



Nepal Human Development Report 2009

State Transformation and Human Development



Nepal Human Development Report 2009

STATE TRANSFORMATION
AND HUMAN DEVELOPMENT



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State Transformation and Human Development

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Preface

Previous Nepal Human Development Reports and the reports of many other organizations have successively mapped underlying patterns of exclusion, disadvantage and vulnerability in Nepal. While the proportion of Nepalis living in extreme poverty has lowered over the last decade, these underlying patterns of inequity have not changed significantly.

If the Comprehensive Peace Agreement is any guide, these same patterns appear to have fueled the decade-long insurgency. The terms of the peace as spelled out in this historic document, are anchored in the principles of rights, access and equity. The country has launched itself on a process of profound transformation, where everything is up for negotiation - the structure of the state, the symbols of nationhood, the rights of the citizen - within a pre-agreed and hopefully peaceful framework. Reading the peace agreement and many of the successive agreements through a human development lens, one has the sense that these underlying patterns have now, finally, truly arrived at 'centre stage'. And that the key decisions ahead, will ultimately be measured by the extent to which they break these long-standing patterns.

Patterns entrenched over hundreds of years will not easily be broken however. Over the coming months and years, the Nepali people and their leaders face an array of decisions with long-term consequences. Not every

option guarantees a good 'human development outcome' and in the background will remain the peace process itself, which will need protection at all costs. Nepal will find its own formula for securing the peace and advancing this complex agenda.

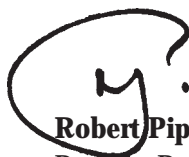
This year's Nepal Human Development Report, therefore, explores some of the decisions ahead with a view to better understanding their potential impact on Nepal's human development status.

As usual, this year's human development report also provides a wealth of data and information on the HDI and other related indices by 13 sub-regions of Nepal and by 11 caste and ethnic groups. The spatial and social canvas of the HDI continues to indicate pockets of prosperity alongside deep pockets of poverty and deprivation. The variation in the level of human development between caste and ethnic groups is larger than those of regions and sub-regions, implying the need for refocusing our attention and revisiting our targeting criteria to vulnerable caste and ethnic groups in a region.

We want to thank the lead author, Bishwa Nath Tiwari, the other core authors, successive UNDP and National Planning Commission staff and the array of local and international resource persons, steering committee and advisory board members, peer reviewers and the like, for their inputs since this process began in 2007.



Yuba Raj Khatiwada
Vice-Chair
National Planning Commission



Robert Piper
Resident Representative
UNDP

Acknowledgement

The journey towards the 2009 Report

The Nepal Human Development Report (HDR) is a nationally owned and led product, based on a nation-wide consultative process that involved guidance from a Steering Committee, technical support from an Advisory Committee, and comments and suggestions from a Reader Group. The Report was led by the National Planning Commission and UNDP Nepal. In accordance with the UNDP Corporate Policy on the National Human Development Reports (NHDRs), the findings and recommendations are those of the independent team of authors and experts, and do not necessarily reflect those of UNDP or the Government of Nepal.

The preparation of this Report also followed the six UNDP Corporate Principles on NHDRs. Of these, the first three concern the critical role of the process in NHDR preparation. They are: country ownership, participatory and inclusive preparation, and independence of analysis. This implies the need for involving different stakeholders from the project's beginning. These NHDR principles faithfully demanded intense consultation over a period of more than two years.

Following the principles of country ownership, and participatory and inclusive preparation called for several efforts, among these:

- ▶ identification of three themes for critical discussion, based on the review of earlier Nepal Human Development Reports, and consultation with policy-makers;
- ▶ holding a national level consultative workshop for further identifying and selecting theme;
- ▶ meeting with thematic groups to determine sub-themes of the selected theme and to prepare a draft theme outline;
- ▶ formation of a National Steering Committee to provide overall guidance and policy suggestions;
- ▶ formation of an advisory committee to offer technical inputs and insights in the preparation of the report;
- ▶ formation of a reader group to provide comments and inputs;
- ▶ preparation of five background papers on five sub-themes by five two-member inclusive teams of consultants;
- ▶ review of background papers by reader group and advisory committee and its sub-committees;
- ▶ revision of the theme and preparation of detailed outline and its sharing;
- ▶ presentation of the detailed outline following a consultative process and incorporating inputs from excluded groups;
- ▶ preparation of the first draft report;
- ▶ presentation of the draft report in the meetings of the Steering Committee, the Advisory Committee, and the Readers' Group;
- ▶ review of the report by the national peer reviewers and UNDP resource persons;
- ▶ refinement of the content, and subsequent revisions of the report;
- ▶ preparation of the second revised draft report;
- ▶ review of the report - by both national and international reviewers - and its refinement;
- ▶ editing of the report by independent editor;

- ▶ preparation of media kits;
- ▶ layout and design for creativity and flexibility in the report's presentation and launching; and
- ▶ translating the report into Nepali and disseminating the text widely.

The sharing and discussion of the background papers prepared by the end of 2007 revealed that the theme of the post-conflict recovery and reconstruction has lacked a conceptual framework with a human face. Having identified this shortcoming, the Study Team revised the theme as well as the outline of the Report based on the insights and inputs received from various consultations with the resource persons. The final agreed outcome was "State Transformation and Human Development".

During the participatory preparation of the Report, some of the key challenges that emerged include:

- ▶ dilution of the theme because of the need for incorporating the concerns of all stakeholders involved in the process;
- ▶ difficulty in finding experts from the excluded groups;
- ▶ formation of an inclusive team for both the Steering and Advisory Committees, among other consultative groups, a process that involved more time than initially anticipated.

Though the journey was long and arduous, the high subsequent demand for the Report by both the state and non-state actors has been deeply satisfactory. Behind these many requests lies the credibility that the Report commands, which itself stems from the broad involvement of the various stakeholders in its preparation. The Report is a product of a joint effort by many individuals and organizations. It is expected that the Report will contribute to generating debate in the process of preparing the new constitution, new policies, and planning for a just, peaceful and prosperous Nepal.

Further details of key events and milestones of this process are presented below.

Preparing the Report

National stakeholder workshop

The preparation of the Nepal HDR started with organizing a national level workshop on 24 January 2007. Support for Human Development Initiatives (SHDI) project of UNDP organized this workshop, which was chaired by Dr. Pushpa Raj Rajkarnikar, an honourable member of the National Planning Commission (NPC), to determine the Report's theme. To foster "brainstorming" and to facilitate the selection of the theme, Bishwa Nath Tiwari, Lead Author and Manager of the SHDI project, presented the group with three contemporary issues, viz, recovery and reconstruction; unemployment and migration; and post-conflict capacity-building as the basis of discussion and exploring the issues further. After an entire day's deliberation, the workshop identified "Recovery, Reconstruction and Rehabilitation" as a broad theme with a view to contributing to the government's preparation of its interim plan (2007/08–2009/10).

Many individuals participated in the consultation, including former members of the National Planning Commission, university professors and other academics, the leaders and representatives of different government and non-government organizations, as well as donors. Though space limitations preclude naming them all here, several merit special mention, notably Bishwambher Pyakuryal, Madan Kumar Dahal, Prithivi Raj Ligal, Shankar Sharma, Dilli Raj Khanal, Arzu Rana Deuba, Sapana Pradhan Malla, Om Gurung and Kush Kumar Joshi. UNDP would like to thank all who participated in this national stakeholder consultation and other theme-focused workshops for their contributions to choosing and clarifying the scope of the theme of this Nepal HDR.

Thematic workshops

Following the national stakeholder workshop, the SHDI organized other consultations with thematic groups so as to hone the selected theme, define sub-themes and prepare a detailed outline.

Formation of the 19-member National Steering Committee

The National Planning Commission formed a Steering Committee to provide overall guidance and critical inputs to the Nepal HDR. Under the leadership of the honourable NPC member Dr. Posh Raj Pandey, the Committee drew eight of its members from government organizations, two from UNDP and the SHDI project, and other nine from non-government organizations, including those devoted to women, Dalits, indigenous peoples' issues, and the private sector and academia. UNDP would like to express gratitude to Dr. Pandey and all the other members of the committee listed above for their inspiring direction and insights at different milestones of the Report's evolution. Some other individuals who attended steering committee meetings include Matthew Kahane, Pushpa Lal Shakya, Chij Kumar Shrestha, Shyam Nidhi Tiwari, Netra Timsina and Ranjit Kanaujiya, all of whom the UNDP wishes to thank for their contributions.

Formation of the 32-member Advisory Committee

The National Steering Committee formed an Advisory Committee, drawing on some of its own members. The overall responsibility of this Committee was to ensure objectivity and assure the quality of this Nepal HDR. The Committee and its sub-groups have provided technical inputs, comments and suggestions on the background papers, and the initial draft of the Report. UNDP would like to express heartfelt thanks to all these individuals.

Formation of UNDP Advisory/Reader Group

UNDP formed an in-house Reader Group to review progress and provide close regular guidance at the working level, including assistance to the Project Manager, in conceptualizing the theme, in the selection of appropriate consultants, in the review of draft reports and for participating in the essential brainstorming. UNDP thanks all the members of this group for undertaking these tasks during the preparation of this Nepal HDR.

Computation of the HDI and related indices and other statistics, as well as maps

Initially, a team consisting of Prakash Dev Pant, Arun Kumar Lal Das and Rudra Suwal computed the Human Development Index and the three related indices by rural-urban divide, Nepal's three ecological belts, the country's five development regions, and at most 15 sub-regions (a cross-section of five development regions and three ecological belts). Later, given the increased demand for such indices for various caste and ethnic groups, Prakash Dev Pant computed the HDI for 11 of them in view of data constraints. Bhola Nath Dhakal refined the maps depicting the human development and related indices.

Bishwa Nath Tiwari updated GEM values, and compiled, computed and analysed all the other statistics presented in the tables and charts/graphs of this report. Several of these statistics are put in the Annex to this Report. Rajendra Lal Dangol and the project staff including Mim Lama, Kamala Adhikari, and Krishna Dangol helped in the collection of information.

UNDP would like to thank the demographer, statistician and GIS experts, and the project staff involved in this task for their painstaking work.

Preparation of background papers and thematic papers

In accordance with the sub-themes and the initial outline developed on the theme of recovery and reconstruction, five teams, each with two members, prepared five background papers by the end of 2007. Afterwards, the group made clear that the Report did not aim at becoming a post-conflict planning document. Instead, the text had to diagnose the root causes of conflict and offer policy options. For this reason, the theme was changed to *Inclusive Peace-Building*

Later, with the revision of the theme to inclusive peace-building, six thematic papers/chapters were prepared on the following subjects: the causes of conflict, social exclusion, economic exclusion, political exclusion, rule of law and the making of the constitution, and reconciliation. Ameet Dhakal, Bal Gopal Baidya, Chhaya Jha, Jill Cottrell and Bishwa Nath Tiwari have prepared the thematic papers/chapters for the theme on the inclusive peace building.

Consultations were held with different groups including excluded groups (women, Dalits, Janajati, Madhesi and people with disabilities) in the process of preparing the background papers, thematic papers and their content. In this process, the role of all the participants including Aruna Thapa, Shanta Thapaliya, Lily Thapa, Ranju Thakur, Tirtha Biswokarma and Jay Nishant was crucial in shaping the tone of the papers. That was further enriched with the information offered by Dibya Gurung, Aruna Thapa, Keshab Dahal and Budhi Karki. UNDP appreciates for their contribution.

Bishwa Nath Tiwari compiled the papers, shared the report, and received comments that the theme is very broad. Subsequently, the theme has been honed to State Transformation and Human Development with the

insights received from the various reviews and consultations and insights of the resource persons. Hence, these thematic papers have not been directly incorporated into the Report as chapters of the State Transformation and Human Development; however, these papers nourished the Report's preparation.

Finally, drawing on the background and thematic papers, Yash Ghai wrote chapter five, Sarah Levit-Shore chapter three, Lok Raj Baral part of the chapter four, and Bishwa Nath Tiwari wrote all other chapters including the part of chapter four and the overview section of this report.

UNDP acknowledges the contribution of all the authors, background and thematic paper writers and more importantly reviewers, readers and resource persons.

Consolidating the Report and Validating the Findings

Consolidation of the Report

The lead author of the Report, who took part in every stage of its evolution, including the writing of individual chapters, wove the chapters together and prepared overview section, and conclusions and recommendations gathering insights from several workshops, and in consultation with the resource persons who guided the Report's refinement. In addition, Mr. Robert Piper, the United Nations Resident Coordinator, played an instrumental role in refining the message of the Report and furnishing insights that strengthened its unity. In the process of the consolidation and refinement, among other resource persons the role of Lazima Onta-Bhatta, Heather Bryant and Dev Raj Dahal was noteworthy in offering comments and insights on different versions of the report.

Validation workshops

The Project organized two sets of validation workshops because of the revision of the initial theme. It is gratifying to note that most of the members of the NPC, as well as members of the Steering Committee and the Advisory Committee attended a three-day residential workshop in Godavari in 2008 on the first draft of the Report. UNDP wishes to express its gratitude to all these individuals, as well as to the former Vice-Chair, Jagadish Chandra Pokharel, and other NPC members as follows: Pushpa Raj Rajkarnikar, Indira Shrestha, Chaitanya Subba, Deependra Bahadur Kshetry, Maheswor Man Shrestha, Bhim Neupane and Ramakant Gauro. Their comments and inputs helped refine the theme and improve the substance and presentation of the findings and policy options put forward by the Report. Although the Steering Committee chaired by NPC was dissolved before the second set of validation workshops, some key participants in the second set who made significant contributions in distilling the findings and their policy implications include Dev Raj Dahal, Bipin Adhikari, Krishna Bhattachan, Ananda Aditya, Sushil Pandey, Chuda B. Shrestha, Nainakala Thapa, Manoj K. Bachchan, Bhuwan K. C, Krishna P. Acharya, Durga Sob, Nima Lama and Bandita Sijapati. The Team extends warm thanks to all of them.

At the final stage of refinement, the report was shared with Guna Nidhi Sharma, Vice-Chair, Ram Mani Pokharel, member, and Janak Raj Joshi, Member Secretary, NPC; Karin Landgren, Representative of the Secretary-General, UNMIN; and Gellion Melsop, Representative, UNICEF Nepal. UNDP would like to thank them for their inputs and co-operation.

Refining and publishing the Report

National and international peer review

UNDP would like to express gratitude to the national and international peer reviewers who read through the complete draft of the

Report and offered helpful critiques and suggestions. Apart from those included as the peer reviewers, some other reviewers who offered critical inputs include Madhav Ghimire, Secretary and Shaligram Sharma, Under Secretary, Ministry of Peace and Reconstruction, and Bharat Pokharel, Associate Professor, Tribhuvan University.

The Team of the Authors also wishes to thank experts and colleagues from Human Development Report Office, UNDP, New York; and Human Development Report Unit, UNDP Regional Centre in Colombo, who volunteered to review the Report and provided extremely useful suggestions and other inputs that helped strengthen the document's conceptual foundation and policy value. In particular, the Team would like to thank Anuradha Rajivan and Tim Scott.

Editing and publication

The Team would like to record its appreciation to Shawna Tropp not only for the final editing of the Report, but also for her interest in the substance and views expressed by the 2009 edition. Like her editing of past Nepal HDRs, she has transformed the final text into a Report that flows consistently and smoothly from one chapter to another. Thanks are due to Ms. Sangita Khadka for supporting the preparation of the media kit. A final word of thank goes to Bhaikaji Rajbahak for the preliminary design, and to WordScape for the final design and layout of the Report.

Thanks are due to Deepak Shrestha, Programme Officer for supervision throughout the process, and to other Programme Officers including Nabina Shrestha and Anjani Bhattarai who attended one or the other events, and to several other support staff including Pushpa Tuladhar, who supported the process at different stages. Finally, the authors assume full responsibility for the opinions expressed in this Report, which reflect neither the views of UNDP nor the Government of Nepal.

Acronyms and abbreviations

| | | | |
|---------------|--|---------------|---|
| AF | Advocacy Forum | NDHS | Nepal Demographic and Health Survey |
| CA | Constituent Assembly | NHDR | National Human Development Report |
| CAAFAG | Children Associated with Armed Forces and Armed Groups | NLSS | Nepal Living Standards Survey |
| CBS | Central Bureau of Statistics | NPC | National Planning Commission |
| CIDA | Canadian International Development Agency | NTG | Nepal Tamang Ghedung |
| CPA | Comprehensive Peace Accord | OCHA | Office for the Coordination of Humanitarian Affairs |
| CPN | Communist Party of Nepal | OHCHR | Office of the High Commissioner for Human Rights |
| DFID | Department for International Development | PLC | Para-legal Committee |
| FPIC | Free Prior and Informed Consent | PR | Proportional Representation |
| FPTP | First-Past-the-Post | RIPP | Regional Indigenous Peoples Programme |
| GDI | Gender-related Development Index | SAARC | South Asian Association for Regional Co-Operation |
| GEM | Gender Empowerment Measure | SHDI | Support for Human Development Initiatives project of UNDP |
| HDI | Human Development Index | SPA | Seven (Political) Party Alliance |
| HDR | Human Development Report | TRC | Truth and Reconciliation Commission |
| HPI | Human Poverty Index | UML | Unified Marxist-Leninist |
| ICTJ | International Centre for Transitional Justice | UN | United Nations |
| IDEA | Institute for Democracy and Electoral Assistance | UNDP | United Nations Development Programme |
| IDPs | Internally Displaced Persons | UNICEF | United Nations Children's Fund |
| INSEC | Informal Sector Service Centre | UNMIN | United Nations Mission in Nepal |
| LPC | Local Peace Committee | USA | United States of America |
| MOF | Ministry of Finance | | |
| MOH | Ministry of Health | | |
| MOHP | Ministry of Health and Population | <i>NRs</i> | <i>refer to Nepali rupees, unless otherwise specified</i> |
| MOPR | Ministry of Peace and Reconstruction | <i>\$</i> | <i>refers to US dollar, unless otherwise specified</i> |

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