criteria for evaluation, with the objective of ensuring we can fully demonstrate the impact of our work, as well as learn lessons for the future. It is important that our evaluation strategy addresses gaps in the availability and quality of evidence, we therefore pay careful consideration to whether evaluation can grow the evidence base. Where evaluation is planned key evaluation questions are identified early, with indicators - and associated baselines, milestones and targets - included in the monitoring and evaluation framework to facilitate effective evaluation. We are also committed to driving this agenda forward with our implementing partners and are making greater use of public expenditure reviews (and related public expenditure tracking surveys) with government.

Our detailed evaluation plan has been launched, outlining all major evaluation activities over the course of the OP, which we will be reviewing and refreshing later in 2013. We have also strengthened our staff capacity in this area with the addition of a full-time Results and Evaluation adviser.

### **Building capacity of partners**

National data systems are weak and DFID Nepal is developing a programme of support to the national statistical and planning system to allow more effective national monitoring and transparency. This support will strengthen national data, monitoring and evaluation in conjunction with other partners, in particular the World Bank, the Asian Development Bank and United Nations Development Programme. DFID will also work to develop the capacity of other implementing partners so that they can effectively monitor the programmes we fund.



## 7) Transparency

DFID Nepal regards transparency as fundamental to improving its accountability to both UK and Nepali citizens. DFID-Nepal is fully committed to being transparent about UK aid spent in Nepal, and will support the Government of Nepal and other partners to become more transparent and accountable to the public.

During the plan period DFID will:

- **Publish good quality information in DFID documentation and data in plain English.** Programme management and oversight capacity has been strengthened to ensure amongst other things that information is of high quality, clear and easily understandable to the public. We have published programme documents, log frames, annual reviews, programme commitments and spend for all new programmes since January 2011. We have also published a “DFID Nepal Portfolio Review 2011/12” both in English and Nepali and will be publishing this for future years as well.
- **Allocate dedicated staff time** to ensure timely and accurate input of all relevant documentation and data. DFID Nepal will respond to all public enquiries on published data within ten working days; we also have a designated contact point for enquiries about all DFID Nepal data. We will continue to undertake regular audits of all information available the DFID website to ensure accuracy.
- **Publish a 500 word summary of all new programmes in Nepali.** Translations of summary programme information for all new programmes has been published, ensuring wide dissemination to the public. We will continue this practice for future programmes.
- **Support the Government of Nepal to launch a public Aid Information Management Platform (AMP).** DFID is the primary partner in the AMP core team led by the Government of Nepal. We will continue influencing other countries to complete data entry promptly and to adopt the system thereafter.
- **Encourage Civil Society and NGO transparency.** We will encourage all Non Government Organisations, media, business sector and academic institutions who receive DFID funding to adhere to the same transparency standards. We will stipulate compliance with this as part of all new contracts.
- **Support and advocate for implementation of the Nepal pilot of the International Aid Transparency Initiative (IATI).** We will encourage multilateral agencies, particularly the UN, to lead the initiative in Nepal, and the World Bank and ADB to sign up for the pilot.
- **Explore opportunities to build on local donor transparency and accountability initiatives to bring greater transparency to donor spending at the district level and improvement to donor behaviour overall.** An initiative to map donor resources was piloted in six districts by DFID, Germany, Switzerland, UNDP, UNICEF and UN. We will consider extending this approach with partners.
- **Promote Government-citizen accountability:** Our public financial reform programme will support national NGOs to understand and contribute to fair and transparent government budgeting; carry out independent analysis and communication of government budgets to make them more accessible by citizens; track expenditure to make sure resources go where they are intended; hold public officials to account for mismanagement and corruption; monitor government services to ensure quality and fairness; and scrutinise public procurements for corruption.



## 8) Human Rights Assessment - Nepal

The UK recognises that the realisation of all human rights underpins sustainable development. Through its development programmes, the UK aims to support civil society and governments to build open economies and open societies in which citizens have freedom, dignity, choice and control over their lives, and institutions are accountable, inclusive and responsive.

### **Human rights context**

- Economic and social rights:** Between 1980 and 2012 Nepal's HDI rose by 3.8% annually from 0.234 to 0.463, ranking the country 157th out of 187 countries with comparable data. While this is positive progress Nepal remains the second poorest country in Asia after Afghanistan (GNI/Capita, 2011). Nepal has, however, made significant progress on reducing income poverty over the last 14 years. On the right to an adequate standard of living recent data suggests that poverty has declined from 42% in 1996 to 24.8% in 2010 (average 1.2%/yr). Progress on rights to health and education has been significant over the last decade; the percentage of children (ages 1-2) vaccinated increased from 83% in 2006 to 87% in 2011 and the U5 mortality rate decreased from 61/1000 in 2006 to 54 in 2011 (NDHS 2011). There are significant variations based on geography, gender, caste & ethnicity.
  - Non-discrimination:** Some progress has been made on gender equality and social inclusion. Discrimination and inequality, however, persists for many groups, based on caste, ethnicity and gender. In 2011, Nepal was rated 113/146 in the UNDP Human Development Report with a Gender Inequality Index value of 0.558. A score of 0.485 in 2012 suggests an improving trend since 2005 (0.627). Women and girls continue to be victims of trafficking, domestic violence, dowry related violence, rape and sexual assault. Lesbian, gay, bisexual, transgender and intersex people (LGBTI) also face discrimination although legislative framework recognizes rights (legalisation of homosexuality in 2007).
  - Civil and political rights:** Nepal's citizens are able to exercise their civil rights and political rights more freely than a decade ago. Political participation improved in the wake of the 2008 Constituent Assembly elections, as shown in indicators compiled by Economist Intelligence Unit and Bertelsmann Transformation Index. However, this has not yet translated into a deepening of transparent democratic practices. Most established political parties continue to lack internal democracy. Nepal has not held local elections since 1997. Freedom House rated Nepal 4 for political rights and 4 for civil rights in 2013.
  - The Universal Periodic Review reported in June 2011 and the Government accepted 65 of the 135 recommendations put forward, it supported a further 28 recommendations which it considered either as already implemented or in process, and declined 42. Implementation of recommendations will be reviewed at the next UPR process in 2015.
- Direction of travel**

- Social and economic rights have been on a positive trend but recent events are provoking more uncertainty. The Comprehensive Peace Agreement of November 2006 and the elections in 2008 opened the way for a more open, inclusive and accountable political system. However, the dissolution of the CA in May 2012, lengthy delays in holding new national elections and forming a stable government, and problems of budget execution threaten to undermine progress made.
- Of greatest concern is the continuing distance between an apparent political consensus on the modalities of transitional justice and international standards. On 1 April 2013, the Supreme Court stayed the implementation of a Truth and Reconciliation Commission (TRC) government ordinance, arguing that some of its provisions contradicted the Interim Constitution.

### **UK approach and focus**

- The UK will continue to support social and economic rights through development programmes that target the poorest people and most difficult areas.
- We will continue also to raise concerns about civil and political rights, and particularly issues relating to proposed Transitional Justice mechanisms with the Government of Nepal at all levels. We are already providing support to tackle violence against women and girls and will step up this work, sustaining our focus on their security and access to justice.
- Strengthening voice and accountability will remain a primary objective of DFID. We will support elections to help Nepal's people to choose their government and representatives. We will deliver programmes that give them choice and control over their own development and hold decision makers to account.



# Annex A: Revisions made to Operational Plan 2012/13

- In the Results section there has been a change in Governance and Security headline result indicator from "Number of minors and late recruited former Maoist combatants given training and reintegration support" because the target of 2100 has now been met and indeed exceeded.
- In the Results section there has been an Increase to the results target on unwanted pregnancies headline results from 108,000 to 400,000 by 2015 due to inclusion of recently approved family planning project.
- In the Results section there has been an Increase to the target on WASH headline results from 110,000 to 250,000 people by 2015 because the previous target has been met and exceeded.
- Context slide has been updated to reflect changes in country during the year.



## Annex B: Results Progress

Pillar/ Strategic Priority	Indicator	Baseline (include year)	Progress towards results (include year)	Expected Results (include year)
Wealth Creation	Number of direct jobs created with DFID's support	0	Over 48,000 jobs were created (exceeding our forecast by 15,000) , mainly through our rural infrastructure, skills and agriculture programmes. Good progress towards the target.	<b>230,000 by 2015</b> <b>(115,000 for women</b> <b>115,000 for men)</b>
Wealth Creation	Length of roads built, upgraded, maintained or rehabilitated with DFID support	0	On track to achieve target. In 2012/13 we exceeded our forecast by building or maintaining over 1300km of road.	<b>4232 kilometres by 2015</b>
Climate Change/ Disaster Risk Reduction	Number of people with increased climate and disaster resilience	0	Increased resilience to the effects of climate change and disaster for over 600,000 people, and are on-track to achieve our results target by 2015.	<b>4 million by 2015</b> <b>(2.19 m women</b> <b>1.81 million men)</b>
Climate Change/ Disaster Risk Reduction	Number of poor and excluded people lifted out of poverty by DFID's Forestry work	0	On-track to achieve our target to lift 570,000 people out of poverty through our forestry programme, despite project delays hampering progress in 2012/13.	<b>570,000 by 2015</b> <b>(313,500 women</b> <b>256,500 men)</b>
Governance & Security	Number of minors and late recruited former Maoist combatants given training and reintegration support.	0	Our target of 2100 by 2013 has now been met and has been replaced with a target to support elections in Nepal. Progress on this will be reported next year.	<b>2100 by 2013</b>
Governance & Security	Percentage of local government projects for which public audits conducted	<b>78% in 2009</b>	Percentage fell to 52% in 2012/13, due to a lack of budget to local bodies until January 2013 meaning no work was carried out. Current forecasts suggest 2015 target will be met.	<b>93% by 2015</b>
Human Development	Additional number of unwanted pregnancies averted through DFID funding	0	Information for 2012/13 is not yet available, though target on-track given over 3,000 unwanted pregnancies averted in 2011/12. Target has been increased from 108,000 to 400,000 due to inclusion of recently approved family planning project.	<b>400,000 by 2015</b>
Human Development	Additional number of people who benefit from safe latrines	0	130,000 people (exceeding target by over 100,000) benefitted in 2012/13, due to change of approach in implementation. We met our previous target two years early and have therefore revised this target from 110,000 to 250,000 people by 2015.	<b>250,000 by 2015</b> <b>(127,500 women &amp;</b> <b>122,500 men)</b>

\* These results may not be directly aggregated with other country results due to different measurement methodologies