



SOCIAL SERVICES

Social Charter for Women Empowerment in Nepal

IIDS recently prepared a Social Charter for Nepal. The Charter drew up a broad range of targets to be achieved in the areas of poverty eradication, population stabilization, women empowerment, youth mobilization, human resource development, promotion of health and nutrition, and protection of children.

In this issue of Sambād, extracts from the Women Empowerment section of the charter, prepared by INU ARYAL, are presented.

In Nepal women constitute over 50 per cent of the total population and around 46 per cent of the total economically active population. Traditionally, women in Nepal have been contributing more actively than their male counterparts, mainly in domestic and

household chores and agricultural sector. But the economic contributions made by women at household

The economic contributions made by women at household level or in agriculture sector are not recognized by society and as a result most Nepalese women suffer from unequal power relations with men.

level or in agriculture sector are not recognized by society and as a result most Nepalese women suffer from unequal power relations with men. Certain statutory laws, especially in the areas of property and

family matters, discriminate against women. They are still denied equal access to political and administrative decision-making structures. Nepalese women, particularly those who belong to marginalized groups in rural areas, are still suppressed, exploited, neglected, discriminated and forced to live insecure lives because of illiteracy, ill health, etc. They are severely exploited by society due to orthodox traditions and discriminatory laws. Social taboos have restricted development of women's

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“Annual economic surveys presented to the Parliament before the presentation of the annual budget do not contain much information on advancement towards gender equity or progress of gender mainstreaming programmes.” See P.6

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Editorial

The Tenth SAARC Summit, held in Colombo in July 1998, adopted the commitment of developing a social charter. The social charter was to draw up targets with a broad range to be achieved across the region in the areas of poverty eradication, population stabilization, women empowerment, youth mobilization, human resource development, promotion of health and nutrition, and protection of children. In Nepal, the charter was prepared by IIDS. In this issue of Sambād, we present extracts from the 'Social Charter for Women Empowerment in Nepal'. The paper says that, in Nepal, there is an argument against the empowerment and autonomy of women and it has been recognized that the social, economic and political empowerment of women is essential for their sustainable development in all areas of life.

The budgetary process in Nepal is highly centralized with the Ministry of Finance exercising the authority to formulate, execute and control budget. Gender is hardly considered at any of its steps. Besides gender insensitivity, the budgetary process is marred by various lapses such as inclusion of programmes and projects on an ad hoc basis, announcement of budget without sufficient financial, institutional or legal support and allocation of grossly insufficient budget for projects. This was one of the findings of a study IIDS recently undertook on behalf of UNDP/UNIFEM, namely Gender Budget Audit Nepal. The study was undertaken to promote women through human development and gender empowerment, and achieve rapid success in poverty reduction. The ultimate aim of the study was to ensure gender awareness and mainstreaming in all aspects of budgeting at national and local levels to ensure that government expenditures and revenues, including sources of revenue and allocation, are monitored and evaluated from a gender perspective.

potentials and have prevented them from exercising their constitutional rights. Thus, women in the Nepalese society face a multitude of problems in their day-to-day lives. Although a few urban and privileged women have access to development processes and are economically independent, they are denied equal opportunities to participate in political decision-making.

In Nepal, there is no argument against the empowerment and autonomy of women, and it has been recognized that the social, economic and political empowerment of women is essential for their sustainable development in all areas of life. Thus, it has been well accepted that women's empowerment and full participation on the basis of equality in all spheres of society, including in the decision-making process, and access to power are fundamental to the achievement of equality, development and peace. Accordingly, appropriate policies and programmes have been formulated to address women's development issues and problems in various ways at national as well as local levels. But, due to the absence of effective mechanisms and political commitment to implementing them, women's concerns and needs tend to be marginalized and lost during the course of implementation.

In Nepal, the biggest constraint on empowering women is the wide gap between policies, plans and programmes on the one hand and their actual implementation on the other. On top of it, weak governance, lack of capacity for gender analysis and gender planning, insufficient efforts to include women's representation in decision-making roles, lack of interest and commitment to implementing women's development programmes at the district level, absence of a coordinating mechanism, attitudinal problems and lack of understanding on the part of decision-makers, less attention towards women's empowerment, emphasis on women's physical rather than qualitative participation are the major reasons for the weak implementation of women's development plans and programmes.

Although the status of women in Nepal has advanced to some extent in the past two decades, the progress achieved so far has been uneven and inadequate. Inequalities between women and men, discrimination against women and domestic violence have been persisting with serious consequences for the well being of all people and with adverse effects on the national development.

In the light of the above, the Citizens' Social Charter could be an effective instrument to ensure the

government's commitment to the implementation of women-related policies and programmes.

PREAMBLE

Considering that the governments/SAARC countries would agree to develop a social charter setting achievable targets in all areas of women's development, which will ensure empowerment of women, Noting that the Government of Nepal has agreed and signed international declarations and the Convention on Elimination of all forms of Discrimination against Women (CEDAW) and agreed to the plan of action of the Beijing Conference on Women and the World Social Summit,

Recognizing that there is a strong commitment to women's empowerment and participation in all aspects of the national development process, with special reference to participation in the political and economic decision-making,

Taking into account the policies and actions already taken and the commitment made so far in the women's development sector,

Recognizing that there is an urgent need for the protection and promotion of human rights and principles with regard to equality, security, liberty, integrity and dignity of all citizens, particularly female citizens,

Considering that the enjoyment of social rights should be secured to all citizens without any discrimination on grounds of sex, religion, political opinion or socio-economic status.

GUIDING PRINCIPLES, GOALS AND STRATEGY

Guiding Principles

The guiding principles for women's empowerment should be commitment to increasing participation, enabling them to realize their right to participate in and access information relating to the decision-making process which affect their lives, and inclusion—building inclusive societies, based on values of equality and non-discrimination, and fulfilling obligations—strengthening policies and repealing laws which protect and promote the realization of human rights of women.

Goals

One of the basic goals of the Citizens' Charter is to provide an effective basis for the creation of a developed society on the basis of women's empowerment and

gender equity through mainstreaming of women's participation in each and every aspect of national development process in the member countries.

The main objective of women's empowerment is to increase women's active participation, which will ensure them an equal share in the decision-making process of national development policies and programmes from local to national levels. Women's empowerment aims to recognize women's voice, acknowledge their wisdom and increase their access to political, economic and social sectors and reforms in legal provisions.

Programme Implementation Strategy

The programme implementation strategy should focus on the following:

- Formulation of clearly-defined policies, targets and programmes for women's development at all levels—from local to national;
- Development of gender-disaggregated indicators and strengthening of monitoring and evaluation mechanisms to measure women's participation in development process;
- Review of all laws and regulations discriminatory against women and their amendment to include gender equality;
- Special legal provisions for mandatory representation of women in the formulation of policies and programmes at all levels—from local to national;
- Provision of special training package and credit facilities for income generation for the enhancement of equal participation in socioeconomic development, including participation in political and public life;
- Enforcing of political commitment to involving more women in various levels of political and administrative decision-making bodies;
- Elimination of all legal provisions that discriminate against women by making necessary amendments to conform with the international conventions;
- Elimination of all discriminatory provisions in property rights in family by ensuring equal inheritance rights to daughters;
- Effective enforcement of all existing laws and policies favourable to the protection and promotion of women's rights.

TARGETS FOR THE EMPOWERMENT OF WOMEN

- Female employment in government's organized sector is increased to at least 25 per cent of total employees by 2010 and 40 per cent by 2015.
- Appointment and promotion of female candidates to senior professional and managerial grades are increased to 20 per cent by 2010 and 40 per cent by 2015.
- Of official seats at all levels of the political power structure, at least 25 per cent are reserved for women up to 2010 and 40 per cent by 2015.
- At least 20 per cent women are immediately nominated to the Upper House of Parliament.
- Adult female literacy rate is increased to 60 per cent by 2010 and to 70 per cent by 2015.

PLANS OF ACTION, POLICIES AND PROGRAMMES

Legal Sector

- All legal provisions that discriminate against women are continuously reviewed and amended to conform with the international norms and standards specified in international conventions such as CEDAW and the Beijing Declaration and Plan of Action, 1995.
- The recently passed bill for the amendment of the *Muluki Ain* (National Code) is reviewed and amended to guarantee equal rights, particularly property inheritance right, to women.
- The government considers providing women the right to choose her nationality by amending the related articles of the Constitution.
- The drafting of bills in new areas such as domestic violence is accorded priority.
- There is enough publicity of the declaration signed by Nepal at all international conventions on women through public media and other means.

Women's Participation in Political and Public Lives

- Appropriate actions are taken to create conditions that enable women to actively participate in the country's political life and have their adequate representation in Parliament.

- Provision is made for compulsory nomination of women at political levels by all political parties.
- Provision is introduced for at least one women's representative on the Royal Council and promotion of at least 5 per cent or one woman to all gazetted Special Class positions in the government's administration.
- The government develops a policy of appointing women in leading positions in the NPC as well as in the diplomatic service.
- An independent commission for women is immediately established.*
- Gender-sensitization training is conducted for integrating gender perspective at all levels of planning, programming, implementation and evaluation with priority.
- Special training, workshops and seminars should be organized to sensitize parliamentarians, planners, policymakers, etc on gender issues.

Education

- The government appoints more female teachers, enforces universal female education, with special reference to adult education, and makes girls' education free up to the high school level.
- Massive social awareness campaigns in favour of women's education are launched.
- The government agencies works in collaboration with NGOs and INGOs engaged in literacy and girls' education programmes to expedite and expand informal literacy and education.
- Non-formal education materials, including legal information, are made development-oriented.
- Opportunities in higher and technical level education are enhanced for women through reservation of seats, scholarships, hostel facilities and public awareness.
- Vocational training that focuses on income-generating skills is made available to all women in rural areas.

Health

- There is equal access of all citizens, particularly women and girl children, to primary healthcare services.
- More resources are allocated to basic healthcare services that cater to women's needs as well as create

* already implemented.

social awareness and provide information on different aspects of reproductive health to women.

- Gender-sensitization training is conducted at all levels for bureaucrats, doctors, nurses and health workers.

Employment

- The government adopts special policies and guidelines to encourage women's participation in all spheres of employment.
- The government creates more skill development training and opportunities for income generation and self-employment in both urban and rural areas.
- Studies to simplify institutional credit facilities and loan disbursement procedures are conducted and collateral-free loans are offered to poor and uneducated women, particularly in rural areas.
- Awareness-raising programmes are conducted for both men and women to reduce prejudicial attitudes and increase family support to women's employment and also to enhance women's social status.

Violence against Women and Girls

- Mass awareness campaigns are launched against domestic violence and discriminatory social norms and values.
- Data on violence against women and girls are collected in a systematic way. The government sets up training, counseling and rehabilitation centres to provide emotional support to victims of trafficking.
- Definition of domestic violence is modified according to the UN standards and victims are supported by the state.

MONITORING AND EVALUATION

- The SAARC member countries establish an institutional framework and system that ensures regular monitoring and evaluation of the implementation of the Social Charter and necessary corrective actions.

- The independent commission established by the government is entrusted the following tasks:

- development of necessary guidelines for the supervision and monitoring of the performance of government programmes in cooperation with national NGOs and other implementing agencies;
- promotion research studies and surveys to strengthen and improve knowledge and understanding of gender balance; and
- organizing of broad-based consultations with civil society in the monitoring and evaluation of progress.

All citizens have the right to know about all programmes and policies that concern them, including those related to the empowerment of women. Information about the Social Charter should, therefore, be disseminated to the general public, including those who live in remote areas. Therefore, the government should incorporate the policy of gender equality and women's empowerment in the national media policy.

ACCESS TO INFORMATION

Women are virtually absent from the important news of the government's policies and programmes

whether transmitted by press or on radio or television. Thus, women lack access to information they need and to which they have right, information which would help them answer questions affecting their daily lives, problems and needs. Women-force cannot be empowered without giving them adequate access to information about their rights.

All citizens have the right to know about all programmes and policies that concern them, including those related to the empowerment of women. Information about the Citizens' Social Charter should, therefore, be disseminated to the general public, including those who live in remote areas. Therefore, the government should incorporate the policy of gender equality and women's empowerment in the national media policy.



ECONOMICS AND ECONOMIC POLICY

Gender Budget Audit Nepal

The report of the study, *Gender Budget Audit Nepal*, was submitted to UNDP/UNIFEM in September 2002. The study team comprised Dr Meena Acharya (Team Leader), Dr Suman Sharma (Principal Investigator) and Dr Yuba Raj Khatiwada, Dr Vikash Satyal, Mr Shankar Aryal and Ms Puspa Ghimire (Members).

The overriding goal of this study was to ensure

gender awareness and mainstreaming in all aspects of budgeting at national and local levels so that government expenditures and revenue, including sources of revenues and allocation, are monitored and evaluated from a gender perspective. The ultimate aim of the study was to promote women through human development and gender empowerment, and achieve rapid success in poverty reduction.

In addition to reviewing secondary information, the study conducted field surveys in three districts namely Kavre, Siraha and Dhanusha.

Excerpts from the report are presented below.

FINDINGS

Budgetary Process and Implementation Mechanism

Authorities in the Ministry of Finance (MoF) consider all its macro-economic policies and tax measures gender neutral and, so far, have paid no attention to gender aspects in the ministry's policies and taxation measures.

Gender, however, is getting some recognition as an important factor in expenditure allocation decisions. In the 2000/2001 guidelines in the budget demand forms, some ministries, particularly agriculture, labour, education and population and environment, are required to state programme effects on women and poverty reduction. However, the MoF guidelines are not yet operational. Moreover, other ministries are not required to assess their demands from a gender or poverty perspective. Similarly, guidelines for district budgetary demands do not contain such provisions either.

So far, gender considerations enter this process only at the NPC and line ministry programme level. DDC and VDC planning processes are still very

rudimentary and generally women are paid scant attention in this whole process.

Gender mainstreaming aspects, even where spelled out at the macro policy level, do not enter as an

Gender mainstreaming aspects, even where spelled out at the macro policy level, do not enter as an integral aspect in the sectoral programmes and projects or monitoring and evaluation process.

integral aspect in the sectoral programmes and projects or monitoring and evaluation process. Gender concerns are generally further ignored at the implementation level by the line ministry district offices, as there is

no institutional mechanism at the district level to monitor or follow up on the gender aspects in the implementation process.

Annual economic surveys presented to the Parliament before the presentation of the annual budget do not contain much information on advancement towards gender equity or progress of gender mainstreaming programmes.

HMGN programmes on gender equity are not coordinated with local governments and managed ad hoc and vertically. Although some donor supported programmes (eg PDDP/LGP/VDP) are more focused on gender equity and better linked with local governments, they have limited coverage and impact.

Impact of Budgetary Policies on Gender

The impact of the marked shift in other budgetary policies since mid 1980s towards a more open economy and a minimalist state has not been gender-friendly in general. Major budgetary policies having implications for the economy, society and gender include expenditure control for attaining macro economic stability, shift in budgetary allocation, privatization and commercial orientation of public enterprises, private sector development through fiscal incentives, streamlining transfer and subsidies, and decentralization of fiscal authority in terms of resource mobilization and delivery of basic services.

During the first phase of the structural adjustment programmes in later 1980s and early 1990s, there was a sharp deceleration in the growth of public spending on health, drinking water and local development, which could otherwise benefit women. Overall development spending has, nevertheless, been

suppressed having its deleterious effect on the rural economy and women.

Women have benefited very little from expansion of the modern sector activities propelled by fiscal incentives while withdrawal of farm subsidies has made their agricultural activities precarious in the face of imported subsidized products from India and overseas. The withdrawal of price subsidy on food and fertilizer has crippled the food security system and exposed households in the remote and other food-deficit areas to hunger and malnutrition. With larger family responsibility, women have to bear the brunt of hardships.

On the positive side, prioritization of programmes has become more beneficial to women.

Revenue Mobilization Measures and Gender

Recent trends in growth and changes in the structure of revenue have not been positive from the gender or poverty perspective. Growth of revenue remained lower than the growth

of expenditure during the last two decades, thus, seriously constraining the prospect for higher budgetary allocation to programmes of interest to women.

The tax system has not been able to ensure greater equity either, as Nepal's tax system became more regressive during the nineties with adverse impact on poor households and, therefore, on women. Across the board, women are generally poorer than men. Indirect taxes, which tend to discriminate against the poor, are therefore likely to have greater adverse impact on women than on men.

The practice of adding a wife's income to her husband's income for assessment of the household income for tax purposes is also discriminatory to women because it taxes women's income at a higher rate.

Corporate and income taxes at higher levels of income have had mixed impact on women. Women have benefited as workers from increased export of carpet and knitwear and expansion in tourism. On the other hand, rural labour in general and women in particular have not benefited much from such investments in large-scale manufacturing.

Since women form only minimal part of the organized labour force, both in the public and in the

private sector, they benefit very little from various kinds of social security schemes such as pension, insurance and other deductions and exemptions. Exemption of agricultural income may increase disposable income of the farmer households and benefit women both as consumers and as workers. Yet, since women own very little land, such tax exemption is discriminatory against women as haves and have-nots are treated on equal footing.

Tariff measures affect women as consumers, workers, or traders. On all of these counts, women in general have been impacted adversely by the changes in the import duties during the nineties. Urban women in Nepal may have benefited as consumers somewhat from the lower rate of inflation.

Rural women have not benefited much from the expansion in modern industries or services as workers.

The practice of adding a wife's income to her husband's income for assessment of the household income for tax purposes is also discriminatory to women because it taxes women's income at a higher rate.

This is because while the traditional manufacturing and service sectors have been closing down because of the onslaught of the cheaper factory-produced goods and imports, modern

industries and services need educated and skilled labour, which women lack compared to men in general and imported male labour in particular. Women's participation in trade, however, has increased somewhat in statistical terms. This could be a result of better statistical effort to cover women's activities in recent years.

Development Priorities and Budget Allocations

Since early nineties human development has moved to the top-most agenda of the development community, which is a positive trend from gender and poverty perspectives.

For current analysis the budget included programmes and projects and associated allocations have been categorized into three categories: women-only, pro-women and mainstream. In women-only programmes only women are targeted. Pro-women programmes target no particular sex but are likely to benefit women more than other programmes. Likely impact of other programmes on women is indefinite. Their impact could be negative or positive from the perspective of gender equity.

Budgetary allocation to women-only programmes has been very low in Nepal. Budget

allocation to pro-women programmes is limited to a few ministries like the Ministries of Local Development, Forestry, Agriculture, Education, Health, Women and Social Welfare, and Population and Environment. Other Ministries may have small women-only components. Of the three sectors that have been selected for detailed analyses by this study, viz health, education and agriculture, the health sector spends the largest proportion of its budget on women-targeted programmes, while pro-women programmes receive the largest share in the education sector..

In all the three sectors, health, education and agriculture, at the local levels inadequacy of funds was one of the major complaints made by women representatives and groups.

Gender in DDC and VDC Budgetary Processes

Women's involvement in the local-self governments' (DDCs and VDCs) budgetary processes is also generally weak despite their mandatory representation. Representation of women in local governments is ensured through allocation of seats to women and provision for nomination of additional women representatives to local government-executive bodies. However, most local governments are elite-led and effective operational strategy for women's participation has not been developed in local governments. Regulations and guidelines on gender have not yet been adequately followed in resource allocation and prioritization of programmes. Other factors inhibiting women's effective participation in the budgetary processes include party politics, traditional attitudes of the members, as also lack of broader developmental perspectives of women representatives. Their demand for programmes seemed to focus persistently on traditional skill training and small income generation.

Current provision of having elected women members in the village assembly but nominated member in the VDC and DDC executives is highly inconsistent and it reduces the quality of women's participation in these decision-making bodies. While many of the elected women were highly motivated and vocal, the role of the nominated women representative was found to be not effective.

Gender concepts are severely lacking in DDC and VDC functioning. While gender training for women has got wider acceptance in recent years, the need to reorient villagers as a whole on gender issues is severely lacking. DDC and VDC policymakers see women's programmes just as an opportunity to enhance the household income or to get foreign funding.

DDCs were also managing several donor-

funded programmes which were pro-women in principle but little internalized by local executives. As a consequence the emphasis is placed primarily on women's participation in small income-generating groups rather than on overall planning and programming.

VDC budgets also devoted only marginal attention to women's needs in general. The major item of VDC budget expenditure was human resources, which normally included salaries and training programmes, which occasionally encompassed some programmes for women as well. Such programmes, however, were marginal and often based on gender stereotype and lacked innovation. Of VDC programmes to which VDC resources were allocated, Immunization, Community Medicine Availability (CMA), Adult Literacy and Training on Awareness and Sanitation could be considered pro-women.

RECOMMENDATIONS

Recommendations have been divided into two parts: one, which needs to be implemented from the next fiscal year and, two, which will take longer time due to the legal and structural changes required.

Recommendations which can be implemented from the next fiscal year

- First and foremost, there is a need for institutionalizing gender and poverty auditing at all stages of budget formulation and expenditure planning. MoF itself must institutionalize a mechanism and indicators for evaluating impact of its macro economic policies and programmes on women along with poverty.
- Particularly information on advancement towards gender equity and mainstreaming should be incorporated in the Annual Economic Survey.
- MoF should strictly follow the criteria set down in its own guidelines for programme approval, including the provisions on impact analysis of demanded expenditure items on poverty and gender, and not include *ad hoc* projects and programmes.
- Recommendations of all previous commissions and study reports on more efficient management of the budget already accepted by the government must be put into practice for increasing the general efficiency of expenditure and generate more resources for women-only and pro-women programmes.
- Interaction workshops should be organized for all MoF staff, including policymakers, with gender experts on these issues.
- The three-year rolling budgeting practices should be strictly followed. This will allow better coordination of budget with local aspirations, including those of

women, facilitate uninterrupted implementation of programmes and projects, and hence, help in more efficient budget implementation.

- Allocation of higher budgetary resources for exclusively women-focused programmes is also necessary as women are not able to benefit equally from gender-neutral programmes because of the inherently gender-biased socio-economic structures and value systems.

- Resources for women-only educational assistance must be increased substantially for effectively counteracting the persistent socio-cultural bias and economic disadvantage girls face in their education.

- Intra-sector budget restructuring in favour of anti-poverty and pro-women or women-only programmes is a must as inter-sectoral restructuring has little scope due to increasing fund for security purposes and infrastructure and shrinking revenue.

- MOWCSW must be allocated sufficient resources

for fulfilling its advocacy role as also for women's empowerment programmes not included elsewhere, for example capacity building of the elected women and fighting violence against women.

- Resources for gender sensitization at the sector and programme level must come from the sector's own budget.

- Decentralization must be accompanied by broad capacity-building programmes for women to ensure women's participation in the budgetary processes on a wider scale.

Recommendations requiring longer-term perspective

- The MoF\NPC guidelines to all ministries and districts for formulating their budget demands must require gender and poverty impact analysis, as currently specified for some specific sectors such as agriculture, labour, education, and population and environment. It is equally important to incorporate gender concerns, for example in land distribution and settlement plans, forestry, tourism, irrigation, rural roads, communications, and many other sectors and district programmes.

- These guidelines should specify that all kinds of training programmes must require the programmes to incorporate gender concerns in the related field. In view

of the lack of gender sensitivity at all levels, a system that supports and creates an appropriate environment for gender sensitization is desirable. Extensive and continuous gender sensitization exercises must take place at all levels, including policy level.

- MoF should institute a section with the exclusive responsibility of gender auditing and generally gender sensitizing the budgetary process and the MoF structure as a whole.

- MoF should find resources for establishing gender auditing units in all ministries for certain years.

- Monitoring and evaluation structures and mechanisms must find resources for incorporating gender aspects in their regular work. Appropriate indicators also need to be developed for monitoring such aspects and MoF must allocate resources for one time if required.

Gender concepts are severely lacking in DDC and VDC functioning. While gender training for women has got wider acceptance in recent years, the need to reorient villagers as a whole on gender issues is severely lacking.

- Donors collectively should also attempt to reach the 20/20 target. Budget restructuring in favour of women depends very much on the commitment of donors and flow,

structure and utilization of the aid for women-focused programmes.

- Women representatives in the VDC and DDC executives must be elected from among the elected women assembly members by the respective general assemblies rather than nominated by the elected DDC and VDC chairpersons.

- MoF must find resources to fund an effective overall gender auditing unit at the district level. The terms of reference of the current district-level Women Development Office under MOWCSW should be reformulated to promote them as an overall district-level unit responsible for gender auditing. Besides its responsibilities should include gender planning, gender monitoring and supervision, and organizing gender training at the district level in collaboration with other government and non-government institutions.

- Training programmes for women must be fundamentally redesigned and funded more efficiently, rather than concentrating on traditional skills such as sewing with little market possibility to address the issue of poverty and women's income more effectively.

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ECONOMICS & ECONOMIC POLICY

Poverty Profile

A draft report of the study on preparing a poverty profile for Nepal was submitted to the Japan Bank for International Corporation (JBIC), which is funding it on 31 December 2002. The members of the study team are Dr Suman Sharma (Team Leader), Dr Vikash R Satyal and Mr Shankar Aryal. The study has used both secondary and primary data for the preparation of the poverty profile.

The study is divided into three major parts. The first part includes an in-depth empirical analysis of

poverty and inequality situation of Nepal based on secondary as well as primary dataset provided by NLSS 1996. The second part investigates the poverty reduction policies and programmes in the government sector and their implications for poverty reduction. The third part examines the role of foreign aid in poverty alleviation, including the poverty reduction initiatives taken by NGOs and INGOs.

Impact of Terrorism

A paper, *Impact of Terrorism in South Asia: Nepal's Experience*, was submitted to the Regional Centre for Strategic Studies (RCSS), Colombo, Sri Lanka, in November 2002. The paper was prepared by Dr. Suman Sharma. It was presented at the Regional Meeting on Impact of Terrorism in South Asia held in Kathmandu on 23-24 November 2002. ***

Global Research Project

The final report of the paper, *Sources of Growth: Nepal*, was submitted to the South Asia Network of Economic Institutes (SANEI), New Delhi on 1 November 2002. The study team comprised Dr Suman Sharma, Dr Yuba Raj Khatriwada and Dr Vikash R Satyal. The report was funded by the Global Development Network, Washington, DC.

The present study was a country study in the context of Nepal as it was a follow-up to the global study on explaining sources of growth and cross-country differences in growth rates. The major objective of the country study was to examine the sources of growth in Nepal during the period 1966-2000. Following a simple growth accounting exercise, the country study observed that, in Nepal's context, the major source of growth is basically the capital accumulation process. The total factor productivity did not contribute much to the growth process of Nepal during the period under review.

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- Taking into account the gender bias of the existing tax system, some measures need to be taken to make the revenue system more gender sensitive:
 1. Gender should be taken as an important factor in formulation of general fiscal and taxation policies and each tax, subsidy and transfer policy evaluated for their impact on gender and made more responsive to the issues of gender equity.
 2. The direct tax base and its compliance have to be enhanced so as to depend less on regressive type of tax system that discriminates against women.
 3. Consideration should be given to simplify the VAT system, exempt essential items from the tax net and extend the scope of zero VAT to some more basic goods and services. A higher threshold transaction for starting women entrepreneurs should also be considered.
 4. Finally, exemption of customs duty should be streamlined so as to benefit women in terms of easy availability of goods and services for household chores.

Interaction Programme on Gender Budget Audit in Nepal

The 'Interaction Programme on Gender Budget Audit in Nepal' was organized by His Majesty's Government of Nepal, United Nations Development Programme, Unifem and IIDS in Kathmandu on 22 July 2002 to share and disseminate the findings of the study among the stakeholders.

SANEI Economic Reforms and Power Sector in South Asia Scope and challenges for Cross-border Trade

The report of the SANEI II study, *Economic Reforms and Power Sector in South Asia: Scope and challenges for cross-border trade*, prepared by Dr MM Sainju, Chairman of IIDS, Prof Mahendra P Lama of the Rajiv Gandhi Foundation and Centre for South Asian Studies, Jawaharlal Nehru University, India, and Dr QK Ahmad, Chairman of the Bangladesh Unnayan Parishad, Dhaka, Bangladesh, has been finalized.

The report has the following contents:

1. **Introduction:** Reforms and power sector; Installed capacities;
 2. **Analysis of Power Market:** Seasonality; Demand: Components and sustainability ; Supply: Nature and determinants.
 3. **Intra-country Power Exchange:** Transmission constraints; Tariff issues.
 4. **Scope for Cross-border Power Trading:** Advantages in cross-border power trading; Demand structure in India; Potentials in hydropower sector. Exportable surplus in the region; Gas-based power projects;
 5. **Principles of Power Trading: Existing versus New Approach:** Power trading mechanisms: Alternatives; Bilateral power trading; Demand structure in India; Potentials in Hydro P . Power sector Existing Arrangements; Why Power Purchase Agreements; Key Issues: Power projects and trade;
 6. **Possibilities:** Advantages of interconnections; Information with Bangladesh, Bhutan and Nepal.
- The report says that the border regions of Bangladesh, Bhutan, India and Nepal have significant scope for both power generation and marketing. The surplus generated by the hydro plants in Bhutan and Nepal coincides with seasonal peak demands in the supply-short countries, Bangladesh and India. There is a pure economic benefit as the trade in energy sector will not only fetch these countries revenue but could change the export composition without disturbing the traditional baskets and existing arrangements. ●●●

Nepal: Source of Economic Growth and Enabling Macroeconomic Policies

A discussion programme was organized by IIDS on 4 July to present Dr Mohsin S Khan's paper, *Financial Development and Economic Growth: An overview*. Dr Khan is member of Research Advisory Panel, SANEI, and Director, Training Institute, International Monetary Fund. The paper focuses on linkages between financial development and growth, new empirical results and areas for future research such as collection of data on financial indicators, refinement of relationship between financial development and growth, and linkages of domestic and international financial sector. ●●●

PUBLIC ADMINISTRATION, GOVERNANCE AND LOCAL GOVERNANCE

Status and Situation Analysis of Janajati

A complete set in Nepali language of reports of the project, *Status and Situation Analysis of Janajatis*, was submitted to the National Planning Commission (NPC). The reports were finalized after incorporating the comments and suggestions of HMGN and the stakeholders, ie indigenous peoples' organizations.

Also, another report entitled, *Plan of Action for Development of Indigenous Peoples/Nationalities in the Tenth Plan*, was submitted to the NPC and Department for International Development (DFID).

The study aimed to produce a final document that consists of a status report, analysing the development challenges, opportunities and constraints, strategic plan and logframe as inputs into the Janajati issues to be addressed and included in the Tenth Plan.

The study team comprised Dr Chaitanya Subba (Team Leader), Mr Nilambar Acharya (Legal Expert), Mr Amrit Yonzon (Linguist), Mr Laxmi Limbu (Demographer), Ms Sangini Rana Magar (Gender Expert), Mr Shyamal Shrestha (Development Researcher/Policy Analyst) with Dr DN Dhungel (Institutional Expert). ●●●

GENDER MAINSTREAMING

Status and Dimensions of Trafficking within Nepal Context

A progress report on the study, *Status and Dimensions of Trafficking within the Nepal Context*, was submitted to UNIFEM in May 2002. The report updated on the status of the project as at the end of May 2002, along with giving a background, objectives, methodology adopted in the first phase of the study, activities undertaken and limitations of the study as well as a work schedule. It also contained as annexes the checklists, status of information, minutes of steering committee meeting, interaction/discussion guidelines with different stakeholders and a list of organizations visited.

The study has two phases. The objective of the first phase is to prepare an inventory of the organizations working in anti-trafficking initiatives by collecting secondary information from relevant organizations (GOs, NGOs, INGOs and donors) and that of the second phase is to analyse the gaps in policy, action plan, programme implementation and methodology adopted to undertake initiative on the basis of the information collected.

Two meetings of the steering committee were held till April 2002, which in discussed the problems faced by the team during the study period. The committee provided the team with suggestions and guidance to conduct the study.

In the course of the study the team visited 11 districts, namely Ilam, Jhapa, Morang, Bara, Rupandehi, Nawalparasi, Kalaiya, Sindhupalchowk, Nuwakot, Banke and Dhangadi. About 16 NGOs, eight INGOs and four GOs were visited. Some organizations located in the Kathmandu Valley were also visited.

Many organizations in these districts were visited to discuss the checklist as well as interview related personnel and for the collection of information, publications, reports and other materials. The organizations visited included the District Administration Offices, District Development Committee Offices, District Police Offices, Women and Children's Cells, women Development Committees, Local NGOs, transit homes, interception units of Maiti Nepal, women's pressure

group, prisons, district courts, etc. The officials concerned were interviewed and their working procedures were observed.

The study team comprises Ms Bindu Gautam as Principal Investigator, and Ms Sabita Shrestha, Ms Muna Nepal, Ms Jyotsna Maskay, Ms Nina Dhital, Ms Bijaya Shrestha and Ms Binita Rijal as members. Dr Meena Acharya is the Advisor to the study team. ***

Task Force Meeting on Energy Cooperation in South Asia

The Task Force Meeting on Energy Cooperation in South Asia was held on 25 July 2003.

The meeting was organized for the presentation of a paper, *Energy Cooperation in South Asia*, by Mr Shankar Krishna Malla. The paper contains the topics, **Current Status and Prospect for Energy Cooperation in South Asia** (discusses the current status, power sector reform, existing bilateral arrangements and prospects for regional cooperation); **Assessment of Past Studies** (discusses the ESCAP [1988], USAID [2000], South-South Solidarity [1999] and Nexant [2001] studies); **Barriers to Developing a Regional Power Market** (covers political, technical, institutional and commercial and financial barriers); and **Suggested Approach to Regional Cooperation** (dwells on policy approach, step-by-step approach, regional study, programme options and implementation strategy).

The meeting was participated in by, among others, Dr Mohan Man Sainju, Chairman, IIDS, Dr Dwarika Nath Dhungel, Executive Director, IIDS, Dr QK Ahmad, Chairman, Bangladesh Unnayan Parishad (BUP), Mr Razi A Hanafi, Consultant, External Affairs & Business Strategy, Shell Pakistan Ltd, Karachi, and Dr Mahendra P Lama, Professor, Jawahar Lal Nehru University, India. ***

HRD NEWS

Dr Dwarika Nath Dhungel, Executive Director and **Mr Shyam Prasad Adhikari** represented IIDS at the *SACEPS Taskforce Meeting on a Citizen's Social Charter for South Asia*, organized by the South Asia Centre for Policy Studies (SACEPS) and Centre for Policy Dialogue (CPD) in Dhaka, Bangladesh, on 12-13 December 2002. The main objective of this meeting was to finalize the Citizen's Charter. The implementation and institutional mechanisms of the Charter were also discussed at the meeting.

Dr Suman Sharma, Research Fellow participated in the *Regional Meeting on Gender Budget Research*, held in Kathmandu on 16-17 December 2002. The meeting was jointly organized by the Ministry of Women, Children and Social Welfare, HMGN, UNDP/Nepal and UNIFEM, Regional Office, New Delhi.

Dr S Sharma participated in the *National Meeting on Gender Budget Research*, held in Kathmandu on 19-20 December 2002. The meeting was jointly organized by the Ministry of Women, Children and Social Welfare, HMGN, UNDP/Nepal and UNIFEM, Regional Office, New Delhi.

Dr S Sharma participated in a national seminar *Nepal's Accession to WTO and Beyond*, organized on 7 December 2002 in Kathmandu by the Institute of Foreign Affairs.

Dr S Sharma participated in the *SANEI Annual Meeting* held in Dhaka, Bangladesh, on 26-29 August 2002. She presented the draft report of GRP on this occasion.

Dr S Sharma participated in *Workshop on Impact of Liberalization Policies on Agriculture in Bhutan* on 26-30 November 2002. The workshop was jointly organized by the Ministry of Agriculture, Bhutan, and the International Food Policy Research Institute (IFPRI), Washington, DC.

Dr S Sharma participated in the *SANEI Annual Meeting* held in New Delhi, India, during 27-30 August 2001.

She presented the preliminary draft report of the Global Research Project (GRP) on the occasion.

Dr S Sharma presented a draft paper on *Food Security in Nepal* at a workshop held in New Delhi, India, on 24-26 April 2002. The workshop was jointly organized by the Ministry of Agriculture, India, International Centre for Agriculture Research, New Delhi, and the International Food Policy Research Institute (IFPRI), Washington DC.

Mr Rabindra Adhikari, Dr. Vikash Raj Satyal and Mr Shiva Dhungana participated in *workshop on child labour* held in Kathmandu on 11 June 2002 and organized by the International Labour Organization (ILO). The objective of this workshop was facilitating experience sharing between the ILO/IPEC partner organizations. The participants were briefed about the Master Plan for the Time Bound Programme (TBP), which will be implemented in the country very soon.

Mr Shankar Paudyal, Sr Action Research Officer, participated in a *Life Skills Training Workshop for National Trainers, Life Skills for Women*, held in Kathmandu from 8-10 December. The training workshop was jointly organized by UNICEF Nepal's DACAW Section and the Communication, Advocacy and Life Skills Section. The purpose of the training workshop was to train a pool of national trainers in life skills, a relatively new concept in Nepal, increasingly recognized as an effective means to help individuals make informed choice and responsible decisions on matters affecting their lives.

Ms Sabita Shrestha, Research Officer participated in *Learning from Community Forestry*, held in Kathmandu on 10-11 September 2002. The national workshop was organized by the Ministry of Forest and Soil Conservation (MOFSC), Centre for International Forest Research (CIFOR), ACM Research Team CIFOR, Kaski, New ERA, Asian Development Bank and Forest Action. The objective of the workshop was to facilitate sharing of experience and learning from implementation of Adaptive and Collaborative Management in community forestry.

Mr Madhu Maharjan, Programme Officer attended training in *Management of Development Organizations*, held from 10 July to 31 July 2002 and organized by Society for Participatory Action and Reflection (SPAR), Ranchi, India. The training aimed at enhancing the capacity of development workers/professionals with regard to self and organization development, different development concepts, global politics of development, participatory approaches, organizational planning, implementation, monitoring and evaluation process; updating knowledge and information level of the participants on issues like gender sensitivity, globalization and its impact, environment and ecology, etc; and enhancing the all-round efficiency and effectiveness of development workers/professionals for qualitative contribution in the life of the organization and people.

Mr Bhupendra Batsa Lamsal, Field Officer-Nawalparasi, participated in the workshop, *Strengthening Role of Micro-Finance Institutions (MFIs) in Renewable Energy*

Technologies (RETs) Market, held in Kathmandu from 11-13 December 2002. The main objective of the workshop organized by Winrock International -Nepal was to inform and enable Kathmandu-based micro finance institutions to review and practise opportunities for lending for RETs.

Mr Puranjan Bista, Administrative Officer attended *Law, History and Culture of Water in Nepal*, organized in Kathmandu on 4 August 2002 by Legal Research and Development Forum (FREDEAL). The objective of the workshop was to share FREDEAL's 'documentation, analysis and dissemination of statutory and customary water rights in Nepal'.



VISITORS

Dr Mohsin S Khan, Member of Research Advisory Panel (RAP), SANEI, and Director, Training Institute, International Monetary Fund, on 3 July 2002. He held a meeting with Dr DN Dhungel, Executive Director of IIDS, Mr Jyoti Lohani of Centre for Policy Research (CPR), Dr Abulesh of the Centre for Economic Development and Administration (CEDA), Tribhuvan University, Dr BP Shrestha of Integrated Sustainable Development (ISD), Dr Madan Dahal of the Department of Economics, TU, Mr Heet Singh Shrestha, Research Fellow of IIDS and Mr Puranjan Bista, Sr Administrative Officer of IIDS.

Dr Arjoo Deuba and Dr Ava Darshan Shrestha of SAMANATA visited IIDS on 5 June 2002. They met **Dr DN Dhungel, Mr HS Shrestha and Ms Indira Koirala**. The meeting identified the need for the establishment of a network of institutions whose sole interest is to contribute to the cause of national development with a view to sharing matters of common interest and identifying contemporary areas or issues to be pursued as research topics and provide feedback to public policy formulation. It was decided that, towards

the establishment of such a network, both the institutes would prepare a list of probable institutions. It was agreed to have, in principle, collaboration between IIDS and SAMANATA in undertaking studies and researches and bid jointly in those areas in which both have expertise. Capacity building such as training could be considered another area of collaboration between the two institutions. It was also agreed to prepare a note on 'Gender' in order to help develop a common understanding of the concept and issues involved in this respect among all concerned.



IIDS Introduction

Institute for Integrated Development Studies (IIDS) is a non-governmental, non-profit organization registered Under the Societies Registration Act 1997. Established on 25 November 1990, IIDS is a successor to the Integrated Development Systems (IDS), founded in 1979.

IIDS Vision

To become Nepal's leading private, independent non-partisan research institute committed to holistic and sustainable development based on human values.

IIDS Mission

To contribute to identification, analysis, understanding and response to major development policy issues facing the country.

IIDS Objectives

- 1. Contribute to more informed public policy and action by conducting empirically based, policy oriented research on Nepal's economic and social development in national, regional and international contexts.*
- 2. Foster informed debate and discussion on key development issues facing the nations.*
- 3. Provide training and technical assistance for government and non-governmental agencies in areas of Institute's expertise;*
- 4. Facilitate access to and exchange of experience with institutions within and outside the country.*



Recent IIDS Publications

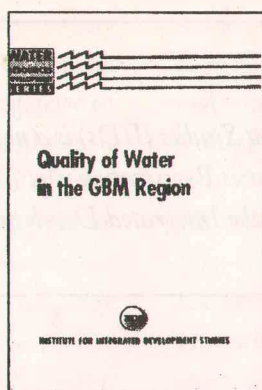
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Published by:

Institute for Integrated Development Studies (IIDS), P.O.Box 2254, Kathmandu, Nepal.
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Website:www.nepalnet.org.np/iids

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