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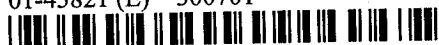
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**Second country cooperation framework for Nepal  
(2002-2006)**

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## Introduction

1. The second country cooperation framework for Nepal (CCF) (2002-2006) has been developed through close interaction between His Majesty's Government of Nepal, UNDP, civil society and other development partners. The document reflects the development priorities set forth in the country's tenth development plan (2002-2006), which is presently under preparation. The second CCF has been guided by the priorities identified for the United Nations system during the preparation process of the United Nations Development Assistance Framework (UNDAF) and the mandate, corporate goals and comparative advantages of UNDP.

### I. Development situation from a sustainable human development perspective

2. Nepal ranks as one of the world's poorest countries with a per capita gross national product of \$220 a year. The incidence of poverty is estimated to be about 42 per cent, with 17 per cent of the population estimated to be "very poor" while another 25 per cent are considered to be "moderately poor". In 2000, Nepal was ranked 144 among 174 countries in the Human Development Index. Major variations in the incidence of poverty among the 75 districts of the country can be clearly observed. There is greater poverty in rural areas as compared to urban areas – 44 per cent to 23 per cent. The mid and far-western development regions are significantly poorer than the central and eastern regions.

3. The overall adult literacy rate is estimated at about 40 per cent, but for women it is less than 30 per cent. The ratio of girls to boys in primary education is 74 per cent, but this declines to 51 per cent at the secondary level. Life expectancy is about 55 years. Nepal is one of only two countries in the world where women have a lower life expectancy than men, a reflection of the underprivileged status of women. Infant mortality is around 75 per 1,000 live births. However, in the mountain areas, infant mortality is around 180 per 1,000 live births, which is striking evidence of deprivation. The maternal mortality rate at 475 per 100,000 live births is one of the highest in the world. One of the major causes of ill health is the malnutrition that pervades most parts of the country. Around 50 per cent of Nepalese households suffer from inadequate food consumption, and in the mountains the figure goes up to 63 per cent. Feminization of poverty is a striking characteristic of the overall poverty situation. Unequal practices, primarily related to property rights and access to resources, health and education, have led to greater poverty among women. New epidemiological data on HIV/AIDS suggest that Nepal has entered the stage of a "concentrated epidemic" and that the window of opportunity to contain the epidemic within the most vulnerable groups is closing very quickly.

4. Nepal's rural areas are confronted with acute and serious forms of land degradation, deforestation, loss of biodiversity, and scarcity of fuelwood and drinking water. Urban areas face air and water pollution and solid waste management problems. Although there are indications that initiatives carried out by development partners in community forestry have had positive impacts in reducing deforestation in the hill areas, degradation of the environment continues to constitute a substantial threat to the assets of the poor.

5. While the figures mentioned above underscore the enormous challenges faced by Nepal, there are also features in its development processes that hold significant promise. An economic growth rate of nearly 5 per cent in the period 1992-2000 is a satisfactory achievement although it will be necessary to achieve a higher rate of growth if Nepal is to overcome its structural constraints.

6. Significant advances have been made in promoting human development in the last decade. Public expenditures in the social sectors increased from 22 per cent to 36 per cent of total government expenditures. The number of primary and secondary schools has grown by 57 per cent. More people have access to education and health now than a decade ago. The number of health workers has tripled in 10 years. More than 7 million people have been provided with access to piped water. Average life expectancy has increased by nearly 10 years. The road network has doubled, enabling a large number of towns and villages in peripheral areas to participate more fully in the country's economic and social life. These advances in human poverty reduction, occurring within the span of one decade, need to be sustained.

7. A particularly noteworthy feature of Nepal's political, economic and social policy-making is its Constitution. Adopted in 1990, it guarantees "basic human rights to every citizen of Nepal". It sets economic objectives that emphasize growth with equity and calls for "wider participation" and "the protection and promotion of human rights". Directive principles and policies of the Constitution also require the state to "give priority to the protection of the environment and also to the prevention of its further damage due to physical development activities...". Nepal is therefore committed to a pattern of development that is non-discriminatory, participatory and broadly shared and that secures the provision of improved human development. Pursuit of pro-poor policies is an obligation inherent under the Constitution.

8. The ninth plan (1997-2002) has adopted poverty reduction as its primary objective as does the tenth plan (2002-2006), which is under preparation. The Government presented a comprehensive reform agenda for poverty reduction at the Nepal development forum in April 2000. The Government's strategy clearly visualizes a two-pronged approach that aims to stimulate a high level of economic growth through a deregulated economic system and a liberalized trade regime in which the private sector plays the leading role but equity is ensured through pro-poor growth policies that provide for the distribution of gains from overall economic growth.

9. The country has embarked on developing and implementing pro-poor policies that will reduce income poverty as well as human poverty. Further progress in Nepal's response to the 20/20 initiative for social sector development has shown encouraging results to date, but it needs to be pursued forcefully. It is imperative that resources are targeted to the poor in ways that ensure high impact. To overcome the massive problems confronting the country, further pro-poor macroeconomic policies and programmes need to be designed, implemented and continuously refined on the basis of accumulating experience.

10. The Government has also taken several initiatives in the area of human rights. It has ratified 17 human rights instruments, more than any other country in South Asia. The national Human Rights Commission was established in the year 2000, and a national human rights action plan will be formulated in the near future.

11. Nepal is a relatively young democracy in which the advances made so far in deepening and expanding democratic systems of government at all levels need to be consolidated. Governance remains weak. Transparency and accountability within the machinery of government need further improvement. Limitations on the redistribution capacity indicate that the Government must improve the efficiency, effectiveness and equity of public policies and expenditures and make them more supportive of the poor. A critical aspect of governance and development is to upgrade the effectiveness of local government institutions so that decentralized power can be effectively used to enrich the development process. In that regard, the country's Local Self-Governance Act constitutes a milestone in decentralization by introducing provisions to hand over planning, implementation and resource management responsibilities to locally elected bodies. Among its main features, the stipulation for 20 per cent representation of women in governing bodies at the ward level is noteworthy.

12. Recent years have witnessed an upsurge of violence and conflict in several areas of the country. Conflict mitigation has to be viewed as a part of a holistic set of solutions to these conflicts that also take into account the economic, social and environmental context.

## **II. Results and lessons of past cooperation**

13. Development assistance plays a critical role in Nepal's development processes – nearly 60 per cent of the public investment budget is met from official development assistance. The Government is currently engaged in a major review of all aspects of foreign aid and is in the midst of reviewing its development cooperation policies.

### **A. Results of the first CCF**

14. The first CCF in Nepal has made a start in assisting the Government in developing and implementing pro-poor policies. In Nepal, social mobilization and decentralization have proven to be accelerators for change and development, and most UNDP programmes incorporate key elements of these approaches to fight poverty.

15. Poverty mapping systems have been introduced that will enable improved targeting of resources to reduce poverty and also provide better insights that will help to develop appropriate pro-poor policies.

16. As acknowledged in the country review, UNDP has shown leadership and supported momentum for the decentralization process in Nepal. The planning, programming and management capacity of district-level elected bodies has been considerably increased. Annual district planning exercises are undertaken with meaningful stakeholders' participation.

17. There has been a tangible policy impact in the support that UNDP has provided in the area of biodiversity conservation through the formulation of the draft Nepal biodiversity action plan, landmark legislation that deals with buffer zones of protected areas and rural energy subsidy policy. The formulation of a sustainable development agenda for Nepal has also commenced with UNDP support.

18. Another aspect of the contribution of UNDP has been in helping to develop a rural energy development programme. This has highlighted the potential for decentralized energy development, which has a vital bearing on arresting environmental degradation and in improving the conditions of the rural poor.

19. A major role of UNDP has been to contribute to the mainstreaming of human development concepts into government policies and strategies. Its contribution to making gender issues a high profile matter of concern and in translating global environmental conventions into the practical reality of legislation is well recognized in the country.

20. UNDP played a significant role in the formulation of a national plan of action for implementing the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW).

## **B. Lessons of past cooperation**

21. Partnerships are vital if development assistance, particularly technical cooperation, is to be effective. Development partnerships offer an important avenue for sustaining the momentum of government initiatives and also for expanding and replicating successful experiences.

22. As technical cooperation activities increasingly focus on the poor and operations are expanded at the district and local levels, a greater understanding of the unique and varied circumstances of local situations is required. This presents an immensely complex task of development management.

23. Operational activities at the decentralized level during the previous CCF took the form of pilot and experimental activities. For them to be sustained, expanded and deepened, other development partners have to be encouraged to associate themselves in these processes at the district and local levels. Further refinement and enrichment of the approaches adopted has to be introduced to enable central decision-making authorities and policy planners to translate these field experiences into national policies and approaches suitable for replication.

24. The extensive experience of UNDP in social mobilization and in developing decentralized planning models, thereby strengthening capacities created at the community level, offers a helpful entry point for the programmes of other United Nations agencies aiming at cost-effectiveness and the creation of synergies.

25. Legislation has been enacted but its enforcement is often weak. Efforts should therefore be made to make the legislative process more participatory by more closely involving those stakeholders expected to apply the laws.

26. A significant part of the activities of UNDP at the local and district levels is concerned with developing institutional capacities through training, provision of supplies and assisting in procedural improvements. The

effectiveness of technical assistance increases when complementary provision is made to provide local institutions with the programme and commodity aid required for them to function.

27. Inadequate rural infrastructure continues to be a major hurdle to sustained and broad-based national growth and has a direct impact on the incidence of poverty.

28. An important area of the work of UNDP has been on environmental issues, which has highlighted the feasibility of adopting measures for arresting environmental degradation. Protection of the environment and biodiversity conservation require more than technical cooperation. There needs to be an intensive review of resources needed for an effective programme of environmental development in Nepal over the next decade.

29. There are several issues related to external assistance policy that need to be closely monitored in order to enhance aid effectiveness. Technical assistance accounts for around 40 per cent of official development assistance to Nepal, but programme aid is minimal. Opportunities for increasing the share of programme aid should be identified and pursued.

### **III. Objectives, programme areas and expected results**

#### **A. Objectives**

30. The overarching objectives of the second CCF for Nepal is to contribute to the poverty reduction goals set out by the Government – to reduce poverty to a level of 10 per cent of the population by the 2017 – and the Millennium Summit's goal – to halve human poverty and eliminate extreme income poverty by 2015.

The immediate objectives to be achieved are to:

(a) Enable the Government to design and implement policies and strategies for poverty reduction through enhanced growth, greater distributional equity and targeting of the most deprived.

(b) Strengthen the capacities and provision of the legal machinery of democratic governance at the central and local levels, thereby enhancing the meaningful participation of local communities in the development process, developing capacities to respond to the needs of the poor and bringing about greater accountability in respecting, protecting and fulfilling human rights.

(c) Assist Nepal in conserving and regenerating its environmental assets, enabling the poor to utilize those assets in order to enhance their incomes and well-being.

(d) Contribute to reducing gender inequities through empowerment of women and facilitating their access to resources.

#### **Key elements of the strategy**

31. The strategy to achieve the objectives outlined above will be largely guided by the following key considerations:

(a) National ownership of projects and programmes.

(b) The use of the UNDAF to provide a cohesive structure for undertaking complementary and convergent activities.

(c) Development of strategies to improve outreach to the most deprived and to those suffering most from inequalities by refocusing assistance to address the needs of socially and economically disadvantaged groups, including

women, people living in remote rural areas and conflict-affected areas, through the promotion of affirmative action policies and by channeling more resources to marginalized groups.

(d) Design and implementation of partnership arrangements. The activities of UNDP will largely be of a catalytic nature. In advising the Government on upstream policy issues, it will have to draw on the experience not only of its own operational activities but those of other development partners as well.

(e) Application and operationalization of international covenants and conventions to which Nepal is a party and the achievement of international development targets.

32. The second CCF will be guided by the mandate of UNDP and its comparative advantages and areas of focus. In implementing the CCF, linkages will be established with regional and global programmes to maximize impact.

## **B. Programme areas and expected results**

33. The overall development and poverty reduction approach adopted by the Government consists of a three-pronged strategy involving: (a) broad-based growth; (b) social sector development; and (c) targeted programmes including safety nets for backward and vulnerable groups. The operational activities of the second CCF will be undertaken within four broad programme areas: Pro-poor policies and programmes, democratic governance, environment and energy, and overcoming gender gaps.

34. In view of resource constraints, the second CCF will necessarily be selective in its interventions. However, the limited number of interventions will be designed to be at the centre of critical development processes in order to serve as a stimulus for broader-based initiatives among all the development partners working in Nepal.

### ***Pro-poor policies and programmes***

35. The programme will assist the Government in designing, prioritizing, implementing and evaluating poverty reduction policies and programmes, especially within the framework of implementing the poverty reduction strategy paper and in addressing the key concerns of agreed international norms and targets.

36. The Government has identified poverty mapping and monitoring as key elements for the development of effective pro-poor policies and their implementation. The poverty assessment and monitoring system will enable the Government to improve data collection and management capacities, improve the methodologies for resource allocation and its management in a transparent manner, develop macroeconomic policies that are more precisely targeted on poverty reduction, and measure progress in achieving the goals of the poverty reduction strategy paper. This will be done in collaboration with other United Nations agencies in order to provide integrated support.

37. Local bodies will be encouraged to prepare human development profiles, which can then be integrated into district and national planning. The second CCF will also aim at assisting the Government to adopt the poverty alleviation fund as a central mechanism for allocating resources for poverty reduction. As a pilot activity, the programme will support connectivity in rural areas in five development regions to point the way towards bridging the digital divide.

38. The national Human Development Report has established a track record as a valuable advocacy tool for human development and a source of reliable data. Support for the report in the second CCF will be aimed primarily at influencing policy development and implementation.

39. In the area of aid coordination, UNDP will support the Government in its efforts to bring foreign assistance more in line with the established poverty reduction strategies.

*Outcomes*

40. The following outcomes are expected in the development of pro-poor policies and programmes:

(a) Poverty monitoring reports produced at the national level and in five pilot districts with the aim of identifying the most vulnerable groups for effective district planning and resource targeting strategies.

(b) Appropriate indicators developed to enhance capacities in the Government to develop, design, manage and evaluate pro-poor policies and programmes that have a direct impact on poverty reduction and equitable human development, including capacities to address the effects of globalization and expanding world trade.

(c) Enhanced institutional capacities at the central and local levels for effective monitoring of the implementation of pro-poor policies and programmes.

(d) Greater effectiveness in the implementation of the provisions of the poverty reduction strategy paper.

(e) Regular monitoring of progress towards achievement of targets set forth in the tenth plan.

(f) The national Human Development Report viewed as an important policy instrument by the Government and other development partners.

(g) An information communication technology act and related by-laws and regulations developed.

(h) Rural connectivity pilot tested.

(i) Strengthened mechanisms of aid coordination along with enhanced capacities to manage external assistance effectively, improving the contribution of development assistance to poverty reduction.

*Democratic governance*

41. The programme is expected to adopt a two-pronged approach in the area of democratic governance. One set of activities will be focused on district and local levels while another set will focus on selected central institutions, which will stimulate greater transparency and accountability in public interventions. The Government and UNDP have particularly stressed the importance of creating a balanced approach between building national-level capacities and investing in programmes at the local and district levels. The social mobilization approach that has been developed has been recognized as a helpful entry point for other United Nations agencies to implement their own programmes in a synergetic way.

42. The first CCF in Nepal made a catalytic contribution to the conceptualization and adoption of the Local Self-Governance Act. The act, when fully implemented, will devolve a wide range of key tasks and functions to local-level institutions. Building on these achievements, the second CCF will support the Government, in collaboration with other partners, in preparing a decentralization implementation plan. Necessary support will be provided to streamline various by-laws and guidelines and to design and implement poverty reduction policies and strategies and decentralized service delivery.

43. The second CCF will also focus on enhancing capacities within the national Human Rights Commission and the preparation of a national human rights action plan.

44. Government efforts to develop a transparent and efficient system of justice will be supported, thereby strengthening the rule of law. Activities will be undertaken to make the process of drafting legislation more participatory and enhance the capacity of relevant agencies to draft laws and treaties. The judicial system will be strengthened through capacity enhancements and modernization of case management, thereby contributing to greater transparency, fairness and effectiveness in the judicial process. The second CCF will provide support to

enable the establishment of arbitration boards at the village and municipal levels to settle minor disputes in conformity with the provisions of the Local Self-Governance Act. UNDP will also support strengthening the capacity of the Commission for Investigation of Abuse of Authority.

*Outcomes*

45. Within the programme area of democratic governance the following outcomes are expected:

(a) A decentralization implementation plan for efficient expanded operationalization of the Local Self-Governance Act adopted, providing a strong development dimension in decentralization processes.

(b) Greater understanding and practice of decentralized governance with enhanced capacity of local governments to plan, finance and implement development programmes in an accountable and transparent manner.

(c) Annual and periodic district plans prepared at the district level.

(d) Participation of other development partners, including civil society and non-governmental organizations (NGOs), in the preparation and monitoring of district plans.

(e) Successful models and experiments for social mobilization and participatory systems of development replicated and expanded in collaboration with other partners.

(f) Greater transparency, accountability and participation within the central machinery of the Government through enactment and implementation of legislation and treaties on human rights and through judicial and legal reform measures.

(g) Implementation of the national human rights action plan facilitated.

*Environment and energy*

46. The Government has expressed its firm commitment to the design and implementation of environment and natural resource policies. These policies are viewed as an integral element of poverty reduction designed to ensure access to environmental and natural resources and to services by the poor. Support will be extended to the development of a sustainable development agenda for Nepal. UNDP will continue to assist the Government in meeting its international obligations, particularly in the areas of biodiversity, climate change, ozone layer protection and land degradation. Special emphasis will be placed on providing assistance for conservation and sustainable use of biodiversity assets. In line with the country review recommendation to capitalize on knowledge-based interventions in the area of rural energy, UNDP will support the Government's efforts in investigating affordable alternative approaches for the provision of energy to the rural poor in Nepal. Emphasis will be placed on the development of the relevant policy and institutional framework.

47. UNDP will support ecotourism and the promotion of sustainable livelihoods that will enable the poor to benefit from income- and employment-generating opportunities in rural Nepal.

48. The first CCF piloted several activities to enable the development of small-scale rural energy systems. Assistance will be provided under the second CCF to formulate a rural energy policy, pilot its implementation and build institutional capacities at the local level to stimulate the establishment of small-scale rural energy systems that are sensitive to demand.

*Outcomes*

49. Within the programme area of environment and energy the following outcomes are expected:



(a) Clear recognition in public policy development of the environmental aspects of poverty and the incorporation of environmental dimensions into pro-poor policies.

(b) Sustainable development agenda for Nepal adopted along with implementation mechanisms enabling the inclusion of environmental factors in overall planning processes.

(c) Greater capacity within the Government to apply the provisions of international conventions on the environment to which Nepal is party and pursue initiatives such as the clean development mechanism and green accounting stemming from those conventions. Inventories and vulnerability assessment will be produced and monitored by the Ministry of Environment and the Ministry of Forestry, which will also be responsible for communicating the results.

(d) Ambient standards for air, water and sound pollution established to improve the quality of the urban environment.

(e) A national biodiversity action plan under implementation, stimulating a holistic process of conserving the rich biodiversity at the landscape level, addressing the continuum of land-use management practices.

(f) National access to genetic resources through policy development and implementation.

(g) An expanded small-scale rural energy system established in the country by capitalizing on successful grass-roots experiences. A stand-alone rural energy policy, efficient implementing institutions and operational rural energy fund are the identified results in this field.

### *Overcoming gender gaps*

50. Poverty has important gender dimensions: more women are poor than men. This is largely the result of current social, political, legal and economic structures that discriminate against women from birth. Significant gender gaps exist in almost all governance, legal, economic and social interactions. The first CCF implemented a programme on mainstreaming gender equity, and the second CCF will continue to address a wide range of similar issues. It will aim at addressing gender dimensions of poverty through gender disaggregated data and analytical studies and assisting the Government in developing policies for overcoming gender gaps and gender discrimination. Special attention will be focused on gender aspects of governance, education, health and the environment, especially on the linkages between the conditions of women and declining environmental resources. Empowerment of women will be a key task of the programme, and activities will be undertaken to stimulate meaningful participation by women on all levels. Support will be extended to enable local governments to undertake gender mapping so that local and district policies address issues of gender inequality. The programme will build capacities in the legislature and judiciary to eliminate discriminatory laws against women and enact and implement legislation on equality. Support will also be extended for improved coordination, monitoring and evaluation of programmes aimed at achieving gender equality.

51. In order to reduce the incidence of trafficking in girls and women and to change the conditions that make them vulnerable to trafficking, a joint United Nations programme has been developed to address various dimensions of trafficking with particular focus on gender inequities from a rights-based perspective.

### *Outcomes*

52. The following outcomes are expected in the area of overcoming gender gaps:

(a) Greater public awareness of the gender dimensions of poverty and the extensive use in policy advocacy of analytical studies on gender to address structural issues.

(b) Direct reference to gender issues in the tenth plan along with increased budget allocations to reduce gender disparities.

(c) Policy and legislative reforms addressing discriminatory practices against women in economic and social transactions, thereby promoting gender equality.

(d) Public policies clearly focused on addressing gender issues and specifically contributing to the reduction of gender gaps.

(e) Enhanced governmental capacities at all levels for effective collaboration with other stakeholders in addressing gender issues, including the establishment of gender focal points in all line ministries.

(f) Incorporation of distinctive elements in development programmes to address key issues in gender.

(g) Gender audit of UNDP-assisted projects.

(h) Affirmative actions and temporary measures to reduce gender disparities in all spheres of life introduced in line with requirements for implementing and monitoring the Platform for Action of the Fourth World Conference on Women and the CEDAW.

(i) Annual reports on the status of CEDAW produced by the Government.

#### *Cross-cutting issues*

53. Gender, crisis and disaster mitigation, HIV/AIDS, population, and information communication technology will be addressed in all projects and programmes of the second CCF. Although for operational purposes the second CCF has four programme areas, the thrust of all efforts will clearly be on poverty reduction, with particular attention given to mainstreaming cross-cutting issues.

54. Crisis prevention and disaster mitigation will be considered as integral parts of sustainable human development strategies. UNDP will therefore continue to support the Government in its work in research and analysis in these areas.

55. Special attention will be paid to building the capacity to plan, manage and implement an expanded response to the HIV/AIDS epidemic, including integration into poverty reduction strategies.

## **IV. Management arrangements**

### *Synergies within the United Nations system*

56. The quality of the programme will benefit from the operationalization of the UNDAF goals and strategies that call for increased convergence among the development programmes of all agencies of the United Nations system. The approach will enable streamlining of design, implementation and evaluation of programme and project activities while contributing to linkages within and between programmes, cost efficiency and concerted advocacy and resource mobilization initiatives.

### *Linkages with intercountry programmes*

57. Linkages between the regional programme and the CCF will be further enhanced. In particular, links will be established with selected subregional programmes offering the potential for complementary support to poverty reduction initiatives, information communication technology, urban-rural partnerships, trafficking in children and women, HIV/AIDS, and gender.

*Results-based management*

58. UNDP in consultation with the Government will further refine performance management practices encompassing the following measures to become vital components of its operational programme: (a) identifying in measurable terms the results being sought and developing a conceptual framework for achieving those results; (b) selecting indicators that will be used to measure progress; (c) setting explicit targets; and (d) developing performance monitoring systems. Training in monitoring and evaluation methodologies will be undertaken at local and district levels with a view to improving these capacities, which will benefit not only UNDP operations but the wider range of district and local activities as well. Peer reviews, introduced during the first CCF, will be applied in view of the positive past experience, which has proven to be conducive to participatory monitoring and evaluation.

59. Results-based management will facilitate the introduction of appropriate measures for enhanced national ownership and long-term sustainability through the identifications of programme exit strategies enabling the incorporation of methodologies and acquired skills into the relevant national context.

60. Full use will be made of the knowledge network under the subregional facilities of UNDP, particularly the one for South and West Asia, which is headquartered in Kathmandu.

*Partnerships to fight poverty*

61. Under the guidance and leadership of the Government, it will be a primary concern of the second CCF to enlarge and pursue partnerships to fight poverty. Partnership strategies are being developed with a view to achieving the highest degrees of responsiveness and service orientation. Coalitions for change will be of primary importance to influence, along with key partners, the national policy framework. In view of the nature of the expected outcomes of the second CCF, which envisage structural changes, it will be necessary to establish broad-based partnerships with the Government at all levels, civil society, the private sector and other donors. Substantive learning processes on various successful methodologies and development approaches adopted by the Government and other development partners will become one of the key features of the partnership strategy pursued by UNDP.

*National execution*

62. National execution will be the primary mode of programme implementation. The Government and UNDP have built relevant capacities to facilitate national execution. More efforts will be made to enhance capacities and systems at the district and local levels since an increasing number of the activities of nationally executed projects and programmes take place at that level. UNDP will work closely with the Government in operationalizing new regulations and procedures stemming from the external assistance policy, which call for the appropriate reflection of foreign aid contributions into the national budgetary system.

## Annex

## Resource mobilization target table for Nepal (2002-2006)

Source	Amount	Comments
UNDP REGULAR RESOURCES		
Estimated cover	4,141	Includes carry-over of TRAC 1, TRAC 2 and the earlier AOS allocations.
TRAC 1.1.1	17,816	Assigned immediately to country.
TRAC 1.1.2	0 to 66.67 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	1,136	
Subtotal	23,093 <sup>a/</sup>	
UNDP OTHER RESOURCES		
Government cost-sharing	0	
Third-party cost-sharing	13,810	
Funds, trust funds and other	10,256	
	Of which:	
UNCDF	4,930	
GEF	4,848	
Capacity 21	86	
UNF (Turner Fund)	392	
Subtotal	24,066	
GRAND TOTAL	47,159	

<sup>a/</sup> Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.

Abbreviations: GEF = Global Environment Facility; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core; UNCDF = United Nations Capital Development Fund