

*NATIONAL STRATEGIES FOR  
SUSTAINABLE DEVELOPMENT*



Summary Report  
on  
Nepal's Initiatives



His Majesty's Government of Nepal

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**IUCN**  
The World Conservation Union

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# 1. Introduction

As a continuum of development and implementation of sustainable development (SD) strategies for Nepal, which began in the early 1980's, the National Planning Commission (NPC) launched Sustainable Community Development Programme (SCDP) in 1996. Several initiatives relating to Forestry Master plan, Agricultural perspective plan and Five-year plan are underway with financial assistance from OECD-DAC countries. The NSSD process in Nepal is expected to provide valuable inputs to all these initiatives to plan future course of action so as to yield more meaningful results.

## 2. Objectives and Focus

The main objectives of the NSSD dialogues in Nepal were:

- ◆ To identify strategic processes for sustainable development that have been successfully used in Nepal
- ◆ To assess elements that work well and less well to:
  - a) Inform the development of the SD agenda in Nepal
  - b) Inform donors:
    - OECD DAC;
    - Donors in Nepal

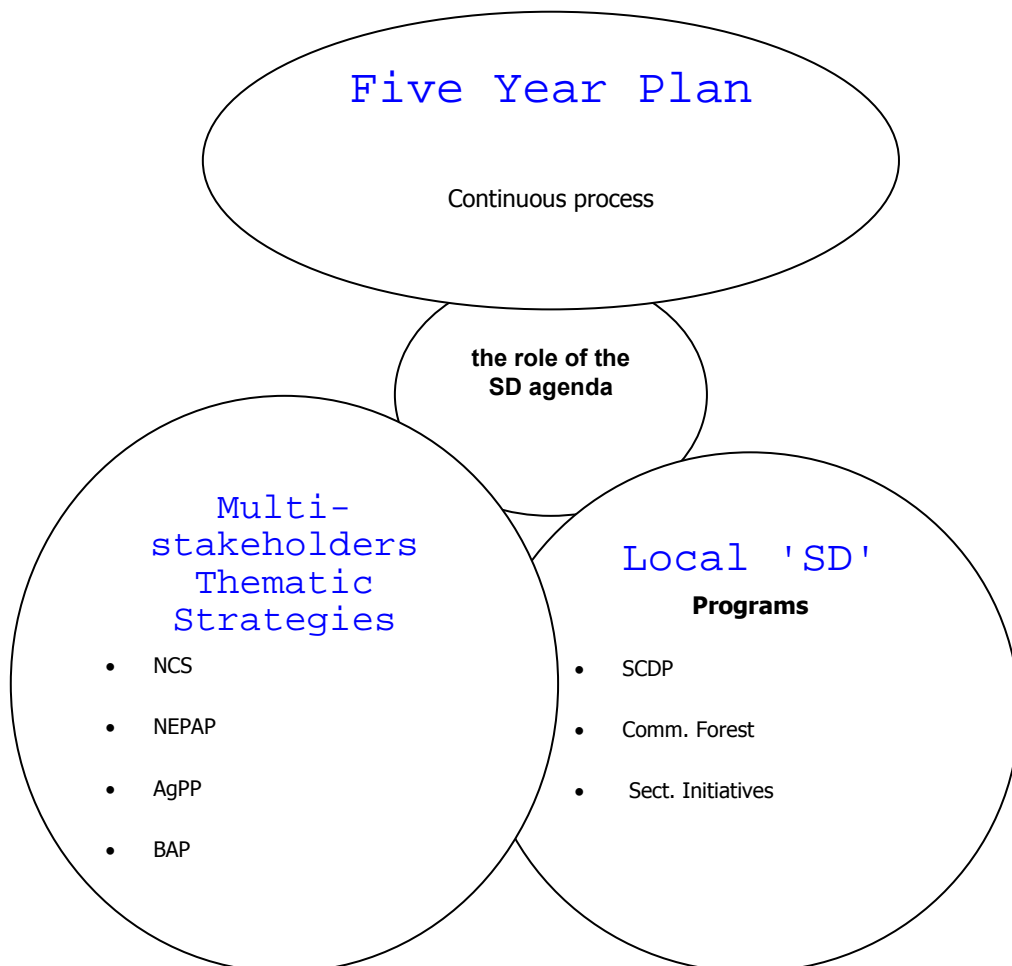
## 3. Key Actors

National Planning Commission constituted a NSSD Steering Committee merging the two steering committees for SCDP and NSSD to provide overall policy guidance to the NSSD process in Nepal. The committee was chaired by an NPC member with membership drawn from key ministries, UNDP and DFID.

NPC assigned IUCN Nepal as the independent organisation to work with IIED. IUCN was responsible for overall technical and programmatic management of the project.

## 4. Overview of Approach and Activities

The Nepal NSSD process analysed the current 9<sup>th</sup> Five Year Plan, multi- stakeholder thematic strategies such as the National Conservation Strategy, Biodiversity Action Plan, Nepal Environmental Policy and Action Plan, Forestry Master Plan, and Agricultural Perspective Plan. A close examination of a local level sustainable development programme, SCDP, was carried out. Sub-national and national workshops aimed at learning about processes required to ensure optimum participation by all stakeholders for meeting the development needs and priorities of the poor and disadvantaged at community level were conducted.



## 5. Activities Completed

### 5.1 Regional Workshop

A two-day regional workshop was organised in July to share the experiences of Bangladesh, Nepal, Pakistan, Sri Lanka, Vietnam and Thailand. Steve Bass of IIED and Pete Shelley of DFID also attended the workshop.

The July workshop in Kathmandu came out with the following Principles of Effective NSSDs:

1. Agreed terminology/definition
2. Provides process for agreeing SD vision and goals
3. Focuses on agreed national priorities
4. Links local realities to these national priorities
5. Introduces mechanisms to ensure sustainability
  - ◆ HRD/Training
  - ◆ Experiments/Pilot projects
  - ◆ Participation/Social mobilisation
  - ◆ Intersectoral relations
  - ◆ Transparency
  - ◆ Governance/legislation
  - ◆ Avoidance of duplication
  - ◆ Finance and investment
  - ◆ Mechanisms for implementation (remove bottlenecks)
6. Understands changing context and forces for/against sustainability
7. Simple readable document is included in continuing communication programme
8. Encourages production/review of compatible sector strategies (NSSD + sector strategies to learn from each other)
9. Steered by influential, high level, multisectoral body
10. Capitalises on existing systems, process and structures
11. Active and continuous processes of engaging stakeholders to build commitment and exercise responsibility
12. Based on principles of social justices, equity and gender sensitivity, special attention to involving marginalised groups
13. Mechanisms for defining criteria and indicators, bench marks monitoring and review are inbuilt
14. Continuous improvement approach
15. Donors should have long term commitment to local NSSDs

The Kathmandu Dialogue agreed that:

- a. These principles apply to all countries. Specific criteria and indicators could be developed for individual countries
- b. Any process that applies to these principles e.g. NCS, CDF etc could be recognised as an NSSD
- c. Further thoughts are needed on possibility of devolution

Immediately after the workshop a daylong planning meeting for Nepal NSSD framework was organised with the participation of staff from UNDP, SCDP, DFID, IIED, and IUCN. The proposed NSSD framework was later discussed and refined in a meeting at NPC. Since then the NSSD steering committee has met several times to discuss appropriate strategies and approaches for Nepal.

A separate report on the proceedings of this workshop is prepared with detailed deliberation of the dialogue.

## **5.2. Status Review**

After entering into formal agreement with IIED, IUCN Nepal set up a nssd secretariat initially with a full time coordinator and a secretary.

In a meeting of nssd Steering Committee the following areas were identified for status review:

- ◆ Land and Agriculture
- ◆ Forestry, Rangeland and Biodiversity
- ◆ Tourism
- ◆ Health, Population, Drinking Water and Sanitation
- ◆ Education
- ◆ Good Governance / Decentralisation
- ◆ Macroeconomic Policies, Performance and Sustainable Issues
- ◆ Poverty Reduction

It was decided to invite interested experts to conduct status review of the areas identified through an advertisement in a national newspaper. The response was good. Many individuals expressed their interest. After personal interviews individuals selected were assigned tasks with specific guidelines. The IIED prepared Topic Guides for Status Reviews and Dialogues was used as the main basis for review.

A series of discussions were held on draft reviews at the presence of as many expert consultants as possible. The nssd Steering Committee members were also invited to these discussion meetings. The

experts first presented their draft reports followed by queries, comments and suggestions. The experts then finalised their reports by incorporating comments and suggestions received.

A wealth of information is generated in the eight status review papers. In addition, a review of Sustainable Community Development Project (SCDP) in progress in the six districts of Nepal under UNDP's Capacity 21 initiative is included as an example project.

The status review is presented in two parts. Part I consists of summaries of review for busy readers. Part II consists of the detailed review with a list of references at the end of each review paper. In this section only a brief account of the findings of review is given.

### **5.2.1. Land and Agriculture**

Both the Agriculture Perspective Plan and the Ninth Plan provide a 20 years perspective, strategy and priority for agriculture and related sectors. Bulk of the past public expenditure to the agriculture sector has gone to irrigation and subsidy on chemical fertilizer, while agriculture research and extension have remained under funded. Administrative instability and excessive dependence on donors are pointed out as impediments to agriculture development. Issues related to sustainable development of agriculture are addressed in the context of the country's excessive dependence on the country's already overstretched natural resource base amidst a high rate of population growth and predominance of literally stagnating subsistence agriculture.

The most common land classification is the division of the country into the Tarai, Hill and the Mountain regions. Currently prevailing tenure types are raikar and guthi and the government has initiated the process of converting guthi lands into raikar. More than two-thirds of the total land holdings are less than one hectare in size, and they own only 30 percent of the total farm area. Land fragmentation is considered one of the structural problems inhibiting agriculture modernisation. Since the policy related to illegal encroachment is not strong, local residents are encouraged to illegally occupy land and get registered later.

### **5.2.2. Forestry, Rangeland and Biodiversity**

Nepal's forest cover has declined from 5.5 million hectares (37% of land area) to 4.27 million hectares (29%) from 1978/79 to 1990/91 in spite of the successes of community forestry programmes and protected area system. Protected area expansion is based upon rare and endangered biological species and not upon ecological stability of the region. Nepal needs larger proportion of its population in the countryside not only to safeguard mountain environments but also to make wise use of its comparative advantages including those of its geopolitical position. Nepal can provide a large variety of products (farms/forests) than large quantities of a product.

Impact assessments on biodiversity of certain old growth forests should be mandatory before handing over the property to the community. The opportunity to develop community and private

forestry for sustainable development has become more and more apparent. There is a need to develop common understanding between and among the people and the government agencies.

### **5.2.3 Tourism**

Tourism in Nepal contributes 3.5 percent to GDP and 15 percent of total foreign exchange earnings of the country. The Eighth and the Ninth Plans envisaged policies for using tourism for poverty alleviation, establishing Nepal as a premium destination on world tourism map and expand benefits from it down to village level. Unfortunately, tourism in Nepal has been vulnerable due to external factor and international media publicity of internal insurgency. In spite of attempts to develop tourism in different parts of the country, it remains confined largely to Kathmandu-Pokhara-Chitwan triangle. The tourism industry is beset with such other problems as lack of forest, unmanaged solid waste and revenue earned from tourism not being used for development of tourist areas. Although some efforts are underway to correct these deficiencies, they are not adequately addressing the problems.

### **5.2.4. Health, Population and Drinking Water and Sanitation**

As a result of the past 45 years of planning and programming in health and drinking water and sanitation areas, many improvements are realised. They include increased life expectancy, eradication of malaria, reduction in communicable diseases and increased access to health services, piped water supply and modern sanitation facilities.

There are many challenges, however, which are yet to be addressed. Health conditions of women and children are still appallingly serious compared to those of male population. The health facilities need to be substantially improved with respect to supply of medicines, manning the health posts with qualified manpower and providing quality services in a sustainable manner. The increasing incidence of HIV/AIDS is posing a big challenge for its management. The family planning needs are still unmet. Migration and urbanisation call for special attention with respect to policy making and their implementation.

### **5.2.5. Education**

The policy of making education free at school level has resulted in positive impact on school enrollment. In 1998 over 70 percent of primary school aged children were attending schools. Nepal's experience with educational strategies and policies has been rich. Some of the plans has a very high level of participation of civil society. They tended to work more effectively. Private sector has been playing increasingly important role in sharing the burden of the government in providing education to the public.

Like other sectors, education also is not free of problems and issues. A significant percentage of school aged children is still out of school. High dropout and repetition rates in public schools has resulted in a big wastage of resources. The state of public where overwhelming majority of the children study is miserably poor in terms of physical facilities, educational facilities, quality of teachers and overall learning



environment. The private sector could play an important role in raising the status of education in the country. Only a beginning is made in this direction.

### **5.2.6. Good Governance**

Governance is viewed as the exercise of economic, political and administrative authority to manage a country's affairs at all levels. The recognition and credence given to the civil societies and NGOs in mobilizing communities for resource conservation, community forestry, leasehold forestry and micro-credit and multitude of development initiatives were among the positive contributors to development processes. Many of these initiatives ensured participation of women and the disadvantaged people in all processes and gave ownership to themselves that led to sustainable development, however limited in scales.

The lessons learned from the past two decades in sustainable development practices showed that poor coordination and management by central government without due respect to equity, local wisdom, their ownership, participation and so on are not only indicators of poor governance but also the factors that gave rise to Maoist movement, uprising of the nationality groups, draining of youth and human resources from the country and general low esteem or a sense of hopelessness among the citizens of the country.

### **5.2.7. Macro Economic Policies, Performance and Sustainable Issues**

In the recent years, Nepal has maintained broad macro economic stability and attained further improvement in the overall external balances. Economic growth has accelerated while inflation subsided. Exports have grown significantly and balance of payment is strongly in the country's favour. Improved agriculture production followed by low international commodity prices has resulted in a marked deceleration in the inflation rate in the recent years.

Low economic growth rate, growing unemployment and intensifying poverty culminating into the vicious cycle of low income, low saving, low investment and low growth have led the country to low level of equilibrium. The challenges facing Nepal relate to addressing the long-standing constraints to significantly higher growth, the key to poverty reduction in Nepal, while maintaining economic stability.

### **5.2.8. Poverty Reduction**

The hard fact is that Nepal is experiencing high and perpetuating incidence of poverty. The reasons for it include feeble and annually fluctuating growth rates, poor and expensive social service delivery and limited coverage of successful targeted programmes. The causes of poverty lie at two levels: implementation and management level and planning level. At the implementation and management level there are implementation delays, insecure feeling on the part of investors, unpredictable decision making of government officials, inadequate legal framework, top down planning and decision making, thin distribution of resources and poor monitoring. The sectoral performance and planning level is characterised by low economic

growth rate, low agricultural productivity, low level of social and economic infrastructure and unsustainable use of natural resources.

For ensuring the desired results, first priority needs to go to improve the implementation capability and enhance management strength. Towards this direction, priorities should be given to enhance implementation capacity of the government and its service delivery, to ensure competition and promote private sector participation and to support decentralisation and strengthen local government agencies. At the sectoral performance and planning front agriculture development should be promoted, higher share to the social priority sectors should be allotted, better accessibility to the backward and inaccessible areas should be ensured and other sectoral programmes including tourism, small, medium and micro-hydro power and small and medium enterprises should be promoted.

### **5.2.9. Sustainable Community Development Programme (SCDP)**

The fundamental principles of the SCDP approach to development are participation of all stakeholders from national to local levels, integration of environmentally sustainable socio-economic development into development plans and activities and information sharing to ease adaptation/replication of the experience of the Programme. Major achievements of SCDP can be seen in the areas of poverty reduction, sustainable use and management of natural resources, capacity building for sustainable development and policy formulation at the national and local level.

### **5.3. National and Local Level Dialogues**

As planned, two national level and five local level dialogues were held between December 2000 and January 2001. The first national level workshop was held in December 18<sup>th</sup> 2000 in Lalitpur. It was organised primarily to inform about the objectives of nssd status review and dialogue initiatives. The experts involved in status review presented their findings which was followed by general discussions and group works on principal issues of sustainable development. The participants were asked to give their opinion as to specific development strategies that have yielded positive results and the reasons for them. Likewise, they were asked to identify weak aspects of those strategies.

Following the national dialogue five regional level dialogues of two days each were organised in Biratnagar, Kathmandu, Pokhara, Nepalgunj and Dhangadhi. In each of these dialogue the participants were carefully selected to represent line agencies, district and village level governments, NGOs, women, educational institutions and agencies involved in sustainable development activities in the region. These participants were asked to focus their dialogue on issues pertaining to their own geographical region. As the tendency was to emphasize negative factors, they were reminded to cite positive examples also.

Just like in the national dialogue, experts gave a brief presentation on findings of the status review. Prior to this a brief inaugural ceremony was organised. Following the presentations the participants were given ample time to relate to the issues raised in status review with the situation in their own areas. The

first half of the second day was set aside for group discussion. The participants divided themselves into four groups. The topics allocated to them were as follows:

- Group A: Agriculture Sector
- Group B: Forestry (including tourism) Sector
- Group C: Social Sector (Education, health, population, drinking water and sanitation, women's and children's status, social security etc.)
- Group D: Infrastructure (road, irrigation, drinking water, electricity, communication, urban development etc.)

Poverty alleviation, gender and governance issues were treated as cross cutting issues in the dialogue.

After group report presentations during the second half of the regional dialogues, the participants had yet another opportunity to discuss on the problems and issues raised.

The deliberations of the first national and the five regional dialogues were synthesised and presented in the final national workshop in Kathmandu at the end of January 2001. They were presented also in the International Conference in Santa Cruz, Bolivia, in February 2001.

The detailed account of the national and regional dialogues is given in a separate document on Proceedings of National and Regional Level Dialogues. The summary of issues raised in each dialogue is appended as Annex 1 under seven broad headings. The main issues raised under each of these headings are summarised in the following paragraphs.

### **5.3.1. Social Aspects**

While the participants in most development regions expressed some satisfaction in the improvements made in health and education sectors, they stressed the need for reforms in many fronts. They emphasized the need for overall human resources and infrastructure development. They wanted to see increased participation of women and disadvantaged groups in planning and implementation of development activities affecting them. The participants saw strong need for technical and vocational education. They wanted to see life related non formal education given at the grass roots level. They wanted to see the teachers receive additional facilities and training so that teaching becomes more effective. With regard to health issues, concern for the need for controlling epidemic in far west was explicitly expressed. The need for promoting local health attendants by giving them further training in primary health care was also emphasized. In every dialogue the need for gender balance and equity in social and economical aspects was stressed.

### **5.3.2. Policy**

Participants in all the regions agreed that Nepal has embarked upon good plans and policies for sustainable development (SD) but most of them are not applied in practice. At the same time they emphasized the need for making plans and policies more people centred. They expressed their concern also for the need for promoting income generating activities and increasing employment opportunities. Participants in some regions pointed to the lack of land use planning policy. Public participations in planning and implementation of programs was considered inadequate. Displeasures were expressed in ever increasing number of municipalities without taking appropriate planning measures. Promotion of the buffer zone concept and increased afforestation were considered as positive indicators.

### **5.3.3. Natural Resources**

Participants in every location hailed community forestry as a landmark success in Nepal's natural resource management policy. At the same time concerns were expressed about land fragmentation, deforestation, lack of alternative sources of energy promotion policies and problems created by single type of trees in private forests. In agriculture sector promotion of cash crop and modern agriculture technology was emphasized. It was felt that the arrangements to provide loans for agriculture should be reformed to bring improvement in this sector. Promotion of agro based industries and plants was also considered necessary. The need for biodiversity inventory was pointed out by a sizeable number of participants. Management of grazing land was also considered important. The participants saw the need for maximum utilization of irrigated land for agriculture purposes. They said good quality seeds, breed and fertilizer should be made available on time to increase agriculture production.

### **5.3.4. Law**

While there was agreement about the presence of adequate legal framework for sustainable development, the need for timely reforms in legal provisions and correction of contradicting laws was considered necessary. Existing laws are not being effectively implemented. Not enough is done to meet international commitments made. Patent rights for medicinal plants of Nepal are looking. The need to provide legal authority to local institutions regarding conservation activities was also stressed.

### **5.3.5 Infrastructure**

While recognizing infrastructure development specially in the transport and communication sectors, the participants offered a number of suggestions for improvement in these and other areas. They felt the need for North-South highways. They stressed the need for regulating unplanned human settlements and urban growth. Road quality was considered poor and the participants drew attention on the need for road maintenance. Roadside encroachments were also a matter of concern for many participants. Other suggestions were for increase in the area of irrigated land, establishment of micro dairy farms and construction of cold storage.

### **5.3.6. Environment**

A wide range of concerns relating to environmental degradation and pollution were expressed. Participants in the Mid-Western Development Region complained that unplanned coal extraction was creating problems in forest and land conservation. Some participants in the

Eastern Development Region felt that hydro-electric plants were adversely affecting the environment. In the first national workshop some of the participants suggested for provision of fiscal incentives for environment friendly productions and technologies. They suggested also for application of “polluters pay” principle.

### **5.3.7. Cross Cutting Issues**

Many of the participants believed that in order to realise sustainable development certain improvements in all the sectors are needed. High in their agenda was the need for effective mechanisms for monitoring and evaluation. Equally important is coordination among the concerned institutions. Provision of adequate financial resources on time for implementation of policies and programmes was also emphasized. Political interventions were said to be common in all sectors which needed to be removed. Transparency in all stages of development activities was considered essential. The need to take more advantage of available communication facilities and information technology was pointed out. Improvement in governance structure was suggested by involving local people in the planning and implementation of development programmes.

## *6. Indicators*

The following sustainable development indicators have emerged as a result of nssd status review and dialogue in Nepal:

1. Increased internal revenue generation
2. Increased mobilization of available local resources
3. Increased community based income
4. Local authorities empowered
5. Monitoring and evaluation system in place
6. People feel more secure
7. Reduced poverty
8. Stocks of natural resource being augmented, endangered species protected
9. Sustained growth in agriculture production
10. Increased involvement of NGOs in decision making
11. Increased involvement of private sectors in decision making
12. Increased involvement of civil society in decision making
13. Sustained industrial growth
14. Increased public awareness
15. Improved infrastructure facilities available
16. Quality of education enhanced
17. Law and order maintained

18. Knowledge base has been increased
19. Substitution for renewable resources established
20. Population growth stabilized
21. Environmental pollution reduced
22. Ecosystem restored
23. Reduced donor dependency
24. Increase in GDP
25. Land use plans

## **7. Future Directions**

A number of nssd dialogues follow up activities are envisioned. Some of these activities are being taken up immediately while others await funding. National Planning Commission is now in the process of developing concept paper for the Tenth Plan (2002-2007). The draft concept paper includes a paragraph indicating that the plan will consider principles of sustainable development generated from the nssd dialogues. It is expected that during the next 15 months several agencies and individuals involved in the nssd process will be called upon to provide their inputs in the formulation of the Tenth Plan.

The information generated from the status review and the dialogues is being used for preparation of Nepal's Agenda 21. The Steering Committee formed under the chairmanships of honourable NPC Member to guide the nssd process will continue to oversee the preparation of Agenda 21 and UNDP supported Nepal's Capacity 21 Programme.

Provided financial support is available, efforts will be made to further examine some of the successful undertakings identified during the dialogues. Since several of the SD indicators were derived on the basis of these undertakings, it would be helpful to conduct their in-depth studies to identify determining factors of success. Efforts will be made also to hold further dialogues on more specific SD issues for Nepal.