



# SAMBAD

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The deteriorating political situation is gradually leading the country towards ruins, affecting all prospective areas such as industry, education, health, tourism and others. Not only has it given a big blow to the economy but also has slowed down the developmental process of the country. The continuous rescheduling of election date for constituent assembly has resulted in a lack of concrete and proper framework for the country to function.

*Nepal Bandh* (nationwide strike) has become one of the common practices to demonstrate disagreement or dissatisfaction towards certain political issues. Nationwide strikes have not just halted planned work for certain period of time but also have paralyzed the state. People from all walks of life have been affected by such strikes. Furthermore, the unstable political situation has given rise to a vicious circle of economic under performance. This cannot be counter attacked unless a more stable form of functioning government and system comes into action.

It is high time that we need to stand above caste, culture, gender, age, politics, geography and other forms of differences and be united into one to work for One Nepal, Our Nepal. The expected election of constituent assembly in *Mangsir* has emerged as a ray of light for all Nepalese entangled in political dilemma and darkness. Let us all earnestly hope that the election becomes successful and we finally get a constitution by the people and for the people.

With this note, the IIDS family is pleased to bring forward the 33<sup>rd</sup> edition of SAMBAD. Living up to its aim, the research team at IIDS has been involved in a number of projects that help IIDS stand as a leading research institute in Nepal.

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## Seminars

Workshop on “**Gender Responsive Recovery of Sustainable Peace**” was organized by IIDS on 9th May 2013 at Trade Tower, Thapathali. The purpose of the workshop was to share information of the report findings. Experts from various organizations participated in the program.

IIDS had conducted an expert group meeting on, “**Nepal Economic Outlook 2012/13**”. The meeting was attended by board members of the organization, various renowned economists, agriculturists and social scientists of Nepal. The meeting was highly successful in getting valuable comments from the participants.

## Staff Participations

The Executive Director, Dr. Bishnu Dev Pant attended Regional workshop on “The Impact Pathways for Climate Change, Agriculture and food security Program in South Asia” being hosted by Worldfish Centre on 26-28 February 2013, Bangladesh.

Dr. Bishnu Dev Pant participated in workshop on “Initiative on the Role of Fertilizer and seeds in Transforming Agriculture” in Asia Regional strategies analysis and knowledge support systems in Asia (ReSAKSS-Asia) program in Phnom Penh, Cambodia on 6<sup>th</sup> and 7<sup>th</sup> of May 2013.

Mr. Manbar S. Khadka attended a talk program by Professor David Lewis of London School of Economics organized by Niti Foundation on 24<sup>th</sup> August, 2012 at Hotel Yak and Yeti, Kathmandu.

Mr. Manbar S. Khadka and Mr. Shankar Aryal attended a workshop on “Local Governance Action Research” organized by The Asia Foundation on 25<sup>th</sup> March 2013 at Gokarna Forest Resort, Kathmandu.

Mr. Manbar S. Khadka and Ms. Silam Ranjit attended a workshop on “Advocacy for Open Access” organized by Nepal Library and Information Consortium on 16<sup>th</sup> May 2013 at Hotel Shankar, Kathmandu.

Mr. Binod Shrestha participated in launch of publications from Nepal Armed Violence Assessment

organized by Small Arms Survey. The program was held in Hotel Himalaya on 14<sup>th</sup> May 2013.

## New appointments- 2012/13

**Ms. Sushmita Pradhan** has been appointed as a Research Assistant. She has received Master’s degree in Development Studies from Kathmandu University. She has previously worked in International Water Management Institute, Alternative Energy Promotion Center, Esther Benjamin Trust, and The Netherlands Development Organization.

**Ms. Pooja Pathak** has been appointed as a Research Assistant. She has received Master’s degree in Environmental Science from Tribhuvan University. She has also worked as a Naturalist at Gokarna Forest Resort and has attended the “Youth Encounter in Sustainability” (YES) course held in Serbia.

**Ms. Shraddha Shakya** worked as an intern for six months and recently, she is working as Research Assistant under “Local Governance Action Research”

**Mr. Amish Pathak** worked as an intern for three months. He has completed Bachelors of Information Technology from Himalayan Whitehouse Engineering College, Purbanchal University.

**Ms. Neeti Upreti** has been appointed as an intern. She has completed Bachelor’s in Social Work from St. Xavier’s College, Kathmandu University.

## Ongoing Projects:

**Gender Responsive Recovery of Sustainable Peace:** This project is organized and funded by UN Women. The objective of the project is to generate baseline data on selected indicators. Field study and data analysis is completed. The team is currently working on draft report.

**Tax Policy and Enterprise Development in South Asia:** IIDS had signed a three -year contract with Governance Institute Network International to conduct a study on tax policy and Enterprise Development in South Asia with financial support from IDRC, Canada. Questionnaires have been prepared and finalized and IIDS is going to conduct field survey soon.

**Nepal Business Climate Perception Survey:** This project is jointly conducted by IIDS and The Asia Foundation. The project aims to conduct this type of survey on a regular basis of every six months. The first survey was completed and draft report was submitted on December 2012. The research team is working on the final report.

**Local Governance Action Research:** This project is jointly implemented by IIDS and The Asia Foundation. The action research is being implemented in five municipalities: Dharan-Sunsari, Dhulikhel-Kavre, Byas-Tanahun, Narayan-Dailekh, and Bhim Dutta-Kanchanpur.

#### **Completed Projects:**

**Situational Assessment for the Preparation of Nepal Food Security and Livelihood Enhancement Project:** This project sheds light upon three critical aspects of food security – availability, access, and utilization – for the poor and food insecure households in selected locations. The report has been submitted to the International Food Policy Research Institute.

**Program for Promoting Accountability in Nepal:** The study was jointly conducted by National Research Institute, Total Management Services and IIDS. This project has been designed to build capacity of National Civil Society Organizations to play an important role

in strengthening accountability and responsiveness of public sector programs and state institutions over the medium to long term- through social accountability mechanisms, in particular in three pre-selected thematic areas: Public Financial Management, Public Service Delivery and Multiple Good Governance. The final report was submitted on August 2012. The project was funded by World Bank.

**Social Management Framework for the Nepal Agriculture and Food Security Project:** This project intends to improve food security of poor and marginal groups of population by increasing agricultural production, increasing livelihood options and household income, and improving utilization of food. The final report has been submitted to International Food Policy Research Institute.

**Policy and Institutional Related Research Gaps for Climate Resilient Farming Systems Intensification in Nepal: A Diagnostic Study in Eastern Indo-Gangetic Plains:** This document had analyzed policies, institutions and market performance which influenced the climate resilience and level of intensification of farming system in Nepal. The study had identified research gaps on policies, institutions and market opportunities for climate resilience farming systems intensification in Nepal.

The UN resolutions 1325 and 1820 have argued for an increased women's participation in peace building and reconstruction processes. Being a member of the UN, Nepal is obliged to follow and implement these resolutions. By implementing them, Nepal will set an example of its commitment towards protecting women's rights and minimizing violence against women and children.

The resolution and especially 1325 argues for increasing women's participation at decision-making levels of national, regional and international-level organizations for conflict prevention, management and conflict resolution. The resolution 1325 vehemently argues for recognizing women's and children's rights and providing them with security both during conflict and post-conflict periods of peace building and reconstruction processes.

However, with regard to rehabilitation of conflict-affected women and children in Nepal, not much significant work has been done so far. While beneficial programs have been launched in conflict-affected districts like Ramechhap, Sindhuli, Kavrepalanchok and others, the programs have not been sufficient enough for improving the situation of victims. The conflict-affected women and children are socially and financially weak. Most of the conflict-affected women are illiterate and so are unable to get employment both at local- and national-levels. They lack resources to initiate small-scale enterprises. Moreover, the real victims have not been properly identified, and the victims are not aware of any compensation packages available to them from the government.

Hence, to better integrate victimized communities especially the women and children into the society, there is a need to properly identify them first. They should be provided with income generating trainings such as sewing clothes, producing agricultural products using modern technologies and such others. The children of conflict-affected families should be provided with education scholarships and other basic amenities.

Presently, the level of awareness on these resolutions is limited across Nepal. Even the concerned bodies such as Women and Children's Development Office and Local Peace Committee at the district level seem to be less aware of them. So there is a lot to be done in terms of providing trainings to concerned governmental and non-governmental bodies on above mentioned UN resolutions. The concerned officials should be trained regarding the importance of these resolutions and the need for implementing them in Nepal's post-conflict transition period.

The inherent gist of UN resolutions is great. Their implementation in Nepal will help reshape Nepalese societies trodden with decade long civil conflict. However, the most important thing is to build capacities of conflict-affected communities so that they can well adopt in the society.

Finally, gender-based violence is on rise even at 21st century. In order to tackle violence against women and children, the society must push for strong punitive measures for criminals like sex offenders. The society must pursue zero-tolerance practices towards violence and discrimination against women. For building safer and an empowered society, there is a greater need for broad-level thinking among members of the society. Women must be well respected and their thoughts and insights must be given due recognitions at every level of society building processes.

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\* Mr. Khadka is an economist at IIDS.

Natural resources are depleting continuously with the increasing demographic pressure. Increasing demands of the natural resources exert pressure on natural resources management (NRM). Hardin's article of 'Tragedy of the Commons' on NRM, addressed the issues of common pool resources, property rights and degradation of natural resources. In the absence of property rights regime and law enforcement agencies, common pool resources such as forestry, fisheries, pasture land, environment will be overly exploited, overgrazed and degraded. In common pool resources: people are free to use, extract and deplete natural resources and marginal benefits of extraction are greater than or equal to the marginal extraction cost. In open access and unregulated common market, individuals do not get incentives to act in a socially efficient way. Investing on the resources is possible: this will increase the supply of natural resources too. But people will not invest on the resources until and unless there are binding agreements on other users to invest on resources as well.

Externalities arise from an open access. They can be internalized efficiently by assigning property rights. This will not only internalize the externalities but also help efficiently allocate resources in the economy. Free riding is quite common phenomenon in common pool resources. This can be dealt with assigning property rights to individuals, state and local government and by devolution of management power to groups of local people. In the common pool resources, we have the problem of prisoner's dilemma, if both parties agree to optimally utilize resources after making necessary investment on resources, both parties in the contract will be better off, otherwise both will be worse off in case of free riding. Common pool resources has problems of congestion and overuse of existing resources. Unlike other public goods, it has the characteristics of non-rivalry and non-exclusion, but resources are subtractable. If we extract one tree from the forest, others will have fewer trees for future extraction. When the extraction rate is higher than the regeneration rate, net addition to the stock will gradually decline. As such, over extraction and depletion of natural resources in the common pool resource regimes lead to the zero stock, or even more. High rate of use of natural resources can extinguish the reproduction capability in future as well.

Prior to various forestry programs implemented in Nepal, most forest resources were either monitored by district forest offices or national forest department. During that time, deforestation and degradation of forest resources was happening in huge scale. As a consequence, percentage of forest land cover declined from 45percent to 29 percent in the 1990. At present, more than 40percent of the total area of Nepal is covered by jungle. Different forest programs such as leasehold forestry, joint forestry community forestry programs etc. are currently in operation.

In Nepal, different types of forest regimes are in operation such as National forest and Private forest regimes. National forest consists of religious forest, community forest, protected forest, joint forest and leasehold forest. Community forestry program in Nepal got momentum after 1990 and it targets whole community and mostly concentrates on forest conservation. Leasehold forestry, on the other hand, was initiated in Nepal with a vision to uplift livelihood of poor farming population to hand over the degraded forest land for certain period of time. Redistribution of assets to poor not only utilizes the degraded property properly and raises their living standard but also equally gives preferences

to resource conservation as well. Almost 35 percent of the total populations in Nepal is involved in Community forestry. As of now, 17865 community forestry user groups have been formed and a total of 1,652,654 hectares of national forest land has been handed over to community forestry user groups. Likewise, 4,918 groups consisting of 43,762 households have benefitted from leasehold forestry.

Based on previous studies, it is observed that leasehold forestry seems to be more effective in terms of equity forest. And community forestry management is found to be more effective in terms of livelihood impact.

In a nutshell, different property rights, directly or indirectly, help reduce deforestation and degradation, and at the same time improve the livelihood of people through an efficient management of natural resources. To mitigate the environmental degradation, awareness generation and community involvement in conservation of existing forest resources are essential. Increasing biomass leads to more carbon sequestration which causes low carbon growth and less green house gases (GHGs) emission in the economy. Converting common pool resources to common property resources increases forest cover. Sustainable development of natural resources will not only depend on assignment of property rights to local users but also on distributive justice of existing natural resources.

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\* Mr. Budhathoki is an economist at IIDS.

\*\* Ms. Pathak is a research assistant at IIDS.

In Nepal, the number of population living in urban areas is about 19 percent. The density of population in 99 municipalities (including 41 newly declared) is increasing day by day. Though the process of urbanization has helped in the expansion of economic activities, it has been very difficult to provide basic urban services. At present, the activities of the private sector are increasing in the development of managed settlements. The municipalities have not been able to provide services necessary for urban inhabitants. On the other hand, adequate work has not been possible in managing scattered rural settlements and strengthening rural urban interrelationships.

The concept of real estate and housing started in Kathmandu since 1990 and various firms and city developers have been gradually developing housing schemes in various metropolitan cities of Nepal. These trends have been increasing among people who live in high standard bungalows or apartments, and have no sufficient time to construct their own houses. According to Nepal Land and Housing Developers' Association (NLHDA), the annual demand for houses and apartments stands at around 40,300 units of which the demand in the valley is about 21,000 units.

The reason behind for an increased demand of housing is the migration of rural population to urban areas. Poverty is the reason of rising trend of migration from mountains to more fertile plains of Terai and urban centers in search of jobs and better livelihoods. Out of total population, 19 percent lives in urban areas and the concentration is much higher, 54.5 percent in Kathmandu, which indicates growth in internal migration. As a result, population in Kathmandu has been expanding at an annual rate of 6.67 percent. Another reason for an increased demand of housing is the availability of banking loans.

Nepal Rastra Bank (NRB) has categorized real estate sector as an unproductive one. However, NLHDA claims that real estate has provided employment to 300,000 people in building construction. As per the report of NRB, because of huge investment in unproductive sector, liquidity problem was seen in the market and the situation has not regained yet. In a bid to correct such high investments in realty market, NRB imposed a cap on the exposure of banks and financial institutions to housing and real estate loans of up to 25 percent and this limit increases to 40 percent of their total investment portfolio.

Developers view that apartment living is gaining popularity these days as people are seeking for a peaceful and secured place to live, secluding themselves from crowded areas of Kathmandu. Besides this, there are so many amenities like uninterrupted power supply, hassle free water supply, facilities of swimming pool, mini mart, spacious road, well maintained garden, sufficient parking space, health club, café, playgrounds, beauty parlour, and others.

The real estate is an important industry. Banks, as investment partners, should make informed decisions while making out loans. Although the interest rates on loans are still fluctuating, banks have opened up towards real estate sector again.

In order to promote realty business in Nepal, the government should play an active role in the implementation of a one-door policy, land acquisition and discouragement of unorganized urbanization. South Asian countries like Thailand, Vietnam and Indonesia have gained economic prosperity through real estate development and Nepal too can follow the same path. It is imperative that the real estate cater the needs of middle class home aspirants and move forward towards public-private partnerships for building low-cost housing facilities. Finally, the government most strictly disallow building construction in fertile lands as most developers have been constructing in fertile lands of Kathmandu valley.

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\* Mr Maharjan is a program officer at IIDS.

## Glimpses of Various Seminars



Panelist on 'Gender Responsive Recovery of Sustainable Peace (GRRSP)' Seminar



Dr. Bishnu Dev Pant, Executive Director, IIDS addressing the Seminar on GRRSP



Dr. Khim Kabi Sharma, Baseline Survey Expert, addressing the Seminar on GRRSP



Mr. Manbar S. Khadka (center) interacting in a seminar on 'Advocacy for Open Access' at Shanker Hotel

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