

United Nations Development Programme

South & West Asia Sub Regional Resource Facility



Outcome Evaluation

**Energy, Environment and Disaster Management
UNDP Nepal**

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EXECUTIVE SUMMARY

Introduction

This evaluation takes stock of Nepal's efforts to develop and implement a holistic approach to sustainable development through the mainstreaming of environmental management in development planning and poverty reduction and through the adoption of policies and regulatory frameworks promoting equitable and sustainable natural resources management regimes. It identifies strengths and weaknesses in the pursuit of the outcome and proposes measures to increase the relevance, effectiveness and efficiency of UNDP cooperation in these areas. The timing of the evaluation was selected such that the results could feed into the upcoming new Strategic Results Framework 2004 – 2007.

In order to address some methodological inadequacies of the SRF, the outcome was deconstructed into five outcome components, and these components were given a substantive content to reflect the objectives and principles of UNDP interventions: These are:

- Community-based sustainable development
- Sustainable use of biodiversity
- Decentralized rural energy (with emphasis on alternative energy technologies)
- Participatory disaster management (with emphasis on preparedness and vulnerability reduction)
- Pro-poor sustainable tourism

These five components share several features such as the reliance on local and decentralized solutions and an awareness of the close linkages between poverty reduction and sound natural resources and environmental management.

Findings and Conclusions

Nepal has made significant progress in mainstreaming environmental issues in national development planning. The 10th Plan contains references to most of the policies, strategies and approaches UNDP (and other partners) have been supporting over the last decade or so in the energy and environment portfolio. This progress can be partly attributed to a committed and qualified cadre of technocrats in HMG/N, civil society and the donor community.

These achievements must be qualified, however. In many cases, policy and regulatory frameworks are very recent such as SDAN or the NBS, and implementation has not even commenced. In other cases, implementation on the ground will be hampered by the ongoing insurgency and political instability, which are threatening the move towards decentralized natural resources management. Last but not least, the progressive language in parts of the 10th Plan should not hide the fact that environmental issues still largely remain marginalized in comparison to economic growth, poverty reduction and good governance. Despite the wealth of projects and experiences, the intricate relationship between environmental degradation, and resource scarcity on the one hand and poverty reduction and social inclusion on the other have not been fully absorbed by decision-makers at the policy-level.

UNDP can claim a long partnership with HMG/N in the area of energy and environment. More than in other countries this portfolio has helped to pilot and demonstrate innovative approaches towards sustainable development. While the portfolio is diverse, a number of common denominators such as social mobilization, decentralization and policy advocacy have helped to mould a coherent approach in the sector. This coherence does, however, not

necessarily entail synergies with similar efforts in other parts of the UNDP portfolio, where partnership opportunities were rarely exploited.

UNDP's contribution to the policy outcome evolved around three axes: First, most projects rely on community mobilization as their underlying "philosophy". This approach has been consistently applied by UNDP and other donors to a degree that large parts of the country have "benefited" from this strategy in one way or the other. Together with the instability of national and local institutions, this has left HMG/N with little choice to upscale the community orientation to the policy level. Second, UNDP has also engaged in direct policy support and advocacy, knowing that the up scaling of community approaches takes a long time. It has been instrumental in the development of SDAN and the National Biodiversity Strategy, although in both cases it struggled to find the right balance between efficiency and acceptance. Third, in line with its comparative advantage as a neutral and trusted development partner, UNDP used different forums to garner support for the other two avenues. This approach has proved very helpful in overcoming perceived (and sometimes well-founded) perceptions of unilateralism of UNDP.

In sum, UNDP has managed to contribute in an important and significant manner to energy and environment policy development. It has gained considerable expertise and clout in sustainable development, biodiversity conservation and rural energy matters. It has, however, not (yet) succeeded in translating these achievements into a comprehensive mainstreaming of these crosscutting aspects into all levels of development planning and poverty reduction.

Lessons Learned

- Policy impacts are often more sustainable if achieved through demonstration projects.
- UNDP's comparative advantage as a neutral and trusted development partner is a prime asset.
- Mainstreaming of environment can only be achieved through close involvement of other sectors.
- Mainstreaming is a function of organizational integration.
- Special development circumstances such as conflict require pro-active and adaptive management.
- Outcome evaluations face the dilemma of balancing outcome and UNDP focus.

Recommendations

Recommendation 1 (Sustainable Development): **Strategic Environmental Assessment of 10th Plan**

Recommendation 2 (Sustainable Development): **SDAN Implementation**

Recommendation 3 (Biodiversity): **Access to Genetic Resources and IPR**

[Recommendation 4 \(Biodiversity\): Consolidation of Livelihood and Landscape Approaches through Upscaling of Buffer Zone Programme](#)
~~(Biodiversity): Consolidation of Livelihood and Landscape Approaches~~

Recommendation 5 (Rural Energy): **Maintain Poverty Focus of REDP II**

Recommendation 6 (Rural Energy): **Decentralized Rural Energy Policy**

Recommendation 7 (Disaster Management): **Extend PDMP**

Recommendation 8 (Disaster Management): **Revitalize UNDMT**

Recommendation 9 (Sustainable Tourism): **Consolidate Pro-Poor Tourism through TRPAP**

Recommendation 10 (Sustainable Tourism): **Bottom-up Policy Formulation and Planning**

Recommendation 11 (Coordination): **Sharpen UNDP's Role in Donor Co-ordination**

Recommendation 12 (Environmental Governance): **Develop Environmental Governance Project**

Recommendation 13 (Environment and Poverty): **Capacity Development on Poverty-Environment Nexus**

Recommendation 14 (Environment and Poverty): **Poverty Monitoring and Assessment**

Recommendation 15 (Environment and Poverty): **NDHR on Poverty-Environment Nexus**

INTRODUCTION

UNDP's corporate policy is to evaluate its cooperation in key thematic cluster groups with the host governments on a regular basis in order to assess whether and how UNDP- funded interventions contribute to the achievement of agreed outcomes. According to the evaluation plan of the UNDP Country Office in Nepal, an outcome evaluation for the Energy, Environment and Disaster Management Portfolio was conducted in the fourth quarter of 2003. The outcome chosen for this evaluation, and the corresponding results framework, as reflected in the SRF 2000-2003, is presented below:

Intended Outcome: A comprehensive approach to environmentally sustainable development integrated in national development planning and linked to poverty reduction

Outcome Indicator: (1) National Strategy for Sustainable Development (NSSD) adopted and reflected in the 10th Plan, and (2) National policy, legal and regulatory frameworks with strong poverty links and integration of energy and environment (including natural disasters) in national and local development adopted.

Year 2000 Baseline: (1) Sustainable development treated as sectoral subject in the Environment and Natural Resource Management sections of the 9th Five Year Plan (ii) existing policies in the natural resource management and environment sector are inconsistent and fragmented.

End SRF Target (2003): (i) Sustainable development reflected as the cross-cutting policy principle in the 10th Five Year Plan influencing major policies, strategies, and action plans. (ii) Policy and regulatory frameworks in the Natural Resource Management and Environment sector to support biodiversity conservation, rural energy, disaster management and tourism

This evaluation takes stock of Nepal's efforts to develop and implement a holistic approach to sustainable development through the mainstreaming of environmental management in development planning and poverty reduction and through the adoption of policies and regulatory frameworks promoting equitable and sustainable natural resource management regimes. It identifies strengths and weaknesses in the pursuit of the outcome and proposes measures to increase the relevance, effectiveness and efficiency of UNDP cooperation in these areas. The timing of the evaluation was selected such that the results could feed into the upcoming new Strategic Results Framework 2004 – 2007.

Methodology

The methodology adopted by the mission comprised three stages:

a) In the first phase, the evaluation team familiarized itself with the various UNDP project and non-project activities. To this end, the mission conducted a desk review of relevant documents (project documents, mid-term/final/TPR reviews, sectoral reports, etc), held

discussions with programme and project staff and participated in two field trips to selected project sites.

b) In the second phase, the team focused on the outcome level and the activities and perceptions of government partners, donors and other stakeholders. This typically took the form of an initial formal meeting, followed by in-depth interviews and one-on-one discussions.

c) In the third phase of the evaluation, the team compiled the data in draft sections of the evaluation report, refined indicators and assessment criteria and collected additional information and clarifications from selected stakeholders.

Constraints, Caveats and Creative Interpretations

It would be unfair to the efforts of the Country Office and distorting the findings and conclusions of the evaluation, if this report does not highlight at the outset a number of factors that significantly impact the methodology and results of this outcome evaluation:

Project Implementation

Among the UNDP projects reviewed, one finds a broad spectrum in terms of maturity:

- In some cases projects have just taken off. This includes the Energy TTF project and TRPAP, which are in very early stages of implementation. Here the focus of the evaluation is limited to assessing the potential future contributions to the outcomes and possible challenges that need to be addressed through the adoption of corrective measures.
- In a number of projects implementation is well advanced and it is therefore possible to better assess the likelihood of contribution to the outcome. This category includes PDMP.
- Some projects are in the final stages of implementation or have terminated such as SCDP, which allows for a meaningful evaluation of the results.
- Last but not least, some projects such as PCP build on the results of earlier projects that terminated before the baseline of 2000, and it is difficult to disentangle the impacts of earlier achievements from current and future impacts.

Project Design and Policy Impact

A similar constraint emerges when assessing the relevance of projects in relation to SRF outcomes. Many projects do not specifically address policy issues. Shall we thus conclude that they failed to contribute to the SRF outcome? The team concluded that there are three categories of project design:

- Projects designed before the SRF with different priorities.
- Projects designed after SRF with no specific policy objectives.
- Projects designed after SRF with specific policy objectives.

While this evaluation focuses on the last category, it is worth noting here that the other two should not be dismissed as irrelevant as the pathways towards policy impact are often indirect and delayed. The evaluation team has therefore decided to adopt an inclusive approach, and make reference to outputs or clusters of outputs that *prima facie* were not policy-oriented but through their practice informed and shaped the policy dialogue. The best example here are the numerous outputs that make up the social mobilization approach, advocated by UNDP in a number of projects including REDP, PDMP, SCDP and PCP.

SRF and CCF

In addition to the SRF, the Country Cooperation Framework is the second strategic planning tool for UNDP. In the case of Nepal, the SRF and CCF cycles do not match. Thus, in the country's first CCF (1997-2001), little emphasis was given to the policy dimension of natural resource management and environmental protection. The second CCF (2002-2006), however, shows a different picture. Approved after the SRF, it lists altogether 7 outcomes for Environment and Energy, 5 of which contain a policy dimension. It is also worth mentioning

that these outcomes do not necessarily correspond to those of the SRF. The implications for the outcome evaluation of these discrepancies are two-fold: First, the emphasis on policy outcomes is fairly recent. Second, the current CCF's outcomes need to be considered at least in the new SRF cycle, which we have attempted to do in the recommendations.

SRF Inadequacy I

Due to the fact that the SRF is a rather static planning framework that only changes every four years, it does not lend itself well to adaptive management. A good example in the case of Nepal is the impact of conflict and political instability on the various areas of development interventions. Eg., to focus on the reform of legal frameworks in a country without a parliament seems a tall order. Methodologically, the evaluation team has tried to capture external factors affecting the achievement of the outcome in the different sections of the report but we strongly feel that some of the factors prevalent in Nepal today would call for major adjustments of the SRF.

SRF Inadequacy II

In the realm of policy development, the identification of benchmarks is a difficult task. When does a policy become a policy? Once Cabinet has adopted it? Or only when resources have been allocated for its implementation as an indicator for government commitment? Or only when institutions have been formed that can guarantee adequate implementation? Or, maybe only once the policy has been effectively and efficiently implemented for a period of time?

The SRF outcome and respective indicators seem to focus on the first leg, i.e. the formal adoption of policies, laws and regulations. We consider this emphasis too reductionist, as it has been demonstrated over and over again in the development context that "paper norms" might lend themselves as easy and tangible outputs for purposes of donor accountability but are rather bad benchmarks for development effectiveness and impact.

In the case of this outcome evaluation, many of the crucial policies such as the 10th Plan or SDAN have only recently been adopted. Therefore, the evaluation has to limit itself to textual and contextual analysis and some speculation about the chances of future implementation.

SRF Inadequacy III

In a similar vein, the evaluation team considers some of the indicators and outputs as they appear in the SRF as too "formalistic". They are devoid of substance. For example, the SRF Target for 2003 refers to "Policy and regulatory frameworks in the Natural Resource Management and Environment sector to support biodiversity conservation, rural energy, disaster management and tourism." Does this imply that any biodiversity law or tourism policy will suffice ? We believe that this would be rather unambitious. We therefore decided to interpret these outputs "creatively" and give them some substantive orientation. For example, only a tourism master plan that includes pro-poor and sustainability principles and objectives should be considered a success.

SRF Inadequacy IV

Last but not least, the SRF suffers from the fairly widespread confusion about outcomes, outcome indicators and outputs. In comparing the different manifestations of the SRF, we noted, for example, that national policies and regulatory frameworks" serve as outcome "components", outcome indicators and outputs at the same time. This amalgamation impedes rigorous analysis, and would lead to rather absurd conclusions: UNDP's outputs would be the indicators for the outcome, thus collapsing outputs and outcomes. In other words, once UNDP has achieved its outputs it has also achieved the outcome. Obviously a logic that runs counter to the rationale and logic of results-based management and the SRF.

To address these challenges and shortcomings, the evaluation has “adjusted” the outcomes and indicators, and developed the following structure:

The outcome was deconstructed into five outcome components, and these components were given a substantive content to reflect the objectives and principles of UNDP interventions: These are:

- Community-based sustainable development
- Sustainable use of biodiversity
- Decentralized rural energy (with emphasis on alternative energy technologies)
- Participatory disaster management (with emphasis on preparedness and vulnerability reduction)
- Pro-poor sustainable tourism

These five components share several features such as the reliance on local and decentralized solutions and an awareness of the close linkages between poverty reduction and sound natural resource and environmental management.

In a second step, we have given each outcome component two outcome indicators in line with the mainstreaming objectives of the SRF outcome. These indicators are by and large the same for the five components: The first set deals with the integration of the components in the development plans of Nepal. The 9th Plan and experiences with its implementation serve as the baseline, and the 10th Plan as the outcome target reference. The second set of indicators captures the development, adoption (and implementation) of policies, strategies, laws and regulations in the respective “sectors.”

This methodology determines the structure of the report. Following this introduction, we provide a brief overview of the country and development context to set the stage for the main section on findings and conclusions. The latter is divided into five chapters corresponding to the five outcome components highlighted above. Each chapter starts with a review of the progress towards the outcome, identifies and analyses factors that contributed positively or negatively to the outcome, discusses the impact of UNDP project and soft assistance as well as the organization’s partnership strategies in achieving the outcome. The report concludes with summary observations, lessons learned and recommendations to inform the next SRF cycle.

COUNTRY DEVELOPMENT CONTEXT

Over the last decade, Nepal has realized that increased economic growth under enabling policy environment can create opportunities for development by creating jobs, skills, markets and income. However, the past track record of development efforts indicates that economic growth alone is not sufficient to promote development and improve the lives of the poor. Growth has to become pro-poor and for that requires equitable spread through creation of markets, infrastructures and investments in social services and enhancement of people’s capabilities through greater freedoms of choice. Policies to support economic growth and at the same time address the needs of the poor, [including women and backward other vulnerable groups](#), constitute the corner stone of poverty alleviation in Nepal.

The Government’s current strategy to reduce poverty is reflected in the four pillars of the 10th Plan/PRSP, which include (i) Broad based economic growth; (ii) Social sector development including human development; (iii) Targeted programs including social inclusion, in order to bring the poor and marginalized groups into the mainstream of development, together with

targeted programs for the ultra poor, vulnerable and deprived groups (who may not adequately benefit from the first two pillars); and (iv) Good governance.

The 10th Plan has identified a number of challenges to the overriding objective of poverty alleviation. First, poverty in Nepal has persisted for decades, and it is recognized as a deep-seated and complex phenomenon, for which there are no quick and easy solutions. ~~What has changed particularly over the last decade is the socio-political situation in the country. Following the Democracy Movement of 1990, peoples' expectations have risen; but the economy and government actions, although successful in many areas, have largely failed to fulfill the expectations of poverty alleviation. Significant progress that was made especially in the early nineties was also not sustained. What has changed particularly over the last decade is thus only the socio-political situation in the country. Following the Democracy~~ People's Movement of 1990, peoples' expectations have risen; but the economy and government actions, although successful in many areas, have largely failed to fulfill the expectations of poverty alleviation. ~~[source: <http://wb1n1018.worldbank.org/sar/sa.nsf/0/a1406ab2687921248525694b00751041?OpenDocument>~~ Thus, ~~w~~Wide disparities persist in regard to income distribution, social and economic infrastructure and employment opportunities, particularly for an expanding young population.

Field Code Changed

Second, Nepal is currently experiencing a complex socio-political situation, marked by violent conflict and political instability, which has intensified over the past few years. It has created considerable insecurity in many parts of the country, and made it difficult for government agencies and development partners to carry out development activities in such areas. The situation also caused a significant and rising share of the government's limited financial and administrative resources for maintaining peace and security in the country. The costs so far in terms of human lives, destruction of property and infrastructure, increased security expenditures and foregone development and economic activities have been considerable. There are many underlying causes for the present situation, some of which are political and ideological in nature. Nevertheless, there is little doubt that among others, the underlying causes include poverty and its manifestations, (in terms of regional, gender, ethnic and caste-related inequalities), as well as poor governance, and the failure to deliver adequate and essential social services and infrastructure to rural communities and marginalized groups.

Over the last 15 years, Nepal's annual growth rate has been largely driven by growth of the non-agriculture sector (rather than the traditional agriculture sector). This structural shift in the economy has not been accompanied by substantial shift in the structure of employment and thus the economic life of the majority of the households and people, including their dependence on the rural economy, has not changed. Income distribution has become more uneven, with severe impacts on those whose livelihoods depend on land, freshwater resources and forests. Low productivity of agriculture and the fact that this sector provides the principal means of livelihood for 80% of the population has implications for the poverty reduction efforts of the government. Inequalities, inequity of access, income, capabilities, opportunities along ethnic, regional and gender lines remain pronounced. Some gains have been made in last decade in the areas of education, health, drinking water and few other sectors. The distribution of these services however, has remained highly skewed and unequal along regional, urban rural, gender and socio-ethnic dimensions.

In particular, when assessed against the context of environmental sustainability and the fact that 80 percent of the rural population of the country depend on the natural resources and ecosystem services for their livelihoods, the environment-poverty nexus and particularly the integration of sustainable environment concerns within the overall national development strategy become critical. High levels of poverty together with over-dependence on subsistence agriculture and lack of economic opportunities have placed continuous stress on

the natural resources resulting in persistent environmental degradation. Population pressures and migration from hills to the Terai combined with rapidly increasing unsustainable consumption and urbanization patterns continue to result in daunting environmental and social problems. In the urban areas, air and water quality has decreased due to lack of solid waste management and effective sanitation systems. Zoning regulations are not observed which leads to haphazard urbanization further aggravating the situation. These together with inefficient service delivery make the lives of urban dwellers difficult and create health problems. Natural disasters such as floods and landslides have become an annual phenomenon with grave implications for lives and capital assets.

On the positive side, Nepal has achieved some notable success in piloting environmental governance activities at the local level through some innovative approaches. This includes the area of natural resources management, particularly through increased participation of local communities in forest, water, watershed, and protected area management. These examples prove local ownership and commitment to manage and conserve those resources is high and can be further enhanced if conservation and management aspects are interfaced with benefit sharing. Keeping this in mind, His Majesty's Government of Nepal has promulgated policies, which are pro-community, pro-environment and pro-poor, for management and development of these resources, by empowering people to take their own decisions.

Sustainable Development

Nepal has not had one single national strategy for sustainable development till 2002, when it formulated the Sustainable Development Agenda for Nepal (SDAN). However, Nepal has been incorporating aspects of the sustainable development agenda into its planning process in multiple ways. The National Conservation Strategy (NCS), prepared in 1988, represents perhaps the first acknowledgement of the importance of addressing environmental issues alongside development challenges. After the return of the high level delegation to the UN Conference on Environment and Development (UNCED) at Rio de Janeiro, HMG/N established the Environmental Protection Council (EPC), under the chairmanship of the Prime Minister in 1992. The EPC endorsed the National Environmental Policy and Action Plan (NEPAP), which basically focused on sustainable management of natural resources and poverty alleviation. In the following, sustainable development concepts have been reflected in all major Perspective Plans, Master Plans, Strategies, Acts, Regulations, and guidelines in different areas such as forestry, agriculture, water resources, environmental management, and local governance. In addition, sustainable development principles were referenced in the 8th and 9th National Development Plans.

In order to develop a more comprehensive framework, HMG initiated dialogues on a national strategy for sustainable development (NSSD) which later became the Sustainable Development Agenda for Nepal (SDAN). SDAN provides a long-term vision for sustainable development, and has been incorporated into the 10th Plan.

Biodiversity Conservation

Nepal represents a meagre 0.09% of the world's landmass however the country possesses a disproportionately large diversity of flora and fauna at genetic, species and ecosystems levels. Nepal's rich biodiversity is a reflection of the country's unique geographical position, i.e., in the centre of Himalayas range in the transitional zone between the eastern and western Himalayas. There are fundamental challenges and problems pertaining to biodiversity conservation. The three major levels at which biodiversity is threatened include the threat of ecosystem loss, the threat of species loss, and the threat of loss of genetic resources. The origins of these threats to biodiversity can be linked to both direct and indirect factors such as low levels of public awareness and participation, high population pressures and incidence of poverty, weak institutional, administrative, planning and management capacities, lack of integrated land and water use planning, inadequate data

[and information management, and lack of policies and strategies for biodiversity conservation.](#)

[Nevertheless,](#) the government has given high priority to conserving its biological resources, as sustainable management of biological resources is a key element in reducing the rural poverty of Nepal. In 2002 Nepal Biodiversity Strategy was endorsed. NBS provides for a comprehensive framework for management and conservation of biodiversity resources for the dual purpose of conservation and sustainable use.

Nepal has given utmost importance to *in situ* conservation of biological resources through the establishment and/or strengthening of protected areas in representative ecological zones. The protected areas network now totals about 18.32% of the total country area. The experience gained in [species conservation and sustainable utilisation of natural resources](#), over several years, led Nepal to evolve its conservation policy from government-managed and protection-oriented regimes to [community managed sustainable participatory and ecosystem approaches](#). Over the last decade, the country has successfully launched community forestry programmes, especially in the Mid-hills, and buffer zone management activities adjacent to the protected areas. Recently, with the realisation that there is a need for a comprehensive approaches to conserve forests, soil, water, and biological diversity while at the same time meeting the basic needs and livelihoods of the people, landscape planning approach to protect and manage biodiversity on a sustainable, long-term basis have been adopted.

Sustainable Energy

The energy situation in Nepal clearly depicts two sub-sets within energy sector, both of which has distinct features. The issues and options to fulfil the energy demand of the modern industrial/urban and rural sector vary significantly.

The nature of energy mix especially in rural households shows limited scope for interfuel substitution. Fuelwood is currently collected in the slack season (when there is less demand for their time) at no cost other than the time and labour involved, therefore it will continue to dominate the rural energy scene in the foreseeable future. The current pattern of energy use in rural areas will have negative implications for health, environmental conditions and productivity of the labour force, including impending drudgery faced by women and girls.

It is also foreseen that the people of remote areas will continue to remain beyond the reach of large power systems (i.e. outside the reach of national grid), because of the high cost of extending the national grid over a difficult terrain and scattered settlement pattern of Nepal. Decentralized energy systems based on locally available renewable energy resources, have shown promise to be an appropriate solution to increase access to energy services as well as promoting the socio-economic well being of the people living in rural and remote areas, ensuring environmental sustainability.

The rural energy sector received almost no attention prior to 1990. It was only with the 8th Plan (1992-1997) that a high priority was accorded to the development of rural energy sector, which was recognised and emphasized in the Eighth Five Year Plan Simultaneously, the announcement of various energy policies in 1992 has provided sufficient impetus towards the development of rural energy sector in Nepal. In the meantime, UNDP provided support to NPC to prepare 25-year Perspective Energy Plan and was completed in 1995. This was the first time that the contribution of renewable energy resources and technologies to address rural development received attention. It also emphasized the need for maximum involvement of local communities, especially women in rural energy planning, development, and implementation process.

Rural energy planning thus called for as much functional devolution as possible through participatory process in planning, design, implementation and monitoring and evaluation. The biogas, micro hydro and community forestry programmes and their success clearly depicted that the proper combination of energy intervention have potential to address issue of income and human poverty and environmental sustainability including improvement in social capital. This situation has led to the paradigm shift in the development of rural energy sector that is people-centred and holistic in nature. There was a need to demonstrate that local level planning of rural energy scheme is possible and feasible, which would eventually lead to address income and human poverty, besides environmental sustainability.

Disaster Management

Nepal is prone to natural disasters mainly due to its position in one of the least stable mountain chains in the world and heavy rainfall. Every year natural disasters destroy infrastructure such as road, electric and telecom networks, irrigation facilities, etc resulting in wastage of investment and development gains achieved over several years. In addition, thousands of people have lost their lives, and loss of cattle and agricultural land as well as crops add to the burden of the affected people. Deforestation, soil erosion and silt deposits contribute substantially to environment degradation. The major disaster threats to the country are earthquake, flood, landslide, GLOF, fire and disease epidemics. These together affect, on an average, 350,000 Nepalese annually with about 350 death casualties. The biggest recorded disasters in Nepal are the earthquakes of 1934 and 1988, and the floods and landslides of 1993. The recorded overall damage by the floods and landslides of 1993 was about Rs.4 billion in the five most affected districts out of a total of 43 affected districts. This figure is equivalent to about three percent of the country's annual Gross Domestic Product (GDP) and about 13 percent of the total annual government budget at that time. The economic loss, besides disruptions in the normal life of the Nepalese, was 24 percent of the total export earnings, and 27 percent of the gross fixed capital formation. It was estimated that the 1993 flood pushed the country developmentally backward by at least two decades.

Despite these serious human and economic impacts, Nepal does not have a comprehensive disaster management plan within the broader development context. Before the advent of Natural Calamity Act, 1982, there was no well-structured disaster policy in Nepal and therefore relief and rescue works were carried out as the social works only. It was only during the 9th Plan that the importance of disaster mitigation was realized, but the organizational structure and specific policy implementation have yet to be devised.

The Disaster Management Plan prepared by the MoHA, 1996 and the Natural Calamity Act are good examples of the poor coordination within the government. While MoHA is the apex and focal agency that coordinates the disaster management at the central level, other ministries such as MoWR, MoPPH (~~physical planning and housing~~) and the Ministry of Defense are also have heavy association with disaster management. Another problem with disaster management strategy is the priority given to post-disaster activities and not much emphasis to the pre-disaster activities.

Realizing the fact that it is local communities in remote rural areas that have to depend on their own resources and capability to manage any natural disasters, UNDP started participatory disaster management programme in 2001. Recently, the 10th Plan too has spelt out broader strategies to deal with natural disaster at local level, however, those strategies seem to have been diluted due to the current emphasis of the government to divert resources to augment security situation in the country.

Tourism

The major justifications for the development of the tourism industry in Nepal have been the potential for foreign exchange earnings and employment creation. The government effort for tourism development in the past was limited to urban and popular tourist centers only, which however has changed radically over the few years. Though the tourism sector continues to rely on rather outdated Tourism Master Plan 1972, the priority has shifted from urban-focused tourism to pro-poor and village tourism. This shift in the approach to tourism development mainly arose from the 1995 Tourism Policy that pointed out to the potential for rural tourism and called for greater local participation in identifying and marketing rural tourism resources. Further, the 20 years long term vision of the 9th Plan (1997-2002) forwarded the idea of development of village tourism.

Ecotourism, particularly community-based tourism, was used as the leverage to address issues concerning poverty and tourism and development, and the idea was inspired by successful ongoing community-based nature conservation programmes such as Annapurna Conservation Area Programme (ACAP) and Sagarmatha Conservation Programme. More recently, the 10th Plan ~~it will~~ also focuses to develop tourism infrastructure in remote areas, which will ultimately help to develop domestic tourism in Nepal and its benefits reaching to the local poor people. The current challenge, however, for the government in developing rural tourism, is to develop strategies to enhance impacts of tourism on the poor and at the same time respond to the conflict/insurgency that has largely affected remote and poorest areas of the country. And, in the scenario of sustainable rural tourism models still in infancy, which combined with diverse geographical and ethnic set up, Nepal would need to build up pro-poor tourism policies on the experiences gained from recently launched pilot programmes such as TRPAP that aims to develop strong backward and forward linkages and bring grass root participation in decision making process.

~~However, participation by the poor in tourism, and the benefits they gain, depends on a range of critical factors, including prevalent conflict situation that has largely affected remote and poorest areas of the country and lack of appropriate policies to promote pro-poor tourism. Pro-poor/village tourism development, in general, will require a supportive national policy framework and also the implementation capacity among governmental and non-governmental institutions within the destination.~~

FINDINGS AND CONCLUSIONS

1) SUSTAINABLE DEVELOPMENT

Outcome Analysis

As highlighted in the introduction, with regard to sustainable development, the outcome can be captured through two indicators:

- National Strategy for Sustainable Development (NSSD)/SDAN adopted
- and reflected in the 10th Plan,

SDAN

The Sustainable Development Agenda for Nepal (SDAN) (2003-2017) has been adopted by HMG/N on 14 July 2003, and was formally launched ~~on~~ in November 2003. SDAN is a holistic document prepared with the objective of giving a national vision to guide the Government's policies, programmes and long-term sectoral strategies. SDAN is grouped into six broad themes: income; health; education; institutions and infrastructure; forest, ecosystems and biodiversity; and security. SDAN's over-arching goal is to provide Nepali

citizens and its successive generations not just the basic means of livelihood, but also the broadest opportunities in the social, economic, political, cultural, and ecological aspects of their lives. SDAN also emphasizes the importance of community-based conservation programmes and the mobilization of indigenous knowledge, skill and resources.

In order to implement SDAN, a National Commission for Sustainable Development (NCSD) was set up in April 2003. The NCSD is chaired by the Prime Minister and includes as members ministers from nine key ministries, the Vice Chairman of the NPC as well as representatives from civil society. It remains to be seen to what degree the NCSD can provide the necessary leadership for an effective implementation of SDAN. Experiences with other high-level commissions such as the Environment Protection Council (EPC) have been largely negative. The challenges the NCSD faces include overlapping responsibilities with the National Planning Commission, the National Development Council (NDC) and EPC; lack of resources, qualified manpower and capacities; and the low likelihood of frequent and substantive meetings of this forum.

Sustainable Development in 10th Plan

Looking at the baseline of 2000, the 9th Plan, several references to the concept of sustainable development and its precepts can be found in the text of that document. For example, the influential formula of the Brundtland Report is reflected in this passage: “Resource management means to fulfil the demands of the present and future generations without depleting the available resource stock” (The 9th Plan: 249). Nonetheless, the notion of sustainable development remains largely subordinated to the economic growth objectives of the Plan, and is largely conceptualised as a sectoral issue that relates predominantly to issues of natural resources management and the carrying capacity of ecosystems. In addition, the 9th Plan suffered from a number of intrinsic weaknesses that also affected the integration of sustainable development. These include “top-down” preparation and lack of broad ownership among stakeholders, lack of priority-setting and the absence of effective monitoring and evaluation mechanisms.

Compared to its predecessor, the 10th Plan has adopted a more comprehensive approach to the integration of sustainable development and poverty alleviation. Thus, its paragraph 122 reads:

“Integration of the concept of sustainable development in all the development processes for balancing population and environment and identification of comparatively advantageous areas for achieving high and sustainable economic growth through adaptation of community-based natural resource conservation, utilization and improvement are focused in consideration of strategic environment assessment and capability enhancement”.

Despite this commitment and the numerous references to the principles and objectives of SDAN, the 10th Plan still fails to address the intricate linkages between environmental degradation and poverty reduction. For example, the crucial relationship between land degradation and agricultural growth has not been addressed in a systematic manner. The same holds true for other areas such as environmental health or disaster management. On the positive side, the 10th Plan highlights the importance of local governments, communities and civil society in the implementation of its objectives. This corresponds to SDAN’s emphasis -on local participation and community mobilization. .

Driving Forces

The mixed achievements in terms of adopting a broad sustainable vision for Nepal through SDAN that has not been fully integrated in the 10th Plan can be attributed to a set of positive factors and countervailing structural impediments.

On the one hand, the country's commitment and efforts to implement its international obligations emanating from the Earth Summit and related international agreements has been strongly supported by the country's development partners, thus providing the critical mass for the development of SDAN.

On the other hand, the supporting forces that made SDAN possible, are not necessarily the same that were behind the 10th Plan/PRSP process. Despite the key role of the NPC in both processes, the development of SDAN and the 10th Plan remained largely parallel exercises with little interaction between the respective steering and technical committees.

UNDP Outputs

UNDP's main vehicle in pursuit of the sustainable development component has been the Sustainable Community Development Programme (SCDP) [or Nepal Capacity 21](#), launched in 1996. SCDP is part of UNDP's global Capacity 21 initiative, launched after the Earth Summit to assist countries in strengthening capacities of key development actors to integrate the principles of Agenda 21 into all national and local efforts for sustainable development. Capacity 21 promoted participation, integration, decentralization, and partnership approaches to assist countries in planning and implementing holistic strategies for sustainable development.

[SCDP integrated environmental management, social development, and economic development to facilitate sustainable community development.](#) SCDP Phase I focused on sustainable poverty alleviation and environmental management through community mobilization for various activities with an active involvement of district-level local government and NGO/Service Organizations (SO) in three ecologically sensitive and poverty stricken districts. As second phase followed in 2000, adding three additional districts. Currently, preparations are underway to continue and expand the support for sustainable development in the Nepal under the aegis of Capacity 2015, with an increased emphasis on poverty reduction, governance and the participation of the private sector.

UNDP's contributions to the outcome are not limited to the outputs of SCDP but include the broader achievements and recognition of community mobilization, promoted by the organization through a number of other projects and non-project advocacy, as well as UNDP's role as a facilitator and coordinator of the donor community. In the following paragraphs, only those SCDP outputs and other "contributions" have been selected that had significant impacts on the outcome.

[-SCDP as a Model of Sustainable Development](#)

[Amidst people's growing scepticism on development programmes, SCDP was the first such initiative that sought to provide strategic support to local governments in order to ensure rural development is coordinated within a robust bottom-up planning framework. SCDP also moved away from traditional sectoral development programmes in that it adopted the holistic approach towards development, thus focussing on all three components of sustainable development: economic development, environment and natural resources management and social development. SCDP primarily recognised the need for empowering rural communities vis-à-vis strengthening the ongoing institutionalisation of local planning, decision-making and](#)

implementation processes at grassroots, VDC and DDC levels, and to consolidate the ongoing learning processes.

Local Capacity Building

SCDP's pronounced achievement was at building local capacities in identifying and planning to address the immediate and strategic needs, designing sustainable development activities, and implementing with a genuine feeling of ownership of their development projects. SCDP mainly helped the communities and their SOs to enhance their internal capacities, which effectively involved the process of self-monitoring exercise, networking, sustainable human development forums, training, workshops, conferences, etc. The result of such effort was that communities, SOs and local governments eminently developed a collaborative approach to the utilisation of resources in implementing local capacity building activities. For instance, by the end of the programme SOs collaborated with district line agencies such as District Cottage and Small Industry Office, District Forest Office and District Drinking Water Supply Office, which helped not only activated the line agencies but also encouraged them to share resources available at the district, VDC and community level.

Another example of SCDP's contribution into local capacity building is reflected through its facilitation process, which brought line agencies and partner stakeholders to mainstream environmental dimensions into their sectoral plans and programmes including the preparation of District Periodic Plan. In this effect, DDC Dang prepared a document called 'Greening Dang in the 21st Century', which basically is equivalent to local or District Agenda for Sustainable Development or the Local SDA. Other programme districts too have prepared their Periodic Plans, however, the process of formal up taking of the Plan got delayed because of the absence of local elected representatives (which of course was beyond SCDP's control).

Further strengthening of these initiatives of SCDP came through the formation of Sustainable Development Network (SDN) during the programme's first phase. SDN (assisted by SCDP), comprising of 16 community-oriented NGOs, is an independent entity operating in the mid and far western regions. In collaboration with the SDN, the SCDP activities were replicated in three new districts in the second phase. The SDN approach thus conveyed the idea that capacity building at local level is essentially required in order to replicate the programmes effectively. The limitation of SDN, however, was that the networked NGOs were not sustainable in terms of their financial situation that led to the generation of competition among themselves as they tried to access external funding, and eventually this hampered the fulfilment of SDN's early promises made at the regional level. Due to this reason, although SDN was visualised to become a national entity, it remained (and still remains) a regional initiative.

SCDP Approach/Community Mobilization: SCDP as well as a number of other projects have, in particular, helped to pilot and demonstrate community mobilization approaches activities for to attain various sectors and multi-sectoral objectives of sustainable development. It focused on building communities' capacities to carry out basic development functions themselves (establishing priorities and policies, planning, managing, monitoring) and this has had impressive results. Thus, there is no doubt that the social mobilization paradigm has been widely accepted in HMG/N and among its development partners and, therefore, has influenced both SDAN and the 10th Plan.

Despite SCDP's spectacular gains through social mobilisation, SCDP suffered from a few setbacks. It must be noted, however, that SCDP suffered from a number of setbacks, which hampered its overall impact. First, SCDP was implemented only in six out of 75 districts of Nepal, and some of the networking/replication functions ascribed to the Sustainable Development Network (SDN) did not happen. Second, SCDP was more focused on successful with its environmental and social objectives and failed to give proper attention to the economic aspects. This mainly resulted due to the weakness in the programme design, which was the lack of requisite expertise, both at

the centre and district level, on managing micro-credits, on business planning or on setting up and running a micro-enterprise. Because of this, the service providers, even while capacitated in the best possible ways could not deliver fully on economic front. Third, the institutionalisation of the various community groups through legal recognition remained an unresolved issue at the end of the project.

Support for SDAN

SDAN was produced with direct financial assistance from UNDP. UNDP/SCDP together with WWF directly supported HMG/N, NPC and MOPE in the process of preparing of SDAN. Two task forces did most of the substantive work, and were guided by a Steering Committee, headed by the Vice-Chairman of the NPC. UNDP was also represented in the Steering Committee. Consultative workshops were held at district, regional and national levels in association with the Nepal Forum for Environmental Journalists.

Environmental Governance ~~Source Book/Manual~~ for Local Authorities

Another output from SCDP is this manual, which ~~aims to provide guidance~~ primarily seeks to assist –to– local authorities in applying the principles of environmental governance in their context, on their rights and responsibilities with regard to the management of natural resources. The ~~management manual~~ is a welcome and necessary overview of sourcebook for dealing with the complex issues that the decentralization process engenders in the area of environmental management and sustainable development. It remains, however, unclear, whether and how this document will become policy-relevant. Given the timing of its development, its impact on SDAN and the 10th Plan must be considered marginal.

Donor Coordination

Through its chairmanship of the Thematic Group on Environment and NRM, UNDP was able to place SDAN firmly and successfully on the agenda of donor coordination. The forum (and bilateral consultations) were instrumental to reach consensus on the shape and scope of SDAN and to facilitate the brokering of partnerships such as with OECD/DAC, DFID and IUCN, which integrated SDAN with the NSSD Dialogue process.

Local SDANs

~~In addition to a national sustainable development strategy, SCDP aimed to develop district-level SDANs. They, however, never materialized, which has been attributed to the political instability and more pressing priorities regarding community mobilization and national level policy making. This represents a major lost opportunity, as the existence of local strategies would have facilitated the implementation of SDAN on the ground.~~

Partnerships

As pointed out, UNDP was able to foster significant partnerships both in terms of co-funding and technical inputs for the development of SDAN. These partnerships did, however, not extend to influencing significantly the mainstreaming of sustainable development in the 10th Plan, which is widely recognized.

The evaluation team also concluded that UNDP Nepal did not make best use of the synergies from the various social mobilization projects such as COPE, RUPP, PDDP, PCP, etc. Although some initiatives such as synergy workshops in Okhaldhunga, the Local Initiative Forum (in PDDP/LGP districts) and the Sustainable Human Development Forum (in SCDP districts) promoted partnerships and 'win win' strategies, duplication of efforts and lack of coordination were the norm. While this is fairly easy to understand given the differences in project mandates, institutional set-ups, project cycles and incentive structures, policy impacts could be enhanced with a more heterogeneous approach. The evaluation team also concluded that UNDP Nepal did not make best use of the synergies from the

~~various social mobilization projects such as COPE, RUPP, PDDP and PCP, etc. Even where the project sites overlap, duplication of efforts and lack of coordination were the norm. While this is fairly easy to understand given the differences in project mandates, institutional set-ups, project cycles and incentive structures, policy impacts could be enhanced with a more heterogeneous approach.~~

Conclusion

In sum, UNDP's contribution to the sustainable development component of the outcome was significant, as far as the development and adoption of a sustainable development strategy is concerned. Through direct funding, the lessons learned from SCDP and other community mobilization efforts and through effective partnership building and donor coordination, UNDP assisted HMG/N in producing an important policy framework. The key challenge lies now in the implementation of SDAN via the 10th Plan and sectoral programmes and strategies.

While SDAN can be considered a significant milestone in shaping the policy landscape of Nepal, the second indicator of the outcome component – the mainstreaming of sustainable development in the 10th Plan – has not been achieved. The “improvements” vis-à-vis the baseline remain small, and UNDP (and its partners) did not have much influence on the 10th Plan's adopting a more comprehensive and holistic treatment of the poverty-environment nexus.

2) SUSTAINABLE USE OF BIODIVERSITY

Outcome Analysis

For the purpose of the evaluation, we have defined the outcome as “sustainable use of biodiversity” in the understanding that UNDP supports an inclusive notion of biodiversity conservation, which recognizes the important social and economic aspects of biological resources for poverty alleviation, and which places conservation in a broader context of development planning. We also make use of two indicators to better assess the status of and progress towards this outcome:

- Sustainable use of biodiversity mainstreamed in the 10th Plan
- Policy and regulatory framework for sustainable use of biodiversity in place

Sustainable use of biodiversity mainstreamed in the 10th Plan

As with the broader issue of sustainable development, our baseline, the 9th Plan (1997-2002), contains quite a number of references that endorse the principles of sustainable use and community benefits. It was during the 9th Plan's period that HMG/N embarked on two important policy initiatives: Formulation of NBAP and the Biodiversity Trust Fund.

Despite this progress towards mainstreaming biodiversity, the main thrust of the 9th Plan lay in fulfilling international commitments (particularly under CBD) and in maintaining natural resource stocks such as forests, thus relegating biodiversity conservation to a sectoral issue.

The mid-term evaluation of the 9th Plan highlights the facts that biodiversity conservation mentioned in the 9th Plan offered to protect diverse flora and fauna, rather than their sustainable utilisation by rural poor communities. Besides, the 9th Plan could not take into

account the fact that poverty reduction based on management of natural resources carries economic costs, suggesting that if poverty reduction were to be the sole goal of the Plan, it would cost the country in terms of biodiversity loss against those gained from natural resource exploitation.

In the 10th Plan, notions of sustainable use of biological resources have received further acceptance and expansion. [Community-based natural resource management is the most emphasized dimension in the 10th Plan.](#) Through various references to the National Biodiversity Strategy, more holistic concepts of biodiversity conservation have been incorporated in the 10th Plan. These include the agro-ecosystem approach for conservation and development of agro-biodiversity; the landscape approach for sustainable management of forests and biodiversity conservation; integrated watershed management; and the incorporation of gender dimension into management of natural resource management.

~~Community based natural resource management is the most emphasized dimension in the 10th Plan. Though community based NRM has been made a vehicle for economic growth, sustainable environment management has remained outside the 'four pillars' of development. This idea thus portrays or carries the essence of 'development', which largely means economic development, and fails to integrate the concept of sustainable development. However, the Plan does not consider sustainable community development programs based on NRM and environmental protection as a means of achieving broad based economic growth and poverty reduction. Thus, environmental protection and sustainable biodiversity management remain outside the 'four pillars' of the 10th Plan.~~

Policy and regulatory framework for sustainable use of biodiversity in place

Although Nepal had ~~in by~~ 2000, a well developed set of laws and policies on biodiversity conservation, notably the National Parks and Wildlife Act and the Buffer zone Regulations and Guidelines, it lacked a comprehensive national strategy, as mandated by the [Convention on Biological Diversity CBD](#). Biodiversity policy issues were dealt with through sectoral frameworks, particularly in agriculture and forestry.

Compared to this baseline, the adoption of the National Biodiversity Strategy in 2002 represents a major progress towards a comprehensive policy framework that addresses the protection and wise use of the biologically diverse resources, the protection of ecological processes and systems, and the equitable sharing of all ensuing benefits on a sustainable basis, for the benefit of the people and to honour obligations under the CBD. The NBS is also a reflection of Government's commitment to a more cohesive and strategic approach to conservation at the landscape level.

The strategy's significance lies in its attempt to protect the different components of biodiversity both through cross-sectoral and sectoral plans. The former include landscape-level planning, local participation, biodiversity registration, and women in biodiversity conservation. Except for a few issues such as securing intellectual property and farmer property rights, all the cross-sectoral strategies, though highly disaggregated, are also reflected in the 10th Plan. Of the sectoral strategies, forestry, agro-biodiversity, wetlands and mountain biodiversity have received special focus. NBS is to be implemented through an implementation plan (NBSIP), which is made up of a number of priority projects.

Apart from the NBS, a series of other policy and regulatory initiatives took place between 2000 and 2003. They include the 5th Amendment to the National Parks and Wildlife Act, 2003*; the 1st Amendment to the BZ Regulations and Guidelines, 2003*; ~~the development~~

* [endorsement awaited](#)

~~of Saving and Credit Directives for buffer zones, 2003~~; the formulation of a National Wetland Policy, 2002; a Policy on the Landscape Approach, 2003; a Draft bill on Access to Genetic Resources and Benefit Sharing, 2003; and a Draft bill on National Trust Fund for Biodiversity.

Driving Forces

Nepal has benefited from a strong and early commitment of HMG/N and its partners to biodiversity conservation. This commitment is ongoing, and over the years a consensus has emerged about the particular orientation of biodiversity conservation in the country. This orientation is in line with UNDP's focus on sustainable use, community participation and landscape-level planning.

In addition, Nepal's strong adherence to its commitments under CBD, and its active participation in various international forums have helped to foster this consensus. Last but not least, the conservation community in Nepal is well organized and closely knit, and there is widespread convergence between the objectives and approaches of Government, NGOs and donors.

Despite this positive enabling environment, policy-making has not been without friction. Particularly, in the last decade certain antagonisms between stakeholders and the often-experimental nature of approaches sometimes slowed down achievements. These days, the main threats to further mainstreaming of biodiversity is the fragile state of the economy, which focuses attention "away" from the "softer" issues, and the conflict that jeopardizes the implementation of policies on the ground.

UNDP Outputs

UNDP's contributions to the outcome have been mainly channelled through its project portfolio and via "soft assistance" in the form of its leadership in donor coordination.

Project Portfolio

1. The groundwork for the buffer zone programme was laid by DNPWC through the Park People Programme (PPP), a project supported technically and financially by UNDP from 1995-2001. After PPP completed its implementation cycle, the Participatory Conservation Programme (DNPWC/PCP) (NEP/02/006) took over from May 2002 with the aim of building on and institutionalizing the successes and achievements of PPP. PPP and PCP are good examples of DNPWC's transition from an agency working in protected areas for natural resource protection and conservation to one that is now driven by the concept of balancing biodiversity conservation and human needs.

2. The Landscape scale conservation of endangered Tiger and Rhinoceros Population (Tiger-Rhino Corridor Project) (NEP/00/005) started implementation in 2001 with the aim at promoting landscape level biodiversity conservation with strong community-based management links to conserve endangered species in the Tarai. Its activities are focused in and around the Royal Chitwan National Park. Protection of the only existing forest corridor (Barandabhar) between the park and upland forests in the Mahabharat hills for the two-way movement of large animals, including tiger and rhino, is central to the Project design. The Project adopted the KMTNC's model of community-managed forests.

3. The Nepal Biodiversity Landscape Programme (NBLP) (NEP/99/030) is a planning phase for a full-scale GEF project and is aimed at conserving globally significant biological diversity in three priority areas (landscape complexes) of Nepal. The project concept built upon the

successful experiences of GEF funded Biodiversity Conservation Project and UNDP-supported Parks and People Programme (PPP) (NEP/94/001). [SNV has co-signed a Letter of Understanding with UNDP and the MoFSC for joint programming of Biodiversity Conservation in Nepal and will provide co-funding to the project. Similarly, WWF Nepal signed a Memorandum of Understanding in December 2001 to the same effect. NBLP is the first initiative of its type aiming towards conserving biodiversity at landscape level and in coordination and partnership with key partners working in similar areas, including WWF, SNV, IPGRI, NARC and Li-Bird.](#)

4. The Upper Mustang Biodiversity Conservation Project (NEP/99/021) was launched in 2000 in Upper Mustang with aims to link biodiversity and cultural heritage conservation with tourism management. The KMTNC is the executing organization of the UMBCP.

Soft assistance

UNDP's soft assistance has largely been channelled through its chairmanship of the Thematic Group on Natural Resource Management and Environment (TG/NRM&ENV) and the Forestry Sector Coordination Committee's Working Group on Eco-regional Planning and Biodiversity (WG/ERP& BD) and encompassed policy advocacy and donor coordination.

UNDP's project and soft assistance can be clustered into three groups:

- Direct Policy Support
- Parks and People "Model"
- Aid Coordination

Direct Policy Support

UNDP supported the various stages of the NBS financially and technically, from its inception as the NBAP through to the NBSIP. Despite a number of delays, this assistance proved instrumental in enabling HMG/N to develop a comprehensive roadmap for biodiversity conservation in Nepal.

Under PCP, assistance was also extended to the review process of the Buffer Zone Management Regulations and Guidelines as well as the Area Conservation Facility Guidelines.

Parks and People "Model"

Spearheaded by PPP, and continued by PCP, TRCP and UMBCP, UNDP has supported the application of community mobilization in natural resource management and biodiversity conservation as the key aspect to initiate people-centred development and conservation programmes. The core of these projects evolves around mobilizing BZ communities to form User Groups, User Committees and Functional Organisations in the targeted areas, and provide them with the necessary technical and financial backup to foster sound biodiversity conservation initiatives and the judicious use of natural resources while integrating socio-economic development issues into its own working agenda to lead the communities towards self-reliance and sustainable livelihoods.

[Together with the experiences of other social mobilization initiatives, the Parks and People "Model" has shaped the policy and regulatory regime of buffer zones, as evident in the BZ Management Regulations and Guidelines. PPP/PCP have also focused on development of vertical and horizontal linkages. Thus, the Buffer Zone Management Council \(BZMC\) serves as an apex body and partnership platform to discuss development and conservation issues. In addition, the revenue sharing mechanism, the conservation alliance, and the Buffer Zone Networking Forum have contributed to developing and fostering institutional linkages. More broadly, the lessons learned and good practices from UNDP's participatory biodiversity](#)

~~portfolio have helped to shape the evolution of a people-centred conservation approach. Together with the experiences of other social mobilization initiatives, the Parks and People “Model” has shaped the policy and regulatory regime of buffer zones, as evident in the BZ Management Regulations and Guidelines. More broadly, the lessons learned and good practices from UNDP’s participatory biodiversity portfolio have helped to shape the evolution of a people-centred conservation approach.~~

Aid Coordination

As noted, UNDP has played a key role in two forums that deal with conservation issues, the TG/ENV&NRM, which serves largely as a donor coordination platform, and the WG/ERP&BD, which is primarily a dialogue body between the Government and its development partners under the aegis of the FSCC. Particularly the TG/ENV&NRM helped UNDP to rally support around its vision of sustainable use of biodiversity. A case in point is the formulation of NBS, which – pre-TG – was plagued with controversies over the scope and focus of early drafts. These differences of donor views and priorities were discussed and addressed in the TG, and helped to bring about convergence on the major policy issues.

TG and WG also were instrumental to set the stage for the introduction of new issues/projects and novel approaches. UNDP’s contribution was found significant in conducting discussions through the WG on pipeline programmes and project, which has helped avoiding duplication of sectoral projects and planning projects of national importance. Nepal Biodiversity Landscape Project (NBLP), Tarai Arc Landscape, Nepal Biodiversity Trust Fund (NBTF), Conservation and Sustainable use of Wetlands Project (IUCN) were vigorously discussed in the past year by the WG.

~~Of the recent Another examples of upbringings of the UNDP’s coordination endeavours are that is its UNDP is assisting in assistance in the TAL Strategic Framework preparation as a member of the core group (TG), and also shaping IUCN’s Country Programme as a member of IUCN’s National Steering Committee.~~

Partnerships

Consultation with UNDP’s partners produced a mixed reaction on UNDP’s partnership strategy. While the partners appreciated UNDP’s role in coordinating NRM cross-sectoral issues, they were also of the view that UNDP is dominant at times, ~~with little and ownership effort it used to make to coordinate or seek advise from peer organisations, of projects still lies with it though they are channelled through the government.~~ For example, the donors pointed to UNDP’s PA model, ~~initially~~ the PPP, ~~was~~ used everywhere for biodiversity conservation. Had UNDP discussed ~~it this model~~ adequately with its partners ~~at the very outset of implementation~~, the adoption of participatory approach to park conservation, ~~i.e., PCP model, which came lately only in its second phase,~~ would not have been delayed. It was suggested that UNDP’s contribution to biodiversity conservation would be more effectively undertaken if lessons learnt from ~~such~~ practiced models of conservation by various collaborators ~~were are~~ shared from time to time.

~~On the positive side, Further, in areas of biodiversity conservation, the donors opined that the UNDP has been able to tap the global resources to help government and other partners to enhance both institutional and technical capacity through policy formulation interlinked with ground implementation, This suggests that The donors opined that UNDP should also get actively involved in the implementation in addition to its active role in assisting the government in policy-making. The collaborators suggested perhaps UNDP could also introduce some best practice models of biodiversity conservation from other countries.~~

Conclusion

It is undeniable that UNDP has been and remains a key player and partner on biodiversity issues in Nepal. As an implementing agency for GEF, through a large commitment of TRAC funds and successful resource mobilization it has achieved significant depth and breadth in its impacts.

Fostered by its early adoption of community mobilization, PPP set an early benchmark for people-centred biodiversity conservation in buffer zones. This model has been continuously refined and adjusted, and has been widely acknowledged as the driving force behind HMG/N's biodiversity policies.

The experiences and lessons from UNDP's project portfolio also informed the policy formulation exercise for the National Biodiversity Strategy. Again, UNDP's role was instrumental, although better coordination with other donors and partners would have helped to make this process more efficient. Since then, UNDP has increased its efforts in discussing and coordinating activities with partners, largely through the TG/ENV&NRM and the WG/ERP and &BD.

The challenge ahead lies now in the translation of this "capital" into the further extension and outreach of biodiversity issues into the mainstream of development planning and poverty reduction. The landscape approach provides an excellent opportunity to accomplish this through a broad-based partnership with all stakeholders.

3) RURAL ENERGY

Outcome Analysis

As for the other components, we use two indicators to capture the policy dimension of rural energy:

- Treatment of Rural Energy Issues in the 10th Plan
- National Policies and Regulatory Framework for Rural Energy

Treatment of Rural Energy Issues in the 10th Plan

In our baseline, the 9th Plan (1997-2002), we find already significant references to rural energy approaches, including specific acknowledgements of the REDP model. The mid-term evaluation of the 9th Five Year plan appraised the REDP model, and as a result, the 10th Plan (2002-2007) has put further emphasis on the community managed rural energy development along with a number of other policy and institutional aspects (Box 1). The lessons learned and experienced gained at the local level are reflected at the highest level of national planning by recognizing and adopting the process of REDP for rural energy development. The 10th Plan also recognized that there is a need to focus on the development of decentralized energy system to reduce poverty at the local level. In this context, cooperatives and community approaches are suitable for planning and implementing rural energy programmes as a means to raise efficiency and equity.

Box 1: Key Elements of Alternate/Rural Energy Development in the 10th Plan (2002-2007)

Main Objective

The main objective of the 10th Plan with regard to the development of alternate/renewable energy is to contribute as a means to reduce poverty by way of increasing income of rural people, besides environmental sustainability. Building capability of the rural people to utilize locally available energy resources by appropriately managing and operating rural energy systems will reduce the cost of energy production.

Strategies

- The promotion and dissemination of various technologies such as micro hydropower, solar energy, wind energy, biogas and improved cooking stoves will be carried out based on the potential of energy resources in the rural areas.
- An emphasis will be given for integrated rural energy programme to improve the living standard of the rural people with a holistic approach of energy development that ensures the economic, social and environmental sustainability.
- Conducive policy atmosphere will be created so as to attract both community-based and private sector-led development of rural energy so as to improve access to energy services in rural areas.
- A priority will be accorded for the electricity production using alternate energy technologies so as to expand communication network in rural areas.
- Rural Energy Fund will be established for the sustainable development of rural energy sector.
- An emphasis will be given for technology transfer and research on alternate/rural energy technologies to reduce the cost of energy production so that it is within the affordability of the poor people.

The development of district capability for rural energy planning and management and the establishment of the district energy fund are also reflected in the plan document.

The adoption of the modalities, concepts and approaches followed by REDP for decentralized energy planning and management to ensure 'bottom up' planning process (popularly known as 'REDP Model') clearly demonstrates the effective role played by REDP to influence up-stream policy for the development of decentralized rural energy systems for poverty reduction and environmental sustainability. There is an indication that one of the proposed institutional arrangements will be adopted by the government in immediate future. It is very important that this activity is completed within the stipulated timeframe so that smooth execution of the second phase activity of REDP will also be ensured.

National Policies and Regulatory Framework for Rural Energy

The government announced hydropower and subsidy policy in 2000, which was the beginning of the recognition of the contribution of energy for the development of rural areas. The key elements of these policies are:

- Promotion of renewable energy sources and technology use in rural areas to enhance environmental preservation and to provide rural poor opportunity to use renewable energy technology at affordable price.
- Establishment of 'Rural Electrification Fund' to expand electrification program to rural areas.
- Operation of micro hydro projects at the local level and promote these projects for rural

electrification in the rural areas.

- No license is required for the project up to 1000 kW. But mandatory registration of the project before its commencement with DDC.
- HMG shall make available a subsidy through financing institutions to build hydropower of maximum 100 kW, besides other alternate energy systems as such as biogas plant, solar energy technologies (SPV, solar cookers and driers). The subsidy will be reviewed after one year and every two years thereafter.

The review of these policies indicated that it still lacked the comprehensive approach to rural energy planning. For example, the Hydropower Development Policy (2000), though has recognized the community participation and rural electrification funds, it still lacked clear focus and vision, besides duplications of responsibilities. Similarly, the Subsidy Policy 2000 was based on price equalization principle that also failed to recognize the difference in the purchasing capacity of people living in relatively more accessible and remote areas. Beside these, the implementation of these policies was not fully supported as appropriate institutional mechanisms were not in place.

The rural energy policy development and establishment of legal instrument to provide framework for rural energy planning is under preparation by REDP with the support from UNDP's Sustainable Energy Trust Fund. Brief discussion at the NPC by the evaluation team clearly indicates HMG/N's willingness to adopt the document after careful review by the concerned planning unit of various line-ministries.

Driving Forces

Democratisation and Decentralization of Political Structure

The ~~popular~~ **People's** ~~people's~~ **Movement** of 1990 led to the formation of parliamentary democracy in Nepal. This ~~has~~ resulted into a situation whereby village communities have demonstrated their strength to demand for the necessary devolution of power from the centre. This had also led to the decentralization of the political structure. The promulgation of Local Self-Governance Act, 1999 is a milestone development for the decentralized governance in Nepal. This has also been instrumental in operationalizing the establishment of District Energy Fund and institutional mechanism at district-level to plan and implement rural energy programme at the district and village level. This has facilitated the process of development at the local level without unnecessary interference from the centre. It is important to note that there is a need to build capability of the communities to plan and implement activities at the local level. For example, REDP's continued efforts to enhance capacity of the communities have clearly demonstrated that once capability of the communities is enhanced - they are capable of managing local activities. It is also important to note that the local people themselves took accountability of the success and failure of the rural energy development initiatives. It is also important that the programme facilitates transparency in implementation of the activities at the local level. For example, the implementation of REDP supported micro hydropower schemes (including other RETs) ensured transparency and accountability by involving the locally formed institutions of the beneficiaries in all decision and monitoring of all activities.

Continued Donor's Commitment to Rural Energy Development

The continuous support from various donor agencies to HMG/N such as DANIDA, SNV, and recently from World Bank (to support REDP project for second phase) have been instrumental to sustain the pace of the development of rural energy systems, besides UNDP's continued support starting early 90's. ~~It~~ is also noteworthy that the approach developed and championed by UNDP's Rural Energy Development Programme is well received and recognized as one of the most of successful modalities by the various

stakeholders to meet the twin objective of poverty reduction and environmental sustainability.

Institutionalization of Rural Energy Planning at the Local Level

The REDP has supported ADDCN and NAVIN for institutionalizing rural energy planning in their corporate mandate. Accordingly, ADDCN has already created its Natural Resources, Energy and Environment (NaREE) Unit and formulated policy and strategy on decentralized rural energy planning with a view to support all 75 DDCs to expand the 'best practice' approach of RETs promotion. The NAVIN is at the initial stage of incorporating REDP Model. The active involvement of ADDCN and NAVIN on rural energy sector development will provide further impetus. Besides this, the DENET (forum of DDC chairperson) is internalized within ADDCN thereby giving it a permanent stature for information sharing, lobbying and advocacy for the development of rural energy sector.

Private sector-led Development of RETs

One of the reasons for the successful implementation of rural energy programme in Nepal is due to strong presence and active role played by the private sector in the development RETs. It is also noteworthy to mention that there are associations of the manufacturers of RETs such as Micro-hydro Power Manufacturer's Association, Biogas Promotion Group, Traditional Water Mill Owners, etc. They were also able to provide needed technical backstopping function for the installed RETs. –REDP has also contributed substantially to build capability in the private sector. For example, REDP supported and linked the services of private sector organizations, besides coordinating and providing support to the manufacturing companies to strengthen the rural energy development initiatives. The programme was instrumental for the establishment of Micro hydro Manufacturers Consultative Forum and Solar PV Forum. –REDP also trained 50 potential entrepreneurs. Twelve of them have already established Rural Energy Service Centres at local level.

UNDP Outputs

UNDP's support to HMG/N in the development of rural energy sector began with the implementation of the project on Micro-hydro Power Development (NEP/92/024) through Water and Energy Commission Secretariat (WECS). In 1993, UNDP provided support to the National Planning Commission (NPC) for the preparation of 25-year Perspective Energy Plan (NEP/91/003-11)). The REDP builds on these initiatives of UNDP. –UNDP has contributed substantially for the development of rural energy sector in Nepal. UNDP's supported energy programmes have various outputs that led to support the overall outcome, though there were other key actors that also influenced the outcome.

The Rural Energy Development Programme (REDP) - Phase I (NEP/95/016) was formulated in 1995 to support HMG/N to enhance better rural livelihoods and preservation of the environment by supporting micro-hydro power development as the entry point for the energy development in rural areas. During the first phase of REDP, it provided support to:

- Institutionalise a rural energy development agency and formulation of policies;
- Capacity development at the district level to plan and manage rural energy sector; and
- Mobilize community organizations and private entrepreneurs, to plan, implement and operate rural energy systems development.

REDP implemented its programmes in 15 selected districts¹ of Nepal. –The REDP has applied a holistic approach to achieve the rural livelihood enhancement through the sustainable energy development. The various thematic focus of REDP are rural energy

¹ - Baitadi, Dadeldhura, Baglung, Myagdi, Parbat, Tanahun, Kaverpalanchowk, Sindupalchowk, Dolakha, Bajura, Dailekh, Puthan, Okhaldunga and Tehrathum.

development, preservation of natural environment, improvement of local economy, capacity building and institutionalisation of rural energy development through social mobilization.

REDP implemented its activities mostly through the District Development Committees (DDCs). It provided support to formulate district level plans and programmes on energy, an integral part being the planning process from the community level to the district level. The approach taken by REDP starts with the planning that takes into consideration of the needs of communities, mandatory participation of all community members (both male and female) through Community Organisation (COs), and energy needs and resources matched with appropriate energy technologies.

REDP addressed the major issues such as: problems in dissemination of information; inconsistencies in policies for support and implementation of micro-hydro; management skills; technical support for a sound operation and maintenance; end-uses to ensure high load factor and economic viability; and coordination amongst delivery agencies and private sector, which ensured the success of the programme.

The successful implementation of REDP has led to the formulation of second phase of REDP (NEP/02/001) in 2001, which will be funded by World Bank, with UNDP providing TA for programme support unit. The implementation of the second phase of REDP activities (2002-2006) was delayed due to the delays in the negotiation process between HMG/N, World Bank and UNDP. However UNDP has continued its support to the REDP activities. REDP Phase-II will be implemented in 25 districts². It is learnt that REDP Phase II will start implementing its activity very soon.

The lessons learned and experiences gained during the implementation of REDP programme along with the successful implementation of various activities clearly demonstrated the effectiveness of the holistic approach adopted by REDP for the development of decentralized rural energy systems that benefits communities of rural areas without excluding the participation of the poor people as one of the beneficiaries. The government at the central level benefited in formulating policies to ensure that rural energy development promotes better livelihoods and environmental sustainability.

The following section intends to highlight the policy-relevant outputs of the energy portfolio supported by UNDP. The major outputs of UNDP supported programmes identified for the purpose of this evaluation are:

'REDP Model' for Decentralized Energy Planning and Management

REDP aims to help community members and private entrepreneurs to plan, implement, operate and manage energy needs of the communities in a sustainable and holistic manner. REDP focuses on decentralization of decision-making processes and supports capacity development of local institutions at the district level. For this to happen, programme considers social mobilization as an essential vehicle for active involvement of the local people in the programme activities. The programme adopted six basic principals for social mobilization. These are: i) organization development; ii) capital formation through saving programme; iii) skill enhancement; iv) technology promotion; v) environmental management; and vi) women's empowerment. Experiences have shown that the social mobilization process being followed by the programme ensures the involvement of all community members, both male and female. REDP supports integrated approach which includes utilization of local water resources, as demonstration projects to promote the development of micro hydropower linked to the possibilities of multi- purpose use of water resources (for

² - Ten additional districts that will be covered by REDP Phase-II are: Sankhuwasabha, Taplejung, Bhojpur, Panchthar, Dhading, Kaski, Humla, Doti, Bajhang, Darchula (note: administratively, Nepal is divided into 75 districts).

drinking water and for irrigation purposes), use of energy for household uses, promotion of non-farm enterprises and income generating initiatives, and activities to preserve natural environment through community-based management initiatives. REDP focused on building capability of the communities to plan, implement, operate and manage micro hydropower demonstration schemes. Besides this, it has been able to link communities with various agencies promoting other renewable energy technologies.

At the district level, the formation of District Development Committees: Rural Energy Development Programme (DDC:REDPs) have facilitated the process of decentralized rural energy planning at the community-level. DDC:REDPs have been oriented on the methods to carry out participatory energy planning. DDC:REDPs provided linkage between the needs of the communities with technological, financial, and other resources available with other institutions. Similarly, District Energy Committee (DEC), which has a representative of district-level offices of forest, irrigation, water supply, and industry, has been instituted in all programme districts to provide critical linkages among different stakeholders, and supports in finalizing annual energy plans and programmes. District Rural Energy Management Committee (DREMC) is constituted for the implementation of REDP's activities in the district. District Energy Network (DEN) is a network of all concerned DDCs, which focuses on information exchange and experience sharing among DDCs on rural energy development initiatives.

The conventional approach to energy development is characterized by external agencies determining the suitability of selected technologies to the people living in rural areas. In contrary to this, the approach adopted by RDEP ensures that energy planning begins at the community level with the assessment of energy resource available at the particular location by identifying the energy needs of the people. –DDC: REDP acts as a catalytic agent facilitating the energy planning process. –Each DDC: REDP prepares draft district energy plan and programmes based on the inputs received from the local-level workshops organized as well as the consultations with related government line agencies. Then it is presented to the DDC for discussions and endorsement. The district rural energy plan consists of three components: i) activities to be funded by REDP; ii) activities to be funded by the local governmental line agencies; and iii) activities that require external from the government or donor agencies. Upon the DEC's approval, the plan document is submitted to the DDC Coordination Committee and then to the District Council for final approval. –The DDCs have also prepared five-year energy plans. These plans are then fed into national planning efforts.

The effective implementation of various rural energy programmes by the rural communities includes support for technology research and development, preparation of human resource development package and emphasis on resource mobilization and information dissemination have been instrumental for the development of social capital including physical, human and natural capitals. The development of institutions and organizations, especially at the grassroots and undertaking of various socio-economic as well as energy and environmental related activities along with active participation and involvement of the community members in various human resource development fronts are the solid evidences of the development of the aforementioned capitals through the programme interventions. These are highly desirable outcomes for UNDP programmes. It should also be noted that the achievements and impacts of REDP cuts-across all practice area of UNDP.

Policy Support

In 2002, Sustainable Energy Trust Fund of UNDP provided support to the government through REDP to support strengthening of the national policy frameworks on decentralized

rural energy development (NEP/02/M03)³. –The project was built on the lessons learned during the implementation process of REDP. –The National Planning Commission (NPC) of His Majesty’s Government of Nepal (HMG/N) is the National Execution agency. –The process adopted for the formulation of the rural energy policy was to integrate inputs and suggestions from the local level prior to the approval of the same by the cabinet. The progress report prepared by the UNDP reported, “that many community people, and local government bodies and line agencies have remarked that this was for the first time such an approach has been adopted in the developing a policy”. –The activities identified in the project will be completed by February 2004.

This output has not been fully achieved, as the implementation process is still on going. It is important to note that the process adopted was participatory and helped to build consensus among various stakeholders at all levels. The draft rural energy policy document was discussed in the regional workshops organized in five development regions of Nepal. These workshops were participated by the high- level government officials (NPC and MoST), representatives from DDCs and VDCs, community people, district line agencies, private sectors, concerned REDP staff and the representative UNDP officials. The comments and suggestions received are now being integrated to finalize the policy document. –The final document on decentralized rural energy policy will be submitted to government for its approval.

The status of the selected activities indicates that it is moving in the right direction and has full potential to achieve the stated output. The preliminary finding of the rural energy policy review indicates the following:

- a) Energy policies in the past did not adequately recognize the importance of rural energy in sustainable development.
- b) The Subsidy Policy 2000 is based on price equalization principle that failed to recognize the difference in the purchasing capacity of people living in relatively accessible and remote areas.
- c) The Hydropower Development Policy 2000 still lacks clear focus, though has recognized the community participation and rural electrification funds.
- d) The mid-term evaluation of the 9th Five Year plan (1997-2002) appraised the REDP model, and as a result, the 10th Plan (2002-2007) has put further emphasis on the community managed rural energy development.

Soft assistance

UNDP’s soft assistance has been channelled through various networks and forums dealing with energy sector. For example, UNDP’s membership in the Thematic Group on Energy/ Power, coordinated by Asian Development Bank, provides opportunity to advocate ‘REDP model’ in managing the rural energy systems through social mobilization, besides influencing upstream policies to capture synergy on energy-poverty- environment linkages. The advocacy of ‘REDP Model’ has prompted HMG/N to hand over the responsibility of managing the distribution of grid-based electricity to the cooperatives and grass-root NGOs, realizing the crucial role played by the community in managing rural energy systems. The *regular interaction of the group has also led better coordination of development aid in the energy sector of Nepal. Similarly, UNDP’s support to various energy related forums and networks (such as Micro Hydro Promoter’s Group, Rural Energy Consultative Forum (RECF), proposed Energy – Environment Network, Gender, Energy, and Water Network, and various other networks of manufacturers of RETs) have been instrumental to raise the

³ – The project components include: i) formalization of the holistic rural energy policy based on the best practices and lessons learned in the sector; ii) analysis and identification of central level alternative institutional options as a mechanism designed to facilitate decentralized rural energy planning, implementation, management, monitoring and evaluation as well as resource mobilization; iii) formulation of legal framework; and iv) documentation and dissemination of the experiences and lessons learned through studies, observation visits, meetings, workshops, seminars and publications.

[profile of rural energy to contribute towards poverty reduction and environmental sustainability. This is demonstrated by the fact that the recently formed high-level Poverty Commission identified rural energy systems as one of the key elements for poverty reduction strategy. Most of these networks encompass policy advocacy, donor coordination, knowledge management and capacity development as a key strategic element for building partnerships.](#)

Partnerships

REDP has build partnerships with key actors in the field of rural energy development at local, national and international levels. –These partnerships have been instrumental not only to build synergy among different activities of various organizations but also to validate concepts and approaches being pursued by the programme, besides sharing experiences and lessons learnt among various organizations so that the services to the beneficiaries are delivered efficiently and in appropriate manner.

The HMG/N, UNDP and the World Bank have agreed to implement the REDP Phase II ⁴ as a joint initiative in 25 districts following the same approach and implementation modalities as established and demonstrated by REDP (NEP/95/016). It should be noted the support of World Bank for REDP is under Nepal Power Sector Development Project, which has three components such as: a) establishment of a Power Development Fund (PDF) to finance private development of small and medium-sized hydro schemes (77.9 million US\$); b) community-based village electrification through construction of micro-hydro schemes of sizes of up to 100 kW (8.1 million US\$); and c) grid transmission and distribution improvements (37.5 million US\$). Given the nature of support of World Bank (implementation of micro-hydro for electricity production and distribution), it is very important that REDP maintains partnership with other rural energy programmes (biogas, improved cooking stoves, solar PV, improved water mills, etc.) so as to provide interface with these programmes based on the needs of the communities at the local level. [The Project Management Unit of REDP \(PMU-REDP\) intends to collaborate and mobilize funds of other donor funded projects like ESAP, and BSP through AEPC during the implementation of REDP Phase II activities.](#) Besides this, it is also important to further build on the existing partnership initiatives of REDP for policy advocacy and mainstreaming energy issues in poverty reduction strategies and vice versa.

At the local level, REDP partnered with one selected local NGO specialized in rural energy promotion and designated it as Support Organization (SO) for the implementation of community mobilization package in the programme VDCs. –REDP has assisted establishment of one Rural Energy Services Centre (RESC) from among entrepreneurs to ensure much needed technical support services in each district. In the long run, the RESCs are expected to expand and upgrade into a full-fledged workshop for carrying out functions like surveys and installation of rural energy systems. –It is quite impressive that some of RESCs have surpassed the expectation by developing into national level firms which are pre-qualified by the Alternate Energy Promotion Centre (AEPC) for the installation and construction of peltric set, biogas and solar home system.

⁴ - *The proposed second phase of REDP will be led by Ministry of Science and Technology (MoST), by designating Alternate Energy Promotion Centre (AEPC) as an executing agency, National Planning Commission (NPC) and Ministry of Local Development (MoLD) as government bodies and DENET (District Energy Network of DDC Chairpersons for REDP programme districts), ADDCN (Association of District Development Committees of Nepal), NAVIN (National Association of VDCs in Nepal) will play key roles as members of Programme Management Committee (PMC) in planning, management and integration of experiences into national policy. At district level, DDC will be the focal agency for the implementation of programme through DDC:REDs.*

At the national level, REDP initiated establishment of networks. –For example, the Micro Hydro Promoter’s Group was formed for the collaboration among the organizations actively involved in the development and dissemination of micro hydropower in the country. The group is represented by International Centre for Integrated Mountain Development (ICIMOD), Intermediate Technology Development Group (ITDG), United Mission to Nepal (UMN), Rural Areas Development Centre (RADC), DANIDA and REDP. The important area of collaboration included standardization of MH technology and services, research and development, end-use promotion, awareness and orientation for communities, entrepreneurs, local leaders, bureaucrats and donors.

Another example is the creation of Rural Energy Consultative Forum (RECF) to establish linkages among the organizations involved in energy development. Nepal Hydropower Development Association (NMHDA), Sun Works, Lotus Energy, Biogas Support Programme (BSP), Krishna Grill and Engineering Works, Royal Academy for Science and Technology (RONAST), Research Centre for Applied Science and Technology (RECAST), Centre for Rural Technology (CRT), Centre for Renewable Energy (CRE), Women Development Division, Nepal Agro-Forestry Foundation, Green Energy Mission Nepal (GEM/N) and REDP are the members of the forum.

These networks have been helpful in addressing the problem of repetition and duplication of works prevalent in the energy sector, besides sharing resources and experiences to implement rural energy programmes and advocating the appropriate concepts and approaches for rural energy development. [The REDP Phase II proposes to create a functional networking \(such as Energy – Environment Network \(E2NET\) of all UNDP funded project related to energy and environment with the possibility of expanding its membership gradually to other donor funded projects, INGOs, and NGOs in a phase-wise manner. This is a desirable step.](#)

Conclusion

The various stakeholders engaged in the development of rural energy sector of Nepal as well as in the international arena, recognized UNDP supported REDP’s holistic approach of promoting sustainable energy systems through community mobilization as an appropriate mechanism for rural development for achieving the overriding goal of poverty alleviation. Besides this, the programme clearly demonstrated how access to energy services sets in motion other development activities in the context of rural areas without jeopardizing environmental concerns of energy development. It also confirmed how effective demonstration activities at community-level influence the planning process at the national level. [For example, DANIDA funded ESAP project has been realigning its energy programme implementation modality towards the community managed approach similar to that of the REDP.](#) Further to this, the programme was able to show how ‘bottom-up’ approach of energy planning can be made a feasible proposition. The willingness to support the REDP’s concepts and approaches by the World Bank clearly demonstrates these facts.

UNDP’s support to REDP is very strategic as the rural energy sector received least priority in the context of national development debate in Nepal prior to the 8th Five year plan when there was a clear bias to allocate government funds for large scale development of energy projects. Besides this, conventional wisdom prevailed in terms of equating access to ‘energy service’ as access to ‘electricity’. Rural electrification always meant extension of the national grid and it was believed that poor people could not afford to pay electricity bills. –The potential of decentralized energy systems to achieve the goal of rural electrification never received adequate attention.

The successful implementation of REDP activities towards achieving the stated outputs has been able to challenge most of these preconceived ideas and conventional wisdom in the context of rural energy development. It clearly demonstrated that access to energy services (both electricity and modern fuels) has a full potential to not only address the poverty issues but also environmental concerns, beside contributing towards the development of social, human, physical and natural capital. The programme was also able to validate the positive social, economic, and environment impacts. [REDP's 'best practice' lesson learned at the community and district level have demonstrated that the sustainability of rural energy systems primarily depends on capacity building at the community level through social mobilization and institutional development at all levels \(e.g., participatory planning and management of RETs in elected bodies, technical support services to NGOs and private sector\).](#) Given these facts, REDP is one of the exemplary projects of UNDP within Asia that undoubtedly proves that access to energy services is one of the most important elements for poverty reduction without compromising environmental sustainability.

4) PARTICIPATORY DISASTER MANAGEMENT

Outcome Analysis

Disaster Management in 10th Plan

The policy outcomes of the project are mainly captured in the 10th Five Year Plan of the Government. Though UNDP was not directly involved in the drafting of the chapter on Disaster Management, the orientation of the Government officials at the national level has contributed to incorporation of the concerns in the Plan Document.

The policies and programmes for water-induced disasters mentioned in the 10th Plan indicate the long-term goal of institutionalisation of Water Induced Disaster Management for coordinated and effective control and mitigation of disasters in the country. Objectives are to strengthen the community's thriving (protecting) capacity and to minimize and manage annual losses of people, property, land and infrastructure from water induced disasters through the development, improvement and information dissemination of appropriate and affordable techniques and thereby to support poverty alleviation and sustainable development. The main strategies and policies, *inter alia*, include policy, regulatory and institutional improvement and their implementation mechanisms; mobilization of community participation, community organizations and NGOs through improved mass consciousness for effective implementation of the programmes; and to adopt an integrated approach for the use of local skills and resources for watershed management and river training programmes. Such emphasis on community based approach for disaster management was not included in the earlier plans and the focus in the latest plan on this could be taken as an outcome of the project.

The Department of Water Induced Disasters would be responsible for the rehabilitation and management activities pertaining water-induced disasters. -The training provided to various Government functionaries, some of them in the Ministry of Water resources, would help to implement the policies and programmes envisaged in the 10th Five Year Plan. Many of the programmes envisaged in the Plan indicate concepts promoted under PDMP.

In the case of man-made and natural disasters the objective mentioned in the 10th Five Year Plan is to make disaster management more systematic and effective so as to contribute to making the construction and development projects durable, sustainable and highly result-

oriented. The strategies of the plan include formulation of plan and policies, amendment of existing laws and reform of organizational structure for disaster management in Nepal. This plan also envisages formulation of a long-term disaster management action plan, launching of programmes to increase people's participation in the management of natural disaster including floods, landslides and earthquakes.

Even though the subject matter relating to the disaster management is reflected in the national plan document, strategies for making available the required funds, and implementation modalities are not mentioned clearly. Nevertheless, the inclusion of the topic shows a commitment and this thinking has been prompted with the orientation received through the project. UNDP had offered support to the Government to draft a chapter on Disaster Management for inclusion in the Plan. The Government decided to use its own expertise for the same and there is a definite focus on community-based approaches, which is similar to what was followed in PDMP.

Policy and Regulatory Framework

The CNDRC has not been able to implement the provisions in the National Action Plan. MoHA has recognised the need to accelerate implementation of the national Action plan and has submitted a proposal to UNDP to organize a workshop of relevant agencies and stakeholders for the purpose of reviewing and improving the Natural Calamity (Relief) Act 2039 and National Action Plan on DM in Nepal. Impetus for such a move is an outcome of the PDMP, as the orientation provided through study visits has driven home the need for a revision of the national plan to address community level activities and to strengthen systems for vulnerability reduction. In view of the national security situation DM is not a priority area for the MoHA and as such its seriousness is lacking. As per the existing scheme of things, though MoHA is responsible for coordination of DM activities, there is no legal status to back such a mandate. Therefore, the ability of MoHA to coordinate activities of other line Ministries is lacking.

Driving Forces

Some of the external factors that have affected in strengthening DM systems are: (i) attacks by Maoists in several parts of the country have resulted in Ministry of Home Affairs attaching high priority to this issue and reallocation of funds for this purpose has prevented from allocating more resources for Disaster Management; and (ii) The current political situation in the country has prevented in announcing any policies that change the existing scheme of things. Given this scenario it is difficult to strengthen the ability of MoHA to coordinate activities of other Ministries. Such a gap in the system will make it very difficult to mainstream DM in the development agenda at the national level.

UNDP Outputs

UNDP has been supporting the Government of Nepal to strengthen the disaster management capacities in the country for over a decade through a number of projects. The projects implemented in the recent past are: NEP/85/002 - Institutional Support to Disaster Prevention and Relief Plan, NEP/88/008 - Technical Assistance for Road Flood Rehabilitation, NEP/88/053 - Post Earthquake Emergency Reconstruction and Rehabilitation Programme, NEP/88/054 - Policy and Technical Support for Urban Sector, NEP/95/005 - Upgrading Disaster Management Capacity in Nepal and NEP/99/014/A/31 - Participatory Disaster Management Programme (PDMP). In addition, UNDP played a leading role in the United Nations Disaster Management Team (UNDMT).

PDMP

The project was approved in 2000 with a view to expand the processes and techniques developed under the project (NEP/95.005). The objectives of the PDMP, completed in September 2001, are to:

- i. Develop the capacity of communities by mobilizing women and men into self-governing community organizations as the local institutional basis to cope with natural disaster.
- ii. Strengthen the disaster management capacities of selected VDCs and DDCs.
- iii. Increase the disaster management capacity of the Ministry of Home Affairs and other related organizations during the programme cycle.

PDMP followed a unique approach of not only ensuring community's participation in identifying their vulnerabilities but also in developing disaster mitigation and preparedness schemes based on local knowledge and techniques. Through a participatory process and with inputs from International Centre for Integrated Mountain Development (ICIMOD), the villagers were involved in mapping of vulnerabilities and hazards that affect them. Participation of the communities in identifying their vulnerabilities and better understanding of the same have helped them in applying local knowledge and expertise to be better prepared to face future disasters. The communities, after identifying their vulnerabilities, based on local wisdom and knowledge came up with ideas for vulnerability reduction. This was discussed with a larger audience and mitigation measures were identified. Accordingly, the communities decided on the measures to be undertaken and they also contributed resources to supplement the inputs from the project to implement the same.

At the national level the capacity enhancement support to Government functionaries has been useful in creating better awareness about disaster preparedness, mitigation and prevention. Disaster database, information documentation and management capacities established remain weak mainly because of lack of infrastructure and systems. Since the Ministry of Home Affairs is also responsible for law and order, the control room at the [central center](#) also acts as the control room for law and order. While this ensures the existence of a permanent control room, and to a certain extent flow of information from the districts, there has not been any effort to develop Standard Operating Procedures (SOP) that befits disaster management requirements. The Ministry of Home Affairs (MOHA) has adequate strengths in mobilizing police and armed forces for rescue and relief operations. –The MOHA is not oriented to mobilizing community and has inadequate network for environmentally sustainable development through mitigation and preparedness activities and thereby reducing poverty. –The officers who received training under the project have been transferred. The coordination mandate of the Ministry cannot be enforced as the line of command and appropriate policy directives have not yet been established.

UNDMT

UN Agencies involved in disaster management activities are members of the United Nations Disaster Management Team (UNDMT), convened by UNDP. The Government in 1994 and UNDP jointly hosted a meeting of HMG officials and members of the international community to discuss the experiences and lessons learned during the 1993 flood response. As per the recommendations of this meeting, HMG/N requested the Resident Coordinator to accept the responsibility of coordinating international response to any future disaster. To fulfil the responsibilities attached to this mandate UN agencies have organised themselves into thematic working groups on Health, Agriculture and Logistics to strengthen coordination and disaster preparedness. The three sectoral working groups comprising of HMG/N, UN Country Team, donors, NGOs was expected to build capacity of national partners and to ensure sectoral coordination. The Health Sector Working Group prepared an excellent

Emergency Preparedness and Disaster Response Plan for the Health Sector. The process adopted ensured commitment of the members at the planning stage itself and the Government has recently agreed to institutionalise this plan. However, other groups failed to generate sufficient momentum and produce cohesive plans. The experience reflects the need for UNDP, as convener of UNDMT to dedicate exclusive staff to follow-up the activities of each of the working groups, and to strengthen coordination required to fulfil the responsibilities bestowed in the UN System.

Though UNDP has been sharing with other UN agencies information about its initiatives, there was scope for larger involvement of the agencies participating in the UNDMT. Convergence of programmes of UNDMT members could have been attempted to build on existing capacities and ongoing efforts of the agencies. During the proposed consultation of various stakeholders to review the National Action Plan, participation of UNDMT members should be ensured to facilitate involvement of UN agencies in the implementation of national action plan.

Partnerships

The primary focus of the PDMP was on water-induced disasters. In terms of activities at the community and district levels the focus was in getting the communities organised into small groups and to ensure their participation in identifying the vulnerabilities as well as identifying the mitigation measures that were later implemented. Simultaneously, it attempted to enhance the capacities of the Government functionaries at various levels and also attempted to create an information base. The partnership with various stakeholders pursued under the project could therefore be categorised into three levels-community, district and national.

At the community level the strategy adopted was to work directly with the communities through facilitators to orchestrate the process and with the involvement of VDCs and DDCs. The Evaluation Team has not verified the existence of capable NGOs in these sites. If such NGOs exist, it would have been desirable to involve them in the process. Activities pertaining to vulnerability and hazard mapping at this level were undertaken with the technical backstopping of ICIMOD, which has sound technical expertise in this area. Therefore, the partnership established with this agency under PDMP would help to contribute to replicate similar tasks in other areas and establish centralised database/maps indicating the hazard and vulnerability profile of all the districts.

The partnership established for community level activities under the project have been good both for replicability of it by technical agencies and for promoting vulnerability and risk mapping. DWIDP has the mandate of facilitating research activities, zoning of flood-prone areas, developing forecasting and warning systems, and river and landslide control. Association with DWIDP during PDMP implementation and the on-going Total Disaster Risk Management project has strengthened further the partnership with this agency which is responsible for mitigating floods and landslides.

Involvement of MoHA in PDMP and other activities of UNDP in the past has been quite intensive. Apart from a senior level officer from this Ministry being the National Project Director, the Ministry had established a committee to ensure linkages with other Government departments and agencies. As per the project document this committee should have been a permanent body, but this has not happened. The partnership with other line Ministries was not strong under PDMP, but in connection with UNDP's involvement with UNDMT there is strong links with other Ministries, specifically Ministry of Agriculture, Health and Environment.

Nepal has several NGOs working on specific sectors, including Disaster Management. The geographical spread of these agencies in the project sites was not studied during the evaluation. Therefore, it is difficult to make any statement regarding lack of their participation in the project at the community level. At the national level some of the prominent NGOs have been working very closely with UNDP. Apart from their inputs for project implementation, several awareness creation activities have been undertaken jointly. For eg, the National Society for Earthquake Technology (NSET), specialised in earthquake disaster research, public education and advocacy has been working closely with UNDP in organising awareness campaigns during World Disaster Reduction Day. NSET also participated actively in the National Working Group for IDNDR. The National Red Cross is actively involved maintaining the Disaster Preparedness Network, a platform that facilitates exchange of information on emergencies. UNDP supported establishment of this network. It was also evident that these partners are willing to work with UNDP and they all acknowledge the comparative advantage of UNDP in this field and firmly believes that UNDP can make a major difference.

Through various forums, UNDP has been partnering with bilateral donors. Most of them having interest in this sector are willing to work with UNDP. Since the in-house capacity of these organisations in DM is not strong, they expect UNDP to provide advice on how DM can be streamlined in their programmes. –Aid agencies such as the Swiss Development Corporation are willing to address DM through their on-going programmes on infrastructure, provided they are advised on how these can be incorporated. Japanese Government and USAID are supporting on-going programmes of UNDP. –There is tremendous potential to strengthen further the existing partnership and launch joint programmes.

Conclusion

There are some indications that HMG/N is slowly adopting a broader approach to natural disaster management. References in the 10th Plan to the important role that local communities can play are an indication that increasingly issues of preparedness and vulnerability reduction are gaining ground. This process is a slow one, not least due to the political instability and conflict that drain away human and financial resources. This explains why the policy and regulatory framework remains outdated.

UNDP's contributions in this sector have so far been rather disparate and small-scale. Even PDMP with its innovative approach lacks enough resources and a more strategic approach to shape policy development. In addition, the UNDMT has not been able to develop cohesive policy positions on preparedness and vulnerability reduction.

5) SUSTAINABLE PRO-POOR TOURISM

Outcome Analysis

Sustainable Tourism in 10th Plan

Already the baseline, the 9th Plan acknowledged the need for diversification of tourism into rural areas, and its potential for poverty reduction at the local level. However, as mentioned in other contexts, the implementation of these provisions was limited.

The 10th Plan recognizes that the tourism sector can be an important instrument of poverty reduction by increasing employment opportunities directly and indirectly in urban as well as rural areas, particularly in the hills and mountain areas along trekking trails and tourist destinations. Yet, the 10th Plan could not visualise a holistic approach to pro-poor tourism in rural and remote areas, especially because tourism policy guidelines and understanding of sustainable pro-poor tourism model was lacking (the same prevails now, too). Although tourism sector greatly availed of experience on eco-tourism from the ACAP model, the 10th Plan could not fully integrate those gains; thus, the importance of promotion of local tourism products, control of tourism market by local communities, and the retention of income from tourism in local areas have marginally been outlined in the 10th Plan. The TRPAP model that is being experimented tries to help bridge this knowledge gap and to assist in developing sustainable pro-poor rural tourism in Nepal.

Even though this kind of crisis exists, the endeavour made by the 10th Plan, in at least having been able to envisage

The 10th Plan also envisages to increase increasing the utilization of locally produced items and services, and thereby ensuring ensuring the retention of more than 50 % of tourists' spending within the local areas with a view to implementing self-reliant community-based tourism, is appreciable. Apart from these issues, the In addition, the Plan also sets an ambitious agenda for policy and institutional reforms, including a review and re-formulation of tourism policies in Nepal; an assessment of institutional frameworks and amendments of tourism related acts, and the formulation of a tourism master plan.

Policy/Regulatory Framework

The policy and regulatory framework for tourism in force in 2000 and still today consists of the Tourism Master Plan of 1972, the Tourism Act of 1978 and a Tourism Policy of 1995. Only the Tourism Policy deals with issues of rural tourism, benefit-sharing or environment-friendly tourism. In order to make these instruments more cohesive and focused, HMG/N has engaged in a major revision of the policy and regulatory framework for tourism in Nepal.

Driving Forces

Over the last years, a number of experiences with tourism in rural areas have been gained in Nepal, often in the context of conservation projects. Nepal has a comparative advantage for tourism development based on its spectacular natural landscapes and unique cultural heritage. While experience has shown that tourism does damage the environment, it can also be an invaluable means of development and environmental conservation. To achieve this, there has been a felt need of a holistic approach to tourism and environmental management that takes account of the needs of the local community, tourists and the environment.

Over the years, a number of experiences with tourism in rural areas have been gained in Nepal, often in the context of conservation projects. ACAP and other initiatives have highlighted the intricate linkages between poverty reduction, social inclusion and environmental sustainability that well-managed rural tourism needs to balance. Out of those experiences a broad consensus between HMG/N and the donor community has emerged

that sustainable pro-poor tourism should be made a pillar of tourism development and promotion in Nepal.

This consensus and commitment is slowly overcoming a number of obstacles such as the strong urban bias of tourism interests and the negative impacts of the Maoist insurgency, which, has targeted rural tourism in the form of claiming “donations” and “fees” from tourists.

UNDP Outputs

UNDP can claim a long history of supporting tourism development in Nepal. UNDP-funded programmes began in 1971 and continued till 1993 with a number of activities in the areas of hotel management, training, and women entrepreneurship. Subsequently, UNDP joined the tourism development efforts of HMG/N with the implementation of Partnership for Quality Tourism Programme (PQTP) in two separate phases from 1993 to 1998. PQTP supported the establishment of the Nepal Tourism Board (NTB), the expansion of rural tourism activities and products, an extension of urban destinations, and international tourism promotion efforts. The most important achievement of the UNDP's contribution at the end of PQTP in December 1998 is the establishment of the NTB as an autonomous and financially independent agency with an innovative concept of public-private partnership in Nepal. The important lessons learned from PQTP include (1) tourism development cannot be pursued in isolation: rather, it must be integrated with community development and local institution building, and (2) benefit-sharing by local people will enhance the conditions and standards of service for tourists in rural environments.

Based on these findings and lessons, TRPAP, a five-year project, was launched in September 2001. It has been designed to bring together three major concerns of HMG/N – poverty alleviation, decentralization and tourism development with emphasis on the policy and strategic planning for rural-based tourism development. Social empowerment of rural communities to manage their own tourism development is a key component of this programme⁵. Under this project UNDP and SNV have committed to fund pilot projects in Dolpa, Lumbini and Chitwan and DFID/N has committed funding pilot projects in Langtang, Solukhumbu and Kanchanjunga. The other partners of the programme are HMG Ministry of Culture, Tourism and Civil Aviation (MOCTCA), the Nepal Tourism Board (NTB), and the Department of National Parks and Wildlife Conservation (DNPWC). The DNPWC is particularly responsible for the task of revision of Sagarmatha National Park and Buffer Zone Management Plan and capacity building of the personnel engaged in the programme sites.

At the policy level, TRPAP aims to support the Government in reviewing and formulating sustainable tourism development policies and strategies, and integrate them with wider conservation objectives. So far, the following activities have been completed:

- Pro-poor tourism guidelines for formation and mobilization of micro and meso level tourism institutions and fund.
- District periodic plans for Dolpa, Rasuwa and Solukhumbu incorporating tourism.
- Participatory District Tourism Development and Management Plans for Dolpa, Rasuwa, and Taplejung.
- Tourism Rules, Regulations and Acts reviewed.
- Pro-poor Tourism Policy and Strategic plan preparation exercise is half way through.

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⁵ The programme commenced with six pilot sites, namely Dolpa, Lumbini, Chitwan, Langtang, Solukhumbu and Kanchenjunga having a variety of pilot programmes with cost sharing and parallel funding from UNDP, DFIDN and SNV-Nepal.

More specifically, outcome relevant achievements include: At the policy level, TRPAP aims to support the Government in reviewing and formulating sustainable tourism development policies and strategies, and integrate them with wider conservation objectives. Outcome relevant achievements include:

- 1) During May-June 2002 the UNDP funded World Tourism Organization (WTO) mission visited Nepal and prepared SPPD document to formulate a Twenty-year Sustainable Tourism Development and Management Plan for Nepal. This document includes objectives, expected output, inputs, TOR of advisers and consultants and working methodologies. The proposed document lacked provisions for stakeholders' consultation and participatory approaches that are crucial in process of the plan formulation. The top-down approach, the allocated short time-frame (9 months) and limited funding (~~ca. \$ 300,000~~) was not accepted by the MoCTCA, and WTO was asked to re-initiate the proposal.
- 2) A national consultant has prepared a draft document in November 2003 for policy formulation and regulations amendments that are required for the promotion of sustainable tourism development in Nepal. This draft document proposes many changes and amendments in the regulatory aspects and brief outlines are suggested for new tourism policy of HMGN. The outlines for the proposed new tourism policy and amendments in legal framework seems consistent with the Millennium Development Goals (MDGs) as the proposal covers environmental concerns and rural poverty-reduction issues. -This document is expected to be finalized during the first half of next year.
- 3) An international consultant has developed a Draft Tourism Industry Strategic Plan for Nepal (2004-2009) in September 2003. This draft has been circulated to the authorities concerned for consultations and discussions. This draft is very much preliminary and its focus is on promotion strategies. So far the responses from stakeholders have been positive.
- 4) Participatory District Tourism Development and Management Plans (2004-2008) for Rasuwa, Dolpa and Taplejung districts are developed.

-The Mid Term Evaluation (MTE) of the TRPAP 2003 highlights that the programme has experienced delays and problems due to external forces, including the security situation in remote areas, however, the same has also reinforced the need of the programme in those areas. As an early conclusion, the MTE mentioned that TRPAP was well on advance towards achieving the objective of demonstrating sustainable tourism development model for policy feedback and recommended to develop specific tourism development models in each pilot area.

Partnerships

At the central level UNDP/ TRPAP has established partnership with MOF/ MOCTCA / DNPWC for programme implementation. A Memorandum of Understanding was signed with the NTB. At the district level, MOUs were signed with the DDCs in the pilot sites.

The UNDP established partnership with SNV and DFID to mount the TRPAP. More than a decade experience and involvement of the SNV in the tourism sector of Nepal was an added advantage of establishing partnership for the better impetus to the TRPAP. In the same manner DFID's global experiences with pro-poor tourism provide important synergies with UNDP's approach. The partnership has suffered from some friction in project implementation due to competing priorities and different rules and procedures of the three organizations.

Apart from TRPAP, the main player in Nepal's tourism sector is the Asian Development Bank. ADB's Tourism Infrastructure Development Project (TIDP), was one of the pioneer projects in the tourism sector of Nepal. As a follow-up, ADB has initiated an Eco-tourism Project, to address poverty, gender, and environment issues in the remote areas such as Simikot, Dolpa, Makalu-Barun and Kanchanjanga. —This project has not yet reached implementation because of the security situation. Once it gets the go-ahead from HMG/N and Manila, the project would complement UNDP's efforts through TRPAP.

[Through TRPAP's membership in Sustainable Tourism Network \(STN\), UNDP's partnership has further strengthened. Arising out of the felt need of national co-ordination, a group of NGOs, INGOs, tourism operators, government departments, research and conservation organisations established the STN in 1997. This network, having come out of a recognised need to minimise duplication, to build on the strengths and expertise of organisations working in sustainable tourism in Nepal, and to learn from mistakes made in the past and to co-operate for the pro-poor tourism development in Nepal. UNDP's partnership with various organisations through TRPAP can be considered significant. And, its partnership with the NTB, which is currently providing co-ordinating and administrative support to the network, has further helped to consolidate projects, experience and research in the area of sustainable tourism for poverty reduction.](#)

Conclusion

UNDP has a long history in assisting HMG/N's efforts in the tourism sector. In line with other sectors, a community mobilization approach was chosen by TRPAP to enhance the ownership and sharing of benefits of tourism activities at the local level. While TRPAP only got started in September 2001, UNDP-supported biodiversity projects and others have helped to develop enough momentum to initiate a policy reform process.

This process comes at a difficult time, as the tourism sector has been hard hit by the insurgency. Decreasing revenues in the sector and the insecurity in the countryside will pose serious obstacles to a diversification and devolution of the industry to rural areas and local communities.

SUMMARY OF FINDINGS AND LESSONS LEARNED

The preceding chapters have shown that Nepal has made significant progress in mainstreaming environmental issues in national development planning. The 10th Plan contains references to most of the policies, strategies and approaches UNDP (and other partners) have been supporting over the last decade or so in the energy and environment portfolio. This progress can be partly attributed to a committed and qualified cadre of technocrats in HMG/N, civil society and the donor community.

These achievements must be qualified, however. In many cases, policy and regulatory frameworks are very recent such as SDAN or the NBS, and implementation has not even commenced. In other cases, implementation on the ground will be hampered by the ongoing insurgency and political instability, which have all but stopped the move towards decentralized natural resources management. Last but not least, the progressive language in parts of the 10th Plan should not hide the fact that environmental issues still largely remain marginalized in comparison to economic growth, poverty reduction and good governance. Despite the wealth of projects and experiences, the intricate relationship between environmental degradation, resource scarcity on the one hand and poverty reduction and social inclusion on the other have not been fully absorbed by decision-makers at the policy-level.

UNDP can claim a long partnership with HMG/N in the area of energy and environment. More than in other countries this portfolio has helped to pilot and demonstrate innovative approaches towards sustainable development. While the portfolio is diverse, a number of common denominators such as social mobilization, decentralization and policy advocacy have helped to mould a coherent approach in the sector. This coherence does, however, not necessarily entail synergies with similar efforts in other parts of the UNDP portfolio, where partnership opportunities were rarely exploited.

UNDP's contribution to the policy outcome evolved around three axes: First, most projects rely on community mobilization as their underlying "philosophy". This approach has been consistently applied by UNDP and other donors to a degree that large parts of the country have "benefited" from this strategy in one way or the other. Together with the instability of national and local institutions, this has left HMG/N with little choice to upscale the community orientation to the policy level. Second, UNDP has also engaged in direct policy support and advocacy, knowing that the up scaling of community approaches takes a long time. It has been instrumental in the development of SDAN and the National Biodiversity Strategy, although in both cases it struggled to find the right balance between efficiency and acceptance. Third, in line with its comparative advantage as a neutral and trusted development partner, UNDP used different forums to garner support for the other two avenues. This approach has proved very helpful in overcoming perceived (and sometimes well-founded) perceptions of unilateralism of UNDP.

In sum, UNDP has managed to contribute in a mostly important and significant manner (for details see Table) to energy and environment policy development. It has gained considerable expertise and clout in sustainable development, biodiversity conservation and rural energy matters. It has, however, not (yet) succeeded in translating these achievements into a comprehensive mainstreaming of these crosscutting aspects into all levels of development planning and poverty reduction.

Outcome Evaluation – Energy and Environment – Synopsis of Findings

Outcome Components	Outcome Indicators	Baseline (2000)	Result (2003)	Sustainability/Future achievability	Driving Forces	UNDP contribution	UNDP Impact
Sustainable Development	NSSD/SDAN	No NSSD	SDAN adopted	Implementation through line ministries and local governments crucial	Country commitment to Agenda 21 Donor Support	SCDP experience Direct support	Significant
	SD in Development Plan	Scattered references to SD in 9 th Plan	SDAN incorporated in the 10 th Plan	“Greening” of 10 th Plan unlikely without specific incentives and mechanisms	Institutional set-up impeded closer integration and synergies	Indirect (through SDAN)	Modest
Sustainable Use of Biodiversity	Biodiversity in Development Plan	Despite references to inclusive approach largely treated as sectoral issue	Consolidation and expansion of concepts but still sectoral issue	Experiences with NBS implementation could help to mainstream biodiversity	Strong commitment to onclusive biodiversity conservation approach	Indirect through various UNDP projects and soft assistance	Important
	Policy/Regulatory Framework	PAs & BZ management Regimes in place; NCS (1988)	NBS Draft NBSIP	NBSIP provides good roadmap for sustainability	Consensus among main stakeholders Strong donor interest & support Government committed	Direct support to NBS Coordination through TG and WG	Significant
Rural Energy	Rural energy in Development Plan	Strong commitment in 9 th Plan	Enhanced Commitment, but emphasis on rural electrification	Good prospects (if poverty focused and alternative energy not sidelined)	Strong consensus and commitment among stakeholders Bad experiences with large-scale projects	Indirect through REDP Soft Assistance	Significant
	Policy/Regulatory Framework	Subsidy policies	Comprehensive rural energy policy (draft)	Good prospects due to bottom-up/participatory approach to policy formulation	-Dto-	TTF Project REDP Model	Potentially Decisive
Participatory Disaster Management	DM in Development Plan	No reference in 9 th Plan	References to community-based approaches	Unlikely in short term	Institutional “conflict” DM not a government priority Relief bias of stakeholders	PDMP and other social mobilization projects	Important
	Policy/Regulatory Framework	Outdated law and master plan	No change	No indications for policy development in short term	-Dto-	PDMP approach and UNDMT show little policy impact so far	Negligible
Sustainable Pro-Poor Tourism	Tourism in Development Plan	Several references to community benefits, but little evidence for implementation	References to employment generation and other benefits	Momentum for rural tourism building up through TRPAP and other initiatives, but negative impacts of conflict	Consensus among donors Lessons learned of conservation community Urban-centered stakeholders	TRPAP approach and social mobilization model	Modest
	Policy/Regulatory Framework	Outdated master plan	Preliminary drafts for tourism law, policy and master plan	Good potential, if vested tourism interests can be co-opted	Conflict both an opportunity and threat for re-orientation of tourism	TRPAP’s policy component	Negligible (so far)

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Lessons Learned

By definition lessons that can be transferred need to be at a fairly abstract level. The following may qualify as lessons that may be useful for other UNDP COs:

- **Policy impacts are often more sustainable if achieved through demonstration projects.** Direct policy support often focuses on the production of a tangible document whose success and implementation are far from guaranteed. Demonstration approaches such as community mobilization appear to be more sustainable as they provide bottom-up entry points to policy formulation.
- **UNDP's comparative advantage as a neutral and trusted development partner is a prime asset.** Policy dialogue and soft assistance are essential tools to reinforce the lessons learned from project assistance. UNDP leadership in donor coordination groups can be instrumental in removing misunderstandings, forging common positions and adjusting approaches thereby maximising the impact of interventions.
- **Mainstreaming of environment can only be achieved through close involvement of other sectors.** While the achievements of UNDP in the areas of energy and environment are impressive, the formation of a strong sectoral standing can be counterproductive to integration and mainstreaming. Efforts to reach out to new partners have to accompany the consolidation of sectoral achievements.
- **Mainstreaming is a function of organizational integration.** Most country offices operate through sectoral approaches, with few incentives for information exchange, joint programming, etc. The organizational set-up is instrumental in identifying (or missing out on) opportunities and entry points for mainstreaming interventions.
- **Special development circumstances such as conflict require pro-active and adaptive management.** In situations of political instability and conflict, it is imperative to assess carefully their implications for programme design and implementation, particularly at the policy level. For example, a strong emphasis on decentralization might not be suitable where local authorities are not functional.
- **Outcome evaluations face the dilemma of balancing outcome and UNDP focus.** By definition, outcome evaluations examine a national outcome, whose achievement is a mix of UNDP interventions, partner activities and external factors. While equal weight should be given to these factors, the evaluation emphasis and support documentation focus on UNDP, thereby introducing a bias.

STRATEGIC VISION AND RECOMMENDATIONS

Strategic Vision

The outcome evaluation team believes that in order to effectively and efficiently carry over the achievements of the current into the new SRF Cycle, the CO can benefit from a strategic vision to guide future programming. Based on the findings of this evaluation and with a view to providing a framework for our recommendations, “four pillars” for a strategic approach are proposed:

- **Consolidation.** UNDP’s project culture and the prerogatives of senior management often favour short time frames, an emphasis on quick results and a proliferation of new ideas if not fads. This is particularly counterproductive in situations where results take their time such as in community mobilization or policy implementation. Therefore, the first pillar of the strategic vision should focus on consolidation of achievements through
 - Emphasis on policy implementation to follow-up on policy formulation;
 - Continuation/Extension of key approaches and projects
- **Adaptive Management.** As a corollary to the first pillar, the CO needs to manage proactively its portfolio in order to identify early on opportunities and challenges. Adaptive management techniques can for example help with the assessment and management of conflict. For example, a conflict assessment would provide a roadmap for the selection of project pilot sites.
- **Intellectual Leadership.** Given its important energy and environment portfolio with a host of best practices and success stories, the CO should not shy away from using its skills and knowledge to engage in the development of concepts and approaches, in line with UNDP’s corporate emphasis on knowledge creation and management.
- **Synergies.** The fourth pillar is a self-evident one that needs, however, constant re-iteration. This and other evaluations have repeatedly highlighted the benefits of external partnerships and internal coordination for achieving a higher degree of development effectiveness.

These four pillars inform the following set of recommendations, which consists of fairly specific sectoral suggestions, and a number of broader ideas that apply primarily to the energy/environment portfolio at-large.

Recommendations

*Recommendation 1 (Sustainable Development): **Strategic Environmental Assessment of 10th Plan***

In order to facilitate the mainstreaming of sustainable development and environmental issues in the 10th and subsequent plans, UNDP should support a strategic environment assessment of the 10th Plan. Such an exercise would help to highlight the environmental costs and benefits of poverty reduction strategies. It would also provide a platform for an increased understanding and awareness of poverty-environment linkages. Synergies exist with the ongoing poverty assessments and proposed trade impact assessment.

*Recommendation 2 (Sustainable Development): **SDAN Implementation***

SDAN is a vision framework and will only gain broader relevance through a rigorous emphasis on its principles permeating national and local decision-making. It is therefore crucial that any follow-up to SCDP focuses on mainstreaming SDAN in a select number of line ministries and local administrations. For example, issues of environmental health or education are best addressed through the responsible ministries and local authorities.

*Recommendation 3 (Biodiversity): **Access to Genetic Resources and IPR***

Both the draft NBSIP and UNDP's current SRF stress the importance of access to genetic resources and intellectual property rights. This cluster of issues is particularly relevant for Nepal both at the local level as an alternative livelihood option and at the national level as a potential revenue source. UNDP is well placed to assist HMG/N in its efforts to develop a suitable policy framework for this crosscutting issue. Again, synergies exist with the trade agenda following Nepal's accession to the WTO.

*Recommendation 4 (Biodiversity): **Consolidation of Livelihood and Landscape Approaches through Upscaling of Buffer Zone Programme***

Through its ongoing and pipeline projects, UNDP Nepal is already largely committed in this area. PCP, the Wetland and Western Terai projects are based on well-tested approaches and lessons learned from UNDP's portfolio and squarely match Government's priorities sketched out in the draft NBSIP. They also reflect UNDP's commitment to broad partnerships.

~~*Recommendation 4 (Biodiversity): **Consolidation of Livelihood and Landscape Approaches***~~

~~Through its ongoing and pipeline projects, UNDP Nepal is already largely committed in this area. PCP, the Wetland and Western Terai projects are based on well-tested approaches and lessons learned from UNDP's portfolio and squarely match Government's priorities sketched out in the draft NBSIP. They also reflect UNDP's commitment to broad partnerships.~~

*Recommendation 5 (Rural Energy): **Maintain Poverty Focus of REDP II***

The partnership with the World Bank in REDP II represents an important opportunity for further mainstreaming of the successful model championed by UNDP. In light of some indications in the 10th Plan, and the comparative advantage of the Bank in the energy sector, UNDP should ensure that REDP II maintains a poverty focus and continues to support alternative technologies where rural electrification is not feasible or too costly. [This would mean that there is a need to develop and implement complementary project to REDP Phase II.](#) Regional and global initiatives can provide useful support in pursuit of this objective.

*Recommendation 6 (Rural Energy): **Decentralized Rural Energy Policy***

In a similar vein, the development of a comprehensive rural energy policy needs to be aligned with the ongoing efforts towards further decentralization and devolution of authority to local governments. To adequately reflect and represent the needs and constraints of local governments, the formulation process must build on a broad set of consultations at district and local level. [This may entail the formulation of a project to support the implementation of the decentralized rural energy policy directives being adopted by HMG/N under the UNDP TTF Project.](#)

*Recommendation 7 (Disaster Management): **Extend PDMP***

The benefits from participatory, community-based approaches generally only materialize in the long-term. PDMP should, therefore, be extended and expanded, which would also enable it to develop a more strategic and coherent approach to disaster preparedness and vulnerability reduction. Lessons learned from other social mobilization projects should help to steepen the learning curve, and PDMP could eventually filter up to the policy level.

*Recommendation 8 (Disaster Management): **Revitalize UNDMT***

The United Nations Disaster Management Team provides an important forum for a consolidated approach of the UN family to disaster prevention, mitigation and relief efforts. UNDP should play a leadership role and encourage a strategic assessment of the comparative advantages of the UN agencies in Nepal, and through this exercise, identify and promote a niche for its own interventions in the area.

*Recommendation 9 (Sustainable Tourism): **Consolidate Pro-Poor Tourism through TRPAP***

As in the case of PDMP, the experiences with TRPAP are very recent, and have also been affected by the conflict. Implementation of the project could benefit from cross-fertilization with the experiences gained in several biodiversity projects, and emphasis must be given to engaging and involving the poor.

*Recommendation 10 (Sustainable Tourism): **Bottom-up Policy Formulation and Planning***

In order to develop a rural development policy that reflects the realities on the ground, the policy formulation process should draw on the experiences from TRPAP and similar projects. Such stocktaking together with broad consultations would give the new policy more relevance than could be achieved through “traditional” approaches. Once a policy has been drafted, it should serve as the basis for the development of a corresponding legal framework and a new tourism master plan.

*Recommendation 11 (Coordination): **Sharpen UNDP’s Role in Donor Co-ordination***

UNDP has taken the leadership in the Thematic Group on NRM and Environment as well as in the FSCC Working Group on Ecoregional Planning and Biodiversity. Despite the important role these groups have played in agenda-setting and donor co-ordination, experience has shown that the narrower the focus, the better the returns. It might, therefore, be useful if UNDP could take the leadership in a sub-group on biodiversity to enhance its stature in this key sector.

*Recommendation 12 (Environmental Governance): **Develop Environmental Governance Project***

In order to assure continuity with the work on the Environmental Governance Manual, the latter’s findings and recommendations should be juxtaposed with lessons learned from the various projects in the governance and energy/environment portfolios. Such an exercise, which could draw on support from Capacity 2015 and the upcoming Regional Programme on Environmental Governance, should be carried out in close cooperation with the Governance Unit.

*Recommendation 13 (Environment and Poverty): **Capacity Development on Poverty-Environment Nexus***

The CO Nepal has sufficient skills and experience to move from its sectoral emphasis towards a more inclusive outlook, particularly in view of the mandate of the MDGs. Environment team members have already participated in poverty-environment workshops, and it would be useful to translate this knowledge into a structured strategy that could be launched at a small in-house seminar.

*Recommendation 14 (Environment and Poverty): **Poverty Monitoring and Assessment***

UNDP has taken a leadership role in developing and supporting poverty monitoring and assessment mechanisms in support of the Government’s efforts to implement the 10th Plan. This focus provides an excellent opportunity for the Environment Team to share its vast experience with poverty-focused natural resource management, and to contribute to the

conceptual and practical analysis of Goal 7 and environment aspects of other goals. It also would help in fostering inter-unit cooperation.

Recommendation 15 (Environment and Poverty): NHDR on Poverty-Environment Nexus

Following from the two previous recommendations, and with a view to further strengthening policy advocacy, the CO should consider the publication of a National Human Development Report on Environment/NRM and Poverty towards the end of the SRF period. Neither the two previous nor the upcoming NHDR have an environment focus, and it would be high time to translate the experiences and lessons of this important portfolio as well as the numerous success stories into UNDP's flagship policy tool.

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ANNEX 2: Persons Interviewed and Contacted

UNDP CO

Alessandra Tisot, DRR, UNDP Nepal
Lisa Singh, ARR, Environment, NRM & Cultural Heritage
Sharad Neupane, ARR, Governance Unit
Lalita Thapa, Programme, Policies & Support Unit
Sriram Pande, Pro-poor Policy Unit
Vijaya Singh, Biodiversity Advisor
Kristina Mikkola, Environmental Governance Advisor
Man B. Thapa, Disaster Management Programme Advisor
Tek B. Gurung, Energy Advisor

UN Agencies

Trine Ladegaard, Technical Officer, Emergency and Humanitarian Action, WHO
Erik Kjaergaard, Technical Officer, Emergency and Humanitarian Action, WHO
Umesh Kattel, NOO, WHO
Philip N. Tyrrell, Field Security Officer, WHO

UNDP Projects

Hum B. Gurung, NPM, NPC/SCDP
Kiran Man Singh, NPM, REDP
Top B. Khatri, NPM, PCP
Rabi Jung Pandey, NPM, TRPAP
Vivin Yonjan, Communication Officer, PCP
Tej BC, Buffer Zone Facilitator, PCP
Dil B. Biswakarma, Field Officer, Humla, SCDP
Thakur Devkota, EDA, REDP
Jyoti Sapkota, FRA, PDMP/UNDP Chitwan
Bimba Bhattarai, FRA, PDMP/UNDP Tanahu
Community members in Beldiha village, Bhandara VDC ward no. 7, Chitwan
Community members in Kushana village, Kathar VDC, Chitwan

HMGN

Hon'ble Dr Yubaraj Khatiwada, Member, NPC
Hon'ble Hari Kriahna Upadhaya, Member, NPC
Lokendra Purush Dhakal, MoPE
Dr. Meen B. Poudyal-Chhetri, Director, Ministry of Home Affairs
Mohan Wagle, Chief, Planning Division, MoFSC
Dr.K.C.Poudyal, Chief Environment Division, MoFSC
[Narayan Poudyal, Deputy Director General, DNPWC, MoFSC](#)
[Shyam Bajimaya, Ecologist and NPC/ PCP](#)
Dr. Kesav Kandel, Department of Forests, MoFSC
Jeevan Lal Shrestha, Chief, Department of Water Induced Disaster Prevention
Dr. Ramesh M. Tuladhar, Department of Water Induced Disaster Prevention
Shanker Prasad Koirala, Joint Secretary, Ministry of Culture, Tourism and Civil Aviation
Subash Nirola, Director, Tourism Products and Resources Development Department, NTB
Gyan P. Sharma, NPD, NPC/SCDP
Govinda Mani Bhurtel, Chief District Officer, Tanahu
Mahendra Neupane, DEA, Kavre
Suraj Neupane, DEA, Tanahu

Donors/INGOs

Dr.Chandra Gurung, Country Representative, WWF
Dr. Mahesh Baskota, Country Representative, IUCN
Sagendra Tiwari, Programme Coordinator, IUCN
Dr. R. D. Joshi, Senior Advisor, The World Bank
Håkon Hynne, First Secretary, Royal Norwegian Embassy
Dr. B. Bhadra, Director of Programme, ICIMOD
Narendra Kumar Gurung, Senior Program Officer, JICA
William S. Berger, OFDA, USAID
Arun Dhoj Adhikary, Governance Sector Manager, SNV
Shrijana Rana, Trade Sector Manager, SNV
Robert Groeli, Transport Officer, SDC
Aman Jonchhe, National Programme Officer, SDC
Katsuji Miyata, Assistant Resident Representative, JICA
Sourab Rana, Programme Officer, JICA
[Brian Peniston, The Mountain Institute](#)
Anil Manandhar, WWF
Jenny Gurung, WWF
Mukul Chhetri, ICIMOD
Pro. Jian Liu, Programme Manager, Water Hazards and Environmental Management, ICIMOD
Mandira Sharestha, ICIMOD

Laurent Chosse, Asian Development Bank, Kathmandu, Nepal

Projects/Programmes/NGOs

Dr. Govinda Nepal, Fund Raising Coordinator, ITDG Nepal

Peter Neil, Programme Co-ordinator, Livelihoods & Forestry Programme, DFID/N

Dr. Pralad Yonjon Resource Himalaya

Yugesdh Pradhanang, Chief of Natural Resources, Energy and Environment Unit, ADDCN

Rudra Sapkota, Program and Planning Specialist, ADDCN

Shree Krishna Upadhaya, Chairman, SAPPROS

Dr.Ramesh B. Munankami, NPM, RUPP

Amod Mani Dixit, General Secretary, National Society for Earthquake Technology (NSET)

Prof. Vinod K. Sharma, Chief of Party, Program for Enhancement of Emergency Response (PEER)

Badri Khanal, Executive Director, Nepal Red Cross Society, National Headquarters

Bishnu Hari Devkota, Nepal Red Cross Society

Dipendra Purush Dhakal, Nepal Center for Disaster Management

Prof. Dr. Jiba Raj. Pokhrel, Nepal Center for Disaster Management

Govinda Devkota, Member Secretary of the NMHDAN

Hari Man Shrestha, Freelance Consultant

Dr. Prakash Sharan Mahat, Freelance Consultant

ANNEX 3: Terms of Reference for Environment and Energy Outcome Evaluation

A. INTRODUCTION

Background

The growing demand for development effectiveness is largely based on the realization that producing good “deliverables” is simply not enough. Efficient or well-managed development projects and outputs will lose their relevance if they do not yield any discernible improvements in development conditions and ultimately in people’s lives. Being a key international development agency, the United Nations Development Programme (UNDP) has been increasing its focus on achievement of clearly stated results. Nowadays, results-based management (RBM) has become UNDP’s management philosophy.

As part of its efforts in enhancing RBM, UNDP has shifted from traditional activity-based project monitoring and evaluation (M&E) to results-oriented M&E, especially outcome monitoring and evaluation that cover a set of related projects, programmes and strategies intended to bring about a certain outcome. An outcome evaluation assesses how and why an outcome is or is not being achieved in a given country context, and the role that UNDP has played. Outcome evaluations also help to clarify underlying factors affecting the situation, highlight unintended consequences (positive and negative), recommend actions to improve performance in future programming, and generate lessons learned.

Outcome to be evaluated

According to the evaluation plan of the UNDP Country Office in Nepal (referred to as UNDP Nepal, hereafter), an outcome evaluation will be conducted in the fourth quarter of 2003 for the following outcome, which is stated in the Strategic Results Framework (SRF) of UNDP Nepal: “A comprehensive approach to environmentally sustainable development integrated in national development planning and linked to poverty reduction”. A detailed results framework for the outcome is summarized below:

Intended Outcome: A comprehensive approach to environmentally sustainable development integrated in national development planning and linked to poverty reduction

Outcome Indicator: (1) National Strategy for Sustainable Development (NSSD) adopted and reflected in the 10th Plan, and (2) National policy, legal and regulatory frameworks with strong poverty links and integration of energy and environment (including natural disasters) in national and local development adopted.

Year 2000 Baseline: (1) Sustainable development treated as sectoral subject in the Environment and Natural Resource Management sections of the 9th Five Year Plan (ii) existing policies in the natural resource management and environment sector are inconsistent and fragmented.

End SRF Target (2003): (i) Sustainable development reflected as the cross-cutting policy principle in the 10th Five Year Plan influencing major policies, strategies, and action plans. (ii) Policy and regulatory frameworks in the Natural Resource Management and Environment sector to support biodiversity conservation, rural energy, disaster management and tourism

In the SRF, UNDP has identified the following two key outputs, the accomplishment of which is expected to, in partnership with other development actors, contribute to the achievement of the above outcome. The outputs are to be achieved through various projects and non-project activities.

SRF Output 1: Policy framework for NSSD/SDAN developed.

SRF Output 2: Policy and regulatory frameworks for biodiversity, rural energy, disaster management and sustainable tourism developed.

Brief national context related to the outcome

Nepal's economic reform and opening to the outside world have been under way for more than a decade, with the practice of multi-party democracy under constitutional monarchy since 1990. The Constitution of Nepal, 1990 emphasizes growth with equity and gives priority to protection of environment. Since then, the focus of development has shifted from economic growth and national accounting to also include the enhancement of capabilities and enlargement of people's choices to meet the overarching national goal of poverty reduction.

Nepal has realized that increased economic growth under enabling policy environment can create opportunities for development by creating jobs, skills, markets and income. However, the past track record of development efforts indicates that economic growth alone is not sufficient to promote development and improve the lives of the poor. Growth has to become pro-poor and for that requires equitable spread through creation of markets, infrastructures and investments in social services and enhancement of people's capabilities through greater freedoms of choice. Policies to support economic growth and at the same time address the needs of the poor constitute the corner stone of poverty alleviation in Nepal.

Over the last 15 years Nepal's annual growth rate has been largely driven by growth of the non-agriculture sector (rather than the traditional agriculture sector). This structural shift in economy has not been accompanied by substantial shift in the structure of employment and thus the economic life of the majority of the households and people, including their dependence on the agriculture for the most part, has not changed. Income distribution has become more uneven, with severe impacts on those whose livelihood depends on land, freshwater resources and forests. Low productivity of agriculture and the fact that this sector provides the principal means of livelihood for the 80% of the population has implications for the poverty reduction efforts of the government. Inequalities, inequity of access, income, capabilities, opportunities along ethnic, regional and gender lines remain pronounced. Some gains have been made in last decade in the areas of education, health, drinking water and few other sectors. The distribution of these services however, has remained highly skewed and unequal along regional, urban rural, gender and socio-ethnic dimensions. The combination of poverty and unemployment poses a potential threat to social stability and feeds into the present political conflict in the country. Lack of good governance, weak rule of law, weak implementing institutions and inadequate monitoring mechanism together with weak constituencies are barriers to achieving an effective, inclusive and participatory process for poverty alleviation and sustainable development.

In particular, when assessed against the context of environmental sustainability and the fact that 80 percent of the rural population of the country depend on the natural resources and ecosystem services for their livelihoods, the environment-poverty nexus and particularly the integration of sustainable environment concerns within the overall national development strategy become critical. High level of poverty together with over-dependence on

subsistence agriculture and lack of economic opportunities have placed continuous stress on the natural resources resulting in the persistent environmental degradation. Population pressures and migration from hills to the Terai combined with rapidly increasing unsustainable consumption and urbanization patterns continue to result in daunting environmental and social problems. In the urban areas, quality of air and water decreases due to e.g. lack of solid waste managed. Zoning regulations are not observed which leads to haphazard urbanization further aggravating the situation. These together with inefficient service delivery, e.g. drinking water, make the lives of urban dwellers difficult and create health problems. Natural disasters such as floods and landslides have become an annual phenomenon with grave implications on lives and capital assets.

Nepal has achieved some notable success in piloting environmental governance activities at the local level through some innovative concepts. Salient example is in the management of natural resources, particularly through increased participation of the communities in forest, water, watershed, and protected area management. These examples prove local ownership and commitment to manage and conserve those resources is high and can be further enhanced if conservation and management aspects are interfaced with benefit sharing. Keeping this in mind, His Majesty's Government of Nepal has promulgated policies, which are pro-community, pro-environment and pro-poor, for management and development of these resources, by empowering people to take their own decisions. Government's strategy to alleviate rural poverty includes broad based economic growth, targeted program to create income and employment, capacity building for eliminating all kinds of disparities by bottom-up planning through decentralized local governments. The government fully recognizes the need for social investment, restoring the environment, promoting growth and equity and reducing disparities between regions, urban and rural communities and between men and women.

Sustainable Development

In the field of sustainable development, Nepal, in 2002, has formulated a national Agenda 21 (Sustainable Development Agenda for Nepal – SDAN⁶). The agenda provides a framework for a comprehensive, long-term sustainable development strategy and identifies sustainable development goals for Nepal. Nepal has mainstreamed the recommendations of SDAN into the 10th Five-Year Development Plan of Nepal. Building on experiences and lessons learned from a wide range of sustainable development and natural resource management projects (projects largely supported by other donors), a pilot manual for mainstreaming environmental governance at district and VDC level has been produced.

Conservation of Natural Resources

The government has given high priority to conserving its biological resources, as equitable management of biological resources is a key element in reducing the rural poverty of Nepal. The linkage between biodiversity, environment and poverty has been proven so strong that any poverty reduction or conservation activity that fails to address these factors can neither conserve the environment nor alleviate the poverty. In 2002 Nepal Biodiversity Strategy was endorsed. NBS provides for a comprehensive framework for management and conservation of biodiversity resources for the dual purpose of conservation and sustainable use.

Sustainable energy

Over past many years Nepal has made progress in delivery of sustainable off-grid energy services to the rural areas of Nepal which are either too far away from coverage of national power grid or power is simply not affordable for the local people inhabiting that area. Within

⁶ SDAN is also the national strategy for sustainable development (NSSD). Nepal is on course to have it under implementation by 2005.

a short time span, the alternative energy systems, micro-hydro, biogas, solar panels and improved cooking stoves, have proven cost efficient and have shown promising linkages with poverty reduction. Based on the lessons learnt from this rural energy approach prove conclusively that local communities are capable of managing the rural energy systems more sustainably and more efficiently. Recent policy shift in power sector of Nepal has also brought the private sector in forefront of rural energy planning and development. The 10th Five-Year Plan of His Majesty's Government has emphasized the need to make sustainable energy accessible to all the nationals, particularly the rural poor. Currently Nepal is heading for a comprehensive rural energy policy which should empower the local communities to use energy as an engine of economic growth and sustainable development. Since the conventional energy consumption is unsustainable and polluting, it does not contribute to Nepal's commitment for sustainable development.

UNDP Priority Areas of Support

UNDP's support to Nepal in the environment and energy sector has focused on two broad strategic areas: (a) formulation and implementation of policies and strategies that emphasize building national capacity in mainstreaming sustainable development and implementing relevant policy, legal and regulatory measures; and (b) capacity development to meet international obligations, particularly in the area of biodiversity conservation, climate change, ozone layer protection and land degradation.

Towards achieving these strategic outcomes, UNDP acknowledges that fostering a broad-based partnership is necessary to harness comparative advantages, allow opportunities for niche management, ensure efficiency, relevance and of our interventions and to support national capacity building. In this regard, UNDP has been cooperating with the following partners in achieving development results in those two main areas:

- Ministry of Environment and Population (MOPE);
- National Planning Commission (NPC - macro-economic and social policy making);
- Ministry of Finance (MOF);
- Ministry of Science and Technology (MOST);
- Ministry of Home (MOH);
- Ministry of Culture, Tourism and Civil Aviation (MOCTCA)
- Nepal Tourism Board (NTB)
- Ministry of Forests and Soil Conservation (MOFSC), particularly the Department of National Parks and Wildlife Conservation (DNPWC)
- Ministry of Local Development (MoLD)
- World Bank and Asian Development Bank (WB/ADB - working in this area through their loan/TA programmes);
- Bilateral donors such as SNV-Nepal, DFID- Nepal (grant and loan assistance for sustainable environment and energy);
- INGOs and international NGOs such as ICIMOD, American Himalayan Foundation, IUCN-Nepal and WWF-Nepal
- King Mahendra's Trust for Nature Conservation (KMTNC), a national NGO having broad expertise in the area of conservation and community development
- Non-governmental Organisations (promoting public awareness raising and serving as a bridge between government and civil society), e.g. Association of District Development Committees of Nepal (ADDCN).

Co-funding contributions have been mobilised from several global trust funds (Japanese Human Security Trust Fund, Global Environment Facility, GEF, United Nations Foundation, UNF and Capacity 21).

Below is a list of UNDP-supported projects in Nepal, which are related to the outcome and outputs mentioned above. In addition to the projects listed below, UNDP has also conducted additional policy advisory and advocacy activities that also contribute to the outcome.

Table 1: Summary of UNDP-supported projects that are associated with the outcome

Project No.	Project Short Title	Source of Funds	Total Budget (in US\$)	Executing Agency	MTR or final evaluations conducted	Project Duration
NEP/95/016	Rural Energy Development Programme Phase I	TRAC	5,479,965	UNOPS (MoLD)	n/a	1995-2002
NEP/02/001	Rural Energy Development Programme Phase II	TRAC, WB	6,700,000 ⁷	NEX, AEPC	n/a	2002-2006
NEP/02/M03	National Policy Framework on Rural Energy	TRAC	94,000	NEX, AEPC	n/a	2002-2003
NEP/92/G31	Biodiversity Conservation in Nepal	GEF	3,784,000	NEX, DNPWC	?	1994-2001
NEP/94/001	Park People Programme	TRAC	3988,677	NEX, DNPWC	2001	1994-2002
NEP/02/006	Participatory Conservation Programme	TRAC	850,000	NEX, DNPWC	n/a	2002-2004
	Participatory Disaster Management Programme	JHSF		UNOPS, MoH		2000-2003
NEP/99/013	Tourism for Rural Poverty Alleviation Programme	TRAC, DFID,	4684190	NEX, MoCTCA & NTB	8/2003	2001-2005
NEP/99/019 NEP/99/G81	Sustainable Community Development Programme, Phase II	CAP 21, TRAC	501,789	NEX, NPC	2002	2000-2003
NEP/99/G35 NEP/99/021	Upper Mustang Biodiversity Conservation Programme	GEF, AHF, ICIMOD, TRAC	2,025,000	NGO KMTNC	2002	2000-2006
NEP/00/G35 NEP/H01/01 NEP/00/005	Tiger Rhino Corridor Project (Chitwan)	UNF, TRAC	1,738,000	NGO KMTNC	2/2003	2001-2004

B. OBJECTIVES OF THE EVALUATION

The outcome evaluation shall assess the following:

⁷ 5.5 Mill USD is parallel funding from WB for rural electrification (microhydro).

- (i) *outcome analysis* - what and how much progress has been made towards the achievement of the outcome (including contributing factors and constraints),
- (ii) *output analysis* - the relevance of and progress made in terms of the UNDP outputs (including an analysis of both project activities and soft-assistance activities⁸),
- (iii) *output-outcome link* - what contribution UNDP has made/is making to the progress towards the achievement of the outcome, and
- (iv) Assess partnership strategy in relation to outcome.

The results of the outcome evaluation will be used for re-focusing the interventions during the second half of the current CCF (if necessary) and guiding future programming of a similar nature.

C. SCOPE OF THE EVALUATION

The evaluation is expected to validate the outcome, extract lessons learning, and recommend future strategies particularly to feed into the upcoming SRF cycle.

The outcome evaluation is expected to address the following issues:

Outcome analysis

- What are the current situation and possible trend in the near future with regard to the outcome?
- Whether has sufficient progress been achieved vis-à-vis the outcome as measured by the outcome indicator?
- What are the main factors (positive and negative) that affect the achievement of the outcome?
- Whether the outcome indicators chosen are sufficient to measure the outcomes?
- To what extent synergies in programming such as partnerships including among various UNDP programmes related to outcome

Output analysis

- Are the UNDP outputs still relevant to the outcome?
- Has sufficient progress been made in relation to the UNDP outputs?
- What are the factors (positive and negative) that affect the accomplishment of the outputs?
- Assessment of whether and how the environment-poverty nexus has been addressed and promoted in UNDP's activities; i.e. whether environmental protection activities take address livelihood issues and whether poverty alleviation interventions address environmental concerns;
- UNDP's ability to advocate best practices and desired goals; UNDP's participation in national debate and ability to influence national policies on sustainable development.
- The extent to which environmental governance has been institutionalized at different levels of governance, and what would be the further area of UNDP intervention?.
- Analysis of outputs achieved in relation to the targeted beneficiaries, particularly those who live below the poverty line. Whether UNDP supported programme have increased their capacity to access resources and garner benefits by formulation and implementation of pro-poor policies.
- Assessment of whether environmental concerns have been given utmost care in integrating development planning both at national and local level

⁸ For UNDP, soft assistance activities include advocacy, policy advice/dialogue, and facilitation/brokerage of information and partnerships.

- Analysis of UNDP support to His Majesty's Government of Nepal to enhance national capacity to implement the obligations of international conventions / treaties to which Nepal is signatory to.

Output-outcome link

- Whether UNDP's outputs or other interventions can be credibly linked to the achievement of the outcome (including the key outputs, projects and assistance soft and hard that contributed to the outcome);
- What are the key contributions that UNDP has made/is making to the outcome (e.g. in promoting environmental governance, disaster mitigation, sustainable use of resources and sustainable energy development in Nepal)?
- What has been the role of UNDP soft-assistance activities in helping achieve the outcome?
- With the current planned interventions in partnership with other actors and stakeholders, will UNDP be able to achieve the outcome within the set timeframe and inputs – or whether additional resources are required and new or changed interventions are needed?
- Whether UNDP's partnership strategy has been appropriate and effective; UNDP's capacity with regard to management of partnerships; UNDP's ability to bring together various partners across sectoral lines to address environmental concerns in a holistic manner?
- UNDP's ability to develop national capacity in a sustainable manner (through exposure to best practices in other countries, south-south cooperation, holistic and participatory approach); UNDP's ability to respond to changing circumstances and requirements in capacity development;
- What is the prospect of the sustainability of UNDP interventions related to the outcome (what would be a good exit strategy for UNDP)?

Limitation of the Evaluation

Within the limit of resources available for the evaluation, it would be too far to cover the details of all the projects under the Environment and Energy Unit of UNDP, summarized in Table 1 above, though each of them has some contributions to the Outcome. To make better use of resources through assessment of major areas of UNDP inputs for last several years in policy formulation and support following four projects are recommended for detail examination: 1) Sustainable Community Development Programme 2) Park People Programme and Participatory Conservation Programme, 3) Rural Energy Development Programme, and 4) Participatory Disaster Management Programme. The reasons for giving them priority are: 1) they have undergone implementation for more than five years, and so far have laid strong foundations on the ground, 2) most piloting activities are over and lessons learnt from them are ready for replication and 3) they have contributed in national policy formulation from micro-level interventions (SDAN, and Environmental Governance Manual for Local Authorities- **SCDP**, Buffer zone Management Regulations and Guidelines – **PPP**, Nepal Biodiversity Strategy - **Biodiversity Conservation in Nepal & Participatory Conservation Programme**, and Community based Rural Energy Systems Development - **REDP**. Disaster management has not yet yielded similar policy results. The issue is of vital importance to the country and there are several partnership initiatives in the pipeline.

Additionally, as part of the process, partnership aspects both within programmes and as a wider strategic outcome will be assessed through bilateral discussions and consultations with various stakeholders to encompass HMG counterparts, donors and NGOs.

The consultants are advised to feel free to make their own plan of projects and depth to cover, though it is desirable to have a desk review of all the projects within the list. Inter-unit

consultation is encouraged as the implementation of all UNDP supported projects are more or less uniform in terms of target beneficiaries from gender and pro-poor perspective, and so have strong component of social mobilisation.

D. PRODUCTS EXPECTED FROM THE EVALUATION

The key product expected from this outcome evaluation is a comprehensive analytical report in English that should, at least, include the following contents:

- Executive summary
- Introduction
- Description of the evaluation methodology
- An analysis of the situation with regard to the outcome, the outputs and the partnership strategy;
- Analysis of salient opportunities to provide guidance in the upcoming programming cycle (SRF 2004-2007);
- Key findings (including best practice and lessons learned)
- Conclusions and recommendations
- Annexes: TOR, field visits, people interviewed, documents reviewed, etc.

E. METHODOLOGY OR EVALUATION APPROACH

Although it is generally the responsibility of the evaluation team to decide on the concrete evaluation methodology to be used, the following elements should be taken into account for the gathering and analysis of data:

- Desk review of relevant documents (project document with amendments made, reviews-mid-term/final/TPR, donor-specific, etc)
- Discussions with the Senior Management and programme staff of UNDP Nepal;
- Interviews with and participation of partners and stakeholders; and
- Field visits to select key projects.
- Consultation meetings.

F. EVALUATION TEAM

The evaluation team will consist of five members: one international consultant (team leader - Biodiversity Conservation and Natural Resource Management Expert – preferably from UNDP-SURF) and four team members (to comprise of both national consultants and UNDP staff member(s) from other CO/SURF). The international consultant should have at least a MSc degree and at least fifteen years of work experience in the field of sustainable development, natural resource management, biodiversity conservation, sound knowledge about results-based management (especially results-oriented monitoring and evaluation). Previous experience from conducting evaluations, assessments and reviews is mandatory. The international consultant will take the overall responsibility for the quality of the evaluation report (including finalization of the evaluation report in English).

The four team members will be experts in the areas of 1) Micro-Enterprise and institutional development, 2) sustainable energy issues, particularly alternate energy technology promotion and management (preferably from UNDP SURF), 3) gender and Social Development; and 4) Disaster Management Expert (to be fielded from another UNDP CO)⁹.

⁹ It will be relevant for sustainable energy expert and the disaster management expert to have regional expertise to benefit the OE team to integrate regional best practices and innovative

They will have a Masters degree in the relevant field and have at least 7 years experience in their respective areas of expertise. Excellent interpersonal skills are required together with strong analytical and writing skills as well as willingness to interpret and translate materials from Nepali into English.

Specifically, the team leader will perform the following tasks:

- Lead and manage the evaluation mission;
- Design the detailed evaluation scope and methodology (including the methods for data collection and analysis);
- Decide the division of labor within the evaluation team;
- Conduct an analysis of the outcome, outputs and partnership strategy (as per the scope of the evaluation described above);
- Draft related parts of the evaluation report; and
- Finalize the whole evaluation report.

The other team member will perform the following tasks with a focus on their respective thematic area:

- Review documents;
- Participate in the design of the evaluation methodology;
- Conduct an analysis of the outcome, outputs and partnership strategy (as per the scope of the evaluation described above); and
- Draft related parts of the evaluation report.
- Assist Team leader in finalizing document through incorporating suggestions received on draft related to his/her assigned sections.

G. IMPLEMENTATION ARRANGEMENTS

Though the evaluation will be fully independent, to facilitate the outcome evaluation process, UNDP Nepal will set up an inter-cluster Evaluation Focal Team (EFT), in the chairpersonship of Deputy Resident Representative (Programme) of UNDP, which will provide both substantive and logistical support to the evaluation team. The ARR of the Environment and Energy Unit of UNDP, with the support of concerned UNDP portfolio managers, will facilitate the evaluators in the specific areas of expertise, to develop plan, methodology and scope of evaluation; conduct field visits; and organise interaction meetings. During the evaluation, UNDP Nepal will help identify the key partners for interviews by the evaluation team.

Starting Date:

September 23, 2003 – 15 November 2003.

The activity and timeframe are broken down as follows:

Activity	Timeframe and responsible party
Evaluation design and workplan	2 days, by the team
Desk review of existing documents	5 days, by the evaluators
Briefing with UNDP Nepal	0.5 day, UNDP and the evaluation team
Field visits	6 days, by the evaluation team

solutions. In this regard, it is considered relevant to involve regional SURF advisor and other UNDP CO from the region to participate as team members.

Interviews with partners	5 days, by the evaluation team
Drafting of the evaluation report	6 days, by the evaluation team
Debriefing with UNDP Nepal	0.5 day, UNDP and the evaluation team
Finalization of the evaluation report (incorporating comments received on first draft)	5 days, by the team leader and 3 days each by others

Working Days:

30 working days

Team Leader (Biodiversity Conservation and Natural Resource Management Expert)

28 working days

Micro-enterprise and Institutional Development Expert

Gender and Social Development Expert

18 working days

Disaster Management Expert

15 working days

Sustainable Energy Expert