

USAID'S 2014-2018 STRATEGY IN NEPAL

OVERARCHING GOAL
To foster “a more democratic, prosperous, and resilient Nepal.” USAID asserts that if selected institutions become more effective at delivering services, more adept at engaging citizens—and more responsive to their needs—and if communities’ economic, environmental and human capacity are strengthened, then Nepal will become more democratic, prosperous, and resilient.

STRATEGIC CHOICES
Approximately 75 percent of USAID Nepal’s funding resources are tied to President Obama’s Initiatives for Global Health, Feed the Future and Global Climate Change, with additional funds earmarked for basic education and biodiversity. In developing the new five-year strategy, the Mission conducted extensive consultations



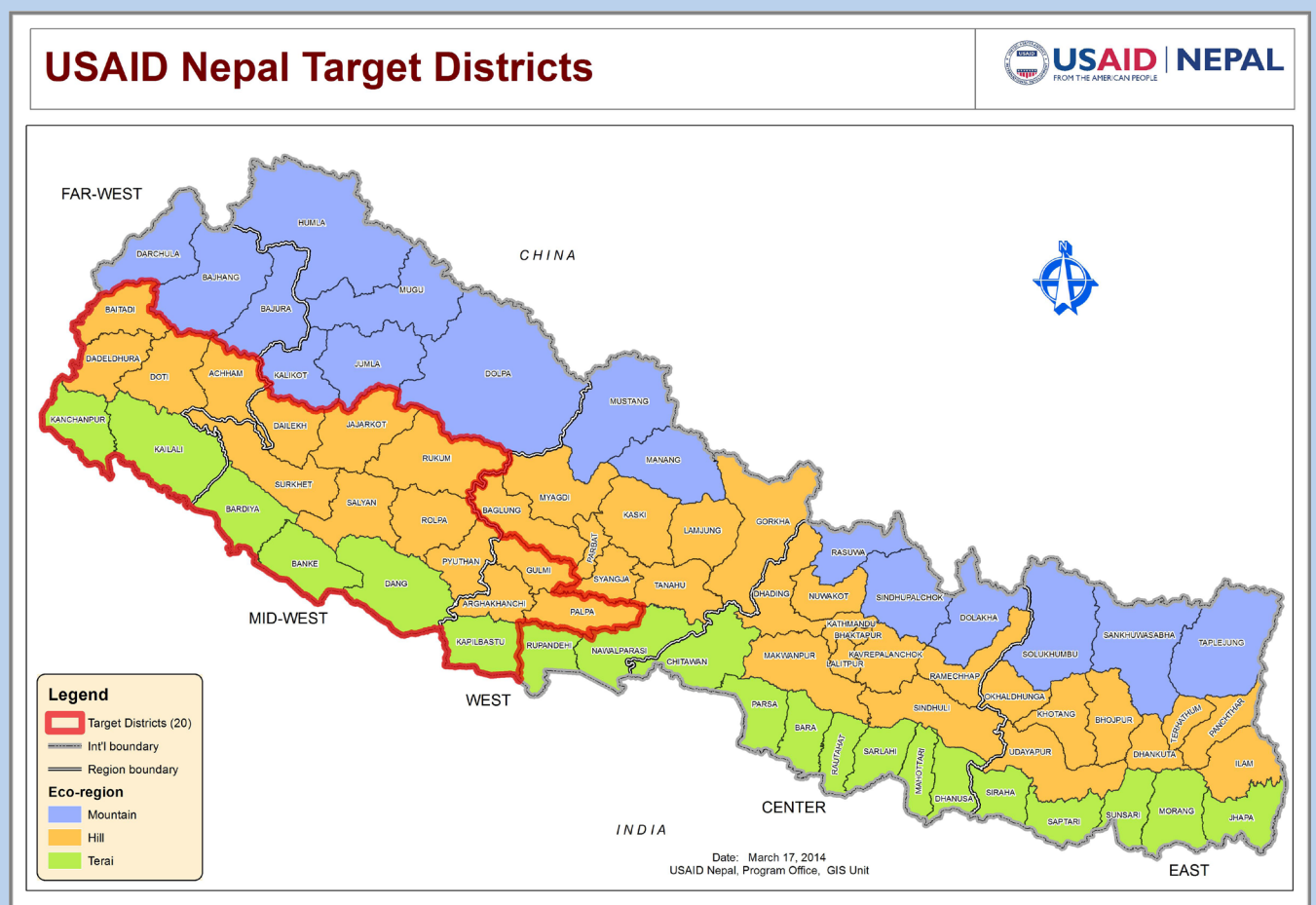
with Government of Nepal, private sector, civil society, U.S. government stakeholders, and others, and identified *good governance* as critical to achieving success in each of these sectors. Support to governance will result in sustainable impact through multi-sector efforts that build increasingly strong relationships with the Government of Nepal. **USAID/Nepal contends that U.S. foreign assistance is better secured through stronger Nepali institutions and their ability to implement sector programs.**

USAID will also focus efforts geographically to leverage its programs and relationships across sectors for better collaboration, especially locally. The expected results include greater transparency, government credibility, and public confidence in the targeted sectors. Except as required by the need to assist certain ecosystems, vulnerable populations, specific disease burdens, or coverage needs (especially for nutrition and HIV/AIDS), **USAID activities will be increasingly co-located within 20 core districts in the middle hills and the Terai portions of Nepal’s Far-Western, Mid-Western, and Western Development Regions.** This area has a higher level of poverty than the national average (32.5 percent vs. 25.2 percent nationwide) and a higher level of stunting (45.2 percent vs. 40.5 percent nationwide). The region is also typified by high population density, less developed infrastructure, and vulnerability to climate change, yet possesses significant unmet agricultural, economic and nature conservation potential.

DEVELOPMENT OBJECTIVE
USAID targets three Development Objectives (DOs) to contribute to achieving the overall goal:

1: More Inclusive And Effective Governance

Over the next five years, DO 1 will support increased inclusion of Nepalis in civic and



political life, and a government more capable of responding to rapidly increasing public demands, with an emphasis on meeting demands in Presidential Initiative sectors. USAID will focus and concentrate its local governance program to overlap with Presidential Initiative activities in districts of the Mid-West and Far-West regions. Activities in support of local governance will strengthen the sustainability of other sectors’ work and improve government effectiveness for better inclusion and response. These activities will contribute to the following expected results:

- The fulfillment of targeted mandates under the Comprehensive Peace Accord
- The inclusion of historically marginalized groups in leadership and decision-making positions in the executive and legislative branches of government
- Sustainable civic organizations that provide advocacy and oversight on social, economic, and political issues

- More effective expenditures at the national and local level in support of service delivery and public policy priorities

2: Inclusive And Sustainable Economic Growth To Reduce Extreme Poverty

To achieve inclusive and sustainable economic growth, Nepal needs increased agriculture-based incomes, expanded small-scale enterprise opportunities, a liberal trade and investment climate, and a protected natural resource base—all supported by a strong policy and enabling environment. For Nepal’s economy, the real challenge will be to “graduate” to a higher growth trajectory by removing key bottlenecks to public and private investment. Each result achieved under this DO will contribute to the success of all economic growth activities. For example, because environmental resources are a common good, a certain level of economic stability is needed for a community to work together to manage those resources effectively. Also, successful businesses can provide private sector incentives to enhance agricultural production and marketing and create sustainable individual and community engagement in natural resource management. The extent to which there will be sustained and broad-based economic prosperity in Nepal is closely tied to the effective management and conservation of



natural resources in the country. Over the life of this strategy, USAID will contribute to the following results:

- The prevalence of extreme poverty (US \$1.25/day) reduced
- Micro, small and medium enterprises established or expanded
- Improved biophysical conditions in biologically significant areas and/or natural resources showing improved biophysical conditions
- Increased capacity of stakeholders to adapt to global climate change

3: Increased Human Capital



In the Thirteenth Three Year Plan, the GON identifies major problems in education, such as inadequate access to quality, basic education among children from poor and marginalized communities and the need for teacher training and curriculum. USAID will invest in improving basic education through the Ministry of Education and the School Sector Reform Program (SSRP) which is responsible for planning, managing, financing, implementing and evaluating basic education reform programs. These activities will increase literacy for adults and improve the reading skills of children in grades one through three.

Similarly, in the Health and Nutrition sectors, the GON wants to ensure that