

Case Study

Building a new Nepal

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The outside world's image of Nepal is of a tiny and idyllic kingdom nestled in the Himalaya. There are two things wrong with this perception. First, Nepal is small only in comparison with its two giant neighbours, China and India. With a population of 23 million, Nepal is, in fact, nearly as populous as Canada. Secondly, behind Nepal's idyllic image, its spectacular scenery and easy-going people is the hard reality of a desperately poor nation. Silent hunger is widespread, women and girls suffer society's neglect, health statistics are shocking, poverty is endemic, and the disparity between rich and poor is one of the most glaring in Asia.

Even since it opened up to the outside world 50 years ago, this never-colonized kingdom has been struggling to catch up. After the restoration of democracy in 1990, Nepal has seen 10 prime ministers in 11 years; there is chronic political instability and widespread disillusionment with the way politicians have squandered hard-earned freedoms and the chance to use the democratic process to deliver a better quality of life.

Nepal is one of the very few countries in the world where the life-expectancy of women is lower than for men — a vivid and worrying indicator of gender disparities at the national, community and family levels. Nepal's literacy rate has nearly doubled in the past 20 years, but barely one in five Nepali women can read or write. Two-thirds of children under three years are severely undernourished. Parts of Nepal's remote north-western regions have health and education indicators that are similar to war-torn West Africa. Exploiting this neglect, poverty and political confusion, the Communist Party of Nepal (Maoist) has been waging an insurgency for the past six years aimed at setting up a "people's republic". Maoist activities have now spread to large parts of the country, bringing development activities to a virtual standstill, and diverting precious resources to equip the security forces.

The topography of this landlocked kingdom hinders transport and communication; vast areas of Nepal's mountainous north are still without roads. Nepal's ratio of doctors to population is the lowest in Asia. Despite a huge potential for generating hydropower, only 15 per cent of the population has access to electricity. Tourism income has transformed the quality of life, but only in parts of the country where trekkers go.

Persistent neglect on the part of the ruling elite in Kathmandu of the needs and aspirations of the rest of the country has bred fatalism and distrust of government at all levels. Nepal has always been a darling of the donors and has received nearly US \$4 billion in foreign aid over the past 40 years. Early aid came in the form of hand-outs for highways, hydroelectric projects and basic infrastructure. Integrated development projects of the 1970s were donor-driven, local people were hardly consulted, and Nepal is littered with examples of failed expensive experiments with aid. This has generated donor dependency at the national level and eroded traditional self-help at the grass roots. Communities began looking to Kathmandu or to foreign support for activities they used to do themselves.

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To be sure, there has also been dramatic progress in the past 40 years, and much of this would not have been possible without foreign aid. In 1960, 300 out of every 1,000 children born in Nepal did not live to be five years old. Today, that figure is less than 100. The rate at which women die at childbirth has been reduced by more than half. And despite the disenchantment with democracy at the national level, grass-roots communities by the mid-1990s were showing signs of new hope. The democratic constitution was devolving decision-making to elected village and district officials. Many local leaders throughout Nepal had started showing genuine accountability, integrity and a commitment to serve the villagers who elected them.

Overcoming bureaucratic resistance, the government apparatus showed that progressive decentralization and democratization brought new enthusiasm among local communities to work towards raising living standards. But communities and districts needed help to build their capacity to manage and implement projects. They also needed seed money to construct urgently needed bridges, roads, hospitals and schools, which were beyond the reach of locally generated resources. Foreign aid coming into Nepal started piggy-backing and building on this new wave of decentralized planning.

Seven years later, the people's mobilization model has now been tried and tested in at least 50 of Nepal's 75 districts. In most of them, it has worked well. The change has been most dramatic in the return of forests to Nepal's once-denuded mud hills. As communities were returned ownership of the commons, they began forming village forest groups to preserve woodlands. Fodder and firewood has once more become abundant, and springs that had dried up are perennial again. Across Nepal, hills that were once barren are now looked after by local communities that protect and manage them for the benefit of villagers.

If communities could get together to protect forests, surely they could do the same for children's health, education, skills training and income generation. Today, donors, Nepali NGOs and the government are designing new projects that build on this newly conscious population. Communities organize themselves into groups to prioritize needs, set up savings and give credit to the neediest. Incomes have risen, and with them nutrition levels of children, education of girls and preservation of the environment. And the way the projects are designed, they ensure long-term sustainability even after funding runs out. This is not charity; it is giving people a choice, and the chance to help themselves. Jivan Bahadur Shahi is the locally elected chair of Nepal's remote Humla District. *"Until now", he says, "development was just talk. It was speeches by ministers. Now, we understand what it means: giving people alternatives, the choice to better their lives. And we have found that money is not the problem, it is motivating people to help themselves."*

This new self-confidence and independence of villagers and their elected leaders is a direct result of Nepal's post-democracy legislation that makes decentralization and local self-governance possible, allowing people to make decisions that directly affect their lives. By 1998, numerous evaluations of pilot participatory programmes showed

that they worked well, and with some tinkering could be replicated. The inherent flexibility of the approach allowed the accommodation of local priorities and, above all, could lead to sustainable socio-economic development of communities and bring back a culture of self-help and self-sufficiency.

The United Nations Development Programme (UNDP) started applying this model of capacity building in local government units for its Participatory District Development Project (PDDP) and Local Governance Project (LGP) launched in 1995. UNICEF used the same model for its Decentralised Planning for Children Project, and numerous bilateral donors are investing in their own participatory projects or channelling funds to the districts where UNDP is setting up a PDDP.

When Capacity 21 support became available, it was logical to look at the participatory community development model to improve socio-economic conditions that would directly result in environmental protection. What Nepal needed was not more national policies, master plans and guidelines — there were enough of those. A National Conservation Strategy was drawn up as far back as 1988, and there is already a National Environmental Action Plan. Both guided national planning to protect the Himalayan environment — one of the world's most ecologically fragile regions. Nepal is also one of the most biologically diverse regions on earth: the terrain soars from tropical rainforests, just 80 metres above sea level in southern Nepal, to the world's highest mountain, 8,848 metres, within a horizontal distance of barely 170 kilometres. What happens in these mountains has a direct impact not just on Nepalis, but also downstream in the vast and densely populated Indo-Gangetic Plains of India and Bangladesh. The Himalaya act as a monsoon trap, as water towers storing water in the form of ice, and as a vital watershed for nearly 500 million people in the region.

The wealth of biodiversity is threatened as never before. The Nepal Himalaya is the most densely populated mountain region in the world. Although nearly 15 per cent of Nepal's land area is made up of national parks and protected nature areas, the environment in and around the villages where people live must be addressed. The steep mountainsides covered with a thin skin of topsoil are intensively farmed, and poverty drives Himalayan peasants to destroy the very resources they need for their own future. There was a need to show that communities, given the choice, the resources and the self-confidence, could lift themselves out of subsistence and bring back traditional conservation practices.

This is what Capacity 21 Nepal set out to do with the Sustainable Community Development Programme (SCDP) in 1996. Pilot projects in three selected districts (Dang, Surkhet and Kailali) in the ecologically most sensitive and poverty-stricken areas of western Nepal were chosen, and the idea was to show that community involvement at the local level to raise living standards would have a direct impact on environmental conservation and long-term development. This was a radical approach to conservation: it didn't involve setting up more national parks, or drawing up a new master plan. It tried to involve local communities in social and economic development,

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which would address problems like deforestation, biodiversity protection, conservation of ecologically sensitive areas and protection of water sources. "From the beginning, we wanted to make this a unique partnership. We keep a low profile, play catalytic roles and observe the results, so we can design national plans based on them", says Hum Gurung, national programme manager of SCDP, whose office is inside the National Planning Commission (NPC) in Kathmandu. "The NPC is the right place for us to be, so we can dovetail our model with the government's plans."

UNDP hoped this would lead to sustainable development of communities, and that the lessons learned from the four districts would be used as a model to draw up a national strategy for sustainable development for the NPC, and would be integrated with the Tenth Five-year Plan (2002–2007). The successes and failures of the pilot projects would therefore feed directly into Nepal's own Agenda 21 strategy. An evaluation of the activities in three districts in 1999 was encouraging enough for UNDP to extend the project in three more districts: Myagdi, Humla and Okhaldhunga. Gyan P. Sharma has recently taken over as the national programme director for SCDP at the NPC. On a recent field trip to project areas in western Nepal, he said, *"What it boils down to is to improve the situation in remote rural areas by mobilizing local resources with initial external support."*

Humla

In Nepal's remote and roadless far-western district of Humla, you have to take the hardships of rural life in Nepal and multiply everything by three. Humla borders the Tibetan plateau; the land is steep and arid, and there are no roads. The district headquarters of Simikot is a week's walk away from the nearest road, and a 45-minute plane ride to Nepalgunj in the plains. A sack of cement, a kilogram of salt, a litre of kerosene — everything costs three times more than at the roadhead. It is one of a few districts in Nepal, which is chronically food-deficient, that needs flour and rice to be flown in from the plains in giant government-chartered helicopters to make up for the shortfall. Jivan Bahadur Shahi is the elected chairperson of the Humla District Development Committee, and he is sick of people in Kathmandu referring to Humla as inefficient.

"We have the resources, we have the people, and with a little bit of help from outside we can make Humla self-sufficient", says Jivan. A WFP food-for-work programme is helping build a new highway linking Simikot with Tibet. With that, Humla can be a major tourist destination for trekkers and pilgrims to the holy Mount Kailash and Lake Mansarovar in Tibet. Tourism can bring revenue to local people, so they do not have to migrate to work, or depend on hand-outs from Kathmandu.

Jivan has a private pilot's license from a flying school in Seattle, and is one of a rare breed of educated Nepalis who has refused to emigrate or live in the comfort of Kathmandu. He has chosen to return to his village to uplift his people. "After I came back to Nepal, I figured instead of flying planes I would give back to society what I took from it", he says. "And politics is the only way to change things quickly."

While campaigning for local elections, Jivan made two promises to his people: build the road to Tibet, and build toilets. He has worked closely with village councils and the community groups mobilized by SCDP to build the latrines. Why latrines? While the road will make basic foodstuffs cheaper, the latrines will improve sanitation and hygiene. Humla's infant mortality rate is 240 deaths for every 1,000 live births — three times the national average. This is due to poor hygiene and respiratory infections caused by breathing smoke from sooty indoor fireplaces for the four months of each year that Humla is snowbound. Jivan is getting CBOs to aggressively push for improved smokeless stoves that not only save firewood, but also reduce indoor pollution. The infant mortality rate is down dramatically wherever there are new latrines and smokeless stoves.

There are hundreds of elected local leaders like Jivan all over Nepal, and they are making democracy deliver development. They know that the people will not vote for them again unless they believe that what the leaders do benefits the village. Says Jivan: "I try to give the people the confidence that they can change their own lives. I am just the catalyst."

Jivan is from the centre-right Nepali Congress. But at the grass roots, it doesn't matter which party he is from. The issues that matter to the people of Humla are the same: better education and health care, easier access to markets through roads, enough fodder, and food at affordable prices. And they will elect whoever they think can make their lives better. It is when elected grass-roots leaders like Jivan bring their vision and hard work to the national level that Nepal will finally break free. That is true people's power.

At the core of the SCDP's blueprint is this mobilization. It is the responsibility of grass-roots activists to help villagers set up CBOs, and a lot depends on their commitment and vision. Since 80 per cent of the families in a particular area need to be involved before a CBO can be set up, the role of the social mobilizer is crucial. The CBO elects its own managers; with training from mobilizers, it begins to discuss the village's main problems, where solutions lie, and how to go about implementing them. In some places, it is safe drinking water; in others, it may be a bridge across a raging torrent that would provide access to market; while in others, villagers may be so poor that they need help just to survive from day to day.

Suresh Acharya is a social mobilizer in the village of Dhikpur in Dang District, which has seen a dramatic resurgence of forests since SCDP came and the local community began to see the benefits. In the beginning, says Suresh, it was difficult to convince the villagers that the forest was important, or that the community could get together to protect it. But, he adds, they later said that making money wouldn't mean anything if the environment was degraded, threatening the very future of their livelihoods.

In the first phase of SCDP, more than 200 CBOs were formed in each of the three districts. Overcoming strict caste, gender and income gaps within villages was not

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easy; it demanded a high level of commitment and objectivity in the social mobilization effort. In many villages, the quantity and quality of the CBOs formed was directly related to the motivation of the mobilizers themselves. Once formed, CBOs discuss rules, like weekly meetings; contributions from members for the saving scheme; penalties for non-attendance and default on loans; and development priorities for the village.

The CBO then extends micro-credit to members, charging interest, which is collected in a local fund. It applies to SCDP for seed grants for projects, and also contributes its share for projects supported by the District Development Committee (DDC) or ministries of the national government. *“Our experience so far is that the poorest and the women are the most prompt in paying back loans. Women have much more integrity than men, and they will immediately plough back their income to get another bigger loan”*, says Ram Charan Chaudhary, a CBO official from Rampur village.

Sita Bhandari used to be a landless woman. She took a loan from her local CBO for Rs 2,000 to buy a goat. After nurturing it, she sold it for a profit and has now taken a Rs 10,000 loan for a water buffalo. She has bought her own little piece of land on which, for the first time in her life, she is building her own house. Says Sita: *“What I have learned is that no one else is going to help us. We have to do it ourselves, with our own effort and our own sweat.”*

Since environmental concerns are directly related to social and economic progress, SCDP in its first phase tried to use different entry points in each of the three districts. Kailali is in the plains bordering India, and has a sizeable indigenous community of *tharus*, a large population of recently freed families of bonded labourers, and many families from the "untouchable", or *dalit*, caste. With SCDP's help, the CBOs involved themselves in social development projects; for example, encouraging girls and dalits to go to school; providing them with scholarships; improving sanitation through the construction of latrines; and providing non-formal education, especially for women.

In Surkhet District, which is in an ecologically fragile mountainous area, CBOs have supported existing forest conservation efforts, set up nurseries, and promoted smokeless and fuel-efficient cooking stoves, encouraging farmers with livestock to switch to biogas and giving them loans to get established.

In the nearby district of Dang, the entry point has been to encourage farmers to generate more income through micro-credit that will put households on a more secure footing. With small loans, farmers upgrade livestock, and invest in vegetable farms or orchards. Communities get together to improve irrigation in this largely dry valley.

Lameshwar Giri used to be a seasonal migrant, who went to work in a big Indian city to send home money for his family. With a Rs 45,000 loan from his community savings scheme, he bought a pump and rigged up his own private irrigation system to grow vegetables. This season alone, he made a profit of Rs 17,000 and is well on his way to paying back the capital. The interest of 18 per cent that he pays goes into the community's fund and will be recycled for someone else's loan.

Kailali, Surkhet and Dang are all located in west Nepal, an area of immense biodiversity and unique habitats for wildlife and plants. Kailali, for instance, is located in the plains at a point where the mighty Karnali river emerges from the mountains. Its thick semi-tropical hardwood forests are threatened by migration from the mountains and population pressures. These forests form a vital jungle corridor for endangered wildlife between the sanctuary at Shukla Phanta, the Royal Bardia National Park and nature reserves in neighbouring India. Surkhet and Dang Districts are both suffering from severe forest denudation and encroachment by subsistence farmers, although community forestry efforts have restored some of the old growth in the past 10 years.

The three new districts added to SCDP in 2000 have tried to replicate the successes in even more diverse eco-regions, and therefore present a much more challenging task. Humla, for example, is in the arid far north-west of Nepal bordering the Tibetan plateau. There are no roads, and the district is more accessible to the rest of Nepal via China than through the mountains to the south. The area is chronically food-deficient, and Humla's development parameters are at the bottom even of Nepal's national average. But the district holds tremendous potential for eco-tourism, fruit and herb farming.

Myagdi District lies in the shadow of Mt. Dhaulagiri, the world's sixth highest mountain. The Kali Gandaki here cuts the deepest gorge in the world, and the altitude variation gives the district a phenomenal diversity of plant and animal life. This once-remote area is opening up rapidly to the outside world because of new road access. Okhaldhunga is the first SCDP district in the east, and is relatively better developed, has higher literacy rates and is self-sufficient in food production. But Okhaldhunga does not yet have a road link. This has hindered economic development, which in turn has prompted poverty-stricken farmers to exploit resources beyond nature's regeneration rate. "The second phase builds on the experiences of the first three districts, and this will give us the confidence to perhaps go national with this model", says SCDP's Hum Gurung.

SCDP organizes regular exchange visits of CBO members from all six districts in which it presently works, so that they learn from each other's experiences and mistakes, and take home new ideas for implementation in their own communities. Most CBOs find that the problems of member motivation, loan repayment or finding enough resources for priority projects are common concerns. The visits help them come up with common approaches to dealing with them.

An action-directed project with direct field-level activities, SCDP has in the past six years gained a wealth of experience in participatory approaches to development that promote environmental protection. Some community-level initiatives under SCDP lead directly to resource conservation: biogas for domestic cooking, smokeless improved stoves, forest nurseries, eco-tourism projects, and environmental literacy classes. We now know how best to mobilize community groups in villages with heterogeneous ethnicity, what not to do in villages with just one caste group, how to prevent domination by the village elite of community programmes. The experience in the six districts is

also beginning to show that once villagers reach a certain economic and social stability, once they don't have to worry about survival from day to day, once their children get proper education and health care — that is when they seriously start thinking about conserving natural resources for tomorrow. Environmental protection and sustainable human development stop being just jargon, and actually mean something to people's lives

Community groups and elected village councils are learning to help each other and to co-ordinate their activities. Shiba Sharma is the chairperson of the Sisaniya village council in Dang, and is also head of an all-woman CBO. She understands more than anyone else how the results of activities can be magnified if the community groups work hand-in-hand with the village council, and the dangers if there is duplication and competition. Says Shiba: "If we really want to develop this country, then let's do it together. If we don't really care which way the country goes, then let's all pack up."

Sisaniya

Down in the humid plains of Nepal bordering India, the afternoon brings heavy monsoon showers. Sisaniya's elected village chairperson is Shiba Sharma, a trained nurse. If what Shiba has done for her village could be measured in dollars and cents, just her village might make the entire SCDP programme cost-effective. Shiba's medical background makes her passionate about raising the health standards of women and children in her village. Western Nepal has high maternal mortality rates, even by Nepal's extremely high standards, and many children die of easily preventable gastric and respiratory infections. Shiba strongly believes that communicable diseases have to be fought with communication — knowledge about prevention of infections is the first line of defence.

The CBOs in her village had just finished a campaign to get every local member to construct latrines. Then Shiba got a bright idea: why let the waste go to waste? She got her own biogas plant at home hooked up to the latrine, so that there is more gas production. Following her example, other village families are following suit. This has reduced their dependence on the surrounding forests, and the trees have started growing back.

Shiba is now working to convince several households to get together to build community biogas plants, hooked up to community latrines and fed with dung from the cattle and water buffaloes. And Shiba finds it much easier to convince the women: "Women are much more effective in spreading awareness. They take the message to their children and to their husbands."

Shiba's other aim is to build enough schools, and upgrade the quality of education, so that children grow up with knowledge that will help them take better care of their surroundings, culture and traditions. "Education is no good if you are just cramming all the time from text books to pass exams", she says.

Shiba is often called on to deliver babies and tend sick children. Many farmers have bought buffaloes with loans from their community credit schemes. “These days I have also become a vet”, Shiba laughs. “I have to take house calls to attend to sick buffaloes.”

Thanks to the efforts of this uniquely committed village leader, Sisaniya is making progress. The hills to the north that were denuded a decade ago are draped in sal trees, which are protected by local communities that now have enough savings to build irrigation canals or build bridges. “We cannot survive forever on hand-outs”, says Shiba. “We have to help ourselves and think of a time when SCDP is no longer there.”

Besides building local capacity to plan and manage initiatives that have a direct impact on villagers’ well-being, SCDP also provides support for policy formulation at the district level in the six core areas of its work. And at the national level, SCDP has built-in feedback mechanisms, so that the National Planning Commission, which also oversees the project, can internalize the experiences and design future national development strategies accordingly. Extending the programme to Humla in the north and Okhaldhunga in the east has broadened the project’s national presence. The community’s ownership of projects is passed up the line through the village councils, to the district councils and to the national level. And it is that ownership that will give future national plans the authenticity of being truly representative of the people’s will. All this can work because of a new pluralistic constitution that makes it possible for democracy to demonstrate that it can deliver development.

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SCDP also works with a network of local NGOs, especially in the western districts of Kailali and Surkhet, bringing civil society into the picture. SCDP has tried not to duplicate the efforts of similar participatory activities, like PDDP and LGE, as well as to co-ordinate its activities with UNDP’s other environment-oriented projects, like the GEF’s Small Grants Programme and the Parks and People project. But it isn’t always easy, and the alphabet soup of acronyms is confusing. “They all sound the same, and they all work in the same way. Why not just lump them all together?” said one village chairperson.

Some lessons learned from the first phase have been incorporated into the second phase, and will also guide the wider implementation of SCDP in other districts in Nepal. Interviews with community leaders where SCDP is being implemented brought out the following comments and suggestions:

- In some CBOs, there is a problem with ownership; SCDP is still seen as something “from above”, and there are doubts if the programmes would continue if UNDP pulled out.
- Local partners are the crucial element in the success of the programme, and the motivation of the NGO or social mobilizer turns out to be a key determinant.
- Politicalization of the village and district development committees often reflects

Nepal's national political polarization. However, there are instances in which charismatic village leaders have been able to be non-partisan.

- The linkages between CBOs and village committees need to be strengthened. In many cases, council members complain that they don't know what the CBOs are up to, and CBOs say the members won't be bothered.
- UNDP's numerous programmes — PDDP, LGE, SCDP — are confusing.
- Micro-credit is used for individual needs and not always for income generation; not enough money is recycled for further loans.
- Some CBOs have become too successful; there is a big demand for loans and projects, but not enough resources.
- Doubts about sustainability: will the CBOs still exist when SCDP pulls out?

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