

## About Nepal

- ❖ 27 million people. Poorest country in Asia, 14<sup>th</sup> poorest in the world
- ❖ Poverty fell by 11% between 1996 and 2004, but 3 out of 10 people still live on less than \$1 a day (31%)
- ❖ GDP per capita/year: \$340
- ❖ Growth rate: 2.2%, inflation 6.6%.
- ❖ Literacy as low as 29% among some ethnic groups
- ❖ Proportion of population who walk 4 hours in the hills and 2 hours in the plains (Tarai) to reach the road is 36%



**P**ace, stability and security are vital for real long term poverty reduction. DFID is working jointly with the UK's Foreign and Commonwealth Office and Ministry of Defence to support the government implementation of the Comprehensive Peace Agreement. DFID has helped to design the **Nepal Peace Trust Fund** and the UK is the largest bilateral contributor (\$14.6m to March 08). The UK is also the largest bilateral contributor to the UN Peace Fund (\$3.5m) and a major supporter of UNOHCHR (\$3m). The UK supports various elements of the security sector, with an emphasis on improving civil oversight, public security and local access to justice.

DFID investment in the **health** sector over the past 5 years has been \$100m divided between the Nepal Health Sector Programme and support to the Safe Motherhood Programme. This has contributed to halving child mortality over the past decade, and substantially reduced maternal mortality. DFID is also providing \$29 million over 5 years (2005-10) in support of the government **HIV and AIDS** programme. **Education** is also of the highest priorities for poor and excluded people. DFID has committed around \$40m over five years to enable the government to implement "Education for All". DFID's support, along with around \$200 million from other donors over the same period, has helped to achieve nearly a 7% increase in enrolment rates between 2002-2007, to 89%.

**Poor governance** is a key cause of poverty and conflict in Nepal. DFID has committed \$60m since 1998 to improving pro-poor governance. The Enabling State Programme (\$50m) supports anti-corruption, social inclusion, access to justice, and political governance work. Over 40 Constituent Assembly members from excluded groups have previously received training or other support from DFID.

DFID also supports the Government of Nepal (GoN) on improved **public financial management**. DFID has also funded the Decentralised Financing and Development Project (\$10m). This project provides block grants to local bodies to enable them to provide basic services to poorer communities. DFID and other donors are now working with the government on a national programme to expand this approach, the Local Governance and Community Development Programme.

DFID has supported **economic growth** through **rural infrastructure** in Nepal throughout the conflict period. Better rural infrastructure has been a key factor in the fall in poverty from 42 per cent to 31 per cent in the last decade according to World Bank analysis. Since 2000 DFID has spent \$84 million to construct 1,500 km of rural roads and 2,200 bridges across the country, connecting over 1 million people in remote districts. In doing so it has provided ten million days of employment for 150,000 poor and disadvantaged people. DFID has also invested \$24 million over the last five years in **rural livelihoods** programmes which have increased the incomes of 550,000 people and lifted 130,000 out of poverty.

Nepal suffers disproportionately from **climate change** because of its altitude. DFID support will help the GoN fill the evidence gap and design interventions that will help



The Department for International Development (DFID) is the part of the UK Government that manages Britain's aid to poor countries and works to get rid of extreme poverty. DFID's budget was £5.3 billion (\$10.6bn) in 2007/08, will increase to £7.9 billion (\$15.5bn) by 2010/11, and is on track to meet its' commitment to allocate 0.7% of Gross National Income in aid by 2013. The UK is the largest bilateral donor to Nepal with a \$110 million contribution in 2007/08. The UK is also making \$43m available to the GoN until 2015 through the UK Multilateral Debt Relief Initiative. \$4.5m of this has already been allocated by the GoN to the Nepal Peace Trust Fund.

Nepal to adapt. DFID is investing \$38 million over ten years in **community forestry**, which will help almost one fifth of the population of Nepal to make a better and more sustainable living from forest resources. This support will help reverse deforestation and help Nepal capture an estimated 3.5 million tonnes of carbon a year, worth an estimated \$30 million at today's market values, many times the annual cost of the programme.

## Nepal and the Millennium Development Goals (MDGs)

The eight Millennium Development Goals (MDGs) were agreed at the United Nations Millennium Summit in September 2000. Nearly 190 countries have subsequently signed up to them. The eight Millennium Development Goals are:

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

Although there has been some progress on the MDGs in Nepal, a great deal remains to be done. Social exclusion in Nepal makes it harder to achieve the MDGs, but Nepal is on track to meet four of the MDGs – Poverty and Hunger, Gender Equality, Child Mortality and Diseases (Tuberculosis).

## Making aid effective

DFID Nepal tries to ensure its programmes are responsive to changing country circumstances. DFID Nepal uses a number of tools and frameworks such as the Safe and Effective Development in Conflict (SEDC) methodology to maximise effectiveness. DFID is also working to ensure the effectiveness of its new country assistance plan by undertaking a scenario planning exercise and fiduciary risk assessments of all key sectors as part of the preparation.

We regularly engage in dialogue with the Government and other development partners. DFID is involved in all key donor coordination mechanisms, playing a leading role in many of them, for example, in the use of multi-donor funds in support of government programmes such as the Nepal Peace Trust Fund, or in the development of Sector Wide Approaches (SWAPs) in health, education, rural infrastructure and local governance and community support.

### For further information

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DFID Nepal employs 38 Nepali and 13 international staff. We take a proactive approach to diversity in order to support positive social change in Nepal and are seeking to recruit more staff from excluded groups.

visit <http://www.dfid.gov.uk/recruitment/>