



*The Equity Diamond: National values in terracotta compared to regional ones in blue. Source: **Infant mortality:** UNICEF, *The State of the World's Children, 1998*, **Adult literacy:** UNICEF, *The State of the World's Children, 1998*; **GDI** (Gender Development Index): UNDP, *Human Development Report 1998*; **GINI:** World Bank, *World Development Indicators 1998*. (The regional average for this indicator was calculated by *Social Watch*).*

GONE WITH THE WIND?

Despite policies and programmes on paper, the number of people living below the poverty line is estimated to have doubled in the last 20 years. Poverty alleviation is the only overall objective of the Ninth Five-Year Plan (1997–2002) which aims to reduce the percentage of people living in poverty from the current 42% to 32% by 2002 and 10% within two decades. It also aims to reduce the unemployment rate from the current 5 to 4% and the under-employment rate from 47% to 37%. It also states «one job for one family». With the privatisation of 16 public enterprises, 19.2% of workers have lost their jobs and group retrenchments continue. But with over half the Plan's time span elapsed, implementation is still totally ignored.

The education, which consumed 13.5% of the annual government budget in 1996/97, is a high priority sector in Nepal. The Net Enrolment Ratio, however, is only 47% overall and 67.5% at the primary level (78.7% boys and 55.6% girls). **A full 60% of the population (76% of women) are illiterate.**

The Ninth Five-Year Plan established a laudable goal by recognising the right to health as an inalienable human right. According to figures, however, the Average Life Expectancy at Birth remained at 55 years (53 for women), and the Infant Mortality Rate stood at 98 per 1000. The Maternal Mortality Rate of 875 per 100,000 women aged 15 – 49 is one of the highest in the world. Access to public health service continues to be a major challenge. Discrimination based on caste and gender persists.

In its brief history of only about a decade in Nepal, the NGO sector has many achievements to its credit, particularly in the field of social mobilisation and poverty alleviation at the grassroots. It suffers from a number of shortcomings, however, in their institutional capacity, lack of management transparency, and limited sense of voluntarism.

Nevertheless, in contrast to the government, local self-help organisations have demonstrated immense capacity for development and good governance at the grassroots. They have achieved across-the-board progress in agricultural production and productivity, forest management, health, sanitation and access to education, mobilising savings and using them for self-help credit, and empowerment of women. They suffer, however, from limited coverage and lack of access to necessary technical and any other

In Nepal, government initiatives to fulfil commitments made in Copenhagen have been lack lustre at best. No new initiatives can be attributed specifically to the Social Summit. Most current programmes that directly or indirectly affect social development started long before the Summit. The Summit should have accelerated or intensified programmes that could contribute to verifiable fulfilment of the Commitments. Most of these programmes, unfortunately, suffer from serious deficiencies and do not contribute meaningfully to fulfilment of the Commitments.

supports. The government still has to wake up to the potentiality of this sector for accelerated development in the villages.

GOVERNANCE-RELATED PROBLEMS

While the overall set-up of the polity is democratic in form, the practice of governance is subject to pervasive undemocratic forces. Most politicians resort to corrupt means for mobilising resources for themselves and their parties. Money and muscle powers are critical to winning elections in Nepal, where voters, are mostly poor, illiterate and ill-informed. The government bureaucracy operates at the beck and call of its political masters; it has, over the years, become further deprofessionalised, non-responsive and corrupt. ***This is why the provisions of the ambitious Ninth Five-Year Plan amount to nothing more than pious wishes and words of appeasement.*** Despite decades of rhetoric favouring decentralisation, effective devolution of powers has consistently remained a mirage.

Despite five full decades of foreign aid to Nepal, the socio-economic condition of most poor people in the country has gone from bad to worse. The country now languishes in abject poverty, stark under-development, unacceptably high population growth rates, ill-developed infrastructures, poor health and educational systems, acute social and economic stratification, and discriminatory access to limited social services. ***The numerous and increasing number of donors in the country cannot absolve themselves of their share of responsibility for creating and perpetuating this mess.*** Nepal's mounting debt burden, which mainly affects the poor and the weak, results primarily from the largely irresponsible conduct of foreign aid—by both donor officials and their receiving Nepali counterparts. It is the poor local people living in regions that never had the power to direct and benefit from donor-funded projects who are now left to themselves to survive.

Civil society organisations in Nepal are convinced that value-based politics is indispensable and that political parties must be transformed into democratically governed institutions. Only under these conditions of governance will social development priorities stand a chance of being properly addressed.

- The country's bureaucracy should be properly streamlined to make it professional, a-political, responsive and well-motivated.
- The government's exclusive role in delivery of development benefits must be fundamentally re-defined to achieve significant and effective political and economic devolution in the country.
- The government should be encouraged to set-up a broad-based national watchdog body with sufficient powers, a «***National Commission for Social Integration and Development***», to continuously monitor the development performance of various socio-economic groups and to enact and enforce effective social reform measures to end untouchability, child marriage, girl trafficking, violence against women, etc.

- The government should recognise education as one of the most potent interventions for national development in the country.
- The government should redefine the composition and role of the two committees for development of ethnic and downtrodden and oppressed peoples. The committees should be truly representative of those peoples and genuinely responsive to their needs and aspirations.
- The government should improve the environment for NGOs genuinely working for social development by updating the related legislation and providing necessary facilities.

CIVIL SOCIETY STRENGTHENING RECOMMENDATIONS

National NGOs must play a more proactive role in promoting social development. To that end, they should:

- Work as social mobilisation intermediaries for promoting self-help organisations at the grassroots.
- Sensitise government and non-governmental organisations and agencies for accelerated social development in the country.
- Undertake monitoring and research on social integration and development, particularly in the performance of various disadvantaged ethnic and caste groups and identify policy and programme options to be implemented by the government, donors, NGOs, self-help groups and communities at large.
- Engage in innovative experimental and demonstration programmes in the field of social development and disseminate their findings.
- Promote and participate in national and international networking of social development NGOs for exchange of information and experiences and for advocacy at the national and international levels.
- Establish and promote themselves as non-political, non-profit, transparent and professionally managed voluntary organisations.

DONOR COMMUNITY RELATED RECOMMENDATIONS

A new norm for managing foreign aid should be developed and enforced in Nepal. It should be aimed at making donors more accountable to the people, transparent in their style of management and participatory in their planning and resource allocation.

Essentially, the following principles and priorities should govern the management of foreign aid in Nepal:

- Donor assistance for social development should accord highest priority for accelerated socio-economic development at the grassroots level, including significant expansion of employment and income opportunities for the assetless, disadvantaged and deprived.
- Foreign aid for social development must contribute to the strengthening of civil society nationally, and to building and strengthening self-help organisations at the grassroots.

- Donor institutions should re-orient their own intra-institutional priorities and their planning and implementation methodologies to ensure that the priorities, needs and aspirations of the poor in the host country constitute the fundamental basis for overall planning and resource allocation within their organisations.
- Donor institutions should completely depart from the practice of setting up their own programme structures parallel to those of the national government and non-governmental agencies, and instead work through the government, local government, and non-governmental agencies including the local self-help groups in planning and implementing development programmes in the recipient countries.
- All donor-funded programmes must be subjected to national scrutiny.
- Donors should not use international NGOs to act as the intermediary institutions between themselves and the host nation institutions.
- Donors must form part of a participatory national co-ordinating forum comprising government, donor and civil society organisations, in which donor policies and plans can be openly discussed to make them consistent with national needs and priorities and to avoid the increasingly visible duplication of efforts and resources.

Given that very little social development has been accomplished in Nepal in the five long years from 1995 to 2000, it is strongly recommended that the forthcoming Special Session of the General Assembly of the United Nations adopt a time-bound plan of action specific to each country. All member governments, international agencies and civil society organisations should be required to design programmes, allocate sufficient resources, and implement and monitor these programmes accordingly.

- Rural Reconstruction Nepal (RRN), a Nepali NGO concerned with improving society, community empowerment and social justice in the country. This assessment is based on work of many people. Representatives of government, NGOs, political parties, members of both the houses of parliament, independent scholars, university teachers, local government authorities, and others have given feedback, suggestions, and comments and shared their concerns in the course of preparing this report.
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