

**DFID NEPAL**

**Interim Country Assistance Plan,  
November 2007- April 2009**

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### Summary

1. Nepal is South Asia's poorest country and the 12<sup>th</sup> poorest in the world. It is going through a period of great political and social turbulence. The People's Movement of April 2006 led to Peace and Arms Agreements being signed between the (then) Seven Party Alliance and the Maoists in November. This brought to an end a 10 year war which had claimed 13,000 lives. These are important achievements for the people of Nepal, however, huge challenges remain to turn this peace process into a positive step towards the creation of a democratic Nepal that functions in the interests of the majority of Nepalis, regardless of ethnicity, caste or gender.

2. This Interim Country Assistance Plan (ICAP) outlines how DFID will respond to the situation in Nepal during this time of uncertainty, working closely with the Foreign and Commonwealth Office (FCO) and the Ministry of Defence (MoD). While overall the expectation is that the peace process will move ahead, with setbacks along the way, there are huge risks to be managed. Elections to a Constituent Assembly have been scheduled and delayed twice this year. Other elements of the peace agreement have not moved forwards, such as: the integration of Maoist combatants into the army; creating adequate conditions for the Maoist ex-combatants in cantonments; and addressing the issue of the displaced and disappeared. Agreements with politically excluded groups have been drawn up but not implemented. The unity between the (now) Six Party Alliance and Maoists remains fragile and it is on this unity that the peace process will succeed or fail.

3. In this context the focus of DFID's efforts will be focused on securing the peace, delivering a peace dividend and building the state. We will focus on three objectives:

- **Support the implementation of the peace agreement:** working closely with the FCO and MoD, combining diplomatic efforts with financial support to implement the Comprehensive Peace Agreement.
- **Help to build a more effective and inclusive state:** supporting the delivery of a 'peace dividend' to the people, with a strong focus on health and education. Help build government systems where opportunities allow and encourage the state to be more inclusive of under-represented groups in political and governance structures, necessary for sustainable peace.
- **Promote inclusive economic growth:** helping to improve economic opportunities for poor people, with a focus on building badly needed rural infrastructure, particularly roads, and examining other ways in which we can support growth for economically excluded groups, including women.

These efforts will build on DFID Nepal's experience of working in a fragile state, where we have helped to:

- free Nepal of polio from 2005, while annual deaths from tuberculosis are estimated to have fallen from 16,000 to 5,000 per year;
- provide improved water and sanitation services for more than 50,000 people;
- build 500km of rural roads, providing 5 million days of employment to 35,000 poor and excluded households;
- reach 650,000 households (15% of the population) through directly implemented forestry and agriculture programmes, helping people increase incomes and reverse historic deforestation.
- improve both women's health and child survival through sustained investment in the health sector. Extraordinary progress has been made in reducing maternal mortality, which has been halved over the past ten years, through support to trained midwives, safe and legal abortion, and a cash incentive scheme to encourage mothers to use trained midwives. Over the same period, under-five mortality has been cut by 40 per cent, partly due to achieving the highest immunisation coverage in South Asia at 83%.
- increase children attending school by 5% between 2002 and 2006, and large increase in girls' attendance – DFID is a major funder of the Education For All programme.

4. We will consider scaling up our programme from current levels, spending up to £90 million over FYs 2007/08 and 2008/09 to the end of the period of the Interim CAP. Risk will be managed through having a smaller number of higher impact programmes which can deliver successfully in the different possible political scenarios. We will build on our experience of working successfully in conflict in Nepal and elsewhere.

5. We will help to develop a joint donor-government strategy to guide joint action by donors over the period of political transition ahead. We will work with a currently fragmented donor community to improve co-ordination of our collective support to deliver tangible outcomes for the people over the period of political transition ahead and help to build the state. If the context allows, more of our programme finance will flow through government, underpinned by robust fiduciary risk assessments and monitoring frameworks.

## Context and Challenges

### *A process of transition*

6. 2006 was a hugely significant year in Nepal's history. In April the 'People's Movement' brought an end to a period of autocratic royal rule and opened up a chance for the re-establishment of parliament. On 21 November a Comprehensive Peace Agreement was signed between the then Seven Party Alliance Government and the Maoists, followed by an agreement on arms management. The successful implementation of these agreements is a precondition for growth and development in Nepal.

7. Nepal is going through a period of potentially fundamental transformation, shaking off its feudal past and establishing a modern democratic state. The People's Movement demanded a 'New Nepal', the monarchy has been suspended. The elections have been postponed twice and the Maoists, having joined the Interim Government in April 2007, left it in September, though they remain committed to the implementation of the peace agreements. The main focus of the Interim Government should be to hold elections to a Constituent Assembly as soon as possible to keep the peace process moving, but there are significant differences to be overcome in making this happen. It is anticipated that the CA will re-write Nepal's constitution and lay the foundations for a more equitable and fair society. It is also expected that the CA will recommend radical changes to the structure of the state. This will, it is hoped, be the beginning of a long awaited transformation in the relationship between the people of Nepal and the state.

8. The backdrop to the conflict and the continuing unrest affecting Nepal is deep seated poverty, poor governance and discrimination in the context of a highly stratified society, which has allowed opportunities to be restricted to a limited number by caste, ethnicity and gender. This is where the root causes of conflict lie: in the stark inequality in Nepal over decades; state mechanisms and policies which have excluded many; lack of equitable access to resources and assets; and limited voice for the poor and excluded.

9. There are many challenges that threaten forward movement with Nepal's political transition. There has been little progress with key elements of the peace agreements. Plans to integrate Maoist ex-combatants into the army have stalled. The agreements made with the *Janajatis* (indigenous communities) and *Madhesi* people in the Southern plains of the Tarai remain unimplemented. The challenge of the Tarai is particularly acute - where around 40 per cent of the population are demanding fairer representation in political structures before the CA elections take place. Their grievances have resulted in the emergence of several new armed groups determined to fight the Madhesi cause.

10. The other major threat is the law and order situation. The police force is yet to establish itself as a trusted security arm of the state with the full backing of all parties. The deterioration in law and order is most evident in urban areas, and is exacerbated by the activities of the Young Communist League – an arm of the Maoists formed since the peace agreement. The situation is fluid and fast moving.

These challenges will change and new threats will undoubtedly emerge over the period of this Interim CAP.

### ***The critical issue of exclusion***

11. Addressing social exclusion<sup>1</sup> will be critical to achieving sustainable peace and the Millennium Development Goals. Political commitment will be needed to tackle this. Social, political and economic opportunities need to be created for *Dalits* (formerly known as untouchables); Janajatis, Madhesis, Muslims and women. All of these groups face significant discrimination and are agitating for change in the current context where transformation is now seen as possible.

12. For women the challenges are extreme. Opportunities created for them need to account for the realities of early marriage, low literacy and the prevailing patriarchy. A majority of the decision-makers at all levels (household, community, political parties, local and national government) are men. For example, until pressured by women activists, no women were members of the negotiation teams or the drafting team of the constitution. Women from excluded groups face additional layers of exclusion.

13. Young people (15-24) make up over a quarter of the population of Nepal, and are claiming their right to be included in structures of power. 300,000 school leavers enter the labour market each year, but 1.5 million youth remain unemployed, undermining their future and creating a potential source of instability.

### ***Poverty and the MDGs***

14. Nepal is the poorest country in South Asia and the 12<sup>th</sup> poorest in the world. However, despite the conflict, progress has been made in a number of key areas. Over the past decade poverty has been reduced from 43 per cent of the population to 31 percent in 2004. This has been driven by increased agricultural wages boosted by improved roads, growth in remittances (over 1 million Nepalis work abroad), and growing urbanisation providing increased job opportunities. Nepal is on track to achieve the poverty, gender equality, TB, maternal health and child mortality MDGs, but off track to meet MDGs in primary education and HIV/AIDS (see Annex 1). It is important to note that poverty levels are unevenly spread among ethnic groups and geographical regions. Nepal is the most unequal country in Asia, and the situation is rapidly worsening, which may fuel further conflict.

### ***Immediate challenges***

15. The capability of government was eroded during the conflict; however its core functions have been maintained, including basic service provision. While there have been improvements in public health outcomes and school enrolments, public confidence in government is at a very low level, including in particular in the

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<sup>1</sup> Social exclusion describes a **process** by which certain groups are **systematically disadvantaged** because they are discriminated against on the basis of their ethnicity, race, religion, sexual orientation, caste, descent, gender, age, disability, HIV status, migrant status or where they live.

army and the police who have been implicated in many human rights abuses. The relationship between the people and the state needs to be built.

16. Generating employment in the short term is a critical part of stabilisation of the peace process. Growth which creates employment will be critical to the achievement of sustainable peace, but this is going to be difficult to achieve given the continuing political uncertainty.

17. Helping government to meet some of the expectations of the people will be critical in the post conflict period. Recent research shows that poor people in Nepal want jobs, first and foremost. Roads come next, followed by education and health, and then water. Despite its weak performance people put a very high value on government, and look to the state, rather than other actors to provide opportunities and services.

**Table 1 – Services - Poor people’s priorities (in order)**

1. Roads	Connectivity to markets and services, overcoming geographical isolation
2. Education	Remove user fees, unequal access to scholarships
3. Health	Remove fees, expand range of treatment and medicines
4. Water	Expand access, and remove source of daily humiliation for Dalits
5. Electricity	Remove sense of deprivation and expense and inconvenience of kerosene for those without access: increase hours of productivity (women)
6. Irrigation	Janajati, Muslim and Brahmin / Chetri landowners
7. Land	Dalits and Brahmin / Chetri squatters
8. Sanitation	Higher priority for women, user fees
9. Vet Services	Limited personnel, expensive medicines

18. The current political process in Nepal is full of opportunity, yet very fragile. Many of the fundamental barriers to progress in Nepal can only be addressed after a new constitution has been written by the Constituent Assembly, and the structure of government at all levels has been settled. In the interim period however, there are immediate steps that the government can take, supported by donors to deliver a peace dividend.

19. The donor community is however, fragmented in its development efforts in Nepal. While there are some areas of good practice, including health and education sector programmes that delivered successfully through the conflict period, action is required to bring donors together and focus on delivery of a peace dividend and help to strengthen the state and its ability to deliver. We will aim to improve the international response in this fragile time of political transition, aiming to streamline donor initiatives, and move to more predictable, long-term aid that supports the priorities of the people of Nepal. Implementing the International Health Partnership will help to set a model for improved donor support along these lines.

20. The Government has drafted an Interim Three Year Plan. The Interim CAP mirrors the Government's priorities to the extent that they have been expressed. By the time DFID Nepal develops a full CAP in 2009, we expect the direction and priorities of Government will be clearer.

### **Purpose**

21. The purpose of this Interim CAP is: ***to help establish peace in Nepal and lay the foundations for inclusive development.*** The Interim CAP sets out how DFID Nepal plans to respond to the changing political and conflict environment in Nepal over the period October 2007 to April 2009.

### **Strategic Objectives**

22. The following three objectives will guide our actions over the period:

#### ***Objective 1: Support the immediate implementation of the peace agreement***

23. **Peace process.** The implementation of *the Comprehensive Peace Agreement and the Arms Management Agreement* represent the first critical steps in securing a sustainable peace. This is a key UK priority and DFID Nepal will work closely with the FCO and the MOD, and other donors. A key focus will be the inclusion of women and other excluded groups in the peace process. We have committed resources to the Government led multi-donor Nepal Peace Trust Fund and have agreed debt relief under the UK Multilateral Debt Relief Initiative to help fund the peace process. DFID Nepal will prioritise immediate actions to secure the peace. In the short term these will include support for:

- effective management of the cantonments for Maoist combatants and ensuring the arms management agreement is implemented as a basis for longer term security sector reform;
- securing law and order as a basis for a fair electoral process;
- creating the conditions for credible constituent assembly elections;
- reintegration of internally displaced peoples;
- and establishing future peace and reconciliation committees and structures.

24. DFID Nepal will work as much as possible through Government structures to support the implementation of the peace process. We will also support the actions of the UN Mission in Nepal, and a joined up UN and wider donor effort to support the peace.

#### ***Objective 2: Help build a more effective and inclusive state***

25. **Elections.** An immediate priority is helping to create conditions that are right for Constituent Assembly elections to succeed in electing a representative group of legislators to draft the new constitution. Once the CA is in place we will work to ensure that the CA follows an inclusive consultation process and drafts a constitution that provides for equal rights and inclusion of all Nepalis. *Targets include: Formal submissions from excluded groups make up at least quarter of the*

*total, and three quarters of women / excluded groups CA representatives receive training and ongoing technical support.*

26. **Services.** More broadly we will help to build the state in Nepal. We will help the Government to deliver a peace dividend to the people through delivery of basic services and greater security. Our focus in the social sectors will remain with the education and health government sector programmes, using our leverage to ensure stronger government systems and help to make progress against the MDGs. In health we will focus on making Nepal a successful 'first-wave' country for the International Health Partnership. We will re-engage with the police to help strengthen the law and order situation in the country and help establish a security force which recognises basic human rights and has the respect of communities. *Targets include: 30% births are attended by trained midwives; 85% immunisation coverage of DPT and measles; primary school survival reaches 85%; government's 3-year plan accepted by all political parties.*

27. **Accountability.** Critical foundations for an effective and inclusive state are accountable government systems. We will support the development of planning and monitoring systems, which address the priorities of poor and excluded groups. While progress has been made in public financial management in recent years, further work is required. Key areas of governance reform likely to be priorities over the period of the Interim CAP are a new strategy to build a meritocratic and inclusive civil service, and decentralised governance. DFID has been asked to assist in these areas. DFID will also undertake a Country Governance Assessment. *Targets include: moving to one agreed plan for public financial management.*

28. **Inclusion.** In addition to the above, we will help the government achieve its objective for greater inclusion of excluded groups, particularly women. We will focus on support to expand their representation in political decision-making. We will also support the increasing influence of the voice of a range of excluded group representatives, through leadership development.

29. Over the period of the interim CAP we will undertake analysis to identify those areas where our support to government and change agents in society can have the greatest impact on sustaining peace and the return to democracy.

### **Objective 3: Promote inclusive economic growth**

30. Accelerating inclusive growth and lowering inequality is vital to create jobs and address the underlying causes of the conflict. A successful peace process is a prerequisite for growth to flourish. Continued investment in health and education for all in Nepal will contribute to build a strong and diverse workforce and attract investment.

31. **Infrastructure and employment.** In direct support of growth, we will continue to invest in the infrastructure of rural Nepal, especially roads, which has proved to be an important part of reducing poverty over the past decade, by providing access to goods, markets and services (all the more so given Nepal's terrain). In doing this we will work more through government, and other donors. In

particular, we will support the development of the government's long term strategy for reconstructing rural infrastructure after the conflict. *Targets include: 500km of roads completed and population within 4 hours of a road increased by 16%; 1.85 million hours of employment for poor and excluded people created through road building; 160,000 households access services and funds to increase productivity.*

32. **Macro Growth.** We will carry out a strategic review on inclusive growth, including barriers to growth. We want to ensure that the highest priorities of the poor and excluded, including women are being addressed by government and donors, and that DFID is making best use of its areas of comparative advantage. Part of this review will address youth unemployment and mobilisation, which is one of the potential threats to a sustainable peace. We will also carry out a strategic environment assessment and consider options for work on climate change which is emerging as a critical risk area for Nepal's development. *Targets include: joint government and donor group develop strategy for inclusive growth; joint strategy for youth employment.*

### **Our approach**

33. In implementing the above objectives, DFID Nepal will adhere to the following five principles.

- *Working flexibly in a post-conflict environment:* The context is fluid and fragile; DFID Nepal will need to be ready to adapt to changing circumstances as required (see scenario planning), each large programme will need its own scenario plan. We will apply 'safe and effective development' principles in our programming.
- *Aid effectiveness.* We will support development of a donor-government compact, in line with the Government's Interim plan to guide the collective focus of donors over the period of transition ahead. We will support application of the OECD/DAC Fragile States Principles and Paris Principles into the work of donors in the post-conflict period. We will work with wider DFID strategies to increase the effectiveness of the World Bank, ADB and UN.
- *Strengthen while using government systems.* If peace is sustained we will increase the proportion of aid flowing through government systems (target of 60% by 2010 from the 2006/07 baseline of around 30%), helping to build these systems to deliver better services for poor and excluded groups in particular. We will update our fiduciary assessments and strengthen our monitoring to underpin this.
- *Promote social inclusion, including gender equality.* DFID will continue to ensure that social inclusion remains central to all our actions – we will promote the needs of Janajatis, Dalits, Madhesis and other excluded groups. On women specifically, our approach is to ensure gender equitable policies and plans, focus on increasing their political participation and improve their access to services.
- *Civil society.* We will remain engaged with civil society - ensuring reach of services to the poor and excluded; increasing their voice and influence; and building up a civil society which can engage productively with and hold government to account.

- *Impact.* DFID Nepal will seek to further focus our effort into a smaller number of higher impact initiatives. We will look carefully at our work in the water sector, HIV/AIDS and agriculture in particular and consider whether we should phase out our involvement in these areas. We will put a greater focus on demonstrating and communicating the impact of our work in Nepal.

## **Portfolio Performance**

34. DFID Nepal has undertaken a number of portfolio reviews since June 2004 and has reduced the number of programmes from 67 to 25. We will move to a smaller number of larger and high impact interventions. Of current projects eligible for a performance rating, 68% are likely to be largely achieved, an increase of 9% in comparison to 2004/05. Currently 15% of our portfolio is assessed as high risk and 57% medium risk.

## **Risk**

35. A key risk to achieving the Interim CAP objectives is *the break down of the peace process* and a return to conflict.

36. There is a risk that *the current elite do not open up power and opportunities to excluded groups in society*, and this fuels further conflict. This may happen more widely if the CA elections and process are not managed in an inclusive way.

37. Holding credible Constituent Assembly elections will be critical. There is a risk that *elections may not happen*. If they do not, the legitimacy of Government will deteriorate and return to conflict is likely. If elections do happen there will be considerable risks to *the integrity of the election process*: Maoist behaviour in some parts of the country; the difficulties encountered in the voter registration system; and the inability of the police to achieve national reach in maintaining law and order during the election – to name a few. HMG is fully engaged with Government and other development partners to ensure the success of the Peace Agreement and the elections.

38. To make peace sustainable we must help Government deliver to its people. DFID Nepal plans to deliver more of its assistance through government systems though *fiduciary risk is assessed as high*. Progress has been made in Nepal in improving public financial management since April 2006. Fiduciary risk will, however, continue to be monitored and a full assessment will be made in 2007, including detailed sector assessments for education and health. Continuing attention to fiduciary risk, in conjunction with a new Country Governance Assessment, will form an important basis for the next full CAP.

## **Scenario Planning**

39. In the fragile context of Nepal, many scenarios are possible (see Annex 3). DFID Nepal has developed four potential scenarios and an outline for how we would respond to the political situation improving or deteriorating. DFID Nepal will aim to continue working across the three CAP objectives in all scenarios, but vary

our response depending on the context. We plan that all instruments over a value of £5m will have their own scenario plan.

40. The four scenarios are summarised below.

- **Increasing capacity, increasing legitimacy.** The peace process moves forward, credible elections held, government with a focus on inclusion and development. We would move more quickly to a higher level of sector budget support and consider general budget support.
- **Some capacity, some legitimacy.** Fragile peace continues. Political settlement under negotiation, slow pace of inclusive reform. We would accelerate sector support and joint-donor platforms across the portfolio, focusing on building GoN capacities, service delivery, rural infrastructure, and community initiatives.
- **Low capacity, no legitimacy.** Peace process stalls for a lengthy period. Legitimacy deteriorates, law and order problems increase. No reform. We would focus on sustaining the peace and on processes that build a legitimate government. Continue to push on delivery of basic services, rural infrastructure, and community support through joint-donor platforms and government where possible.
- **No Capacity, no legitimacy.** Peace process collapses, increased civic and political unrest, state ceases to be able to function. Under this scenario our focus would be on re-building a peace process, and ensuring the delivery of basic services, rural infrastructure, and support to livelihoods at community level through joint-donor programmes, probably parallel to Government, where this is possible.

### **Internal Organisation**

41. Over the period of the Interim CAP, DFID Nepal will review its internal organisation. We have restructured both the programme and management teams to be better aligned with the direction set out in the Interim CAP. We will deliver the programme through two strategic teams: the Effective and Inclusive State team and the Inclusive Growth Team. A Programme Coordination and Quality Assurance Team has been established as the engine of programme coordination and monitoring. We will promote lesson learning within DFID Nepal, with other parts of DFID and externally. The management and support teams have been restructured to improve efficiency, and create more opportunities for SAIC staff to develop.

### **Financial Resources**

42. Working in a post-conflict environment requires both support to the peace process and investment in a 'peace dividend' vital for stabilisation. Likely improvements in Government capacity in the post conflict environment, should allow for increased aid to be absorbed more effectively and to contribute to lasting peace and development. We plan to increase our development assistance to Nepal (Table 2). Depending on the context, additional resources will as much as possible be channelled through Government systems.

**Table 2: DFID NEPAL AID FRAMEWORK IN £**

	<b>2007/08</b>	<b>2008/09</b>
DFID Nepal Bilateral Funds	43 million	47 million (planned)
Note: These are indicative figures only. They exclude administration costs (which will be approximately £ 2 million per year)		
This Aid Framework will be supplemented by approximately £2-3 million per annum from the UK's Conflict Prevention Pool and an estimated £23.5 million for multilateral debt relief until 2015		

### **Monitoring and Reporting**

43. Each of the four teams in DFID Nepal will set out indicators against the key objectives of the interim CAP. These will be monitored on a six monthly basis. Overall development outcomes will be monitored through our engagement with the GoN's national Poverty Monitoring and Analysis System. We will also use additional components which include:

- Programme Monitoring: to assess progress against the purpose and the objectives by using the regular project cycle monitoring of all our programmes
- Livelihoods and Social Inclusion Monitoring: to analyse and provide evidence of the impact of DFID's support to poverty and exclusion
- Context Monitoring: to assess changes in the broader operating environment for development in Nepal

***DFID Nepal, October 2007***

## Annex 1: Progress on MDGs<sup>2</sup>

MDG goal	Trends				Status
	1990	1995	2000	2005/06	
Goal 1: Eradicate extreme poverty and hunger (% population below national poverty line)	42%		38%	31% (2005)	On track
Goal 2: Achieve universal primary education (net enrolment in primary education (%))	64%	69%	81%	84% (2005)	<b>Off track</b>
Goal 3: Promote gender equality and empower women (ratio of girls to boys at secondary level)	0.43	0.56	0.70	0.82 (2005)	On track
Goal 4: Reduce child mortality (under 5 mortality rate (per 1000 live births))	162	118	91	61 (2006)	On track
Goal 5: Improve maternal health (MMR) (per 1,000 live births)	515	539	415	281 (2006)	On track
Goal 6: Combat HIV/AIDS, malaria and other disease	No single indicator for the goal. Focus on HIV/AIDS: halt and reverse the spread of HIV/AIDS by 2015 – data too poor to know if epidemic is widening from a ‘concentrated’ epidemic.				<b>Off track</b>
Goal 7: Ensure environmental stability	No single indicator				Potential

<sup>2</sup> Source: Government of Nepal/UN. 2005. Nepal Millennium Development Goals: Progress Report 2005. Ministry of Health and Population, Demographic and Health Survey 2006.

## Annex 2: Interim CAP Performance Monitoring Table

CAP Objectives	Expected Results <sup>3</sup>
<p><b>Support the immediate implementation of the peace agreement</b></p>	<ul style="list-style-type: none"> <li>• Election Monitoring Working Group (EMWG), Carter Centre, Asian Network for Free Elections (ANFREL) are in a position to make a credible judgement on the status of the CA elections.</li> <li>• Constitutional Assembly establishes formal mechanism for a consultative process with civil society groups.</li> <li>• Dialogue between parties on security sector reform results in an acceptable way forward.</li> <li>• UN and donor support to peace process prioritised and in direct support of clear government strategies.</li> </ul>
<p><b>Help build a more effective and inclusive state</b></p>	<ul style="list-style-type: none"> <li>• Government launches programme, with acceptance of excluded communities, to implement interim constitution commitment on inclusion within state structures.</li> <li>• Survival rate to grade 5 increased to 84%. The % increase in survival rates amongst girls and excluded groups greater than for boys and non excluded groups.</li> <li>• Skilled birth attendance (SBA) rate increases to 30% nationally. The disparity in SBA rates across groups reduces. (source: MIS independent monitoring).</li> <li>• Government of Nepal meets joint financing arrangement (JFA) commitments on domestic contributions to health and education actual expenditure.</li> <li>• Joint donor approach to support of government owned credible plan of improvement on PFM.</li> <li>• 30 new leaders are trained in inclusive political reform.</li> </ul>
<p><b>Promote inclusive economic growth</b></p>	<ul style="list-style-type: none"> <li>• 500 kilometres of motor-able roads in remote hill areas completed by DFID road programmes (June 2008).</li> <li>• 160 thousand poor and excluded households access services and funds to increase productivity, in DFID agriculture and forestry programmes (December 2008).</li> <li>• Increase number of youth employed through DFID projects and programmes by 10 percent.</li> <li>• Decision made on DFID Nepal future direction on inclusive growth.</li> </ul>

<sup>3</sup> These are subset of the full results that we will use to monitor the CAP performance.

