

The Challenge

Concerns for political stability in Nepal are deepening. The Maoist insurgency and crisis in governance continue, worsened since February 01, 2005 when the King dismissed Parliament. The insurgency, the Palace takeover, and disarray among political parties threaten the state's ability to function effectively in much of the country and imperil Nepal's 14 year experiment with democracy. Corruption and a poor human rights record cast a long shadow over the Government's effectiveness and legitimacy among the people. The long-standing sources of fragility remain: poverty; inequities of caste, tribe, and gender; and geographic and policy barriers to social services and economic growth. USAID programs mitigate the effects of conflict while fostering those Nepalese institutions and social forces that offer hope of a return to peace, democracy, and stability.

Objectives, Sectors and Workforce

Mission Director: Donald Clark

MCA Status: Currently Not Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Received

Program Budget (Appropriations by Objective)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07	2005 SO Performance		Direct SO Admin. Cost Ratio
	(\$000)	(\$000)	(\$000)	(\$000)		Score	Score	
367-001 Sustainable Forest and Agricultural Products	1,900	2,637	1,485	0	N/A	1.19	Exceeded	0.23
367-002 Health and Family Planning	23,840	25,165	18,613	0	N/A	0.95	Met	0.10
367-006 Hydropower Development	1,600	1,700	0	0	N/A	0.83	Not Met	0.30
367-007 Democracy and Governance	5,611	5,224	4,339	0	N/A	1.19	Exceeded	0.19
367-008 Ending Conflict and Expanding Democracy	5,734	5,399	7,021	0	N/A	1.35	Exceeded	0.34
367-WWW Enhance Stability and Security	0	0	0	14,995	N/A	N/A		N/A
367-YYY Strengthen Governance and Protect Human Rights	0	0	0	2,975	N/A	N/A		N/A
367-ZZZ Build Capacity of Critical Institutions	0	0	0	12,066	N/A	N/A		N/A
PL 480 Title II not Allocated to a Strategic Objective		966			N/A			
Country Total	38,685	41,091	31,458	30,036	-22.4%			

Program Budget (Appropriations by Account)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Child Survival and Health Programs Fund	24,840	25,165	18,613	17,985	-27.6%
Development Assistance	8,874	10,000	7,895	7,051	-20.5%
Economic Support Fund	4,971	4,960	4,950	5,000	0.6%
PL 480 Title II	0	966	0	0	N/A
Total	38,685	41,091	31,458	30,036	-22.4%

Program Budget by Sector and Account	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Basic Education DA	0	392	3,358	2,392	N/A
Agriculture and Environment DA	3,800	4,150	3,052	1,583	-58.3%
Higher Education & Training DA	811	0	0	0	N/A
Economic Growth DA	1,013	1,400	0	0	N/A
ESF	2,971	2,960	2,232	2,950	-0.7%
Human Rights DA	650	0	0	0	N/A
ESF	0	0	301	0	N/A
Democracy and Governance DA	2,600	3,632	1,485	1,500	-42.3%
ESF	2,000	2,000	990	1,000	-50.0%
Conflict Management / Humanitarian Assistance DA	0	426	0	1,576	N/A
ESF	0	0	1,427	1,050	N/A
Family Planning / Reproductive Health CSH	7,900	8,875	6,336	5,001	-36.7%
HIV / AIDS CSH	8,700	8,700	7,326	6,633	-23.8%
Child Survival and Maternal Health CSH	5,040	5,340	4,951	4,965	-1.5%
Vulnerable Children CSH	1,000	250	0	0	N/A
Other Infectious Diseases CSH	2,200	2,000	0	1,386	-37.0%
PL 480 Title II not Allocated to a Sector		966			N/A
Total	38,685	41,091	31,458	30,036	-22.4%

Workforce	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	6	8	8	8	33.3%
US Non Direct Hires	10	10	7	7	-30.0%
Foreign Nationals	93	97	96	96	3.2%
Total	109	115	111	111	1.8%

Operating Expense	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	1,022	792	711	768	-24.9%
Travel	244	251	189	547	124.2%
Transportation of things	79	88	46	84	6.3%
Rent	166	135	161	161	-3.0%
Security	318	303	385	400	25.8%
Equipment	331	299	0	105	-68.3%
ICASS - Operating Expense only	189	171	183	195	3.2%
Other Operating Expense	519	439	334	370	-28.7%
Total OE Budget	2,868	2,478	2,009	2,630	-8.3%
US direct hire salary and benefits	1,072	919	945	1,048	-2.2%
Program Funded Administrative Expenses				2,934	
Country Total Administrative Budget				6,612	
Percent of Bureau OE Total				#REF!	

Mission Summary	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	6,448	5,136	3,932	3,755
Program per All US (\$000)	2,418	2,283	2,097	2,002
Program per Position (\$000)	355	357	283	271
Operating Expense as % of Program Funding				8.8%
Program Funded Admin Expense as % of Total Admin				44.4%
Total Admin Expense as % of Program Funding				22.0%

Other Major Donors:

Bilateral: Japan, the United Kingdom, Germany, Denmark, Switzerland, Norway, Finland, India, Switzerland, Netherlands, Kuwait, Saudi Arabia, France, China, and Australia. The United States is the second largest bilateral donor in Nepal, after Japan.

Multilateral: The World Bank, the Asian Development Bank, the European Union, United Nations Development Programme, United Nations World Food Program, United Nations Children's Fund, United Nations Family Planning Agency, the Joint United Nations Program on HIV/AIDS, and the International Labor Organization.

Nepal PROGRAM SUMMARY

(in thousands of dollars)

Accounts	FY 2004 Actual	FY 2005 Actual	FY 2006 Current	FY 2007 Request
Child Survival and Health Programs Fund	24,840	25,165	18,613	17,985
Development Assistance	8,874	10,000	7,895	7,051
Economic Support Fund	4,971	4,960	4,950	5,000
PL 480 Title II	0	966	0	0
Total Program Funds	38,685	41,091	31,458	30,036

STRATEGIC OBJECTIVE SUMMARY

367-001 Sustainable Forest and Agricultural Products				
DA	1,900	2,637	1,485	0
367-002 Health and Family Planning				
CSH	23,840	25,165	18,613	0
367-006 Hydropower Development				
DA	1,600	1,700	0	0
367-007 Democracy and Governance				
DA	4,611	4,024	3,349	0
ESF	1,000	1,200	990	0
367-008 Ending Conflict and Expanding Democracy				
CSH	1,000	0	0	0
DA	763	1,639	3,061	0
ESF	3,971	3,760	3,960	0
367-WWW Enhance Stability and Security				
CSH	0	0	0	7,419
DA	0	0	0	3,576
ESF	0	0	0	4,000
367-YYY Strengthen Governance and Protect Human Rights				
DA	0	0	0	1,975
ESF	0	0	0	1,000
367-ZZZ Build Capacity of Critical Institutions				
CSH	0	0	0	10,566
DA	0	0	0	1,500

Mission Director,
Donald Clark

Data Sheet

USAID Mission:	Nepal
Program Title:	Sustainable Forest and Agricultural Products
Pillar:	Economic Growth, Agriculture and Trade
Strategic Objective:	367-001
Status:	Continuing
Planned FY 2006 Obligation:	\$1,485,000 DA
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$0
Year of Initial Obligation:	1997
Estimated Year of Final Obligation:	2006

Summary: USAID's agricultural productivity program helps protect the livelihoods of poor and marginalized populations under extreme stress due to the Maoist conflict. This successful program is increasing rural incomes, alleviating poverty, and stabilizing conflict zones in Nepal, where 80% of the population lives in rural areas. USAID plans to increase household income and food security in the conflict-affected West and Mid-West regions by promoting high-value crops, expanding market participation, improving management of productive resources, facilitating policy dialogue between the Government of Nepal and agricultural producers, and improving the policy environment for international trade. Program activities include: support for government agencies working in agriculture; promotion of microirrigation technologies; development of small-scale agricultural enterprises; assistance to farmers in producing and marketing high-value forest and farm crops; research on policy impediments to improved agricultural growth and trade; and initiation of private-public partnerships to access new technologies and markets.

Inputs, Outputs, Activities:

FY 2006 Program:

Increase Agricultural Sector Productivity (\$1,485,000 DA). USAID is augmenting incomes of over 55,000 rural households by increasing production of high-value agricultural and forest commodities, including non-timber forest products, herbs, spices, vegetables, fruit, tea, and coffee. Activities promote the use and adoption of improved agricultural technologies, which allow farmers to produce marketable products and respond to proven demand. USAID is increasing the use of microirrigation technology to access off-season markets in the hill areas and establishing private sector microirrigation supply chains. In addition, USAID is reaching agreements with drinking water and watershed management programs to enhance the flow and availability of point sources for microirrigation. Program activities are ensuring participation of women and marginalized community groups who are particularly vulnerable to the propaganda of Maoists and the depredations of human traffickers. Principal Implementer: Winrock International.

FY 2007 Program:

Increase Agricultural Sector Productivity. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Performance and Results: USAID's economic growth program met all performance targets in FY 2005. The program supported over 56,000 small farm and forest households (52% women-headed and 15% disadvantaged groups). Agricultural sales of \$8.21 million exceeded the target of \$6.0 million by 37%. A total of 18,227 microirrigation systems (6,926 drip, sprinkler, and water tanks and 11,301 treadle pumps) were adopted by 27,580 households resulting in \$5.52 million sales of high-value vegetables, exceeding the target by 41%. Small scale irrigation activities helped increase annual household income by \$419 per household. Public-private partnerships resulted in the certification of 24 forest products and eight forest-based enterprises by the Forest Stewardship Council, organic product certification of 44 crude herbs and 17 essential oil products, and adoption of key policy reforms, such as reduced import duties on electric vehicles. Export of non-timber forest products generated \$808,335, providing employment to 1,282 persons. Codes of conduct for Nepalese Tea were adopted by the Tea Association of USA, and 23.10 tons of green coffee beans were exported for the first time to Holland Coffee Company in the United

States. USAID training contributed to the formulation of a three year action plan on Customs Reform and Modernization, including a Customs Reforms Profile. The ultimate goal of USAID's Sustainable Forest and Agriculture program is to alleviate poverty and protect the livelihoods of the poor farmers in the rural areas by increasing incomes through the sustainable production and sale of forest and high-value agricultural products. By the end of the program in FY 2006, USAID will successfully achieve this result by promoting improved agricultural technologies, expanding market participation, improving management of productive resources, and facilitating policy dialogue between the Government of Nepal, producers, and traders.

US Financing in Thousands of Dollars

Nepal

367-001 Sustainable Forest and Agricultural Products	CSH	DA
Through September 30, 2004		
Obligations	200	25,949
Expenditures	177	23,965
Unliquidated	23	1,984
Fiscal Year 2005		
Obligations	0	2,637
Expenditures	23	3,058
Through September 30, 2005		
Obligations	200	28,586
Expenditures	200	27,023
Unliquidated	0	1,563
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	0	1,485
Total Planned Fiscal Year 2006		
Obligations	0	1,485
Proposed Fiscal Year 2007 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	200	30,071

Data Sheet

USAID Mission:	Nepal
Program Title:	Health and Family Planning
Pillar:	Global Health
Strategic Objective:	367-002
Status:	Continuing
Planned FY 2006 Obligation:	\$18,613,000 CSH
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$0
Year of Initial Obligation:	1996
Estimated Year of Final Obligation:	2006

Summary: USAID's health program is an engine of institutional reform, supporting decentralized essential health services whose loss would diminish the Government of Nepal's already precarious legitimacy. The program reduces fertility and protects the health of Nepalese families by: increasing access to and use of quality voluntary family planning services; increasing access to and use of quality maternal and child health services; and strengthening prevention-to-care HIV/AIDS activities among most-at-risk groups. The nationwide reach of the program and focused interventions in selected districts strengthen the public sector's visibility and legitimacy in providing basic services to its citizens. USAID's activities maximize participation by communities to promote local governance and mitigate exclusion -- a key driver of the current political unrest and conflict. The ultimate beneficiaries are 11 million men and women of reproductive age and 3.5 million children under the age of five years.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Child Survival, Health, and Nutrition (\$3,941,000 CSH). USAID is strengthening community-level, integrated child health programs. USAID is expanding community-based treatment of diarrhea and pneumonia, continuing vitamin A supplementation for children, and strengthening nationwide availability of health commodities. Campaigns such as vitamin A are well accepted in rural communities, even in conflict-affected areas, and provide an opportunity for all sectors of society to come together around the common goal of saving children's lives. Principal Implementers: John Snow, Inc. (JSI), Johns Hopkins University (JHU), EngenderHealth, Save the Children (SC-USA), CARE, Adventist Development and Relief Agency (ADRA), and the United Nations Children's Fund (UNICEF).

Improve Maternal Health and Nutrition (\$1,010,000 CSH). USAID is strengthening community-level, integrated maternal and neonatal programs. The program emphasizes scaling up cost-effective, community-based interventions that have a real impact of reducing mortality. Community involvement in the design and management of these programs is mitigating exclusion -- a key driver of the conflict. USAID is continuing national advocacy for improved maternal, neonatal, and child health outcomes through development of competency-based training curricula. Principal Implementers: JSI, JHU, EngenderHealth, and SC-USA.

Reduce Transmission and Impact Of HIV/AIDS (\$7,326,000 CSH). To prevent a humanitarian crisis, USAID is expanding and strengthening behavior change interventions aimed at preventing HIV transmission using the Abstinence, Behavior Change, and Consistent Condom Use multi-sectoral approach. Voluntary counseling and testing is being expanded and linked to prevention, treatment of sexually-transmitted infections, and care and support in target areas. USAID is rolling out home and community-based care for people living with HIV/AIDS (PLWHAs). Technical assistance and policy support is being provided to strengthen GON capacity to implement and manage the National HIV/AIDS Action Plan, improve surveillance and logistics systems, and address policy reform, particularly in the area of stigma and discrimination toward PLWHAs and their families. To prevent transmission, USAID is improving adolescents' knowledge of HIV through the revised national curriculum and nationally-broadcast radio program for youth. Principal Implementers: Family Health International/IMPACT, UNICEF, the Futures Group International, and Populations Services International (PSI).

Support Family Planning (\$6,336,000 CSH). USAID is strengthening public and private sector voluntary family planning services and the systems to support those services; increasing the number of skilled family planning providers; and ensuring nationwide availability of birth spacing methods. USAID is continuing to increase access to quality services by poor and marginalized groups (primarily low-caste, ethnic and religious minorities) to better address exclusion -- a key driver of the conflict and state fragility. New activities include support for improved district-level planning and management of services. USAID monitors all family planning activities for adherence to the Tiaht legislation. All family planning assistance agreements incorporate clauses that implement the President's directive restoring the Mexico City policy. Principal Implementers: JSI, JHU, EngenderHealth, ADRA, SC-USA, CARE, PSI, World Education International, and the Center for Development and Population Activities. New Implementer: Management Sciences for Health.

FY 2007 Program:

Improve Child Survival, Health and Nutrition. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Improve Maternal Health and Nutrition. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Reduce Transmission and Impact Of HIV/AIDS. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Support Family Planning. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Performance and Results: Overall, USAID expects to achieve reduced mortality and fertility which will be demonstrated in the 2006 Demographic and Health Survey. Contraceptive use continues to improve as measured through annual couple years protection, and increases in contraceptive prevalence will result in expected rates of reduction in total fertility. Also on track is the expected rate of reduction in child mortality due to expansion of the community-based integrated management of childhood illness program, which includes pneumonia treatment and consistent high coverage of Vitamin A supplementation for children. Over the past year, USAID has expanded HIV-related services to all most-at-risk groups and exceeded targets for prevention, reducing stigma and discrimination, voluntary counseling and testing, treatment of sexually-transmitted infections, and community and home-based care and support services. HIV sero-prevalence rates among most-at-risk groups have stabilized and are even declining among injecting drug users.

US Financing in Thousands of Dollars

Nepal

	CSH	DA
367-002 Health and Family Planning		
Through September 30, 2004		
Obligations	106,421	52,515
Expenditures	73,665	52,185
Unliquidated	32,756	330
Fiscal Year 2005		
Obligations	24,190	0
Expenditures	24,454	330
Through September 30, 2005		
Obligations	130,611	52,515
Expenditures	98,119	52,515
Unliquidated	32,492	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	18,613	0
Total Planned Fiscal Year 2006		
Obligations	18,613	0
Proposed Fiscal Year 2007 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	149,224	52,515

Data Sheet

USAID Mission:	Nepal
Program Title:	Democracy and Governance
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	367-007
Status:	Continuing
Planned FY 2006 Obligation:	\$3,349,000 DA; \$990,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$0
Year of Initial Obligation:	2001
Estimated Year of Final Obligation:	2006

Summary: USAID's program to strengthen democracy and governance provides training and technical assistance to assist communities in using democratic practices in the management of their natural resources; enhance capacity for advocacy of selected civil society groups and their federations; increase women's participation in public affairs; reduce trafficking of persons; and enhance the performance of selected public and civil institutions. Democracy and governance programs -- critical to rebuilding democratic institutions and a civil society disrupted by the Maoist insurgency -- will receive even greater emphasis in the new strategy.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Sustainable Management of Natural Resources and Biodiversity Conservation (\$1,567,000 DA). USAID is training 1,187 water user groups and 710 community forestry and buffer zone groups to manage community resources using democratic practices. The management of these natural resources also contributes to critical terrestrial and aquatic biodiversity. USAID is initiating policy reform in areas that impact natural resource producers and users and providing training to government staff of district forest, park, and irrigation offices to improve district-level governance. Principal Implementer: CARE.

Promote and Support Anti-Corruption Reforms (\$742,500 DA). USAID is supporting anti-corruption institutions including: Commission for the Investigation of Abuse of the Authority, National Vigilance Center, Office of the Attorney General, and the Special Anti-corruption Court. Specific activities include: development and distribution of investigation manuals; training of 100 investigators/prosecutors; promoting advocacy and training of 75 journalists; drafting anti-corruption legislation; and replicating information dissemination systems in 20 District Development Committees. USAID is training 300 women to increase recruitment and promote women in the civil service. Principal Implementers: Associates in Rural Development, Inc. (ARD), Association of District Development Committees of Nepal, and the United Nations Development Programme.

Reduce Trafficking In Persons (\$297,000 DA). USAID activities are helping to prevent trafficking of young girls by providing scholarships to trafficking victims and at-risk girls and women for secondary education, literacy, life skills training, and job skills training. Through these activities, the program is lessening the vulnerability of women and children to trafficking. Principal Implementer: The Asia Foundation.

Strengthen Democratic Political Parties (\$990,000 ESF). USAID is providing training in leadership, consensus building, and internal party reforms for political practitioners (including 350 leaders of six parliamentary political parties) and five regional advocacy forums. USAID is also providing technical assistance to the Election Commission. Principal Implementers: the National Democratic Institute for International Affairs and International Foundation for Election Systems.

Strengthen the Justice Sector (\$742,500 DA). USAID is providing technical assistance and training, including study tours, to judicial institutions including: the Supreme Court, the Judicial Council, the Judicial Academy, the Office of Attorney General, the Patan Appellate Court, the Lalitpur District Court

and the Ministry of Law, Justice and Parliamentary Affairs, and the Judges Society. Areas of technical assistance include: archiving and data management systems, reference libraries, court rules and procedures, certification of lawyers to represent indigents, three court referred mediation centers, advocacy for judicial reform, and legal aid for the poor. Principal Implementer: ARD.

FY 2007 Program:

Improve Sustainable Management Of Natural Resources and Biodiversity. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Promote And Support Anti-Corruption Reforms. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Reduce Trafficking In Persons. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Strengthen Democratic Political Parties. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Performance and Results: Despite the conflict and political instability, USAID met most of the FY 2005 annual performance targets. Improved natural resource management generated 20,207 metric tons of forest products, a 47% increase over last year. Improved irrigation increased rice yield by 24% in one year. USAID's support helped clear 25% of 400 backlogged cases, archive 50,000 cases, and establish two model courts. The anti-corruption program contributed to 122 prosecutions and the creation of a national public-private anti-corruption network. USAID assisted in the reform of political parties through leadership training of political party members. A Civil Society Alliance for Political Reform to advocate for party reform and a multi-party women's caucus to increase women's political clout were established. Increased community and government awareness of trafficking of persons resulted in 158 interceptions of possible trafficking incidents and prosecution of six traffickers. The program initiated 1,034 community-level campaigns to combat trafficking. Seventy percent of the 537 at-risk girls and trafficked survivors trained by USAID were able to find employment. By the end of the program in FY 2006, USAID's program will have strengthened democratic institutions, increased access to justice for the poor, and reduced vulnerability to trafficking of at-risk populations.

US Financing in Thousands of Dollars

Nepal

367-007 Democracy and Governance	DA	ESF
Through September 30, 2004		
Obligations	15,200	1,702
Expenditures	5,415	686
Unliquidated	9,785	1,016
Fiscal Year 2005		
Obligations	4,224	1,200
Expenditures	5,046	316
Through September 30, 2005		
Obligations	19,424	2,902
Expenditures	10,461	1,002
Unliquidated	8,963	1,900
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	3,349	990
Total Planned Fiscal Year 2006		
Obligations	3,349	990
Proposed Fiscal Year 2007 NOA		
Obligations	0	0
Future Obligations	0	0
Est. Total Cost	22,773	3,892

Data Sheet

USAID Mission:	Nepal
Program Title:	Ending Conflict and Expanding Democracy
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	367-008
Status:	Continuing
Planned FY 2006 Obligation:	\$3,061,000 DA; \$3,960,000 ESF
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$0
Year of Initial Obligation:	2002
Estimated Year of Final Obligation:	2006

Summary: USAID's conflict program mitigates the suffering of conflict-affected individuals and communities and strengthens capacity for conflict mediation and peace building by implementing income-generating infrastructure projects, providing support services to victims of the conflict, supporting national and civil society efforts to address the conflict, and strengthening community capacity to resolve disputes and participate in local governance. In addition to USAID's efforts to mitigate the conflict (through the protection of human rights), an additional \$1,500,000 of ESF has been allocated for FY 2006 to support human rights monitoring by the United Nations Office of the High Commissioner for Human Rights (OHCHR).

Inputs, Outputs, Activities:

FY 2006 Program:

Achieve Equitable Access to Quality Basic Education (\$797,900 DA). This program is designed to reduce a major source of fragility in Nepal -- gender and caste-based exclusion. USAID is setting up a Girls' Scholarship Fund that will cover both annual secondary school fees and supplies and establishing a mentoring system for girls from disadvantaged and conflict-affected families. Principal Implementers: To Be Determined (TBD).

Improve Quality of Workforce Through Vocational/Technical Education (\$2,263,100 DA). USAID is initiating a skills training and employment program to increase incomes for vulnerable groups (e.g., youth, internally displaced persons, women, and disadvantaged groups) while improving productivity and building a competitive workforce that can meet the demands of tomorrow's job market. This effort combines literacy and skills training with scholarships, job counseling, and job placement. In addition, USAID is assisting university graduates and mid-career professionals to pursue professional and specialized skills training in regional or international universities, institutes, and colleges to build both host and recipient country capacity. Principal Implementers: TBD.

Mitigate Conflict and Support Peace (\$1,078,110 ESF). USAID is continuing to support the Peace Secretariat, which is poised to be a key player in any potential peace process. Specific activities are tailored to respond to opportunities but focus on training of staff, strategic planning, and facilitating consultation among stakeholders. Activities to link civil society peace efforts to the peace process are also being implemented. Principal Implementer: Academy for Educational Development.

Promote Effective and Democratic Governance of the Security Sector (\$348,480 ESF). USAID is exploring the possibility of establishing community policing initiatives to strengthen the relationship between the police and communities, encourage solidarity, and ultimately impact conflict and development programs positively. Principal Implementers: TBD.

Protect and Increase the Assets and Livelihoods of the Poor (\$2,232,450 ESF). To increase the assets of individuals in rural conflict-affected areas, USAID is continuing to fund infrastructure projects, such as road building, that provide employment income and improve access to markets and services. Approximately 450,000 days of paid employment will be generated valued at \$540,000. Principal Implementer: Louis Berger Group.

Protect Human Rights (\$198,000 ESF). USAID is continuing to provide capacity building for the National Human Rights Commission (NHRC) and support OHCHR to improve monitoring of human rights abuses in Nepal. Detailed public reports will be published on human rights abuses. National capacity for promotion and protection of human rights is being enhanced, particularly the quality of investigations and public reporting. Principal Implementers: United Nations Development Programme and OHCHR.

Support Populations at Risk (\$102,960 ESF). To strengthen support for victims of conflict -- internally displaced persons, widows, youth, and victims of torture -- and conflict-affected communities, USAID is funding an integrated community-level program combining economic and social support activities. In FY 2006, 9,492 households will experience an increase of at least \$71 in their annual income through the establishment or expansion of microenterprises (annual per capita income is \$276). One hundred and three community development projects will be implemented. Principal Implementers: Save the Children/U.S.

FY 2007 Program:

Achieve Equitable Access to Quality Basic Education. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Improve Quality of Workforce through Vocational/Technical Education. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Mitigate Conflict and Support Peace. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Promote Effective and Democratic Governance of the Security Sector. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Protect and Increase the Assets and Livelihoods of the Poor. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Protect Human Rights. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Support Populations at Risk. USAID will implement a new strategic statement in FY 2007. This program will end in FY 2006.

Performance and Results: In FY 2005, USAID helped an estimated 85,000 rural families benefit from employment income earned on construction projects. Over 11,000 women invested \$33,488 in a revolving savings and credit fund that enabled the program to loan \$101,337 to over 5,700 women to establish microenterprises; more than 50% of these beneficiaries were from underserved castes and ethnic groups. USAID also trained 1,455 community mediators, helped resolve 84% of 3,898 requests for mediation, and provided scholarships to 4,889 child victims of conflict. The program also supported the formation of 116 child protection committees, overseeing approximately 76,000 children in 141 schools. USAID has enhanced conflict management skills by training over 5,000 Nepalese (including local leaders, user groups, and child protection committee members) in conflict management, negotiation, resolution, and social inclusion. By the end of this program, USAID will have provided short-term employment to hundreds of thousands of people, totaling approximately two million person days of employment. Over 22,000 women in heavily conflict-affected communities will have benefited from access to credit and literacy training, and victims of conflict will have received critical medical, counseling, and legal services. Thousands of community-level peace building projects will have brought together war affected communities around a common cause. Support to the OHCHR and NHRC will have contributed to the protection of human rights in Nepal. USAID support will have helped to establish a functional Peace Secretariat, which is actively assisting the Government of Nepal to design a peace process.

US Financing in Thousands of Dollars

Nepal

367-008 Ending Conflict and Expanding Democracy	CSH	DA	ESF
Through September 30, 2004			
Obligations	1,000	9,788	10,367
Expenditures	0	2,423	2,065
Unliquidated	1,000	7,365	8,302
Fiscal Year 2005			
Obligations	0	3,388	3,760
Expenditures	0	2,311	5,495
Through September 30, 2005			
Obligations	1,000	13,176	14,127
Expenditures	0	4,734	7,560
Unliquidated	1,000	8,442	6,567
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2006 NOA			
Obligations	0	3,061	3,960
Total Planned Fiscal Year 2006			
Obligations	0	3,061	3,960
Proposed Fiscal Year 2007 NOA			
Obligations	0	0	0
Future Obligations	0	0	0
Est. Total Cost	1,000	16,237	18,087

Data Sheet

USAID Mission:	Nepal
Program Title:	Enhance Stability and Security
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	367-WWW
Status:	New in FY 2007
Planned FY 2006 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$7,419,000 CSH; \$3,576,000 DA; \$4,000,000 ESF
Year of Initial Obligation:	2007
Estimated Year of Final Obligation:	2009

Summary: USAID's program to enhance stability and security mitigates the impact of conflict on households, stabilizes rural communities, and strengthens capacity for conflict mediation and peace building at the national and community level. This is done through a multi-pronged approach which ameliorates key sources of fragility: exclusion, weak governance, lack of economic opportunities, and inequitable growth. Program activities will: protect livelihoods through income-generating infrastructure and agriculture projects to target conflict-affected areas, provide key services to victims of the conflict, support national efforts to address the conflict, strengthen civil society and community capacity to build peace and participate in local governance, and prevent the spread of HIV/AIDS and other infectious diseases.

Inputs, Outputs, Activities:

FY 2006 Program:

Mitigate Conflict and Support Peace. New in FY 2007.

Protect and Increase the Assets and Livelihoods of the Poor. New in FY 2007.

Reduce Transmission and Impact Of HIV/AIDS. New in FY 2007.

FY 2007 Program:

Mitigate Conflict and Support Peace (\$500,000 DA; \$1,050,000 ESF). USAID will set the stage for a sustainable peace in Nepal by building community capacity for peace, supporting the Government of Nepal's (GON) Peace Secretariat established in 2004, and assisting victims of conflict. USAID's activities will strengthen the capacity for peace building at the local level, increase participation of traditionally excluded groups in planning and implementing community development projects, and build the resiliency of communities to manage the effects of the conflict. USAID will also provide training to the Peace Secretariat to strengthen national expertise in conflict resolution and build capacity of potential negotiators. To assist communities affected by the insurgency, USAID will support victims of the conflict, including widows, internally displaced persons, youth, and victims of torture through a range of services, including psychosocial counseling, legal assistance, and educational support. USAID will explore the possibility of establishing community policing initiatives in urban districts outside Kathmandu to improve security, strengthen the relationship between the police and communities, and encourage solidarity. Principal Implementers: To Be Determined (TBD).

Prevent and Control Infectious Diseases Of Major Importance (\$400,000 CSH). USAID will strengthen the GON's capacity for surveillance and control of selected infectious diseases. The hygiene promotion program will continue to increase hand washing with soap and improve water quality at the point-of-use (household level). Principal Implementers: TBD.

Protect and Increase the Assets and Livelihoods of the Poor (\$3,076,000 DA; \$2,950,000 ESF). USAID will support income generation through public works, agriculture, and microenterprise programs. These programs will provide short-term employment and concurrently build infrastructure that facilitates longer-term income generation opportunities, greater access to agricultural markets, and an improved quality of

life. USAID will also provide skills training and employment programs to provide literacy and job skills to conflict-affected populations. Principal partners: TBD.

Reduce Transmission and Impact Of HIV/AIDS: (\$7,019,000 CSH). To prevent a humanitarian crisis and stabilize communities, USAID will expand and strengthen HIV/AIDS prevention interventions using the Abstinence, Behavior Change, and Consistent Condom Use multi-sectoral approach. USAID will also strengthen the GON's capacity to implement and manage its National HIV/AIDS Action Plan. Principal Implementers: TBD.

Performance and Results: USAID's program to enhance stability and security will reduce Nepal's sources of fragility -- lack of economic opportunities, inequitable growth, social exclusion, and government ineffectiveness. Upon completion of the strategy, an estimated 2.5 million rural Nepalese will have earned income from employment on labor intensive construction projects. Roads and trails constructed will have improved economic development opportunities in remote areas, and skills training in microenterprise, agriculture, and livelihoods using market driven approaches will have enhanced sustainable income generation capacity. USAID will improve government effectiveness by supporting a strong Peace Secretariat that has the capacity and skills to be involved in an active peace process. Community based reconciliation projects will permit active involvement in reconciliation and local governance. Thousands of victims of the conflict will have benefited from counseling services to deal with war trauma. To prevent a humanitarian crisis and stabilize communities, the GON's capacity to implement and manage its National HIV/AIDS Action Plan with the participation of civil society will be improved, strengthening prevention, testing, palliative care, and support services to vulnerable groups, persons living with HIV/AIDS, and NGOs. HIV sero-prevalence will stabilize or decline among most-at-risk populations assisted by USAID for the past five years. In FY 2006, HIV sero-prevalence and behavioral risk data will be measured among male migrants on a broad scale for the first time. Information from the survey will be used to scale up services to address the needs of this most-at-risk population. Innovative approaches to contain and reduce epidemics may be introduced as needed, and USAID will be prepared to participate in early surveillance systems to address emerging infectious diseases such as avian influenza.

US Financing in Thousands of Dollars

Nepal

367-WWW Enhance Stability and Security	CSH	DA	ESF
Through September 30, 2004			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Fiscal Year 2005			
Obligations	0	0	0
Expenditures	0	0	0
Through September 30, 2005			
Obligations	0	0	0
Expenditures	0	0	0
Unliquidated	0	0	0
Prior Year Unobligated Funds			
Obligations	0	0	0
Planned Fiscal Year 2006 NOA			
Obligations	0	0	0
Total Planned Fiscal Year 2006			
Obligations	0	0	0
Proposed Fiscal Year 2007 NOA			
Obligations	7,419	3,576	4,000
Future Obligations	0	0	0
Est. Total Cost	7,419	3,576	4,000

Data Sheet

USAID Mission:	Nepal
Program Title:	Strengthen Governance and Protect Human Rights
Pillar:	Democracy, Conflict and Humanitarian Assistance
Strategic Objective:	367-YYY
Status:	New in FY 2007
Planned FY 2006 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$1,975,000 DA; \$1,000,000 ESF
Year of Initial Obligation:	2007
Estimated Year of Final Obligation:	2009

Summary: USAID's program to strengthen governance and protect human rights will contribute to re-establishing representative democracy and restoring the public's faith in political institutions. The program will build consensus and commitment to an inclusive multi-party democracy by strengthening internal democratic practices within the political parties, building local capacity for good governance, and increasing appreciation for democratic practices in the management of community resources. USAID will promote the adherence of human rights standards by security forces and insurgents through its support to the national and international human rights organizations. USAID will also mitigate Trafficking In Persons through prevention, protection, prosecution, and legal reform.

Inputs, Outputs, Activities:

FY 2006 Program:

Protect Human Rights. New in FY 2007.

Reduce Trafficking In Persons. New in FY 2007.

Strengthen Civil Society. New in FY 2007.

Strengthen Democratic Political Parties. New in FY 2007.

FY 2007 Program:

Reduce Trafficking In Persons (\$392,000 DA). USAID activities will help to prevent trafficking of young girls by providing trafficking victims and at-risk girls and women with scholarships for secondary education, literacy, life skills training, and job skills training for income generation. Through these activities, the program will lessen the vulnerability of women and children to trafficking. Principal Implementers: To Be Determined (TBD).

Strengthen Civil Society (\$1,583,000 DA). USAID's program to support democratic governance at the local level trains community groups to utilize principles of participation, representation, transparency, and accountability in the management of their natural resources. The program will create an appreciation for the principles of good governance, transparency, and respect for the rule of law at the grassroots level. USAID will simultaneously work with communities to organize and manage natural resources for maximum gain, preserving biodiversity, and creating social harmony. The management of these natural resources also contributes to critical terrestrial and aquatic biodiversity. Principal Implementers: TBD.

Strengthen Democratic Political Parties (\$1,000,000 ESF). USAID will work with political party members, government institutions, civil society organizations, academia, and the media to support political party reform, build party leadership, change incentive structures, increase citizen demand for better governance, and improve the ability of civil society organizations to monitor and report on political and electoral reform progress. The program will also work with party members in Parliament (once re-established) to ensure effective and stable governance. USAID will provide technical assistance to Nepal's Election Commission to conduct voter education, registration, and electoral oversight. Should conditions for free and fair elections materialize, assistance will be provided to other organizations that

would contribute to a transparent and participatory electoral process. Principal Implementers: TBD.

Performance and Results: By the end of this program, USAID will have contributed to re-establishing representative democracy and restoring the public's faith in political institutions. Consensus and commitment to an inclusive multi-party democracy will be achieved by programs that strengthen institutional and human capacity for good governance, and promote equality and inclusion in social and political processes. USAID's programs will have encouraged the adherence to human rights standards by government security forces and insurgents and Trafficking In Persons will be mitigated.

US Financing in Thousands of Dollars

Nepal

	DA	ESF
367-YYY Strengthen Governance and Protect Human Rights		
Through September 30, 2004		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2005		
Obligations	0	0
Expenditures	0	0
Through September 30, 2005		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	0	0
Total Planned Fiscal Year 2006		
Obligations	0	0
Proposed Fiscal Year 2007 NOA		
Obligations	1,975	1,000
Future Obligations	0	0
Est. Total Cost	1,975	1,000

Data Sheet

USAID Mission:	Nepal
Program Title:	Build Capacity of Critical Institutions
Pillar:	Global Health
Strategic Objective:	367-ZZZ
Status:	New in FY 2007
Planned FY 2006 Obligation:	\$0
Prior Year Unobligated:	\$0
Proposed FY 2007 Obligation:	\$10,566,000 CSH; \$1,500,000 DA
Year of Initial Obligation:	2007
Estimated Year of Final Obligation:	2009

Summary: In FY 2007, USAID will implement a new strategic objective to strengthen the capacity of institutions that are fundamental to resolving the conflict, lasting recovery, and transformational development. The program will focus on strengthening the Government of Nepal's (GON) ability to provide basic services to its citizens, thereby enhancing the legitimacy and effectiveness of local and national government and preventing a destabilizing withdrawal of essential services. All technical areas within this objective will emphasize increased coverage of services to disadvantaged and marginalized groups and increased community participation in decision making.

Inputs, Outputs, Activities:

FY 2006 Program:

Improve Child Survival, Health and Nutrition. New in FY 2007.

Improve Maternal Health and Nutrition. New in FY 2007.

Promote And Support Anti-Corruption Reforms. New in FY 2007.

Strengthen the Justice Sector. New in FY 2007.

Support Family Planning. New in FY 2007.

FY 2007 Program:

Improve Child Survival, Health, and Nutrition (\$3,800,000 CSH). USAID's health sector interventions will be targeted to build local and national government capacity, address sources of fragility, and stabilize communities by saving the lives of thousands of Nepalese women and children each year. The program will support the GON's efforts to reduce mortality and morbidity; strengthen and expand service delivery; increase availability of health commodities; and improve the well-being of women and youth through health education programs. In particular, USAID will build the GON's capacity to deliver and sustain integrated child health programs such as vitamin A supplementation and treatment of diarrhea and pneumonia. Principal Implementers: To Be Determined (TBD).

Improve Maternal Health and Nutrition (\$1,165,000 CSH). USAID will support efforts to establish community and household-based models to deliver maternal and newborn health care services in areas impacted by the nine year conflict. Through technical training and support, female community health volunteers will be prepared to play a role in these maternal and child health interventions, particularly in areas heavily affected by the conflict. USAID will increase its efforts to ensure that marginalized populations, constrained by issues of accessibility, conflict, or caste/ethnic discrimination, are represented in local groups that manage service delivery and receive the relevant services to improve the quality of their lives. Principal Implementers: Save the Children and Johns Hopkins University.

Promote And Support Anti-Corruption Reforms (\$750,000 DA). USAID will support state anti-corruption entities that exercise investigation and prosecutorial authority for public official corruption cases, an anti-corruption tribunal, and a center that surveys and reports on public officials' assets. Other public entities,

civil society groups, and the media may receive program assistance for their functions that complement or contribute positively to anti-corruption efforts. USAID will tie these government-level initiatives to activities promoting media and civil society advocacy and engagement in anti-corruption reforms. USAID will also initiate programs to curb private sector corruption. Principal Implementers: TBD.

Strengthen the Justice Sector (\$750,000 DA). USAID initiatives in this sector will promote equal treatment of all people before the law and help ensure human rights through improving the administration of justice in court, building the capacity of the public defense system, introducing court-referred mediation to speed the justice system, and building upon the success of USAID's alternative dispute resolution activity. USAID's rule of law program will also address access to justice and human rights protection, which have been severely hampered by the conflict. Principal Implementer: TBD.

Support Family Planning (\$5,601,000 CSH). USAID will build on its successful partnership with the government to deliver family planning and health education programs. In reaching approximately 11 million men and women of reproductive age, these programs will further reduce fertility beyond the 20% reduction over the past 10 years. With the GON, USAID will address the large unmet need for family planning and improve the quality of services in the private and public sectors. All family planning assistance agreements incorporate clauses that implement the President's directive restoring the Mexico City policy. Principal Implementers: TBD.

Performance and Results: USAID will work to demonstrate improvements in investigations and prosecutions for public official and corruption cases, establish a well-functioning anti-corruption tribunal, increase regular public reporting on public officials' assets, and extend the reach of anti-corruption activities from Kathmandu into the most corruption prone districts. USAID will strengthen service delivery through the public and private sectors, implement effective community models to deliver maternal and newborn life saving services, and increase availability of health commodities. Achievements will be demonstrated through service statistics and surveys reflecting improved well-being of women, children, and youth. These results will lead to reductions in mortality, morbidity, and fertility which will be demonstrated in the next Demographic Health Survey in 2011. Health programs will show improved government capacity to deliver essential services, thereby enhancing government legitimacy and effectiveness. USAID will demonstrate increased protection of human rights through improved administration of justice in court and increased capacity of the public defense system.

US Financing in Thousands of Dollars

Nepal

	CSH	DA
367-ZZZ Build Capacity of Critical Institutions		
Through September 30, 2004		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Fiscal Year 2005		
Obligations	0	0
Expenditures	0	0
Through September 30, 2005		
Obligations	0	0
Expenditures	0	0
Unliquidated	0	0
Prior Year Unobligated Funds		
Obligations	0	0
Planned Fiscal Year 2006 NOA		
Obligations	0	0
Total Planned Fiscal Year 2006		
Obligations	0	0
Proposed Fiscal Year 2007 NOA		
Obligations	10,566	1,500
Future Obligations	0	0
Est. Total Cost	10,566	1,500