

SUMMARY REPORT

Nepal 1996

Nepal's Capacity 21 programme will support three community groups, each carrying out demonstration programmes in sustainable community development. Each community group will work with a Nepali partner organisation, an NGO or firm with recognised expertise in social development, community economic development or rural environmental management. Each group will cooperate with the other two in finding ways to integrate these three dimensions of sustainable development at the community level.

Nepal 1997

The main goal of this programme, which has recently begun implementation, is to support the Government of Nepal in enabling a broad cross-section of society to engage in formulating and implementing effective approaches to sustainable development in the context of the decentralization process.

Nepal, with its great problems of poverty, is attempting to pilot new ways of building sustainable development economies at local levels. To fulfill this objective, the Capacity 21 programme is helping communities to develop and to implement sustainable development approaches in three watersheds of three districts (covering up to fifteen villages). The programme is thus expected to result in the development of at least three different models that will promote the conservation and sustainable use of natural resources while contributing to poverty alleviation and the formation of social capital.

A major focus of this programme will be to link these pilot experiences with national policy-making processes. Programme activities have only recently been initiated and three districts have been identified for pilot activities.

Nepal 1998

Nepal, Working Upward From The Grassroots

How to build capacities in rural communities to generate incomes and protect livelihoods, and how to create national policy that encourages local initiative. These are the twin challenges being tackled in Nepal.

The Capacity 21 programme in Nepal got off to a slow start. More than a year went by between the original starting date of September 1996 and the actual beginning of field activities in October 1997. Changes in the national government made it difficult to launch the programme at the local level during the first year, so the official three-year programme period was moved up to begin in 1997. What the programme has accomplished since then has more than made up for any early delay.

In Nepal, as in many parts of the world, problems of poverty and social marginalization are closely linked to environmental degradation, lack of infrastructure and centuries-old disenfranchisement among large, isolated, rural populations. But in Nepal, such problems have an impact that extends beyond national borders. Although it is a watershed area that feeds major rivers in India and Bangladesh, high levels of deforestation and soil erosion in Nepal have reduced the availability of fuelwood and leached fertility from the soil. Soil erosion in Nepal has resulted in the silting and flooding of rivers in the downstream countries as well. The increasingly severe floods in Bangladesh in recent years are a tragic

symptom of a regional environmental crisis.

The three districts chosen for the implementation of Nepal's Capacity 21 programme are areas of diverse micro-watersheds located in the mid- and far-west regions. These regions are among the poorest in the country. Surkhet and Dang are in the foothills of the Himalayas. Kailali reaches into the plain bordering India. The districts include the watersheds of three important rivers, and host some of the last surviving populations of a number of aquatic species, such as the near-extinct Gangetic River Dolphin. Some of Nepal's most important biological and cultural wetlands are also in these areas, including the habitat of the endangered monitor lizard, the marsh mugger crocodile and some 140 species of birds. In each district the environment is badly degraded by extensive deforestation. According to Manoj Basnyat, Sustainable Development Adviser at UNDP in Nepal and Team Leader of the Capacity 21 programme, levels of poverty and social oppression in these areas have had grave human consequences over the years as well. People in the district of Surkhet, for example, belong to the very lowest caste in Nepal's social hierarchy and are extremely oppressed. In the past some families in Surkhet have seen no alternative but to sell their daughters into prostitution in order to survive.

Starting At the Village Level

The objective of Capacity 21's Sustainable Community Development Programme for Nepal is to support the government in formulating and implementing policies "which will enable a broad cross-section of Nepali society to engage pragmatically in sustainable development at the community level." This is to be achieved, says a project document, "through helping build the capacities of a wide range of organizations at the community, regional and national levels." So even though the government is the principal focus of the programme, it was decided that the best way to fulfil these objectives was to begin "from the bottom up," by launching pilot programmes directly among the communities themselves. Broad experience in Nepal has taught UNDP that the best way to influence the government is through the people. "At UNDP we have recognized over time that for the government to be responsive -- both at the central and local levels -- what we first have to do is empower the communities," says Mr. Basnyat. "That was the main concept that drove us: let progress at the community level be an inspiration for the government."

It was decided to begin by mobilizing 15 Village Development Committees (VDCs) in each district. Each committee has more than 30 sub-committees, or community-based organizations, in small hamlets of about 200 people each. By mid-1998 10 VDCs had been mobilized in each district, with the remaining five expected to be operational by the end of the year.

A Synergy of Themes

People in the districts chose one of three thematic areas -- environmental, social or economic -- under which to begin activities. Surkhet chose environmental management as its entry-point. Dang, where the programme started in early 1998, chose economic development. Kailali chose social development, such as education and public health facilities, including construction of latrines and toilets. The intention was that each district would progressively move on to cover all three areas, and as of July 1998 each district has covered two of the three. But Mr. Basnyat points out that in the early stages of the programme the lines of demarcation between the thematic areas began to blur. The symbiotic, mutually supportive relationship between these three areas became apparent in

concrete ways, and it was clear that environmental, economic and social development must, in fact, go hand in hand.

"We found that after two or three months of implementation, even if we are doing social development, spontaneously the people are also linking it to environmental activities which have an economic component," says Mr. Basnyat. Thus in the district of Kailali, for example, the social programme involved a school project in which the children were taught about environmental issues. As part of the learning process the children were encouraged to plant fruit trees around their school, including bananas which bear fruit during their first year. Before long the trees will become an income-generating asset for the school. Similarly, the social initiative of installing latrines and toilets in Kailali will become part of a biogas programme that Capacity 21 is planning. This will provide an alternative source of fuel and thus reduce fuelwood consumption.

Another crossover between the three thematic areas involves linking agriculture with watershed management. For example, fruit trees and root crop trees such as bamboo are being planted over large areas. Recently a tissue-cultured hybrid variety of bananas that yields four or five times more fruit than common varieties has been introduced in Surkhet. In addition to improving nutrition in local families, "the bananas bring in a lot of income," says Mr. Basnyat. "They also contribute to soil stability" thus helping to reduce run-off in the watershed area, he notes.

Indeed, the bananas serve another, strategic purpose as well. Because they bare fruit during the first year, they serve as an incentive for farmers to plant and tend other fruit trees that take longer to mature. "The trick is like this," says Mr. Basnyat with obvious delight. "If you go to poor people with tree crops like oranges or mangoes, they will enthusiastically plant them. But it takes three or four years for these trees to yield fruit. Poor villagers can't wait that long, so they don't realize the benefits of being part of the programme. But since bananas yield fruit within a year, the farmers see that they are getting benefits quickly, and then they are willing to wait for the other trees to mature. They see the benefit both in the short term and in the long term."

Promoting Financial Sustainability

Indeed, planning for the long term has prompted the programme to display considerable flexibility and foresight in adjusting to local needs during its first year of operations. One crucial issue that came up early was the question of financial sustainability for local activities after the programme's three-year funding cycle ends in September 2000. The work of the programme at the village level is being sub-contracted to Nepali NGOs who are trained in social mobilization, institution-building, and technical support in the three areas of focus. At first, the NGOs were to be paid out of programme funds of US\$833,850 with an additional \$100,000 provided from the UNDP national budget. For work in one district, for example, \$180,000 was allocated for this purpose.

"But the question came up: if we are going to use NGOs, and the NGOs are going to work with only \$180,000, when Capacity 21 funding ends, what happens?" says Mr. Basnyat. Even high levels of success during the three-year programme period would have little lasting effect if there were no resources with which to carry on activities in the future.

It was decided that 15 percent of the \$180,000 district allocation, or \$27,000, would be used as operational costs for the NGOs, while the remaining \$153,000 would be used to create a

revolving fund called the Sustainable Development Facility. Also, a contribution is made to this Facility by the central government through the locally-elected official who is invited to serve on each village development committee. The communities have access to this fund for loans for economic, social and environmental projects.

The NGOs organize the village sub-committees into self-governing institutions, and these community institutions make their own plans for social, economic and environmental interventions. Based on these plans they have access to the Sustainable Development Facility revolving fund for community-level projects and activities -- on a loan basis. Mr. Basnyat explains that there are two types of loans available to the village groups. The first is for activities that are deemed to be in the public interest, such as sending children to school, installing latrines or toilets or providing small-scale irrigation which will benefit the whole community. These loans are interest-free. Loans for income-generating activities carry an interest rate determined by the villagers on a consensual basis.

But that's not all. Since it is the communities who stand to benefit most from these investments, the Capacity 21 team decided that the villagers themselves should also contribute funds. Since the very beginning of the programme every man and woman who has joined a village committee has contributed one to five Rupees (there are roughly 68.5 Nepali Rupees to US\$1) per week toward their own community fund. The individual communities decide the amount of the contribution.

"The people own these community funds," says Mr. Basnyat, "and they make the rules on how they are going to use the money. The challenge is that 100 percent of this money must be invested either in development activities or for social needs, such as food, buying books to send children to school or building toilets or latrines. Each person contributes weekly and the group decides who will get loans and for what. This money is being circulated right now in each of the villages for credit purposes."

For emergency needs such as food in a crisis situation, members have access to this money interest-free. For loans for income-generating activities they pay 16 to 18 percent interest a year, comparable to the rate charged by in local banks. In addition to cottage industries such as dressmaking, many of these income-generating activities are "green enterprises" such as tree nurseries, bee-keeping, selling forest products on a sustainable basis or using forest products to make herbal medicines. So far bee-keeping has been the most successful of these enterprises. One entire village is focusing on the production of high-quality honey. Villagers receive technical support from NGOs in processing and storing the honey, and they will link up with Nepal's honey industry for marketing. Bee keeping has the added benefit of promoting biodiversity and is highly beneficial to the environment.

Meeting Across Caste Lines

The village sub-committees meet once a week in order to ensure maximum group cohesion. Such cohesion is remarkable in a society deeply divided along caste lines, and indeed there was resistance at first to the radical idea of different castes meeting on an equal footing to discuss common problems.

"All castes come together," says Mr. Basnyat, "no one can be excluded. In the beginning some members objected to this, but as they began to see the benefit they really came together."

He says that at first lower-caste members were afraid to speak up at meetings, but soon,

"they began to find that they are equal members there." Initially higher caste people refused to show respect to those from lower castes, but that too has changed, according to Mr. Basnyat.

"You begin to see the effect only after the second or third month," he says, "but then, yes, there is respect. They work together well. This is why in development we establish the social basis first."

Indeed, Capacity 21 team members found social issues to be so crucial that they devised a sort of "constitution" which committee members promise to uphold. One of the main points is the understanding that each family will send all their children to school.

"If they have the option," Mr. Basnyat explains, "then the children may not be going to school. So one of the requirements when the people come together is that they all agree to send both boys and girls to school."

The villagers are asked to agree that conflicts will be resolved through consensus decision-making and that every couple will try to adopt family planning techniques. A number of NGOs working in these communities offer family planning services, and if they are not available the programme provides them. Each household is also asked take at least one initiative per month that will contribute to their economic and environmental well being, such as planting a tree.

Serving as a Model

Even during its first year, the programme has attracted a lot of attention from the NGO community in Nepal, and a ripple effect is already taking place.

"The NGOs who are participating in our programme are interacting with other NGOs," says Mr. Basnyat. "So other NGOs are being influenced by the way we do things. I'm getting a lot of telephone calls from other NGOs saying that they are going to do the same type of thing."

In order to reduce their dependence on international donors, for example, some NGOs have begun to replicate the programme's Sustainable Development Facility, so that eventually communities themselves can pay for the services of NGOs. Furthermore, they find Capacity 21's institution-building methodology especially intriguing.

"The NGOs are very interested in how the communities get mobilized, and how they undertake different activities on their own," says Mr. Basnyat. "We advocate the concept of self-government. All decisions are made by the communities, not the NGOs nor the project team. When the communities identify a priority, they make the decisions, and only then is the support given."

He says that because Capacity 21 does not impose ideas on the people, the people are more receptive to the programme. "The amount of money we are actually making available to the communities is not very high. But because we have given the people the ownership to manage this whole process themselves, we are getting a better response from the communities than any other programme. And many NGOs are replicating it," he says.

The community receptivity is reflected in the fact that committee membership is well above the requirement that at least 80 percent of households must participate. In Surkhet it is 90 to 95 percent. "It's a very, very high turnout," says Mr. Basnyat. "Based on international

experiences this is the maximum one can expect." He explains that the 80 percent minimum was a deliberate strategy designed to ensure the greatest possible impact in the communities. "We told the villagers that if we were going to enter into partnership with them, this was one of the criteria," he says.

But the strategy produced another benefit as well. It has lifted the development activities of the communities out of the realm of party politics. Since the establishment of multi-party democracy in Nepal in 1990, says Mr. Basnyat, "there's a lot of politicization that is taking place. If we did not have a minimum of 80 percent of the households participating, we felt that one of the political parties might be able to influence what the villagers are doing. But if you have 80 percent of the households, you have pluralism in the organization." Mr. Basnyat has observed that once the people begin discussing development issues and economic, social and environmental needs, politics fades from the picture. "When people begin to be busy with development, politics becomes, not neutralized, but people are more together, so there's more social cohesion. It's called social capital formation."

Promoting Women's Empowerment

Villagers form themselves into groups of men and groups of women, or into mixed groups, whichever they prefer. But it was soon discovered that in higher caste communities women in mixed groups remained in the background and were dominated by the men.

"The amount of capacity-building that would take place among the women is sometimes overshadowed by the men," says Mr. Basnyat. Mixed groups account for about 55 percent of the total. But since the simple act of meeting in a group of women to discuss problems can be a highly effective means of women's empowerment, the programme is encouraging women in the mixed groups to meet together in single-gender groups as well.

"Now we have a deliberate policy to encourage all social mobilizers on our team to influence both men and women to organize separately for a certain period of time," he says. "If the people insist that they want to have men and women together we don't override their decision, but we suggest that the women also meet separately."

This sensitivity to the dynamics of women's empowerment is already paying off. Mr. Basnyat visited the villages in July 1998, and was impressed with what he found.

"Despite the short period of time," he notes, "some of the women said: 'we never used to speak openly in public. Now we discuss our problems very openly and we let the villagers know what our feelings are'."

In another village, as is typical, the vast majority of women were illiterate. According to UNDP's figures for 1994, only 12.8 percent of Nepali women could read, compared to 39.7 percent of men. "Being part of a group, they found among themselves an educated woman who began to teach the rest," says Mr. Basnyat, "at least to understand figures and letters. One woman told me: 'It's like opening my eyes.'"

In these impoverished and oppressed communities, women's newfound solidarity is already having important social repercussions. "Due to poverty there are women who get beaten up by their husbands in their houses," says Mr. Basnyat. "But with women all coming together in a group, I have seen two cases where they reported that if the husband does anything harmful to the wife, all the women of that group go to their house, and they reprimand him."

Even the women's sense of financial autonomy has increased. Although women generally do not have access to household funds, the fact that both men and women must contribute to the community fund once a week means that the husband must give money to the wife for this investment. The woman has equal access to this fund for income-generating activities, and she then deposits money she earns directly into the fund.

"Because of that the women are beginning to feel they are building a sort of a security system," says Mr. Basnyat.

Reducing Fuelwood Consumption

In fact, it was women speaking up about their problems that lead to one of the most impressive examples of the programme's impact on the environment. Because women in Surkhet complained that they have to walk farther and farther every day to collect increasingly scarce fuelwood, village committees in the district decided to make the reduction of fuelwood consumption a priority. NGOs were trained in the technology of making and maintaining improved, fuel-efficient, smokeless stoves, as well as developing alternate sources of energy such as biogas and micro-hydro power. Then each community chose one local person who also received training in these skills. These "trainees" have gone back to their villages and have set up businesses making and repairing fuel-efficient stoves.

"From each household they earn 50 to 100 Rupees for building and repairing cooking stoves," says Mr. Basnyat. "It becomes a service."

The development of biogas from human waste collected from the latrines that are being installed in the villages and from cow dung is still in its early stages, as is micro-hydro power which can also be used for cooking. In addition, many tree nurseries and forestry projects have been started for timber, fodder, fast-growing fuel trees and fruit trees in areas that were badly deforested and neglected in the past.

In some cases villagers plan to become self-sufficient in fuel by using their own wood lots on a sustainable basis. In other areas, the committees are discussing the installation of micro-hydro power projects, to be funded by Capacity 21 and by UNDP's Rural Energy Programme. Micro-hydro power can be used for cooking by heating stones and gravel during the day, and as a source of light at night. But Mr. Basnyat says that the use of biogas is a far more efficient way to reduce fuelwood consumption, and he expects that with help from UNDP's rural energy experts this technology will be used more and more widely. In any case, based on the current proliferation of fuel-efficient stoves, he is confident that by the end of 1998, fuelwood consumption in Surkhet will have been reduced by 20 to 25 percent.

Micro-Macro Linkage

Although all this activity has been going on in remote districts at the local level, part of the strategy behind its design was to support the process of decentralization being implemented by the national government.

"While we are implementing our projects we are constantly taking the policy-makers from the National Planning Commission out to the field, where they are seeing for themselves the changes that are taking place," says Mr. Basnyat.

As a result, the environmental management section of Nepal's ninth Five Year Plan, recently approved by Parliament, has incorporated the methodology of Capacity 21 into its national agenda for action.

"Everything we are doing in Surkhet and Kailali and Dang has been incorporated as part of government policy," says Mr. Basnyat. "It's going to be done on a national scale."

Another example of micro-macro linkage is that Capacity 21 has invited district-level officials from around the country to visit its programme areas and talk with villagers.

"Even though the process has just started, people can feel that something new is happening," says Mr. Basnyat. "So the good response has prompted the local operatives to go back and encourage this approach in their own districts."

In fact, the whole programme has the effect of enhancing political participation on the part of the villagers, once so disenfranchised. "If you have 80 to 90 percent of the households in each village organized and if you have 25 villages represented on a village development committee," says Mr. Basnyat, "it's highly probable that the local elected official will listen to these organizations. And this is happening."

Similarly, he says, the leaders of the village sub-committees have joined to become a powerful political force for their communities. There are ten such lobbies in each of the three districts.

"These leaders come together once a month to discuss issues and share experiences," says Mr. Basnyat. "That's a powerful forum for expressing the needs of the villagers. We have found this is something that both local authorities and government officials do not wish to neglect. This is grassroots democracy."

There has even been an unexpected outcome of the programme which was not envisioned in the project documents. It turns out that the "wasted" first year before activities began was not wasted at all, since the time was used to establish the institutional basis on which the programme would be implemented.

"In Surkhet and Kailali we started networking with international and local NGOs working in those areas, trying to learn how things were being done," says Mr. Basnyat.

It was also a time for gathering information about natural resource management at the district level and determining the best possible areas for project implementation.

"As a result of our presence in the districts," says Mr. Basnyat, "our programme team is working with the local authorities and the responsible government agencies to determine the levels of funding that may be required -- from the central government and other donors -- to actually support natural resource management at the district level."

He hopes that this interaction may eventually have an impact on national policies of natural resource management, but at the very least it is building the capacities of people at the district level to manage natural resources more sustainably.

Nepal 1999

Sustainable Community Development Programme (SCDP), also known as Nepal Capacity

21, has been supporting the government's efforts in building local institutions' capacity to manage environment and natural resources by integrating socio-economic development through local community initiatives in remote and degraded watersheds for sustainable community development. SCDP is a joint initiative of National Planning Commission of His Majesty's Government of Nepal and the United Nations Development Programme (UNDP).

SCDP has successfully introduced and integrated three entry points for sustainable development: environment management, social and economic development. A wide variety of programmes in three remote districts covering 45 VDCs have been established using an entry point to catalyse support for overall sustainable development. This process has involved local governing bodies and has been successful in sharing resources for the implementation of sustainable development activities. An Executive Committee (EC) at the central level and District Management Committees (DMC), formed to streamline SCDP activities in the respective districts, provide policy guidance and support for programmes.

The approaches and principles of sustainable development have been incorporated into the Ninth Five-year Plan (1997- 2002) at the national level to assist poverty alleviation and promote sustainable development. Documentation of SCDP processes and sharing of information and experiences among different stakeholders has played a vital role in influencing government policies.

Local resources have been generated and mobilised for sustainable development practices through social capital formations. The amount of community funding has reached NR3,066,000 (equivalent to US\$45,088) and is invested to support the economic needs and activities that are identified and implemented by community-based organisations (CBOs). The creation of Sustainable Development Facilities (SDF) has added a new dimension to provide easy access to credit facilities for the CBOs due to the complicated processes of financial institutions. Three SDFs have been institutionalised as sustainable development partners (US\$360,000) to function as a revolving fund to finance local development initiatives including non-timber forest products.

The Programme has developed 665 self-governing CBOs including 119 women. They meet every week and generate money and discuss how to implement their plans. Training is provided to them based upon their needs. They have produced sustainable development specialists i.e. nursery managers, veterinary specialists known locally as *Digo Doctors*, Traditional Birth Attendants (TBA) and also manage the Community-based Child Care Centers. As women members have an important role in environment management as direct users of fuel wood, environmental literacy classes have been instrumental in promoting the sustainable use of natural resources. In addition, 902 improved cook stoves have been installed and used, saving approximately 3,992 tonnes of fuel wood.

At its inception, SCDP made various efforts to build the capacities of NGOs to implement and adapt programmes. Information-sharing among NGOs has led to the creation of an NGO Network known as the Sustainable Development Network (SDN) with 16 NGO members at present. The SDN members have started to adapt SCDP approaches and share lessons and experiences with CBOs.

The Programme has also provided support for the Poorest of the Poor (POP) in the programme areas including 12 households liberated from bond labor system. The CBOs themselves identify the most needy households to address their immediate social and

economic problems.

The establishment of an "Eco-village" is considered one of the most significant achievements of SCDP. This comprises 16 households utilising bio-gas as the key source of energy to substitute the use of firewood. This small village alone saved 146 tonnes of fuel wood and helped to minimise the social conflicts and domestic violence caused by the random collection of fuel woods from the forest.

Specific achievements include:

- Forest coverage increased in watershed areas due to the reduction of fuel wood consumption;
- Reduction of conflict within among the groups and households due to the availability of alternative energy such as bio-gas;
- Improved healthcare and education facility to women and children;
- Initiated new business opportunities with value products (NTFP farming and small scale enterprises);
- Easy access to services and resources (Credit facility without collateral);
- Developed self-confidences of the women and marginalised households;

Importantly, the Nepal programme has shown that local NGOs can plan and implement the programmes in an effective way but are generally poor in meeting reporting requirements. To improve this, they require more technical support and systematic monitoring, documentation and sharing information must be prioritised right from the start of the programme. In addition, the organisation of *exposure visits* is extremely useful for enhancing understanding for replication at all levels.