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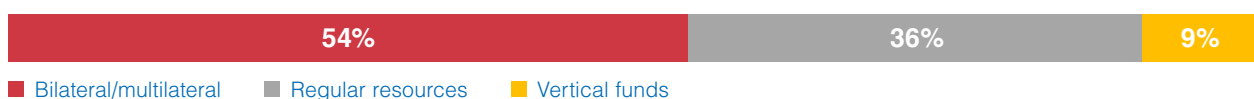
## UNDP IN NEPAL

In 2006 Nepal emerged from a decade of civil conflict with the signing of the Comprehensive Peace Accord. While classified as a least developed country, it has improved its human development indicators, and the economy has grown steadily. Inequality between ethnic and caste groups continues to increase, however, and gender inequality remains a major challenge. The country is highly vulnerable to natural hazards..

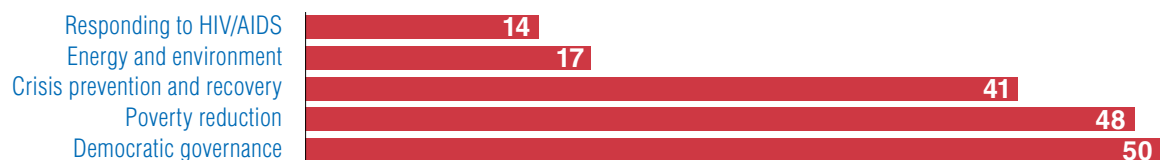
UNDP programmes provided support in the arenas of peacebuilding, recovery and reintegration; transitional governance; inclusive growth and sustainable livelihoods; and energy and environment, and disaster management. The Independent Evaluation Office of UNDP conducted an independent country programme evaluation that covered UNDP work from 2002 to 2011.

### TOTAL PROGRAMME EXPENDITURE, 2004-2010: \$169 MILLION

#### FUNDING SOURCES, 2004-2010



#### PROGRAMME EXPENDITURE BY THEMATIC AREA, 2004-2010 (\$ MILLIONS)



## FINDINGS AND CONCLUSIONS

UNDP has been unstinting in its support to the people and Government of Nepal, making a strong contribution to development results across a diverse portfolio. Some programmes were adopted as policy or models by the Government, and attracted support from other development partners. The organization sought to address the urgent needs of communities during the conflict as well as longer term issues, such as through capacity development in institutions essential for consolidating peace, and promoting democracy and development.

Although the area of peacebuilding and recovery has been particularly challenging given political sensitivity, UNDP has contributed substantively to the capacity development of important institutions, namely, the Constituent Assembly, the Ministry of Peace and Reconstruction, and the Election Commission of Nepal. The organization's role in the discharge of former combatants is widely acknowledged. Democratic dialogues where UNDP partnered with civil society raised awareness among communities about the constitution development process, yet effectiveness was constrained by the incomplete peace process and incomplete Constitution.

In transitional governance, at the height of the conflict, UNDP supported local communities to initiate and implement their own development activities. The innovative Public-Private Partnership Programme for Urban

Environment has fostered development of a national policy on public-private partnerships; several of these have delivered basic services to people in urban centres. Support to the National Planning Commission contributed to mainstreaming the MDGs in national planning, though challenges in localizing the goals remained.

UNDP contributed to law reform and modernization of the justice system. The use of alternative dispute resolution, in particular, mediation, has been adopted by the Supreme Court and court-annexed mediation has been institutionalized. Community-based mediation has provided many poor people, especially women, with access to justice that is timely and less costly than the formal justice system. Community mediation centres do experience challenges, however, such as inappropriate use of mediation for serious criminal offences.

In its inclusive growth and sustainable livelihoods portfolio, UNDP helped improve the livelihoods of a large number of households. The Micro-Enterprise Development Programme devised and progressively refined an enterprise development approach that has now been adopted by the Government. UNDP has also aided greater access to finance for those people who cannot secure this from banks. For many enterprises, though, sustainability is not imminent as they do not have access to larger markets.

UNDP's substantial contribution on the environment and energy included supporting national policies and legislation. Community-based initiatives provided valuable insights that fed into policy development, including Nepal's Climate Change Policy. Work on disaster risk management was fragmented; given the importance of this issue, UNDP established a dedicated Disaster Risk Management Unit in 2011.

Gender equality and social inclusion concerns cut across all programme components. Yet there was a tendency to focus on women's participation as programme beneficiaries, without sufficient attention to their participation in decision-making. While UNDP made a conscious effort to target socially excluded groups including the ultra-poor, Dalits, Janajatis and Muslims, some groups, such as people with disabilities and people living with HIV/AIDS, were not well-represented.

The country office has worked on improving its efficiency, such as by establishing the Project Implementation Support Unit in 2010. A number of initiatives aimed to improve planning for procurement and communication between programme and operations teams, and the monitoring and evaluation function was enhanced. Synergies among programmes could be improved.

Sustainability of development results was fragile for reasons of limited resources, and constraints faced by the Government in assuming ownership or providing

resources. Inherent sustainability challenges in community-based projects came from their focus on the poorest and most excluded people, who have limited physical and social assets, and little or no prior opportunity to participate in development activities. Programmes became captured by those who are slightly better off.

Political neutrality and credibility were comparative strengths for which UNDP was widely recognized during and after the conflict. The Government appreciated its flexibility and responsiveness, and its robust analysis of the country context and thorough risk analysis. UNDP made good use of its global networks and corporate expertise in selected areas, for example, on crisis prevention and recovery. South-South cooperation was evident in some programmes, but lacked an overarching strategy to articulate what it should achieve in Nepal.

While it brokered partnerships with a number of international donors, UNDP did not engage non-traditional donors and the private sector to any significant extent. It worked with many non-governmental organizations, but not to its full potential.

As the next phase of Nepal's transition brings new and existing challenges forward, UNDP faces resource constraints and risks to programme effectiveness. It will be essential to prioritize based on comparative strengths, such as the targeting of poor and socially excluded people, in line with evolving national prerogatives.

## RECOMMENDATIONS

- UNDP's programme for the next cycle should be based on a sound prioritization of programmes in light of possible future budgetary reduction, but should be sufficiently flexible to respond to the emerging needs of Nepal as it enters the next phase of its transition. This should be underpinned by a rigorous process of contextual analysis, follow-up of recommendations that emerge from monitoring and evaluation, and enhanced efforts in documentation of lessons learned.
- UNDP should continue with initiatives taken to improve programme and management efficiencies of its work, including enhancing synergies across its programmes and coordination between operations and programmes.
- UNDP should revise its approach to inclusive growth and sustainable livelihoods programmes with a view to enhancing the sustainability of development results. This should include gradually shifting emphasis to advocacy and policy advice, informed by the practical experiences of pilot initiatives. UNDP should support the Government to mobilize resources for scaling up promising pilot initiatives.
- UNDP should develop a strategy for sustained institutional capacity development and government ownership, taking into consideration the fluid and fast-changing context of Nepal.
- UNDP should adopt a more systematic approach to South-South cooperation to sustain the benefits that can be derived from such activities.
- UNDP should address the existing gaps in its partnerships. This should include broadening its partnership base to include the private sector and non-traditional donors and addressing concerns about its in-country resource mobilization strategy.

## ABOUT THE ICPEs

Independent country programme evaluations (ICPEs) are the backbone of the work of the Independent Evaluation Office. They capture evidence of UNDP's contributions to development results and the effectiveness of strategies supporting national development. They enable continued improvement in UNDP programmes, contribute to strengthened national ownership and evaluation capacity, and underpin accountability to national stakeholders and UNDP's Executive Board. To date, over 100 ICPEs have been conducted worldwide.

See the full reports at the Evaluation Resource Centre, [erc.undp.org](http://erc.undp.org)