



ENABLING STATE PROGRAMME

towards pro-poor governance in Nepal



TENTH PROGRESS REPORT
January to June 2006

August 2006

FOREWORD

The reporting period has seen many changes in the context in which ESP operates and in ESP itself. January, February and March saw growing disillusionment with the political situation and many challenges to implementing good governance initiatives as Nepal's multiparty democratic constitution was side-lined and the government-Maoist conflict escalated. Then in April came the mass protests against royal rule, the reinstatement of parliament, the ceasefire, and the beginning of the process to reform the constitution. This has led to a situation where there is general optimism about the prospects for improving governance, tempered with widespread recognition of the many remaining difficulties. This has meant that there is currently a great demand for assistance from programmes such as ESP to help overcome the many hindrances to improving governance.

ESP itself has seen a number of significant changes including the office moving to Sanepa and programme manager Arun Adhikary leaving to take up a post with the UN. I was very happy to be appointed ESP's new programme manager in April.

One of the main challenges for ESP is how to provide the support that is being demanded when ESP's budget has been significantly cut for 2006/07. It is hoped that a good part of the shortfall can be made up for by the newly launched Rights Development and Inclusion Fund.

One strategic point we also want to work on is how to achieve a better balance between support to the central level for changing the overall system and more grassroots-oriented support to establish good practices at the local level. Although ESP has been providing much grassroots level support through most of its current portfolio of projects (CMEP, SDPPP, DEIP, JEP and CSACP), it has the image of focussing mainly on the central level.

I look forward to working with the ESP staff and our many partners to continue ESP's valuable work to promote pro-poor governance in Nepal.

BANDANA RISAL
Programme manager

July 2006

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Front cover photos:

1. Nepali version of IIDEA's book *Electoral System Design*, published in March 2006 with ESP support.
2. The general secretary of the Nepal Federation of Indigenous Nationalities (NEFIN) reads out Janajatis' concerns for inclusion in the new constitution before handing the document to the Interim Constitution Drafting Committee. NEFIN is implementing ESP's Janajati Empowerment Project.

1 OVERALL PROGRESS

The Enabling State Programme (ESP) began in 1997 and was formally launched in January 2001 to support Nepali ideas for pro-poor governance.

The first section of this report summarises the overall progress made by ESP and its partners between January and June 2006. Sections 2 to 7 give write-ups on all this period's satellite projects and exploratory activities.

Note that although ESP's previous progress report is dated February to December 2005, it did not fully report on all of ESP's work in November and December. This report therefore covers the outcomes of important ESP-supported initiatives that finished in November and December 2005.

1.1 Political developments and ESP's work

This reporting period saw momentous political developments that have had a large influence on all areas of governance and hence on ESP's work. The period from January to April saw growing discontent with royal rule, including from Nepal's donors. King Gyanendra had taken the helm of government on 1 February 2005. The subsequent suspension of many of the parts of the multiparty constitution led to restrictions on the media, civil society, and some aspects of everyday life.

At the same time the government-Maoist conflict worsened with ever more Nepalis losing their lives, and life in general being seriously disrupted. ESP's satellite projects and exploratory activities managed to carry out most of their work in spite of pressure from the Maoists and the security forces. Also, ESP supported a number of initiatives to lessen the negative impacts of the conflict (see Section 4 of this report) and continued channelling the DFID-GTZ Risk Management Office (RMO) advice to the projects.

The three weeks of nationwide protests from 6 April, led by the seven mainstream political parties, ended after the king reinstated parliament on 24 April 2006. The disruptions caused by these protests led to most of the work of ESP's partners coming to a standstill. ESP kept its projects in close contact with the RMO during this period of great uncertainty.

The many developments since 24 April have led to a much more promising environment for governance reform. The Maoist's unilateral ceasefire of 26 April was reciprocated by the government on 3 May. The reinstated parliament is moving towards forming a constituent assembly to give Nepal a new constitution for a more inclusive democracy. Most of ESP's satellite projects have received a fresh impetus from this improved situation.

1.2 Project addendum

ESP's original project document is dated January 2001 with the first addendum to it produced in November 2003. A second addendum was added in September 2005 to take ESP beyond the end of its Phase 1 (31 January 2006). The new project addendum surveys the lessons learned and impact made by ESP over its more than six years and then gives the rationale for extending ESP. The addendum emphasises the potential of ESP to provide support for the crucial work that needs doing on rights, democracy and inclusion.

The addendum extended ESP to December 2008. It also said that the budget was to be increased by about 50% from £19.5 to £27.5 million — a decision since reversed (see below) — and a new fund would be set up to roll out rights, democracy and inclusion initiatives (RDIF began in February 2006). The addendum also says that ESP should give more attention to managing its satellite projects with more of a focus on the institutional strengthening of partner organisations. This addendum includes a new ESP logical framework (See Annex 1).

1.3 ESP funding

In April 2006 DFID reduced the amount of funding to ESP. This happened because of the unfavourable political situation in Nepal and a shortage of DFID money in Asia as so much had been diverted to support the survivors of the December 2004 tsunami and the 2005 Kashmir earthquake. The amount allocated for ESP in 2006/07 was reduced from £4,850,713 to £2,185,000. Most of the cuts have been made by reducing satellite project funding and by only allowing for a very limited number of new projects. The amount allocated for on-going satellite projects for 2006/07 was reduced by a half from £3,270,000 to £1,642,500.

1.4 Office management

ESP's office moved from Heritage Plaza, Kamaladi to Sanepa from 30 January 2006 to be nearer to DFID Nepal and most other bilateral and multilateral donor agency offices.

There have been the following significant staffing changes during this reporting period:

- Arun Adhikari finished as programme manager at the end of January 2006 to take up a position with UNDP in Afghanistan;
- Bandana Risal was acting programme manager in February and March. She successfully passed through the competitive recruitment process for programme manager and took on the new responsibilities at the beginning of April;
- the contracts of Santosh Bishta (governance advisor) and Bikash Man Singh (ESP administrator) finished at the end of January 2006;
- Yagya Shah joined ESP as Rights Democracy and Inclusion Fund (RDIF) coordinator in April 2006; and
- all other staff contracts were renewed from 1 February 2006.

Also during this period a number of staff have taken on new responsibilities with Bimal Tandukar currently overseeing almost all the exploratory activities and satellite projects, Aarati Rana looking after satellite project security matters, Sourabh Pradhan who is looking after all financial matters, and Prabina Maskey who has taken on more administrative responsibilities.

ESP is recruiting two new staff. The new finance and administration manager will be responsible for overseeing the financial management of ESP's satellite projects and will have a particular mandate to ensure that this happens more effectively and transparently. This is going ahead in response to calls in the 2005 addendum to strengthen ESP's finance unit to enable it to improve accounting and auditing oversight of project partners. A senior programme coordinator is also being recruited to serve as deputy programme manager with special responsibilities for monitoring and managing the progress of satellite projects.

1.5 Achievements of log frame indicators

ESP purpose: Critical mass of Nepalese key players develop practical understanding of and need for pro-poor governance areas with home-grown change potential.

ESP's new log frame was finalised in September 2005 when it was planned to increase ESP's budget by 50%. Instead of this, ESP's budget for financial year 2006/07 has been cut to a half of the original estimate. This is the main reason why ESP has been unable to meet some of its indicator targets (see below). Other difficulties have been the major staff changes and the effects of the political uncertainty and the conflict. These latter two factors have however, had a relatively minor impact on the programme: it is the funding cuts that have not allowed ESP to extend its work.

The most positive development has been the new RDIF fund that is being managed by ESP. The progress of the first few months of the fund's operation is described below. This fund can be viewed as a new way of supporting initiatives that might otherwise have gone ahead as satellite projects or exploratory activities.

Achievement of ESP output 1 — exploratory activities

“Enough exploratory activities in agreed areas of good governance completed to allow selection process of output 2.”

Indicator 1.1: 20 exploratory activities selected and started annually complying with selection criteria.

- Between January and June 2006, 18 new exploratory activities (from contracts EA 202 and PS 104 onwards) were started with 7 on social inclusion, 2 on access to justice, 4 on service delivery, and 3 on political governance. See Annex 2 for a list of all exploratory activities that have been on-going in this reporting period — including 5 that finished in November and December 2005.

Indicator 1.2: All exploratory governance reports completed and accepted by stakeholders.

- Completion reports have been received from all exploratory activities and systematically filed away in the ESP resource centre. ESP insists that projects are carried out in a participatory way with the stakeholders recognising and agreeing with the final outputs.
- The Freedom Forum's study on electoral system for constituent assembly in Nepal and the publication of IIDEA's book in Nepali on worldwide electoral systems are two major initiatives that have been widely appreciated in the political arena. There has been a high demand for the IIDEA book with hundreds of copies distributed to the political parties and high level government bodies.
- The EA reports on 1) public budgets in Jumla and Dolpa (EA/202) and 2) on the everyday problems of Dalits by Kishore Nepal (PS/105) are two other noteworthy pieces of work from this period.

Achievement of ESP output 2 — satellite projects

“Enough projects, selected from exploratory activities or from separate proposals, designed and launched so as to allow development of a critical mass of Nepalese key players with a basis of practical understanding of governance change needed.”

Indicator 2.1: 16 exploratory activities selected for development into project drafts annually.

Indicator 2.2: 12 projects approved for implementation annually by Nepalese and donors.

- Only three project documents were prepared during this period. Of these the Blue Diamond Society's Sexual and Gender Minorities Support Project is not being funded by DFID whilst DFID has still to take a decision on whether to fund the Consortium for Assisting Prisoners' 'Prisoners' Legal Aid and Paralegal Service Project'.
- No new projects were launched in this reporting period because of the halving of the originally estimated ESP budget for satellite projects in 2006/07. Funds have been allocated for a new legal aid project.
- During this period the NGO Federation Project and the FNCCI Anti-corruption Project have come to an end. ESP therefore has seven on-going projects and once the Dalit Empowerment and Inclusion Project ends in August and the Patrakarita Pathsala Project in October, there will only be five satellite projects if no new ones are launched. (See Annex 3 for basic information on ESP's satellite projects).

Achievement of ESP output 3 — lesson learning

“Lesson learning is built into the design of each project in Output 2, and lessons and successes of exploratory activities and projects disseminated widely, and especially to those in the group of Nepalese key players involved in the set of projects.”

Indicator 3.1: All project drafts contain mechanisms to allow specific lessons to be fed back into ESP process.

- All project documents produced since 2004 say that projects must report on useful lessons learned. This is done in projects’ three-monthly reports.
- Although this is an area that needs more attention, there has been some sharing of lessons between ESP projects. The Civil Society Anti-corruption Project has representatives from other ESP projects (DEIP, JEP and NGO Federation) on its district coordination committees. One important issue raised at these meetings by the NGO Federation Project has been its difficulties in sustaining the operation of some of its NGO resource centres due to their late establishment and project funding ending without adequate provision for the centres’ running costs. This project recommended that all projects give more attention to securing alternative funding right from their beginning.
- ESP has only organised one gathering of satellite project representatives since it started. The July 2004 meeting in Godavari was very useful.
- ESP’s pioneering support to supporting Dalit and Janajati (ethnic people) civil society has shown the way forwards for the many other donors who are now starting to support work on social inclusion.

Indicator 3.2: 6 conferences, workshops and seminars held annually attended by Nepalese and donors and evaluated as giving a better practical understanding of governance issues.

- ESP has supported the following to give a better practical understanding of governance issues:
 - the Freedom Forum’s six public debates on social inclusion and decentralisation;
 - 25 episodes of the *Mat Abhimat* TV programmes that broadcast district and village level discussions on current issues and problems;
 - the national interaction for the Asia 2015 London meeting; and
 - the first national conference of the Weekly and Fortnightly Newspaper Network.
- There is, however, a need for more meetings to share the findings of ESP supported studies.

Indicator 3.3: 4 publications published annually and evaluated as giving a better practical understanding of governance issues.

- The publication of the Nepali translation of IIDEA’s Electoral Systems Handbook provides a valuable resource when Nepal’s electoral system is being widely questioned. This book has been distributed to all mainstream political parties and to many high level government bodies.
- The two TV series produced by Sara Sarans and Vijay in this reporting period — *Events that Shaped Nepal’s History* and on understanding Nepal’s Janajati communities — have the potential to reach a wide audience to improve understanding of important governance issues. They have yet to be broadcast.
- ESP supported the editing of a book by Damodar Adhikari on local governance in Nepal.
- ESP’s website has been redesigned and has good potential to communicate a better understanding of governance issues and to provide links to useful information. Go to the satellite project pages of www.esp-nepal.com to see the new improved layout.

Achievement of ESP output 4 — institutional strengthening

“Management capacity of project partner institutions is strengthened to improve transparency, accountability, monitoring and ability to access sustainable resources.”

Indicator 4.1: Improved financial management and governance practices.

- A leading audit company carried out a system audit of six satellite project partners in January-February 2006 (FEDO, DNF, CVICT, RSDC, Pro-public, and NEFIN). ESP and DFID are pushing for the recommendations of these audits to be implemented and ESP is appointing a new finance and administration officer who will have special responsibilities for improving the management of satellite projects. Most of these partners have made action plans and are on the way to implementing many of the audit recommendations.

Indicator 4.2: Improved capacity for monitoring and evaluation of project impact.

- ESP is appointing a senior programme coordinator who will be responsible for monitoring the progress of satellite projects. This person will be responsible for training partners how to monitor and for improving ESP's monitoring system.

Achievement of ESP output 5 — RDIF and new satellite projects

“New satellite projects and funds are supportive of participation, inclusion and accountability.”

Indicator 5.1: At least 6 suitable projects identified within the first year, grouped under a single fund.

- RDIF was launched in February. So far three projects have been chosen for funding (see below write-up on RDIF).

Indicator 5.2: Increased learning opportunities on issues such as public participation and rules of the game.

- The Community Mediation Project and its extension project have made great strides in allowing local people to solve their disputes. The local groups formed and strengthened by the Civil Society Anti-corruption Project are building up local capacity to oppose, expose and prevent corruption at the district level.
- The Janajati and Dalit empowerment projects are making a significant impact on changing the rules of the game in Nepali society. These ‘rules’ that informally govern who gets access to services and other benefits, have so far favoured the Brahmins, Chhetris and Newars.

Indicator 5.3: Increased availability of training in public participation for excluded groups.

- Of the 25 students in the second Patrakarita Pathsala Project training programme for district journalists, 5 are Dalit, 5 women and 10 Janajati
- The Dalit and Janajati empowerment projects have important components to empower grassroots communities including showing community groups how to claim their rights to basic services and become involved in local decision making. The exploratory activities run by Sweet Nepal, Nari Utthan Kendra, and Sharada Sangam Youth Club in Far Western Nepal have also built up the capacity of local groups of disadvantaged people to do this.

1.6 RDIF progress

The Rights, Democracy and Inclusion Fund was launched in February 2006 to promote democratic values, policies and practices across Nepal's political and constitutional spectrum. The fund has been set up in response to the many challenges that Nepal's multiparty democratic system has faced since its reintroduction in 1990. The absence of a parliament and elected local government from 2002, and the royal takeover of February 2005

posed serious threats to Nepal's democratic system and made a strong case for setting up such a fund.

The fund was launched with £2.8 million of British (DFID) funding and £178,000 of Swiss (SDC) funding. Since then the Australian and Norwegian aid agencies have shown an interest in also contributing. ESP serves as the fund's secretariat with its main task being to receive and process proposals ready for the steering committee to decide which ones to support.

Up to the end of June, 109 proposals were received on subjects ranging from women's and Dalits' political inclusion, to voter education for the constituent assembly elections, and institutional reforms for sustainable democracy. The fund's guidelines on how organizations can apply for funding are given at Annex 4 of this report.

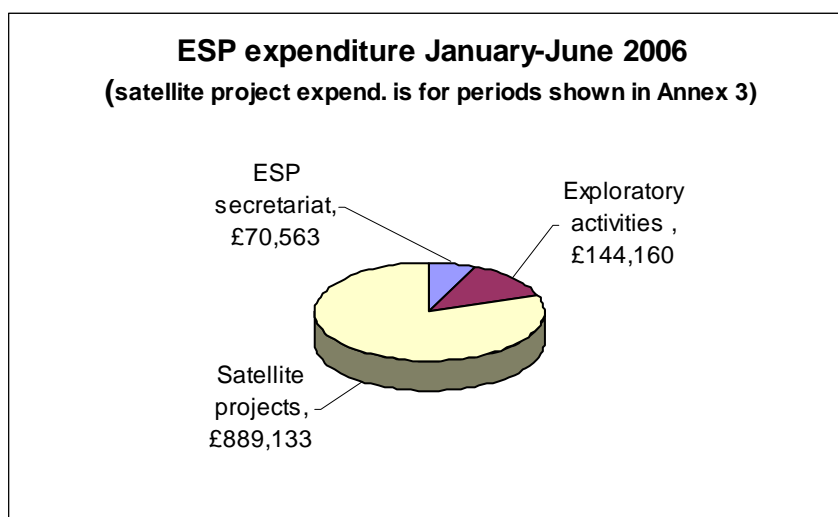
All proposals submitted in the correct format on a relevant subject are considered for funding at the steering committee's monthly meetings. So far the following three projects have been approved for funding:

- Ganesh Man Singh Academy on Enhancing the Quality of Political Parties (£28,000)
- SWEET Nepal (Kanchanpur) on Creating Women's Networks in the Far Western Region for Strengthening Participatory Democracy (£67,000); and
- International Committee of Jurists on The Role of Justice in Restoring Peace in Nepal (RDIF is providing £39,000 which is 20% of this initiative's funding).

Several other projects, including ones on women's political inclusion and voters' education, have passed through the initial screening process.

1.7 ESP Expenditure

Total ESP expenditure for January to June 2006 came to £1,104,255 for ESP secretariat, satellite project, and exploratory activity costs as shown in the chart below. The expenditure by individual satellite projects is given in Annex 3. Note that only very minor RDIF costs pass through ESP's accounts.



2 ANTI-CORRUPTION

2.1 FNCCI Anti Corruption Project

Federation of Nepalese Chambers of Commerce and Industry (FNCCI)

Project purpose: Reduced corruption involving the business community

This three-year long project began in January 2004 and ran to March 2006 after a three month no-cost extension had been granted. It spent almost all of its budgeted £196,204. The following table shows the range of activities carried out across the 27 month period.

FACP outputs	FACP achievements (Jan-04 to Mar 06)
Output 1 FNCCI effectively running an anti-corruption programme for the business community	<ul style="list-style-type: none"> ▪ 10 business ethics and corporate social responsibility programmes run in 6 districts for 639 businesspersons. ▪ 14 business ethics advocacy sessions run in 9 districts for 422 businesspersons. ▪ Discussion sessions held with MBA students about business ethics.
Output 2 Business community accepts a code of conduct	<ul style="list-style-type: none"> ▪ An 18-point code of conduct agreed on by FNCCI membership. ▪ 33 code orientation sessions attended by 2182 businesspersons in 30 districts.
Output 3 Business community, HMGN and civil society (including consumer organisations) jointly seeking ways to reduce corruption	<ul style="list-style-type: none"> ▪ Complaint hearing unit established in November 2005; but no complaints received yet. ▪ 9 seminar discussion sessions on business-related corruption conducted in 3 districts with 496 participants from Government of Nepal, civil society and other stakeholders. ▪ 5 discussion forums run to orientate small enterprises on business ethics. ▪ Studies completed on customs, income tax and VAT, excise, and informal and unauthorised trade with India. ▪ Study tours run to Southeast Asia business anti-corruption initiatives.
Output 4. General public more aware of the nature and cost of corruption to businesses and consumers	<ul style="list-style-type: none"> ▪ <i>Virus</i> TV serial broadcast with anti-corruption messages related to business ethics. ▪ A useful and regularly updated website established (www.bizethics-nepal.org). ▪ Thousands of brochures, posters, and copies of the newsletter distributed. ▪ Books on business directives and anti-corruption published.

A survey of the project's impact found that its work on the business code of conduct was highly appreciated by businesspersons and that the project had successfully raised awareness against corruption and for corporate social responsibility in the business community.

This project has been the first initiative of its kind in Nepal. The final report lists the main lessons learned and gives future strategies for continuing its work. These include continuing to report on business ethics and anti-corruption issues in FNCCI's regular publications, gearing up the Complaints Hearing Unit, and FNCCI working more on making the future generation of businesspersons more aware about business ethics. The project produced the publication *FNCCI Anti-corruption Project In Retrospection: Re-living the Project Years (2004-2006)*, to document its achievements and point the way forwards.

2.2 Civil Society Anti-corruption Project (CSACP)

Pro-Public

Purpose: Reduce corruption by mobilising civil society organizations.

It was difficult to roll out project activities in April because of heightened security concerns and because many project stakeholders were involved in the protests. The restoration of democracy has seen project activities going ahead with renewed enthusiasm.

The major activity organized by the project since April has been roundtable meetings in Kathmandu and all 10 project districts on "Expectations of the Political Parties and Civil Society Against Corruption". These have drawn the attention of the new government to the

importance of addressing corruption when they were preoccupied with political issues. Political and civil society leaders who attended these meetings signed a 'Public Commitment Against Corruption' that has returned tackling corruption to the forefront of the public agenda.

The current relaxed security situation has seen a surge in project activities. Public hearings have remained the most implemented and most in-demand activity because they 1) provide a forum where the common men can question the authorities, 2) people are presented with facts and figures in a transparent way, 3) decisions can be taken quickly, and 4) time-bound commitments to fulfil the demands of the people are made in public. At least two public hearings were held in all 10 project districts in the May-June period.

The next most popular activity has been the door to door campaigns and community meetings where the public are informed about how to get government services and which documents need to be produced to get services. The project has been assisted in these activities by volunteer youth groups, mainly the good governance radio listeners clubs.

The project's complaint hearing units and corruption monitoring networks have been operating in all project districts. The 10 complaint hearing units have received between 15 and 50 complaints and have been relaying the serious ones to the authorities. Monitoring network members have carried out their first round monitoring of the performance of local line agency offices, with at least two monitored per district and findings reported to the project. These networks are well recognised as they are mainly made up of local politicians and civil society representatives.

2.3 Evaluation of *Sarbajanik Sunuwai* Public Hearings (EA/204)

Research and Development Group

The fourth phase of ESP support to the *Sarbajanik Sunuwai* televised public hearings (EA/168) ended in October 2005. ESP supported 65 episodes between October 2003 and October 2005 with hearings held in 19 districts including several remote districts. Of the subjects covered, 11 episodes concerned irregularities, corruption and poor service delivery at the district level; and 9 dealt with irregularities, corruption and service delivery in public enterprises. The six follow-up programmes looking at action taken as a result of the hearings.

A January 2006 independent evaluation found that *Sarbajanik Sunuwai* had raised awareness amongst the general public about the services they should expect without paying any bribe or seeking any favour. It had also directly contributed to improving the services delivered by district government offices. *Sarbajanik Sunuwai*'s strengths were evaluated as: 1) it was the only programme of its type when the mainstream media was largely ignoring the sort of issues it raised, 2) it did a very good job of raising awareness and informing public opinion; and 3) it maintained political neutrality. Under the same contract RDG assisted NSDC to prepare a business plan and seek further support to continue the series.

2.4 Hatemalo Campaign against Corruption in Far-West Nepal (EA/170)

Sanjeevani Nepal

This exploratory activity forged links between civil society and line agencies to combat corruption in Dadeldhura and Kanchanpur. The following activities led to increased public awareness against corruption and made the public more confident to complain about poor service and corrupt practises by civil servants:

- 19 interaction programmes on good governance and anti-corruption for the heads of district line agency offices, lawyers, businesspersons, civil society, and the media;
- four training programmes for civil servants on corruption control;
- 18 public hearings and published anti-corruption posters and bulletins; and
- established district units for receiving and following up on corruption complaints from the public. These sent letters to 29 accused civil servants about complaints against them.

3 SOCIAL INCLUSION

3.1 Dalit Empowerment and Inclusion Project (DEIP)

Dalit NGO Federation and consortium

Purpose: National level dalit NGOs better able to define and achieve the core dalit agenda of empowerment and policy and institutional change

This reporting period was marked by good progress in the first three months, the carrying out of the output to purpose review, a 50% cut in the project's budget effective from April, some disruptions to project activities due to the conflict and the April protests, and finally unfortunate disagreements within the Dalit NGO Federation that brought project activities almost to a standstill. The flaring up in June of the split between the two factions in DNF led to the courts freezing the project's bank account leading to difficulties in paying project staff and bills. This project will come to an end in August 2006.

Between January and March the project continued its training programme for Dalit NGOs, broadcasting its anti-discrimination TV and radio programmes, support for empowerment programmes to 48 communities in 6 districts, and other national and district level activities.

The output to purpose review (contract PS/103 — Bidya Nath Koirala) found that DEIP has been a pioneering project that has raised the profile of Dalit civil society. It recognised the project's main achievements as:

- improving the professionalism of national and district level Dalit NGOs;
- increasing contacts and cooperation between national Dalit NGOs;
- leading to national Dalit NGOs paying more attention to diversity issues by taking steps to involve Terai Dalits and Dalit women in their staffing and boards;
- bringing government and non-governmental agencies together at the district level for the benefit of Dalit communities (through its district consultative committees);
- increasing the coverage of Dalit issues by the media; and
- empowering a number of community Dalit groups to articulate their demands (through the project's community enabling programmes).

3.2 Janajati Empowerment Project (JEP)

Nepal Federation of Indigenous Nationalities (NEFIN)

Purpose: Increased participation of janajatis in socioeconomic and political processes at all levels

The project made considerable progress in this period (see table below) in spite of disruptions caused by the April mass protests. The largely positive developments that followed have given the project a fresh impetus. In May the project decided to prioritise support for raising awareness amongst Janajatis about the constitutional assembly and advocating for Janajatis' interests in the process. In June the project and NEFIN supported 35 Janajati NGOs and 22 project district coordination committees to organize awareness raising programmes on the constitutional assembly, restructuring the state, Janajati representation in the constituent assembly, and federalism and ethnic autonomy issues.

The project has contributed to Janajati inclusion coming to the forefront of the national political agenda. NEFIN receives almost daily invitations to participate in national, international development and political forums to represent the Janajati viewpoint.

These developments and the 50% cut in the project's budget from April have led to a scaling back of the empowerment programme for 24 highly marginalised Janajati groups that has been on-going since May 2005.

JEP Outputs	JEP achievements Dec 05-June 2006
Output 1: More representative, efficient, accountable and transparent NEFIN and IPOs (indigenous people's organisations)	<ul style="list-style-type: none"> • NEFIN developed a partnership with Action Aid and SNV to implement Janajati project activities • The capacity of NEFIN's mid-level staff has been developed to organise joint programmes with national and international organisations • The project's district coordination councils have been activated and the number of committees has increased by more than 45% • After the pro-democracy movement, NEFIN's profile has raised and its participation is being sought by civil society organizations, political parties and government agencies to represent Janajatis.
Output 2: Increased awareness among Janajatis of their rights and improved ability to collectively assert them	<ul style="list-style-type: none"> • Held cultural events in 6 districts with more than 200 teams performing to 100,000+ spectators • Published leaflets, 6 wall-newspapers and 2 Janajati newsletters • Ran journalism training for 125 Janajati journalists and students in five districts • Produced and broadcast 14 episodes of fortnightly Janajati radio programme on Radio Nepal and 12+ FM stations • Started regular monitoring of 3 electronic and 5 print media on coverage of Janajati issues to provide indicator of the coverage of Janajati issues • Coaching to prepare project proposals organised for 17 Janajati NGOs • Observation tour for 34 Janajati activists who became aware of Jharkhand's indigenous movement
Output 3: Socio-economic status of highly marginalised janajatis (HMJs) improved through enhancing capacity of IPOs	<ul style="list-style-type: none"> • Large on-going empowerment programme for 24 highly marginalised ethnic groups • Training on financial management and organisation development for social mobilisers and committee chairpersons of HMJ programme • Adult literacy refresher training for 153 literacy facilitators and HMJ group motivators. • Awarded 3500+ scholarships to HMJ students from primary to undergraduate level. • Public audit system introduced in HMJ community activities
Output 4: Janajati issues addressed and accommodated to policy regime	<ul style="list-style-type: none"> • District coordination committees organised interaction and talk programmes in 12 districts • Organised 3 national workshops on the responsibilities of IPOs • Nationwide consultations held with Janajati NGOs and district coordination councils on constituent assembly, state restructuring and ethnic autonomy to develop NEFIN's ideas on this theme. • News and feature articles published in mainstream print media advocating Janajati causes • Concept papers commissioned on constitutional assembly and Janajati issues • Nepal has been declared a secular state, which was one of NEFIN's main demands • NEFIN representatives are included in the national committee to monitor observance of the ceasefire code of conduct, the Interim Constitution Drafting Committee, the Civil Society Movement Front, and the political parties' Janajati Front.

3.3 NFDIN Institutional Strengthening Project (Janajati Foundation Project)

National Foundation for Development of Indigenous Nationalities (NFDIN)

Purpose: NFDIN efficiently and effectively working for the development of Nepal's janajatis.

The inception phase began in November 2005 for this three year project to build up the capacity of the main government body for Janajati affairs. The project had set up its office, recruited staff, carried out planning exercises and was ready to go ahead when the mass protests of April happened. However, the new government dismissed the office holders of many government bodies including the foundation's executive committee that has a central role in implementing the project. As advised by ESP, the project has not carried out any major new activities since then. A high level committee has nominated three candidates for the position of executive chairman and the decision on who is to become chairman is expected by the end of July 2006.

ESP has advised that the following issues need urgently addressing by the new committee:

- the project should focus on establishing the foundation as a permanent and credible body with full time staff;
- project activities should complement NFDIN's regular activities; and
- a major planning exercise should be carried out to support the new cabinet decision to establish district Janajati committees.

In spite of the disruptions the project managed to run several activities including project orientations and a regional sensitisation meeting in eastern Nepal on the constitutional assembly and regional autonomy in coordination with the Janajati Empowerment project. Leading on from this the project has commissioned several leading academics to assess potential constituencies for the constitutional assembly based on cultural characteristics.

3.4 Sexual and Gender Minorities Support Project Document (PS/106)

Blue Diamond Society

Proposed purpose: Sexual and gender minorities are empowered and included in the national mainstream

Leading on from previous ESP support (EA/180), Nepal's main representative organisation for sexual and gender minorities produced a project document that was submitted to DFID for funding in March 2006. The £538,914 project aimed to:

- improve awareness about the situation and rights of sexual and gender minorities;
- sensitize policy and decision makers and other key leaders on the issues;
- provide these minorities with access to justice to protect and promote their rights;
- educate the police to respect these minorities' rights; and
- strengthen civil society to campaign and protect these minorities.

Because of budget cutbacks this project was not accepted for funding by DFID.

3.5 Empowering Displaced Girls to Combat Exploitation (EA/159) Implementation of Code of Conduct in Dance Restaurants (EA/210)

Rahat

EA/159 successfully completed its series of activities in December 2005 to empower young vulnerable women working in dance restaurants, many of whom have been displaced by the conflict from their home areas. Its main achievements were to raise awareness amongst the girls, their employees, and the police about respecting the girls' rights.

ESP is providing further support and work is on-going to introduce a code of ethics to protect the girls. It is holding interaction sessions with the girls, employers, managers, and law enforcement agencies in the Kathmandu Valley, Pokhara and Birganj. It is also working to strengthen a network of cabin restaurant owners. The first phase of support carried out a baseline survey of cabin restaurants in Kathmandu whilst the second phase has surveyed 23 cabin restaurants in the busy commercial town of Birganj.

3.6 Good Governance and Tharu Women Empowerment (EA/181) Increasing Participation of Tharu Women in Local Governance (EA/213)

Nari Utthan Kendra (Women Progress Centre)

ESP supported a Kanchanpur NGO to increase the awareness of poor women in two Kanchanpur VDCs about their rights (EA 181). Orientation workshops were run for 132 participants; 24 women were helped with completing essential registration such as for citizenship; and training programmes were run on gender and governance, domestic relations, accounts, and photography. The work was completed in January 2006 and has led to a number of positive outcomes as reported in the last ESP report.

The second phase of support (EA/213) is due to run until January 2007 and aims to further build up the ability of local Tharu women to participate in local governance and get better access to services. In the first few months, training sessions have been run on community mobilisation, good governance, human rights, and the rule of law.

3.7 Study of Terai Dalit Women's Situation (EA/196)

National Dalit Confederation

Dalit women from Nepal's eastern Terai are amongst the poorest of the poor as they are a marginalised group within a marginalised group. This study looked at the problems of Terai Dalit women in 45 settlements in Mahottari, Saptari and Dhanusha districts and found that:

- many Dalit women are unable to get their citizenship certificates for a multitude of reasons including not having the required documents (husband's citizenship), not having political connections, having come from India to marry a Nepali man, their husband's or parents' disapproval, and their inability to negotiate administrative procedures; and
- the political participation of most of the women interviewed was limited to acting as token women representatives and vote banks. A few women with genuine participation were identified with the potential to become transformative leaders.

The many problems suffered by Terai Dalit women are long-standing and have many causes. The study's recommendations are thus wide ranging and include measures to:

- make it easier for these women to get citizenship certificates including making procedures and easier to negotiate and particular recommendations such as providing language support for the many women who do not speak, read or write Nepali;
- increase these women's political participation by making political activism more accessible to them and making women more able to access them; and
- make local governance systems more receptive to the needs of these women.

3.8 Lessons about Social Exclusion (PS/105)

Kishore Nepal

Leading journalist Kishore Nepal is well known for reporting on perspectives from outside the Kathmandu Valley. This study gives many valuable insights into the everyday situation and the problems faced by Dalits in Saptari, Siraha, Surkhet and Tehrathum districts. Although he relates how there has been some recent progress, most of his story focuses on the many problems Dalits suffer. It describes the tensions between Dalits and high castes and between different Dalit castes. It tells how Dalit agricultural labourers are paid the equivalent of only 30 to 48 rupees a day in some areas. It also covers problems related to Dalits' lack of education and widespread unemployment. See insightful April 2006 report.

3.9 Facilitating Inclusion and Implementation of Dalit Agenda in Local Government Planning (EA/208)

Sharada Sangam Youth Club

This Kanchanpur youth club has run programmes for Dalit rights for several years and has a network of local Dalit organisations. This ESP support runs until September to increase Dalit involvement in local decision making and to improve their access to services. It has so far run the following activities for Dalit network members:

- orientation sessions for 740 Dalits on their constitutional and legal rights;
- an interaction with the district education office on education for Dalits that pressed for Dalit children to be given their due scholarships;
- an interaction session with politicians on Dalits and the constitutional assembly; and
- interaction programmes between Dalits and non-Dalits; and
- the en masse entering of a temple from where they had previously been excluded.

3.10 Other ESP Social Inclusion Support, January-June 2006

Exploratory activity	Partner	Contract	Main outcome/status
Community Empowerment and Civil Society Good Governance	Sweet Nepal	EA/161	This activity ran from March to December 2005 and successfully raised the awareness of deprived Sunaha fishing community and other poor women of Kanchanpur district about their rights and how to work for community development. They also learned how to lobby line agencies and local government to include their communities in development support.
Gender Assessment of the Private Banking Sector	Rama Laxmi Shrestha	PS/107	This work follows on from a previous ESP assignment on Gender and Social Inclusion in Garment Factories (PS/098). The current study looked at the situation of women employees in Nepal's private banks. The main finding was that, although the number of women holding mid-level positions has increased, there are still no women in high level positions. The study recommends ways to make private banks more women-friendly workplaces.
Women's Empowerment through Private Enterprise Development	Society of Local Volunteer's Efforts (SOLVE)	EA/156	This support enabled this network of women entrepreneurs to forge better links with the market for their products. The network is emerging as a strong force to lobby on local social and economic issues.
Public Debates on Social Inclusion and Decentralisation	Freedom Forum	EA/206	The Freedom Forum — a group of intellectuals and media, human rights and legal professionals — runs regular dialogue forums on current issues. ESP supported the running of six forums on social inclusion attended by more than 600 people. The topics covered included the concerns of the Karnali, Janajati and Madheshi people and citizens rights. See www.nepalpressfreedom.org .
Documentary films on Nepal's Janajati communities	Sara Sarans & Vijay	EA/214	The leading Nepali media group SSJ produced a series of three 30 minute documentary films entitled <i>Janajati: Paribhasa Dekhi Pragati Samma</i> (From Definition to Current Progress). The films were directed by a young Janajati female scholar. The first film deals with controversial issues defining who the janajatis (ethnic groups) are. SSJ are negotiating with Nepali TV channels to broadcast the films.
Social Upliftment Programme for Parents of Janajati and Dalit Students	Shree Naya Kiran Secondary School, Chitwan	EA/205	This secondary school was established in 1967 to educate students from the disadvantaged Kumal ethnic group and other poor students. Currently 70% of students are Dalits or Janajati. This on-going support has held six interactions to improve the knowledge of students' parents about health, sanitation and rights.

4 ACCESS TO JUSTICE AND CONFLICT MANAGEMENT

4.1 Community Mediation Extension Project (CMEP)

CVICT

Purpose: Community mediation forums successfully established and used by all people, particularly women, the poor and marginalised, at the local level

This extension project is continuing to develop community mediation in line with the achievements of the original Community Mediation Project with more of a focus on institutionalising this form of mediation.

The project is going ahead in 90 VDCs and has continued to make its regular progress as explained in detail in previous ESP reports. As well as this, during the June 2005 to May 2006 period the project:

- ran refresher trainings for 763 community mediators on mediation and on human rights;
- provided support for 61 needy people to fight their court cases;
- provided training for 438 new women's mediation committee members; and
- continued to try to influence policy makers to introduce a community mediation law.

The project's June 2005 to May 2006 annual report says that CMEP has learned the following lessons:

- strong coordination of the project and mediation committees with the formal courts leads to courts recognising the legitimacy and role of community mediation;
- poor and marginalised people should be included on mediation committees to ensure that such people have better access to mediation facilities;
- financial support for the poor to fight legal cases is crucial for needy people's cases that cannot be resolved by community mediation; and
- the project staff maintaining political neutrality allowed the project to function in spite of the conflict, political instability and the frequent strikes and closures.

4.2 Developing a Criminal Justice Project

The Kathmandu School of Law

Proposed purpose: Criminal Justice System and its stakeholders operate more efficiently and fairly in a coordinated way

The Kathmandu School of Law is the leading reform-minded law school in Nepal. It researched and produced a Criminal Justice Project document and in December 2005 submitted it to DFID for support. The £351,434 project intends to run activities in several parts of the country to improve the way evidence is collected and processed, to improve doctors' involvement in investigating cases, and to improve the treatment of crime suspects.

4.3 Developing Prisoners' Legal Aid and Paralegal Service Project (PS/109)

Consortium for Assisting Prisoners and the National Legal Aid Network

Proposed purpose: Prisoners and suspects have improved access to justice and are better able to reintegrate into society

The Prisoners' Legal Aid and Paralegal Service Project document was completed and submitted to DFID in May 2006. The proposed £99,387 first phase (one-year) of this project aims to improve coordination amongst legal aid providers and provide legal aid and paralegal services in 11 prisons. A decision on whether or not to fund it is pending with DFID.

4.4 Untouchability and the Law (EA/191)

Dalit Human Rights Organisation (DHRO)

This study looked at how, although caste discrimination has been illegal since the 1960s, hardly any victims lodge complaints or manage to bring a case to court. The study surveyed 1047 households in Kailali and Ilam. The study found:

- caste based discrimination is widespread, including in schools;
- half of the respondents were unaware that practising caste discrimination is illegal;
- in only 3% of cases had victims complained to the police;
- half of respondents said that law enforcers ignored offences against Dalits; and
- 74% of respondents did not know how to lodge a formal complaint against caste discrimination.

The study's police respondents said that very few caste discrimination cases were lodged whereas the human rights activist respondents said that the police did not take such complaints seriously. The study report recommends changes to the law, improvements in legal administration, and the need to increase Dalits' awareness about their rights to lodge discrimination cases. A key need is also to increase the awareness amongst police officers of the seriousness of this problem.

4.5 Support Services for Women Victims of Violence in Kavre (EA/203)

Mahila Shakti

Many women suffer from violence in the home, the community and the workplace. This study of 300 women mapped the extent of this problem, identified victims' needs, and looked at the availability of support services. It found that many women do not report incidents due to fear of negative social consequences whilst some cannot afford services. It also found that a lack of trained staff and funding prevented service providers from providing adequate services. The main recommendations are to know more about the extent of the problem, to generate awareness to prevent the problem, and to provide improved support services.

4.6 Other ESP Access to Justice and Conflict Management Support

Exploratory activity	Partner	Contract	Main outcome/status
Architectural Design of Centre for Women and Child Victims	Planete Enfants	EA/200	This support to design a transit centre for trafficking victims was associated with previous access to justice activities (EA/182). Funding is now being sought to build it.
District Protection Working Groups	Human Rights and Democratic Forum (FOHRID)	EA/177	ESP helped set up supportive district networks for NGOs to continue operating amidst the Maoist-government conflict. ESP's support went to running the secretariat. The network provided support to local groups and grassroots development organisations and carried out networking for social and political rights in a climate where these rights were under threat.
Human Rights Training for Eastern Region Government Officials	Ministry of Law Justice and Parliamentary Affairs	-	ESP supported this awareness raising workshop on human rights held in March in Jhapa for government officials. Participants included court officials, attorneys, and police.
Building Bridges between Women Conflict Victims and the State	Center for Women and Politics (CWAP)	EA/171	This action research identified the problems of women conflict victims through a survey of 200 Siraha victims. It found that very few had received any assistance from the state in spite of it being the policy to provide it. The final report lists 26 recommendations to improve the situation of women conflict victims.
Study on peace building and its economic aspects	Prakash S. Mahat	PS/113	A study is beginning to identify how a lasting peace can be built during the present ceasefire with a particular focus on economic issues. The study is due to be finished by the end of July.

5 SERVICE DELIVERY AND LOCAL GOVERNANCE

5.1 Self-reliant Development of the Poor by the Poor Project (SDPPP)

Rural Self-reliant Development Centre

Purpose: Sustainable self-reliant cooperatives developed and established, institutionalised and recognised as a means of effective 'pro-poor' self-governance

This largest and longest running ESP project had its budget cut to just 20% of that expected for 2006/07. The project therefore discontinued all its major activities and has not started any new ones. Currently it is focussing on developing the project's local groups and cooperatives and encouraging networking.

The overall achievements of this project since it started in 2002 are summarised below.

- **Social institutions built up:** The project has formed 428 community income generating groups with more than 13,000 household members including a large number of Dalit and disadvantaged Terai people. The groups have federated into 61 self-reliant cooperatives.
- **Financial capital built up:** About 20 million rupees has been collected from group saving schemes and a revolving fund of 24 million rupees built up from seed money provided by the project. Also, the cooperatives have collected about 2 million rupees of share capital. This has cultivated the habit of saving and credit. These funds are fulfilling local petty credit needs and are beginning to fulfil larger credit needs.
- **Livelihoods improved:** The project has trained and supported 19,911 people to build up their livelihoods skills.
- **Fewer disputes:** Project awareness raising has led to a great reduction in the number of local disputes as communities have become better able to resolve disputes and mutual trust has developed.
- **Physical infrastructure and basic services improved:** Over 1,321 community schemes have been completed with project support. These have improved access to safe drinking water, improved sanitation facilities, and made it easier to transport goods and people and to market products.
- **Communities able to plan and implement projects:** Targeted communities are now able to plan for local development activities by gathering information and carrying out need assessments.
- **Social, educational and hygiene improvements:** Project awareness raising activities have led to greatly reduced gender and caste discrimination, more family planning, and better school attendance, sanitation and hygiene.
- **More influence over local governance:** The project has enabled many marginalised and disadvantaged people to take more control over their lives by becoming involved in local development activities and social issues.

5.2 Action Research on Building the Capacity of Women's Cooperatives (EA/155)

Nari Chetna Kendra/Women Awareness Center Nepal (WACN)

This activity followed on from EA 121 that studied the functioning of women's cooperatives. The current support ran to January 2006 and built up the knowledge and skills of a network of women's cooperatives. A micro-finance training programme was run for six women's cooperatives. Participants were assigned as local resource persons to pass on their skills to their own organisations and localities. By the end of January 2006 they had run 60 local trainings for 1600 cooperative members. The main lessons learned from this activity have been: 1) first training local resource persons to then provide grassroots level training is an effective and efficient use of resources; and 2) the training programmes have made the cooperatives more confident and able to approach and question local government and line agencies.

5.3 Support to the Television Programme *Mata Abhimat* (EA/189, 216)

Centre for Professional Journalism Studies

Mat Abhimat (Opinion and Counter-opinion) broadcasts every Wednesday at 9pm on Nepal TV giving perspectives from Nepal's hinterlands. It has broadcast 144 episodes from 73 of Nepal's 75 districts. EA 216 supported the concluding phase of 15 episodes to review the country's situation. The programmes were running around the time of the people's movement in April 2006 when Nepal TV refused to air two episodes.

The supported programmes broadcast before the people's movement were filmed in village areas of Nawalparasi, Dhading, Makawanpur, Dolakha and in Lekhnath municipality in Kaski. They documented the worsening situation with the ordinary people caught between the Maoists and the government security forces. The post-people's movement episodes from Achham, Jhapa, Chitwan, Dang and Sankhuwasabha reflected the very hopeful atmosphere that has come about with the reinstatement of Parliament and the ceasefire.

5.4 Study on Public Budgets in Jumla and Dolpa (EA/202)

Sustainable and Equitable Development Academy

This study looked at how public funds are allocated and spent in two of Nepal's remotest and most underdeveloped districts — Jumla and Dolpa. The main findings were:

- these two remote districts receive a proportionately very low share of the national budget given that the cost of goods is about ten times that in accessible districts;
- the amount allocated in 2062/63 (2005/06) was about 50% less than the previous year and proportionately (with the national budget) only a third that received the previous year;
- only 18% of the amount allocated was earmarked for development expenditure;
- of the allocated amounts almost all of the regular (ordinary) expenditure was spent whilst less than half (43%) of that allocated for development was spent;
- the amount allocated and released to village development committees for local development works in 2062/63 was about a third of that allocated the previous year; and
- most major budgeting decisions are still taken in Kathmandu and the voice of the local people is hardly heard in the budget planning process.

This study disproved governments' frequent assertions that they prioritise the development of the remote regions. The February 2006 report ends with six recommendations to improve budget planning and management for remote districts.

5.5 Study on Health Sector Decentralization (EA/215)

Development Resource Mobilization Network

In line with the government's policy of decentralising health services, around 2000 health posts have been handed over to VDCs to manage and a number of hospitals are being handed over to district development committees. This study reviewed the progress made by studying the situation in Lalitpur, Chitwan, Tanahun and Kailali districts. It was carried out to inform DFID's support to Nepal's health sector (the Nepal Health Sector Programme).

The May 2006 report says that the passing of funds through the district development funds (rather than being allocated from central funds) has allowed more flexibility and local control over health-related expenditure. However, the handing over of authority has led to few positive changes. Planning still tends to be top-down and the centre still has considerable control over many aspects such as promotion and staffing. It has positively led to more feelings of ownership of health posts by local people who have become more ready to pay for drugs. Some of the problems and lack of impact may have been caused by the absence of locally elected representatives since 2002.

5.6 Other ESP Service Delivery and Local Governance Support, Jan-Jun 2006

Exploratory activity	Partner	Contract	Main outcome/status
CEC Consolidation and Extension Project	Sahara Nepal Jhapa, Sahara Group Syangja, DYC (Baglung)	EAs 192, 193, 194	ESP support to community enabling centres (CECs) began in December 2002. DFID decided not to support a proposed CEC satellite project. The support for the work of Syangja and Baglung CECs ended in January 2006, whilst the work in Jhapa was delayed by the security situation, and ended in May 2006.
Community Empowerment through Public-Private Partnership	Nature Conservation and Poverty Alleviation Society	EA/212	This on-going initiative follows on from EA/167 to empower communities in Nawalparasi by showing how local people can set up businesses with cooperation and assistance from government institutions. A number of ward level groups have been formed, a 7-day training run for 50 participants and awareness raising activities are on-going.
Governance and Investment Administration: Review of Nepal's Local Government Practices	Nepal Water Conservation Foundation	EA/211	A study is being carried out on how eight districts use the large royalties that they get from hydropower. The data gathered so far shows that these monies are going into DDCs' basket funds with little allocated to affected communities. The study report will be shared with policy makers to inform them about what changes are needed.
Editing book on local governance in Nepal	Sangita Rayamajhi	PS/102	This book by Damodar Adhikari, <i>Towards Local Democracy in Nepal: Power and Participation in District Development Planning</i> was published in 2006 by the Spring Centre, Dortmund Germany. ESP funding the editing of the manuscript.

6 POLITICAL GOVERNANCE

6.1 Translation of Electoral Systems Handbook (EA/199)

ESP, IIDEA and Rural Development Foundation

The International Institute for Democracy and Electoral Assistance's book, *Electoral System Design* is a widely used guide to the different types of electoral systems. ESP supported the publication of a Nepali language version, *Nirbachan Pranaliko Praarup*. Published in March 2006, more than 600 copies have been distributed to politicians and high level government bodies. A soft copy can be downloaded from <http://www.idea.int/publications/esd/np.cfm>. This book is particularly useful at a time when Nepal is looking at changing the system for regular local and national level elections and deciding what system to use for constituent assembly elections. The back cover has reviews by leading Nepali politicians and commentators including current prime minister GP Koirala.

6.2 Effects of the Open Border and Its Socioeconomic Impact (PS/108)

Binod Shrestha

This study report explains the historical background to the Nepal-India open border and about the impact of cross-border migration in Parsa, Bara and Rautahat districts. The findings include that there is heavy traffic across the legal border crossing points each day, there is heavy traffic of legal and illegally traded goods, many non-Nepali speaking Nepali students cross the border to study in India; and the open border facilitates the movements of Maoists. An opinion survey found that local Nepalis wanted regulation to deter illegal activities — they suggested that the security forces should control cross-border movements more. Local Indians felt that the border should not be regulated at all.

6.3 Study on Electoral System for Constituent Assembly (EA/218)

Freedom Forum

One of the most important outcomes of the April 2006 people's movement was the decision to go for a constituent assembly to draft a new constitution. This study is examining what would be the best electoral system for holding elections to the assembly. Representatives of major political parties, civil society and journalists discussed the draft report. The official Constitution Drafting Committee took the draft report for reference. It is due to be finished by the end of July when the Speaker will launch it at the parliamentary secretariat.

6.4 Other ESP Political Governance Support, Jan-Jun 2006

Exploratory activity	Partner	Contract	Main outcome/status
Examining the Political Crisis in Nepal and the Options for Constitutional Forces	Nepal National Development Centre	EA/183	The August 2005 study report on increasing understanding about the positions of the political parties on resolving the current political impasse was not included in the previous ESP report.
TV Series on Events that Shaped Nepal's History	Sara Sarans & Vijay	EA/143	SSV has produced a series of 10 TV programmes to improve understanding of Nepal's history and its influence on the current situation by describing the main landmark events. The producers are negotiating with TV channels to broadcast the series.
National Interaction on Asia 2015	Ganesh Man Singh Academy	EA/217	DFID, in association with the World Bank and the Asian Development Bank, ran a conference in London in March to look at the challenges facing Asia to meet the millennium development goals by 2015. A one day briefing was held for the five participants from Nepal before leaving for London. This helped them identify and agree on the opportunities and challenges for Nepal.
National Conference on Role of Youth Students in Current Political Situation	Association of Political Science Students (APSS)	EA/220	Work is on-going to train and seek the views of 200 student leaders from outside the Kathmandu Valley on inclusive social development through a constituent assembly. These people will then take part in a national conference on the issue.

7 CIVIL SOCIETY, THE MEDIA AND OTHER

7.1 NGO Federation Project (NFP)

Nepal NGO Federation

Purpose: Better managed and more accountable NGOs empowered to advocate for reform and to network.

This project began in October 2002 and ended in December 2005 after a three month no-cost extension. The following table details the achievements of this £732,222 project.

NFP OUTPUTS	NFP indicators	NFP achievements (Oct 03- Jan 06)
Output 1 Better managed NGO Federation	1.1 NFN membership increases 50% by Y3 1.2 NFN financially sustainable	1.1 1350 new NGOs affiliated to NFN — a 75% increase from the project start 1.2 61 NFN district chapters are conducting financial transactions through own bank accounts compared to only 10 at the start. Also, NFN's core fund has increased.
Output 2: Competent people developed to manage NFN	2.1 NFN training plan operational by project month 6 2.2 75 NFN committee members trained in areas identified by TNA by project Y3 2.3 30 lesson learning reports from observation visits completed by Y3	2.1 Training needs analysis carried out and training plan designed and made operational with training manual in year 1. 2.2 11 central level ToTs, 52 regional, 46 district and 4 international trainings carried out. 145 NFN committee members participated in at least one training programme. 2.3 34 NFN member organisations participated in 4 exposure visits and prepared three combined lesson learning reports.
Output 3 Competent people developed to manage NGOs	3.1 150 NGO personnel trained in financial management by Y3 3.2 150 NGO personnel trained in advocacy skills by Y3 3.3 225 NGO personnel complete management development training by Y3 3.4 75 NGO personnel complete other necessary training courses by Y3	3.1 Total of 495 (female 31%) NGO personnel trained in financial management and account keeping. 3.2 422 (45% female) NGO personnel from across the country trained on rights-based gender and development, conflict management, and media and development. 3.3 Total of 1502 (32% female) NGO personnel completed management development course (on NGO management and leadership development, proposal writing, NGO strategic management, human resource management and POCAP). 3.4 361 NGO personnel (43% female) completed appreciative inquiry, reporting, programme facilitation and PRA trainings. 3.5 15 NGO personnel completed distance learning course. Final batch cancelled.
Output 4: NGOs operate in accordance with accountability and transparency standards, as per CoC	4.1 Code of conduct agreed to by 1800 NGO members by Y2 4.2 1500 NGO personnel oriented on code of conduct	4.1 NGO code of conduct produced and 2,724 NFN members agreed to abide by it. 4.2 2812 NGO personnel received orientation on the code.
Output 5: NGOs effectively advocating reform	5.2 25 advocacy campaigns launched by NGOs annually	5.1 Advocacy action research report 'Whose War?' produced. 5.2 53 advocacy campaigns (national, regional and district level) organized. 64 district NFN committees ran interface discussions, and 64 district networking meetings held.
Output 6: Information on NGOs and NGO activities made available to NGOs, INGOs, HMGN, the public and donors	6.1 NGO resource centres, database and website used by 10,500 customers by Y3 6.2 All NGO district profiles accurately updated every six months by Y3 6.3 NGO publications read by 17,850 customers by Y3	6.1 NGO resource centres set up in all five regions and 5066 people visited them. 7900 people have visited NFN website. 6.2 Information from 75 districts collected and processed and 67 NGO district profiles published. NFN membership database developed and being updated. 6.3 More than 30,000 people have read NFN publications

Overall the project has enabled the main umbrella body for Nepal's NGOs to build up its membership and regional networks and improve its ability to plan for the future. Much of the project's efforts went into training personnel to run the federation and the member NGOs. In all 2,748 participants took part in 109 training events. A training impact assessment carried out at the end of 2005 (Impact Assessment of NFP Training Programme, EA/197, Research

and Development Group) found that the training programmes had been well organised and well run with the most cost effective ones being those held locally. The assessment says that the project has led to many NGOs starting to produce regular plans and produce more project proposals.

The production of a code of conduct was a landmark achievement and enabled Nepal's NGO movement to better withstand the pressures exerted against it by the 2005/06 royal government. Further significant achievements were the setting up of NGO resource centres in all five regions, the project's support for advocacy work, support for improved networking between federation organisations, and the production of information on Nepal's NGOs. Overall the project made a great contribution to building up the ability of members to run the federation and of NGO personnel to run their organisations more efficiently and effectively.

The project produced a project document in December 2005 for a second phase of the project at an estimated cost of £850,000. This was submitted to DFID in December 2005, but DFID decided not to support it.

7.2 Patrakarita Pathsala Project (Journalism School Project)

Centre for Investigative Journalism

Purpose: To support capacity building of journalists to report issues related to development.

This one-year project began in November 2005 with its core activity being to improve the reporting skills of 50 journalists who have been either displaced from their workplaces by the conflict or are in a difficult situation. The project began by developing a training curriculum on social science and journalism skills. The first batch of 25 students completed their two months of training in March 2006. The second batch, including five Dalits, five women and ten Janajati students is running from May to July 2006.

Associated project activities include producing feature stories on development issues and monitoring press freedom and advocacy for lifting restrictions on the press. The political changes have made the latter activity redundant and planning is underway how to use the funds allocated for this. One suggestion is to make wider consultations on drafting proposed new media laws to complement the work of the Media Commission formed by the new government. The table below shows the main project achievements in this reporting period. The 20% cut in this project's budget will have a minimal effect on the core training activities.

PPP outputs and indicators	PPP achievements (Mar-Jun 06)
Output 1: Raise capacity of 50 journalists displaced from their workplaces or in difficult situations.	<ul style="list-style-type: none"> • Training of first batch of 25 journalists in social sciences and journalism skills completed March 23, 2006. • Training of second batch of 25 journalists began 29 May 2006.
Output 2: Stories on development issues published and disseminated increasing awareness of the situation	<ul style="list-style-type: none"> • Five trainees completed their reporting assignments and the articles of another nine are being edited with 14 ready for publishing. • Reporting assignments for 10 district based journalists to write one story each month has been started in February and they have produced 45 stories with help from project mentors and have been published on CIJ website at www.cijnepal.org • fellows for reporting assignments for 10 radio programmes have submitted their drafts • 3 videos produced with project fellowships are in post production phase.
Output 3: In-depth reports on events/incidents obtained and finalised	<ul style="list-style-type: none"> • The fellows who have completed their stories are now trying to get them published. They are likely to begin appearing in the press from June.
Output 4: Reports on the situation on the ground have been disseminated	<ul style="list-style-type: none"> • The investigative reports submitted were not of expected quality. • Funds from publications budget line had earlier been transferred to two new activities: (1) support of a public opinion survey (survey completed and widely reported in the press, and (2) support to a radio station whose equipment had been destroyed in Maoist-government fighting
Output 5: Advocacy for lifting restrictions on the press has been done	<ul style="list-style-type: none"> • Monitoring and advocacy activities became redundant after 24 April 2006 and new programme planned on policy discussions including on review of media laws led by Federation of Nepali journalists and the New Media Commission.

7.3 Other ESP Civil Society/Media Support, January-June 2006

Exploratory activity	Partner	Contract	Main outcome/status
National Conference of Weekly and Fortnightly Newspaper Network	National Network of Weekly & Fortnightly Newspapers (NNWFN)	EA/219	Workshop held on 1 June 2006 at Staff College to discuss the role of these newspapers in the current political situation. NNWFN has a membership of 19 fortnightly and 54 weekly newspapers, mainly from out of Kathmandu. In the forum the Speaker of the House of Representatives and the minister for communication and information committed to developing an improved environment for the print media.
Preparing Mid-term Expenditure Framework no. 5	Full Bright Consultancy	EA 207	The government's mid-term expenditure frameworks are three-year budget plans for implementing its policies. The consultancy company is working with the National Planning Commission and other government agencies to prepare the MTEF for 2006/07 to 2008/09.
Study to Map Social Movements	Hari Sharma	PS/104	The June 2006 academic paper, <i>Mapping Social Movements: State and Contentious Politics in Nepal</i> , is a first attempt at explaining Nepal's recent social movements (1990 people's movement, Maoists, Janajati movement, etc.) according to sociological theory. Mr Sharma is a reputed teacher and former advisor to Nepal's prime minister. Carrying out this work helped him develop his ideas on this important topic to inform his teaching and advisory work

Annex 1: Enabling State Programme logframe (Sept-2005 version)

Narrative Summary	Objective Verifiable Indicators	Means of Verification	Assumptions & Risks
SUPERGOAL (at end of Stage II):			
Nepalese key players successfully influence main power holders so that they demonstrate a desire for change and recourse to pro-poor governance.	Detailed plans show desire for change in significant areas including developing a vigilant and active civil society. Concrete actions are taken against the plans.	Government publications ESP reports	
GOAL (at end of Stage I):			
Nepalese key players advocate change to and begin initial action for pro-poor governance.	Advocates widely publicise the need for reform through means accessible to a broad cross-section of Nepalese society.	ESP Reports Independent Surveys including an assessment of progress of plans, policies and programmes	1 Main power holders eventually susceptible to pressure for change. 2 Political situation does not deteriorate sharply, e.g. to point of crisis.
PURPOSE:			
Critical mass of Nepalese key players develop practical understanding of and need for pro-poor governance areas with home-grown change potential.	1. A critical mass of institutions including those from outside the Kathmandu valley. 2. "Home-grown change potential areas" are those in which change is implementable and practical.	ESP Reports; Independent Surveys; OPR in 2007; Participatory governance assessment	Nepalese key players willing to act as change advocates.
OUTPUTS:			
1. Enough exploratory activities in agreed areas of good governance completed to allow selection process of output 2.	1.1 20 exploratory activities selected and started annually complying with selection criteria. 1.2 All exploratory governance reports completed and accepted by stakeholders.	1.1 ESP reports. 1.2 ESP reports, DFID OPR, PMO reports	The key players in each individual area of governance feel that they are engaged in a common cause, and so together form a "critical mass".
2. Enough projects, selected from exploratory activities or from separate proposals, designed and launched so as to allow development of a critical mass of Nepalese key players with a basis of practical understanding of governance change needed.	2.1 16 exploratory activities selected for development into project drafts annually. 2.2 12 projects approved for implementation annually by Nepalese and donors.	2.1 ESP reports, DFID OPR 2.2 ESP reports, DFID approved submissions, other donor approved submissions, PMO reports	
3. Lesson learning is built into the design of each project in Output 2, and lessons and successes of exploratory activities and projects disseminated widely, and especially to those in the group of Nepalese key players involved in the set of projects.	3.1 All project drafts contain mechanisms to allow specific lessons to be fed back into ESP process. 3.2 6 conferences, workshops and seminars held annually attended by Nepalese and donors and evaluated as giving a better practical understanding of governance issues. 3.3 4 publications published annually and evaluated as giving a better practical understanding of governance issues.	3.1 ESP project drafts 3.2 ESP reports, evaluation reports of the events 3.3 ESP reports, evaluation reports of the literature.	
4. Management capacity of project partner institutions is strengthened to improve transparency, accountability, monitoring and ability to access sustainable resources.	4.1 Improved financial management and governance practices. 4.2 improved capacity for monitoring and evaluation of project impact.	4.1. Audited accounts and annual reports of project partners, project OPRs and evaluations 4.2 Project report to ESP, project reviews, OPRs and end of project reports.	

<p>5. New satellite projects and funds are supportive of participation, inclusion and accountability.</p>	<p>5.1 At least 6 suitable projects identified within the first year, grouped under a single fund.</p> <p>5.2 Increased learning opportunities on issues such as public participation and rules of the game.</p> <p>5.3. Increased availability of training in public participation for excluded groups.</p>	<p>5.1 Project reports</p> <p>5.2 fund reports to DFID, project evaluations, DFID monitoring of learning events</p> <p>5.3 Project reports, ESP monitoring of training events</p>	
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Narrative Summary	Objective Verifiable Indicators	Means of Verification	Assumptions and Risks
ACTIVITIES:			
<p>1.1 Obtain home-grown ideas from HMGN or civil society, making sure that ESP process is known by wide set of stakeholders, e.g. through “marketing” events, literature.</p> <p>1.2 Develop exploratory activities into well-formed ideas and reports, using external expertise as necessary.</p>	<p>1.1 Events take place, literature is produced and distributed.</p> <p>1.2 ESP office seen to facilitate and support development of exploratory activities (including project scoping, focus/dialogue groups, feasibility studies, study missions, workshops, etc.).</p>	<p>1.1 ESP Reports</p> <p>1.2 ESP Reports</p>	<p>Donors, including DFID, prepared to fund some of the projects</p>
<p>2.1 Select from ideas of Stage I exploratory activities to develop into projects.</p> <p>2.2 Develop ideas into project drafts, using external expertise as necessary.</p>	<p>2.1 ESP unit selection process.</p> <p>2.2 ESP seen to be working with stakeholders to produce successive drafts</p>	<p>2.1 ESP Reports</p> <p>2.2 ESP Reports</p>	
<p>3.1 Establish system in ESP unit to ensure lesson learning link to ESP unit is built into all project design.</p> <p>3.2 Facilitate conferences, workshops, seminars and publications to disseminate successes and lessons of the exploratory activities and projects.</p>	<p>3.1 Quality control mechanism in place in ESP unit to ensure all project documents have a lesson-learning link.</p> <p>3.2 Conferences, workshops etc. take place.</p>	<p>3.1 ESP Reports</p> <p>3.2 ESP Reports</p>	

Annex 2: Summary of ESP Exploratory Activities (Dec 05 to Jun 06)

	Exploratory activity	Partner	Contract	Status and objectives
1. Anti-corruption				
1	Evaluation of <i>Sarbajanik Sunuwai</i> Televised Public Hearings	Research and Development Group	EA/204	Completed evaluation of four phases of ESP support to 65 episodes of <i>Sarbajanik Sunuwai</i> .
2	Hatemalo (creating networks) Campaign against Corruption in Far-West Nepal	Sanjeevani Nepal	EA/170	Completed programme of activities to forge links between civil society and line agencies to combat corruption in Dadeldhura and Kanchanpur
2. Social Inclusion				
3	DEIP Output to Purpose Review	Bidya Nath Koirala	PS/103	Completed in February 2006
4	Preparing Sexual and Gender Minorities Support Project document	Blue Diamond Society	PS/106	Completed document submitted to DFID in March 2006 but not accepted for funding because of DFID fund cuts
5	Women's Empowerment through Private Enterprise Development	Society of Local Volunteer's Efforts (SOLVE)	EA/156	Completed to empower women by assisting them to build up income generating groups.
6	Empowering Displaced Girls to Combat Exploitation	Rahat	EA/159	Completed in December 2005 to protect and empower young women working in dance restaurants.
7	Implementation of Code of Conduct in Dance Restaurants	Rahat	EA/210	On-going to introduce a code of conduct agreed to by restaurant managers to protect girls working in dance restaurants.
8	Community Empowerment and Civil Society Good Governance	Sweet Nepal	EA/161	Completed in December 2005 to assist the deprived Sunahas and Dalits of Kanchanpur to raise community awareness and to advocate for their rights.
9	Good Governance and Tharu Women Empowerment	Nari Utthan Kendra (Women Progress Centre)	EA/181	Completed empowerment programme for Tharu women in far western Nepal.
10	Increasing Participation of Tharu Women in Local Governance	Nari Utthan Kendra	EA/213	On-going follow-up programme to previous ESP support.
11	Gender Assessment of the Private Banking Sector	Rama Laxmi Shrestha	PS/107	Completed study on the situation of women working in five of Nepal's main private banks.
12	Study of Terai Dalit Women's Situation	National Dalit Confederation	EA/196	Completed study on the citizenship problems and political participation of Terai Dalit women.
13	Lessons about Social Exclusion	Kishore Nepal	PS/105	Completed study that produced very interesting report in journalistic style on the problems faced by Dalits in four districts.
14	Facilitating Inclusion and Implementation of Dalit Agenda in Local Government Planning	Sharada Sangam Youth Club	EA/208	On-going Dalit empowerment initiative in Kanchanpur due to end in September.
15	Social Upliftment Programme for Parents of Janajati and Dalit Students	Shree Naya Kiran Secondary School, Chitwan	EA/205	Almost finished support to build awareness of students' parents from this school that mostly serves poor Janajati and Dalit students
16	Public Debates on Social Inclusion and Decentralisation	Freedom Forum	EA/206	Completed support to run six dialogue programmes on current issues in Kathmandu
17	Documentary films on Nepal's Janajati communities	Sara Sarans & Vijay	EA/214	Series of three films on Janajati issues produced and ready to broadcast

	Exploratory activity	Partner	Contract	Status and objectives
3. Access to Justice and Conflict Management				
18	Developing Criminal Justice Project document	The Kathmandu School of Law	None	Project document completed in December 2005.
19	Developing Prisoners' Legal Aid and Paralegal Service Project Document	Rabindra Bhattarai	PS/109	Project submitted to DFID Nepal in May 2006 and awaiting a decision.
20	District Protection Working Groups	Human Rights and Democratic Forum (FOHRID)	EA/177	Completed support for NGOs to set up supportive district networks to enable them to continue working amidst the conflict.
21	Untouchability and the Law - Improving Justice for Dalits	Dalit Human Rights Organisation (DHRO)	EA/191	Study completed in December 2005 to find out why hardly any caste discrimination cases reach the courts.
22	Assessing Support Services for Women Victims of Violence in Kavre	Mahila Shakti	EA/203	Completed assessment of the situation of women victims of violence and the support services available to them.
23	Architectural Design of Centre for Women and Child Victims	Planete Enfants	EA/200	Design completed of a model transit centre for trafficking victims.
24	Human Rights Training for Eastern Region Government Officials	Ministry of Law Justice and Parliamentary Affairs	-	Awareness raising workshop on human rights held in March 2006 in Jhapa for government officials.
25	Building Bridges between Women Conflict Victims and the State	Center for Women and Politics (CWAP)	EA/171	Completed action research identified the problems and constraints of women conflict victims in Siraha district.
26	Study on peace building and its economic aspects	Prakash S. Mahat	PS/113	Study due to be completed in July to identify how a lasting peace can be built during the ceasefire with a particular focus on economic issues.
4. Service Delivery and Local Governance				
27	Action Research on Building the Capacity of Women's Cooperatives	Nari Chetna Kendra (WACN)	EA/155	Completed support to build up knowledge and skills of a network of grassroots women groups.
28	Support to Television Programme <i>Mata Abhimat</i>	Centre for Professional Journalism Studies	EA/189 and 216	Support for producing 25 episodes of a popular current affairs TV programme.
29	CEC Consolidation and Extension Project (Jhapa)	Sahara Nepal Jhapa	EA/192	Completed stop-gap support for CECs in Jhapa.
30	CEC Consolidation and Extension Project (Syangja)	Sahara Group Syangja	EA/193	Completed stop-gap support for CECs in Syangja.
31	CEC Consolidation and Extension Project (Baglung)	DYC	EA/194	Completed stop-gap support for CECs in Baglung.
32	Study on Decentralized Management of Public Budgets in Jumla and Dolpa	Sustainable and Equitable Development Academy	EA/202	Completed study on allocation and expenditure of public budgets in two remote districts.
33	Study on Health Sector Decentralization	Development Resource Mobilization Network	EA/215	Completed study on the progress made on decentralising the provision of health services
34	Community Empowerment through Public-Private Partnership	Nature Conservation and Poverty Elevation Society	EA/212	On-going phase 2 support to show communities in Nawalparasi how to set up businesses with cooperation and assistance from government institutions.
35	Governance and Investment Administration: Review of Nepal's Local Government Practices	Nepal Water Conservation Foundation	EA/211	On-going study to assess how local government allocates and uses revenues (royalties) from hydropower in a sample of eight districts.
36	Editing book on local democracy in Nepal	Sangita Rayamajhi	PS/102	Funded editing of book by Damodar Adhikari, <i>Towards Local Democracy in Nepal: Power and Participation in District Development Planning</i> , published 2006 in Germany.

	Exploratory activity	Partner	Contract	Status and objectives
5. Political Governance				
37	Translation and Publishing of IIDEA Handbook on Electoral System	ESP, IIDEA & Rural Development Foundation	EA/199	ESP supported the Nepali translation and the publication of the IIDEA book <i>Electoral System Design</i> .
38	Study on Effects of Open Border and Its Socioeconomic Impact	Binod Shrestha	PS/108	Study completed of cross-border migration and its socioeconomic impact in relation to the current situation in Parsa, Bara and Rautahat.
39	TV Series on Major Events that Shaped Nepal's History	Sara Sarans & Vijay	EA/143	Series of 10 TV programmes produced and negotiating with TV channels to broadcast them
40	National Interaction on Asia 2015	Ganesh Man Singh Academy	EA/217	Briefings for Nepal's five representatives to a London meeting in March 2006 to look at the challenges facing Asia towards meeting the millennium development goals by 2015.
41	Study on Electoral System for Constituent Assembly in Nepal	Freedom Forum	EA/218	On-going study on what could be the most appropriate electoral system for holding elections to the constituent assembly.
42	National Conference on Role of Youth Students in Current Political Situation	Association of Political Science Students (APSS)	EA/220	On-going to train and seek the views of 200 student leaders from outside the Kathmandu Valley and then to hold a national conference to discuss the issues.
6. Civil Society/the Media				
43	Impact Assessment of NGO Federation Project Training	Research and Development Group	EA/197	Completed impact assessment the NGO Federation Project's training programme.
44	National Conference of Weekly and Fortnightly Newspaper Network	National Network for Weekly & Fortnightly Newspapers (NNWFN)	EA/219	Workshop held in June to discuss the role of weekly and fortnightly newspapers in the current political situation.
45	Preparing Mid-term Expenditure Framework no. 5	Full Bright Consultancy Pvt. Ltd	EA 207	On-going support to help the government prepare its mid-term expenditure framework for 2006/07 to 2008/09.
46	Study to Map Social Movements	Hari Sharma	PS/104	Study completed to explain how Nepal's recent social movements (1990 people's movement, Maoists, Janajati movement, etc.) have developed.

Annex 3: ESP Satellite Projects Basic Information (as of July 2005)

Project	Started	End date	OPR done or due	Expenditure		Budget *	Main working areas
				£s	Period	£	
On-going June 2006							
Self-reliant Development of the Poor by the Poor Project (SDPPP)	Jan-02	Dec-07	Dec-05	£242,308	Oct-Mar 06	£2,803,397	Mahottari, Dhanusha, Kapilbastu, Makwanpur, Sarlahi
Dalit Empowerment and Inclusion Project (DEIP)	Sep-03	Aug-06	Feb-06	£132,278	Dec 05-Mar 06	£1,212,685	Kapilbastu, Gulmi, Baitadi, Mahottari, Saptari, Surkhet
Janajati Empowerment Project (JEP)	Sep-04	Aug-07	Aug-06	£203,147	Dec 05-May 06	£1,523,935	Nationwide
Community Mediation Extension Project (CMEP)	Jun-04	May-07	2006	£45,810	Dec 05-May 06	£235,480	Jhapa, Saptari, Ilam
Civil Society Anti-corruption Project (CSACP)	Jan-05	Dec-07	2006	£161,641	Oct-Mar 06	£972,525	Kailali, Dang, Banke, Kaski, Rupandehi, Chitwan, Parsa, Dhanusha, Morang, Jhapa
Patrakarita Pathsala Project (Journalism School Project)	Nov-05	Oct-06	none	£31,754	Nov 05-Mar 06	£99,642	Nationwide
NFDIN Institutional Strengthening Project	Oct-05	Sep-08	2007	0	<i>ESP yet to receive any expenditure claims</i>	£346,245	Mainly central level
Completed Jan-June 2006							
NGO Federation Project (NFP)	Oct-02	Dec-05	Jun-05	£21,439	Jan-Feb 06	£732,222	Nationwide
FNCCI Anti-corruption Project	Jan-04	Mar-05	none	£50,756	Jan-Mar 06	£196,204	Nationwide

Note 1: OPR = output to purpose review.

Note 2: The budget figures for the unfinished projects (except PPP) are those from before the 2006 budget cuts.

Annex 4: Rights Democracy and Inclusion Fund (RDIF): Guidelines for Applying for Funding

1. Background

Nepal's government, constitutional bodies, and political parties have faced many challenges in performing their roles since the reintroduction of multiparty democratic government in 1990. Associated problems — including institutional failings and a failure of institutions to represent all sectors of society — have seriously hindered Nepal's development.

The Rights, Democracy and Inclusion Fund (RDIF) is an initiative of the UK and Swiss governments for the sustainable reform of political governance in Nepal. It was launched in February 2006 and is managed by the Enabling State Programme (ESP), a programme of the British government's Department for International Development (DFID). The fund is part of DFID and the Swiss Agency for Development and Cooperation's (SDC) global commitment to supporting accountable and responsive governance.

The fund aims to help bring about a strengthened and more sustainable system of accountable governance that is characterised by more respect for rights, democratic norms, and the political inclusion of excluded groups. Such a system will fit with PRSP objectives on good governance and social inclusion and be more durable, responsive and accountable.

The main institutions involved in democratic governance are the political parties, government bodies that regulate and supervise elections, parliamentary bodies, and in some cases the media and other organisations. The fund will focus on improving the performance of all these institutions and on including excluded groups in Nepali politics and government. The fund's aims are in line with HMGN's declared policy of the democratisation of the country's system of governance.

2. What type of initiatives will be supported?

The fund will encourage and support Nepali ideas to help the sustainability of democracy. It will support Nepali civil society organisations, academic institutions and other organisations working legally in Nepal.

The fund is focused on *sustaining* accountable political governance. It will therefore support work that has a lasting medium to long-term impact. It will not fund initiatives with only short-term outcomes. The fund will establish funding priorities on a half-yearly basis.

The fund will support promising ideas in the following three subject areas:

- a) **Strengthening the machinery of democratically elected government** — including, but not limited to initiatives to:
 - improve the internal governance of the political parties. This will include measures to improve their overall functioning and in particular to make them function more democratically and inclusively so as they become more responsive to members and constituents. A priority here is to support parties to develop their policies in a more democratic way and to encourage the consideration of policy alternatives;
 - strengthen policy advisory bodies such as think tanks; and
 - strengthen the capacity of government and non-government bodies that regulate and monitor elections and other aspects of the political process.
- b) **Strengthening understanding and conduct of political rules and options** — including, but not limited to initiatives to:
 - raise awareness and understanding among groups interested in political governance (for example, party cadres) of key democratic concepts including the rule of law, human rights, and democratic working practices; and

- encourage political governance actors to abide more by agreed ‘rules of the game’ of democratic governance such as obligations to implement manifesto promises and behaving in cooperative and consultative ways in coalitions.
- c) Political inclusion** — involving initiatives to increase opportunities for the political participation of excluded groups (women, Dalits, ethnic groups, terai communities and others) in political parties and in national and local government by:
- making the institutional systems involved in political governance more accessible to excluded groups; and
 - improving the awareness and capacity of excluded groups to participate in political processes including at district level and in political party leadership.

Project activities can take any form but are likely to include initiatives for institutional reform, awareness raising, promoting engagement between constitutional forces, capacity building, idea sharing, and dialogue promotion. The fund aims to support a range of initiatives across all parts of the constitutional spectrum.

3. Who can apply for funding?

Proposals can be submitted by national and international organizations legally operating in Nepal including government agencies, NGOs, Nepali associations, professional bodies, community groups, educational institutions, and INGOs. INGOs will only be supported if they work alongside a local partner.

The fund will **not** provide support directly to political parties, and will operate in a completely non-partisan manner. Those organisations that receive funding must abide by the donors’ Basic Operating Guidelines (BOGs).

An important consideration In assessing whether to fund proposals will be organisations’ track records in improving the sustainability of democracy and their credibility in the eyes of project stakeholders.

Organisations funded by RDIF must produce evidence of sound management practices, including financial transparency and accountability arrangements. Organisations that receive funds must produce a copy of their organisation’s complete independently audited accounts each year in the same form as those submitted to the organisations’ own management, including any notes from the auditor.

If two or more organizations submit a joint proposal, the proposal needs to state which will be the lead agency responsible for administration and implementation.

4. What size of projects will be funded?

There is no minimum or maximum amount. Organisations submitting proposals are expected to make a significant contribution to the resources needed to run their projects. This can be by providing human, financial, or other resources.

5. Information needed in RDIF proposals

Each proposal should contain the following information and should be no more than 10 single-spaced typed pages long in Arial 11 font size. Proposals can be written in either Nepali or English.

Title page: (1 page)

This front page should say “Proposal for RDIF funding” at the top of the page and also include the proposed project’s name, the main applicant organisation’s name, and the month and year of proposal submission.

Information on applicant organisation (maximum 2 pages):

- Name, address, telephone numbers, and email details
- Name of primary contact person
- Legal status
- Goal and main subject working areas
- Brief history
- Description of major on-going activities
- The organisation's previous experience in political governance.

Project proposal (maximum 5 pages):

- State the core problem that the project will address.
- Background to the core problem including the problems the project will address.
- Context analysis explaining why the project is relevant to the issues involved.
- A summary of other initiatives already underway in this area undertaken by other groups.
- Project goal and objectives.
- Project activities (who will do what, with whom, where, when, how often, and for how long, etc.)
- Project target groups/beneficiaries (who they are and how they will be affected by the project?).
- Specific measurable results and outcome indicators (what changes or differences will the project make towards improved governance. What specific and practical end results will be achieved by implementing the project?).
- Duration of the project (maximum two years).
- Resources — state the total amount asked for and what resources the submitting organisation will provide.
- Management arrangements — briefly explain how the project will be managed. State which is the lead agency if more than one agency will be involved.
- Coordination — explain if implementing the project will involve coordination with other organisations.
- Work plan — give timeline for each activity.
- Brief terms of reference and qualifications of proposed key personnel.

Project budget (maximum 2 pages)

- Budget costs in Nepali rupees broken down by activity (staffing, administration, training, projects, printing costs, miscellaneous, etc.). The budget is best prepared in a spreadsheet and inserted into the Word document once finalised.
- Total funding requested from RDIF.
- Local financial contribution from the submitting organisation and sources/amount of any co-funding that will be committed.

6. Proposal submission

Project proposals are reviewed every month in order of submission. They should be sent to the RDIF coordinator, in one of the following three ways:

Deliver to:	Post to:	Email to:
Enabling State Programme Kiran Bhawan, Sanepa, 2 Lalitpur	Enabling State Programme P.O. Box 15142 / PPC 333 Kathmandu	mail@esp-nepal.com

7. How are proposals selected for funding?

All proposals submitted in the proper format (as explained above) will be reviewed by the RDIF Steering Committee. This committee is made up of representatives from DFID and the SDC. The committee may ask for clarification or additional information from submitting organisations. It will inform, through the RDIF Coordinator, all submitting organisations whether or not their proposals have been accepted for funding.