Approaches to Poverty Reduction in Nepal – What is new?

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I. Introduction

From the very beginning of planned development, poverty reduction has been a priority concern for. Nepal. Particularly, since 1981 under various names such as fulfilling basic needs of the population or attaining Asian Standard of living, the Five Year Plans have shown much concern for the issue. For example the Fifth Five Year Plan (1975-1980) had three primary objectives (a) Increase in production of goods related to people's needs b) Maximum use of labor and c) Regional balance and unification (NPC/HMG, 1980). Similarly the Sixth Plan (1980-1985), which adopted basic needs approach to poverty reduction had three basic objectives (a) accelerating growth rate, (b) promoting productive employment and (c) fulfilling people's basic needs. Basic needs oriented objectives included: (a) Increase production of food grains and increase the supply, (b) to increase supply of fuel wood through planned development forestry, (c) increase supply of drinking water, (d) expand primary health and sanitation facilities, (e) promote basic, technical and adult education and (f) expand minimum transportation facilities (suspension bridges and horse and walking trails). Although people's participation in community forestry was promoted already since mid-seventies and roads and trails were improved under the "back to village campaign", people's participation par se did not figure in the strategies of the Plan adopted. The Seventh Plan continued emphasis on these objectives but introduced decentralization of the planning and implementation of development projects as a strategy. The concept of "user committees" was operationalized during the Seventh Plan period, involving grass roots people in the planning and implementation of the small infrastructure programs. A chapter was added on involving women in the development process "for utilizing their unlimited labor" for development.

The Eighth Plan, which came after the political changes of 1990, discussed much about poverty reduction, and set a long term goal for the same. Yet its emphasis was on accelerating growth rate for achieving that goal. It adopted promotion of the private investment, the NGO, and the Community Organizations (CBOs), as its main strategy. Poverty reduction did not figure as the first priority in strategies and programs. The Ninth Plan (2002-2007), continued emphasis on these objectives and strategies. The emphasis was on human development for growth not growth for human development

Only with the introduction of PRSP in the Tenth Plan (1997-2002) period, poverty reduction was taken as a first priority and formally all policies were to be directed towards achieving this goal. It was accepted in practical terms that only broad based growth can reduce poverty. Further, specific interventions were designed to help women and the Dalits benefit from the growth. Nevertheless, the emphasis on growth remained. Elaborate poverty reduction and monitoring programs were designed and implemented, but they remained a separate exercise outside the overall development framework.

PRSP theoretically was based on the capability approach of Sen[1], which incorporates the idea of freedom of political choice in the concept of capabilities. As per the approach, in the long run, sustainable poverty eradication requires that the poor have broader economic, social and environmental opportunities, that they overcome the barriers that limit their choices and their access to goods and services, that they are empowered to participate directly and effectively in decisions that affect them, and that they have an enhanced sense of personal security and confidence that their futures will be better than the past[2].

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[1] Amartya Sen, 2000 *Development as Freedom* New Delhi. Oxford University Press, New Delhi
[2] UNDP, 1997 *Human Development Report*, New York: Oxford University Press

However in Nepal, it was still growth through market facilitation. The state-market debate was muted by that time and states were supposed to reduce poverty through elimination of non-market barriers, such as caste, ethnicity gender etc, discrimination that the poor faced to benefit from the market. The primary issue of empowerment of the poor and the disadvantaged groups remained on the side line.

Poverty is a product of both pattern of development and distribution of wealth and income, which depends on the power structure[3]. It is clear that without growth poverty can not be reduced, but the issue is can it be so patterned that the benefits of growth are shared most widely. And this is a political decision, which gets resolved in favour of the poor, only when they become politically strong enough to impose their own priorities on policy making. In Nepal, the poor and the disadvantaged groups, for the first time found their voice in the CPN (Maoist) led insurgency. Their active participation in the subsequent unprecedented peace movement, Jana Andolan II, has set the tone of the current fundamental political transformation in progress in Nepal.

This transformation has changed the way the goal and objectives of economic development are perceived in the country. With mobilized groups increasingly making demands on the state for social justice, it has become clear to policy makers that development without equity is not sustainable. This has led to changes in the policy approach to development, from gender mainstreaming and inclusion as a strategy to accelerate the growth and reduce poverty to right based approach to development. The process of formulating the Three Years Interim Plan (TYIP) (2007-2010) reflected this change (Acharya, 2008). Efforts were made to listen to the citizens' voices on a much wider scale when setting development goals and objectives of the Plan.

As a consequence, although the TYIP (2007-2010) continued to focus on poverty reduction in addition to peace and reconstruction, there was a fundamental difference between the conceptual foundations of Tenth/PRSP and TYIP. This paper analyses these differences in some detail, reviews, how these differences are being reflected in selected sectors as examples, and concludes with a note on the inherent risk on over emphasis only on cast, ethnicity and gender as primary barriers to market access ignoring class barriers, and hence reduction in poverty.

II Strategy of Poverty Reduction -Tenth Five Year Plan (2002 -20070)

The entire Tenth Plan was designed with the overriding goal of poverty reduction in view. The goal was to reduce the population below poverty line from 38 percent at the beginning of the Plan period to 30 percent by its end along with achieving other human development targets. This was to be achieved through the optimum utilization of local resources with the mutual participation of government, local agencies, NGOs, private sector and civil society. Although there was a separate chapter on poverty reduction in the Plan, the strategies and programs included in the some of the sector chapters also, for the first time, mentioned poverty reduction as their strategic goal. Nevertheless, monitoring indicators remained physical target oriented.

The four strategic pillars of the PRSP in Nepal included broad-based growth, social sector and rural infrastructure development, targeted programmes of inclusion, and good governance. Gender and inclusion were adopted as cross cutting strategies, throughout. This was expected to lead to both social inclusion and acceleration of growth and hence reduction in poverty.

a) High, sustainable and broad-based economic growth: This translated into high priority to agriculture, forestry, industrial and water recourse sectors, for generating income and employment opportunities on a wider scale. The role of government was regarded as *facilitating and regulatory* in the areas where the private sector was interested; and *leading* in remote area-development and ensuring

[3] For a summary discussion on the issue of political economy of poverty reduction, see for example John Donaldson, 2005.

equitable distribution by widening the opportunities for the vulnerable groups- women, Dalits and other marginalized communities.

b) Improvement in access and quality of infrastructures and social and economic services in rural areas: Social sector development such as education, health and safe drinking water, etc. were accorded special priority because of their significant roles in human capacity development and their determining position in human development, which directly affect poverty levels.

c) Greater social and economic inclusion and targeted programs: This pillar included mainstreaming of women, poor, Dalits, Janjatis and Muslims and other vulnerable marginalized groups in the development process by enhancing their capabilities through targeted programs. Further it aimed to improve respectful life for differently capacitated, widows, senior citizens and those displaced by the conflicts.

d) Good governance to improve service delivery, efficiency, transparency and accountability: For the enhancement of good governance, participatory economic development and strengthening the monitoring and evaluation system were stressed. The idea behind was to make decision making procedure and public expenditure pattern more responsible and transparent and to implement effectively decentralization at local level.

By the end of the Tenth Plan period, target of overall poverty reduction was nearly achieved, as population below poverty line came down to 31 percent at the end of the Plan period. Yet the gains were distributed very unevenly. Similar have been the results on the human development achievements.[4] Inequality in income distribution increased throughout the period. However, a major role in the poverty reduction was played by the large remittances arising out of the mass migration of labor to foreign countries for employment[5].

II. Three Year Interim Plan (TYIP) (2007-2010) and the Right Based Approach to Poverty Reduction

The Three Year Interim Plan (TYIP), involving representation from broader political spectrum including the CPN (Maoists) has impacted profoundly on the objectives of development itself. The Plan starts with a new rights-cantered vision:

> "... *to build a Prosperous, Modern and Just Nepal. In the envisioned situation, Nepal will be free from absolute poverty and all Nepalese will have obtained full rights to live in suitable human conditions. The people will obtain equal rights, and economic and social opportunities to fully utilize their potential. ------ the gap between the rich and the poor will have reduced, and all kinds of discrimination and inequality, whether they are legal, social, cultural, linguistic, religious, economic, ethnic, gender, physical condition, and geographical, will have ended"* (TYIP, 2007).

In the context of post-conflict situation, TYIP objectives emphasized reconstruction, rehabilitation, reconciliation and reintegration with continued emphasis on reducing poverty. The long term goal set was to build a just and equitable society. The shift in emphasis is strategic, from growth first and equality afterwards to a rights-based approach that focuses on the elimination of structural inequities in the system so that growth will be *inclusive*[6].

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[4] For example see DFID/World Bank published Citizens without Rights 2006

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[6] The rights specified by the International Pact on Economic, Social and Cultural Rights (Social Pact) of the United Nations provide a framework for right based approach to development. Under the Pact states must strive to ensure employment as per individual choice and to earn adequate livelihood and standard of living, fair wages and equal remuneration for work of equal value, safe and healthy working conditions and right to trade union activities, social security, freedom from hunger, highest attainable health status, equal right to primary and higher level education and cultural rights.

Changes were visible in the following:

- Mention of reducing gap between the rich and poor in the vision itself
- Shift to right based approach to employment, basic of health and education
- Moving gender equality and social inclusion from strategy to the objective chapter of the plan.
- Specific focus in policies on citizen's, who compared to other population groups, had lower access to state resources so far-- women, Dalits, Adibasi /Janajati and other disadvantaged groups. Policy commitments outlined in this context included:

    - To implement special targeted policies ensuring food security and socio-economic empowerment of Dalits, Adibasi Janajatis, Madhesis, backward classes, people with disability, freed Kamaiyas and laborers.

    - To increased participation of women in all walks of national life and in various state organs while also taking necessary actions to ensure proportional representation of the Aadibasi/Janajatis, Madhesis, Dalits, the differently capacitated, and people from backward areas.

    - To develop education, health and employment programs on a rights-based approach. Special emphasis will be laid on quality, employment-oriented, vocational and technical education.

    - To effectively implementation of the national and International Human Rights Conventions and Declarations of which Nepal is signatory.

- Emphasis on employment-oriented pro-poor and wider economic growth promoting education system, provision of skills and training with appropriate technology transfers to both formal and informal sector workers with priority to increasing immediate employment generating programs for women, Dalits, Janjatis, Madheshis and youths.

- Emphasis on and facilities for women and other marginalized groups for service delivery in the sectoral chapters. Sectors such as land management, labor and employment and industry had programs that showed a new concern for gender equality and inclusion.

What was different from PRSP approach? The PRSP/Tenth Plan had no political content. The approach was purely technical. The issues of power relations from local to the National level were hardly touched upon. Women and Dalits were seen as disadvantaged groups and specific attention was given to increase their access to services and listen to their voices for the grass roots level activities. There was no mention of their access to power structure. Nor were other groups such as Janajati and Madhesi seen as disadvantaged groups. The issue of political power sharing was far from comprehended.

Thus Gender equality and social inclusion forms the foundation of the current poverty reduction strategy as under PRSP. But this strategy now surpasses the narrow interpretation of access and participation to include empowerment both at the macro – decentralization and devolution of power and micro-program and project levels.

This change is visible in several instruments of planning, implementation and monitoring and evaluation. One of the sever lapses in Nepal's development planning has been failure to link the processes and mechanisms of planning, implementation and monitoring to the objectives and policies set. This aspect has been emphasized in development plans themselves many times and pointed out by many authors[7] but with no substantive improvement in results. This paper discusses how the current change in strategy is impacting at the implementation levels in selected sectors.

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[7] For example see Panday, 1999 and Acharya, 2003; in case of gender related policies see Acharya and Acharya , 1997, UNFPA, 2007; Acharya, 2008

IV Implementing the Change

1*. Operationalzing Gender Equality and Social Inclusion*

There has been a shift in the development approach from “gender mainstreaming” to "gender equality and social inclusion mainstreaming". The goal is to ensure that development addresses not only discrimination against women but also bias against women and men from historically excluded social groups. Being responsive to gender implies recognition that gender-relations result from socially constructed unequal power relations. Therefore, a gender focus places power-relations at the core of development and makes empowerment and the dismantling identity-based structural inequalities an integral goal of the process (Bataliwala, 1994). The GESI approach is a welcome as it takes into account both gender inequality and social exclusion.

The current Gender Equality and Social Inclusion Approach (GESI), initially developed for poverty monitoring has now been adopted by TYIP as a common approach in planning and implementation of development programs. The approach goes far beyond the promoting participation of women and disadvantaged groups in the programs. It begins by systematically identifying barriers that women and different excluded groups may face in taking advantage of a given policy or program and incorporates mechanisms to help them overcome the barriers – including a monitoring and evaluation (M&E) system that provides disaggregated data for tracking inclusion outcomes.

There are three steps involved in preparing a GESI Strategy/Action Plan.[8] The first is identifying disadvantaged groups and understanding their situation and the barriers they face in accessing services and opportunities. The second involves designing and implementing policies and/or programs to address the barriers. This may require changes in policies, programs, resource allocations, institutional arrangements and staffing patterns and incentives as well monitoring and reporting systems. A gender and inclusion sensitive monitoring and evaluation mechanism is the third step. The indicators include process indicators such as level of participation by women and locally identified excluded groups in programs/projects and management positions in CBOs. It also has result indicators such as the share of benefits accruing to women and various groups. These benefits could be employment, antenatal care and other health services, schooling, teaching positions, water taps, etc. The final layer has higher, level national impact indicators such as access to safe drinking water and the time saved, school completion rates, reduced Maternal Mortality Rate (MMR), Infant Mortality Rate (IMR) and under child mortality rates, skill development and employment opportunities after completion of the project/program, etc. A GESI sensitive M&E system is expected to be a source of constant feedback to the policy and/or program.

A recent review of policies, strategies, programs and institutions of 19 ministries[9] showed that only seven had new gender and inclusion strategies, some of which were already beginning to be implemented while others were still mainly on paper (Sahavhagi, 2009). These included ministries of education, population and health, forestry, agriculture, transport and labor, local development and general administration. In addition, the Ministry of Women Children and Social Welfare which focuses on women as part of its core mandate was also changing focus from women as a undifferentiated group to specifically disadvantaged groups of women, poor, Dalit, Janajat etc. While in the education sector the school education program, previously under Education for All and now under School Sector Reform Program, funded by many donors under sector wise assistance approach (SWAp) had elaborate GESI strategy and action plans in operation, the local development ministry had developed a series of operational guide lines for implementation in local development programs. The Health and Population and Agriculture were in the process of developing their operational guide lines.

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[8] HURDEC, Steps for Mainstreaming Gender Equality and Social Inclusion, prepared for GSEA update consultations, 2009, adapted from Naila Kabeer, Reversing Hierarchies in Development Thought, Verso, 1994

[9] For list of authorities in various ministries and agencies consulted and GFPs interviewed, etc. and details of discussions with selected ministries with and without gender units (of 24 at the time) see: SAHAVAGI Report, 2009

MoLD's Gender Equality and Social Inclusion (GESI) Policy (2009) and Social Mobilization Guidelines, 2009: These two policies are particularly notable at the strategy level. They together are designed to ensure bottom up planning, implementation and monitoring of local development programs with inclusion of both women and disadvantaged groups in the process; and that the social mobilization process is transformative. The transformational approach is different from the earlier transactional approach, which focused on organizing people into groups and supporting them to mobilize resources for their own benefits.

The transformational approach recognizes that poor and socially marginalized people have specific barriers to involvement in group activities and sharing of benefits. It therefore focuses on empowering citizens (particularly the disadvantaged groups) so that they can raise their voice, claim assets and services and influence policy decisions. In this vain, the Social Mobilization Guidelines lay down the following strategies (2009:9) (a) social mobilization through independent service providers (b)strengthening the capacity of social mobilizers and service providers through pre-job and on the job trainings, (c) building citizen's capability for meaningful social accounting (d) working with elites to get their support in bringing disadvantaged groups into the mainstream (e) including so far left-out households in the process of planning, implementation and decision-making of VDCs/municipalities, (f) coordinating MoLD social mobilization processes with those of other programs and projects, and (g) strengthening the capacities of DDCs to coordinate all social mobilization activities in the district. GESI proposes a pyramid of institutions from the grassroots to the district level to implement this approach.

SSRP planning process: In school education**,** formally, the annual planning system is bottom up, from the community, school to the central level. The community management system includes representatives of women and disadvantaged groups up to the district level.

All GoN and community managed schools have to develop their Annual School Implementation Plan (ASIP) before the budget preparation and send it to the district together with their demands for various scholarships and other expenses. The ASIP planning process is supposed to start from collecting the views of parents' meeting on the following written questions:

- Why do you think the school is good?
- What are the negative aspects of school?
- What are the positive aspects of school?
- What should be done for the improvement of school?

Based on the suggestions and views of the guardians, policies and programs are developed by the committee. Budget is estimated on the basis of the vision, objectives and programs. The process involves the head teacher, teachers and the accountant. A Resource Person[10] supervises and monitors the process. When the plan is complete, it is submitted to the Resource Person, who then takes it to the District Education Office, where the plans of all schools in the districts are consolidated into a district education plan and sent to the Department of Education for inclusion in the Budget. EFA since 2004 and secondary education under SESP since 2005, have incorporated gender and inclusion issues adequately at the policy level (Acharya and Koirala, 2010).

A gender and caste, ethnicity disaggregated half yearly monitoring system from school to the national level (Flash Reports I and II) with multiple output and outcome indicators (enrolment, retention, pass rates, percent of teachers etc) from school to the National level is already in place.

Labor Policies: In the context of changing political and economic context, labor policy and employment policies have acquired a new prominence. With the political transformation in progress, the increasing importance accorded to equal employment opportunities for all -- youth, women, Adibasi/Janajati, *dalits*,

[10] Selected schools are designated as Resource Centers who are responsible to strengthen the quality of teaching and planning capacities of the satellite schools. Each resource center has Resource Persons who advise and train teachers in the satellite schools.

elderly, differently capacitated and other disadvantaged sections and groups—the changing structure of the economy and the increasing importance of foreign employment as source of income in the National economy, a fundamental directional change has occurred in labor policy. Employment promotion and elimination of the worst forms of child labor have become their major concerns.

The TYIP, specifically aimed to create employment opportunities for women and other excluded groups and set quantitative targets for their skill training as well as provisioned to ensure a gender friendly, equitable and safe work place and migrant worker policies. **Labor policies and acts:** The Labor Department has formulated a Labor and Employment Policy, 2062 (2005) for the first time. It incorporates the right to work approach as per the Interim Constitution (2007) and aims to ensure equal access to employment for women, Dalits, Adibasi/Janajati and the differently capacitated. It is quite sensitive to the needs of women and other disadvantaged groups. Similarly, a Foreign Employment Act, 2064 (2007), has also been passed with the major focus on facilitating equal opportunity to all in foreign employment and to specifically protect rights of the foreign migrants workers, especially women. The skill training implemented through the Directorate of Vocational and Skill Development Training Centre (VSDTCs) and its 12 regional and regional VSDTCs, has redesigned and expanded its training programs to cater to the needs of the poor and disadvantaged women, *Janajatis*, *Dalits*, *Madhesis*, Muslims, differently capacitated and other disadvantaged groups.

2. Gender budgeting

At the macro level, gender budgeting has moved to the center of gender mainstreaming efforts. Similar strategy is to be developed for inclusion.

Gender Budget Audit (GBA) relates to examination of the budgetary and taxation policies, expenditure patterns, budgetary processes and mechanisms through a gender lens. Gender Responsive Budgeting (GRB) involves ensuring that all these budgetary policies, activities and processes 1) do not impact adversely on women; 2) take into account women's interest; 3) involve women in planning and implementation of budgets and that; 4) adequate resources are allocated for ensuring gender equality goals. GRB is not about formulating a separate budget for women.

Gender Responsive Budget (GRB) exercises are expected to: 1) hold governments accountable for their commitments to gender equality and women's rights, and (2) ensure that progress on gender mainstreaming in the development programs is monitored as part of the regular annual budgeting process. One of the major deficiencies in gender mainstreaming efforts in Nepal has been lack of monitoring mechanisms and regular monitoring on gender aspects of development programs (UNFPA, 2007)[11].

Nepal introduced Gender Responsive Budgeting (GRB) from fiscal year 2007/08. This was preceded by a series of gender and gender budget audits (GBA) of several sectors and intensive preparation within the finance ministry with assistance from UNIFEM[12.] Thereafter a new system of budget classification was introduced, which in principle applies throughout the government, starting with specific focus on 13 ministries.

Under Nepal's GRB guidelines, each proposed program has to be scored in accordance with indicators developed by the Gender Responsive Budget Committee (GRBC) which is led by the Ministry of Finance. These indicators of the gender sensitivity of different activities/expenditure lines are: 1) participation in decision making roles and programme planning, 2) capacity building, 3) benefit sharing, 4) increased access to employment and income earning opportunities and 5) reduction in women's workload. Each aspect has been allocated 20 marks. Programs scoring 50 percent marks or more are classified as "directly responsive", those scoring 20 to 50 percent "indirectly responsive" and those scoring less than 20 percent as "neutral". Nepal also requires all programs/projects costing more than NRs. 50 million to have a gender audit report attached[13].

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[11] For most recent detailed coverage of this problem in Nepal see, Acharya, 1997 and UNFPA, 2007

[12] Gender and Gender budget studies in Nepal, UNIFEM/ Country Program Office, Kathmandu

[13] Ministry of Finance: Budget Speech , 2007/08

3. Program contents

It is not possible to present programs of all ministries in the short presentation. Only a few selected programs embodying the new approaches are discussed here as examples.

Programs targeted to Women: Since the mid-2000s, the DWD/ MWCSW has been moving away from its former preoccupation of managing micro-credit and skill training programs for women. This is reflected both in the type and the changed components of its programs. The most striking example of this shift is the Gender Equality and Empowerment of Women Program (GEEOW) supported by the ADB, started in 2006. It focuses exclusively on empowerment and inclusion. The program was allocated about 22.3 percent of the annual MWCSW budget in FY 2009/10. GEEOW has also developed a gender and inclusion disaggregated monitoring system. Earlier programs, such as the Women Development Program (WDP) and Micro-Credit Programme for Women (MCPW), were aimed primarily at forming groups for micro-credit and small-scale income generation. The empowerment focus of the original PCRW project had been lost over time in the various follow-on programs. Empowerment was a by-product of CBO formation and women's agency in access to credit for augmenting household income.

The WDP itself has undergone a metamorphous. It now includes gender, inclusion and poverty reduction as its goal. The program focus has changed from micro-credit and supporting services to formation of grassroots level paralegal committees, gender and legal awareness, reproductive health, domestic violence and human trafficking. Other components include organizing women engaged in the informal and unorganized sectors, conducting campaigns against violence and other social malpractices. Economic empowerment, which includes savings mobilization in groups and capital grants, is managed primarily through NGOs and still is an integral part of WDP. Initially funded by UNICEF as PCRW, and later on by IFAD and ADB as MCPW, this program is now entirely funded by the government with occasional, small component-support from donors. In 2009/10 the WDP had about one-half of the MWCSW's budgets, indicating that government is finally becoming serious about gender mainstreaming and women's empowerment.

The WDP program guidelines (2009/10) clearly specify rural households under the poverty line as target group. It targets remote household with less than six-month food sufficiency, low access to education and basic health services. Dalits, households affected by violence, and headed by widows or with a differently-capacitated member are priorities. Attention is given to ensure participation and promote Dalit women into decision-making positions in the CBOs. The membership of Dalits in groups was 15 percent and that of Janajatis 34.5 percent (Paudyal-Dali, 2009) in 2009.

The School Sector Reform Program (SSRP): The recently introduced SSRP has integrated classes 1-8 as primary and 9-12 as secondary, consolidating all previously introduced programs and incentive systems. SSRP is addressing the gender and inclusion through several programs. These include large scale scholarships and incentive programs to for the students and households of the targeted groups, mandatory requirements for female teachers, community involvement in the management of the schools, mandatory representation of women and other disadvantaged groups in the school management committees (SMCs) and District Education Committees, and facilitation of primary education in mother tongue whereever possible. Special efforts have been made to redesign all school incentive programs to take into account Nepal's ethnic and caste diversity and to encourage schooling of the children of the marginalized and educationally disadvantaged castes/ethnicity and poor households. Books, curriculum, teaching methodology have been gender sensitized to a large extent (SAHAVAGI, 2004). Teachers are being gender sensitized. Gender mainstreaming has been integrated to some extent in their regular training programs of teachers. Donors are funding these under sector assistance (SWAp) approach, which involves pool funding and joint management with the participation of the GON and the donors.

Local Development: MoLD has been implementing several rural infrastructure development programs, particularly rural roads, rural drinking water, which are managed by the umbrella Department of Local Infrastructure Development and Rural Road (DoLIDAR) established in 1998. Currently there are seven donor funded projects under the program. What is significant is that over the TYIP period (2007-2010),

implementation of these programs has been guided by its DoLIDAR's Local Infrastructure Development Policy (LID), 2004 (2061BS) which aims:

"…to increase access of local people including women, differently capacitated and backward, oppressed, neglected and Dalits to social service, economic opportunities and resources through the development of physical and social infrastructures (MoLD, 2004: 5).

The LID Strategic Action Plan 2007-2010, approved by the MoLD in 2007, has made 33 percent participation of women compulsory at all levels of local infrastructure management. It also requires at least 10 percent of total project costs to be allocated for 'infrastructure plus' components intended to increase the ability of women and disadvantaged groups to take advantage of the new infrastructure.

Another major umbrella program designed primarily to guide social mobilization activities under the Ministry as a whole, the Local Governance and Community Development Program (LGCDP), is supported by 15 donors. The LGCDP strategic goal is 'promotion of inclusive local democracy through local community-led development'. For this it advocates for a citizen-centered, responsive and accountable local governance system. In this regard, social mobilization has been identified as a process through which a critical link between citizen demand and state responses will be made. Note that this is quite different from using people's agency for project efficiency and effectiveness.

Key principals outlined for program implementation among other things includes inclusiveness and gender equity, community led development, rights based participatory approach –participatory planning and demand based services, peace building transparency and accountability, performance/ criteria based funding, downward accountability and mechanisms for hearing people's voices.

Program components include empowerment of citizens for active engagement in local governance bodies, block grants for community led local development, capacity development of local governments, policy support for decentralization and devolution. The process and outcome indictors also do take into account inclusiveness and gender both in participation and its quantification through all the phases of project planning, implementation, and monitoring and evaluation, and also in the local governance process. The participation of women and other excluded and marginalized groups in leadership positions is to be monitored.

IV. Gaps in implementation

Lack of GESI policies and implementation guidelines: Three years after the TYIP, only seven of 24 ministries, which have been gender-friendly in the past, had (or had begun formulating) GESI policies. The others felt it sufficient to have a line or two on gender included in their sections in the TYIP. Fewer, actually only MoLD had implementation guidelines. The sectors that have always emphasized women's involvement, such as agriculture and cooperatives, education, health, forestry, local development and to some extent irrigation, were reorienting their policies and strategies towards gender and inclusion. There also were some new concerns in chapters like governance, land management, labor and employment, but the emphasis was lacking in many other sectors.

Inadequate institutional arrangements: It is not adequate to have policies and strategies for results. Implementation strategies and institutional mechanism are equally important. Only a few sectoral ministries, namely education, agriculture, local development and health and population, had established special units for implementing GESI strategy. Others had appointed gender focal points. However, these units/focal points face multiple problems such as 1) placement under wrong unit (planning/monitoring units are most appropriate); 2) inadequate authority in the administrative hierarchy; 3) lack of adequate resources and training; 4) non-integration of their jobs into the overall institutional structure and mandate and lack of directives for making gender and inclusion a concern of other ministry units; 5) non-recognition of the crosscutting nature of their jobs by colleagues and other departments, and 6) lack of continuity and institutional memory, etc.[14]

[14] Bajracharya (2009); Sahavaagi, 2009

Lack of GESI disaggregated uniform monitoring formats/systems: Most institutions reviewed lacked GESI disaggregated data and uniform monitoring formats and systems. The annual and trimester reporting forms did not have GESI disaggregated columns. There were no standard reporting formats that required inputs, outputs and outcomes to be tracked by gender and social group. The projects submitted reports in their own formats – some of which were GESI sensitive and some not – so they could not be aggregated for GESI tracking. Even NPC monitoring formats were not GESI sensitive.

Gaps in implementation GRB: So far GRB classification has been limited to classification of already allocated budget at the central level. The scoring methodology has not been applied systematically and does not mesh with indicators currently used indicators in different sectors.

This is because of both conceptual understanding and capacity problems. Although the scoring system is conceptually sound for income and employment generating programs, it does not capture the key elements needed for gender responsiveness in other sectors. Some of the five dimensions of gender sensitivity like participation in decision-making, benefit sharing and empowerment are relevant across sectors while others such as reduction of workload and capacity building are not. Education or health programs cannot be meaningfully assessed on the basis of reducing workload.

The other limitation of this system as currently designed, is that it does not take advantage of the economies of scope that could be obtained by looking simultaneously at expenditures in relation to excluded groups as well as women. With only slight modifications the GRB system could offer a system for tracking benefits to both women and excluded groups. There is a separate system for categorization of budgetary expenditure/programs according to the five strategic interventions planned for poverty reduction; one of which is gender equality and inclusion. The expenditure items under this category include programs such as the education SWAp as also Gumba and Pasupati area developments, which are important for inclusion, but do not allow for monitoring of inclusion financing in development perspective.

Application of GRB encompasses six steps during the different stages of the budget cycle: (a) analyzing the situation of women, men, girls and boys, including those from historically and economically excluded groups (b) examining the gender responsiveness of the policies, programs/projects (c) assessing budget allocations, (d) identifying the gaps, estimating expenditure required to bridge gaps and reallocating the budget (e) tracking actual spending and how decisions are made, and finally (e) assessing gender disaggregated outcomes and impacts (benefit sharing, empowerment)[15]. In Nepal the GRB exercise has not systematically followed these steps and it remains ad hoc.

Another gap in the implementation of GRB is very thin understanding and inadequate capacity in the planning/ budgeting units of the ministries/ departments, MWSCW and the Gender Focal Points (GFP)/units in other ministries. At the district level, it is rarely heard about. Similarly, the concept and the process of GRB are not adequately understood by other stakeholders - members of parliament and sister organizations of the political parties, and non-government stakeholders, to enable them to monitor GRB process.

So far the focus of GRB has been on the "soft" sectors targeted for integration of gender such as agriculture, education, health, local development, poverty reduction, governance and labor. The focus needs to be broadened to include other relevant sectors, particularly law, home and police, and communications. It is also crucial that all economic policies (e.g. taxation, privatization, reduction in budget deficits, management and regulations of the special economic zones, trade and exchange liberalization, and monetary policy) are filtered through gender and social inclusion lenses.

Coordination: There are issues of coordination between the different departments and also the ministries. For example, GRB designed by MOF has been imposed from above, without taking into account of the existing gender mainstreaming mechanisms and monitoring indicators in various ministries/ departments.

[15] For details on methodology see Acharya, 2003c, Budlender and Hewitt, 2003 and Quinn, 2009

As a consequence, even after three years of its implementation, GRB is limited to post-allocation classification defeating its entire purpose.

There also are institutional duplications, especially in social mobilization and group formation for program specific interventions. This burdens citizens and remains a major reason why people, especially the very poor, may opt to remain out of such groups even though they are becoming more and more central as links to services and opportunities. For example, although MoLD is putting a mechanism in place from ward to the DDCs level under, its GESI strategy for planning and monitoring of all local level development programs, the health strategy envisages similar structures in the districts rather than using this structure or existing network for other – health or gender-related – interventions.

Lack of elected representatives at the local level: In the absence of elected officials, the DDC and VDC affairs are managed by officials advised by All Party Mechanisms (APM)[16], which have no mandatory representation of women or other excluded groups. . GESI policy (2009) attempts to fill up this lacuna by establishing a pyramid of people's organizations with representation of women and other disadvantaged groups, NGOs etc, this is yet to be implemented.

Lapses at the grass roots: The policies and guidelines do not get implemented as intended. For example even in the school education sector, where gender and inclusion perspectives are adequately integrated in the policies, lapses were evident in the field (Acharya and Koirala, 2010). Annual School Implementation plan (ASIP) planning process has yet to include gender and diversity perspective.

Management and distribution of scholarships by SMCs and schools was not exactly as targeted. The number of scholarships received by schools was often smaller than the number of targeted students, because of their late enrolment. Other times, it did not seem justifiable to the SMC that a rich girl or economically well-off children from Dalit or other ethnic groups get scholarships, while a boy from a very poor Brahmin/ Chhetri family gets no such assistance. It was also reported that some times targeted children enroll in two or more schools to get scholarships.

The requirement of a minimum number of female teachers was not fulfilled in all schools. This requirement is implemented only if there was an opening in teacher positions in the school. From field observation it seemed that even in the large schools of educationally not very disadvantaged districts, such as Chitwan and Nawalparasi, schools had no regular women teachers. Where they were, they were still temporary.

V. Conclusions

The TYIP envisions a fundamental change in the goals of development from growth first then distribution to growth with justice. The shift is reflected in TYIP in the form of its rights-based approach to development and adoption of the GESI framework in policies and programs. These shifts have been reinforced by political empowerment of women and other disadvantaged groups at the macro-level, proportional representation of Janajat, Dalits Madhesi, and Muslim population in the CA/Parliament, 33 percent women's representation in the same, their increased representation in the cabinet and strengthened NGO movement of all groups including women (See Acharya, 2010) .

Despite these, almost all institutions reviewed lacked gender and inclusion disaggregated data, uniform monitoring formats and regular monitoring systems. The annual and trimester reporting formats of the ministries do not have GESI disaggregated columns. There were no standard formats for tracking inputs, outputs and outcomes by gender and social group. NPC monitoring formats are also not GESI sensitive.

Lessons from the past teach that having well designed programs will have impact only with active understanding and participation of the people. Current LGCDP formally looks like the Participatory District Development Program, which also aimed at involving local people in the grass roots level planning and implementation. But, it failed miserably. One hopes that LGCDP will not have similar fate and this can

[16] Directive of the Government of Nepal, 9 July 2009

happen only with active participation and support of the people, to ward off the impact of party politics for graft on the local development funds.

Finally, the emphasis on gender and inclusion should not lose the main goal of increasing the access of the poor to the state resources and services. Without adequate emphasis on this, the state resources once again may be cornered by the elite among the Dalit or social groups. Aggregates are always risky. Therefore any monitoring by ethnicity, caste and gender must also take into account the class, separating the benefits to the the poor and non-poor.

At the end, the consistency of the approach itself is at risk. For example, the Approach Paper to the next Three Year Plan (2010-2012) under preparing was much weaker in its emphasis on social restructuring. To quote its vision:

"The long term goal of this plan is to transform Nepal from the least development to developing country and to build a wealthy, peaceful and just Nation"

Further its objective is defined as:

“the primary objective of this plan is to reduce poverty and promote sustainable peace by employment oriented, inclusive and just growth, enabling people to feel direct changes in their lives".

As compared to earlier TYIP, these statement leave out "inclusive and structural changes", right based approach, reduction in income inequality and many other words, which made TYIP (2007-2010) very different from earlier plans.

Going through the whole approach paper, one wonders if the new GESI policies and guidelines are to lapse again in oblivion. In the current democratic vacuum and political uncertainty, the institutionalization of the GESI approach in the lower tiers of government under the planned federal structure remains a challenge. To a large extent this has not even been thought about, let alone discussed.

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