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## Insights: International Institutions, Aid Effectiveness and Peacebuilding in Nepal

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International Alert is a 25-year-old independent peacebuilding organisation. We work with people who are directly affected by violent conflict to improve their prospects of peace. We also seek to influence the policies and ways of working of governments, international organisations like the UN and multinational companies, to reduce conflict risk and increase the prospects of peace.

We work in Africa, several parts of Asia, the South Caucasus, the Middle East and Latin America and have recently started work in the UK. Our policy work focuses on several key themes that influence prospects for peace and security – the economy, climate change, gender, the role of international institutions, the impact of development aid, and the effect of good and bad governance.

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This programme focuses on how international institutions such as the UN, the World Bank, the European Union (EU) and the African Union can strengthen their support for peacebuilding. Drawing on Alert's network of country programmes and expertise in peacebuilding, aid and governance, the programme brings together perspectives from ongoing field and headquarters-based research, analysis and dialogue processes to produce insights on international engagement and good practice. The programme seeks to facilitate reflection on institutional effectiveness and support institutional change processes. To learn more, visit: <http://www.international-alert.org/institutions>

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## Introduction

Since 2000, international aid to Nepal has almost doubled<sup>1</sup>: in 2009 it accounted for 34% of the government's spending. As major contributors to Nepal's national budget, the three main multilaterals, the World Bank, the Asian Development Bank (ADB) and the United Nations, have considerable leverage in influencing the trajectory of stability, development and the potential to impact positively on the lives of Nepali people.

This snapshot presents Nepal's key peacebuilding priorities and explores how two main international institutions (IIs), the UN and the World Bank, have sought to address them. It examines how they plan, prioritise, implement and coordinate their engagement under the unique constraints of the country and suggests ways to work better within these constraints. The paper also takes ADB into account throughout, but its role is not discussed in detail.<sup>2</sup>

This paper emerges from a study that covered two other country cases (Liberia and Burundi). The study produced three country "insights" papers and a synthesis report of cross-case findings. The analysis and recommendations presented here inform the ongoing work of International Alert's (hereafter Alert) International Institutions Programme, which works to increase understanding of institutional obstacles to, as well as opportunities for, more effective peacebuilding in fragile and conflict-affected countries.

The methodology included desk research of primary and secondary sources, but predominantly relied upon semi-structured interviews in Kathmandu which took place between October 2010 and January 2011. Findings are mostly qualitative and perceptions based. Interviewees included a range of representatives from local civil society, government, media, bilateral donors, international NGOs, the UN, ADB, and the World Bank. Preliminary findings were validated in a facilitated workshop which took place in Kathmandu in March 2011.

Section one outlines key peacebuilding challenges and the current country context in Nepal. The paper then provides an overview of the IIs' engagement in Nepal and examines how institutional activities respond to the context, the effectiveness of their response, and how the institutions' own structures either facilitate or hinder their ability to deliver peacebuilding impacts. The final section summarises the main findings and provides possible ways forward, making seven recommendations to the IIs in Nepal:

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1 ActionAid (2011). 'Real Aid, Ending Aid Dependency' accessed on 22<sup>nd</sup> November 2011. Available at [http://www.actionaid.org.uk/doc\\_lib/real\\_aid\\_3.pdf](http://www.actionaid.org.uk/doc_lib/real_aid_3.pdf)

2 International Alert will build on this initial study in 2012 by developing more detailed, local studies into ADB engagement in districts outside Kathmandu.

- Strengthen buy-in to the Nepal Peace and Development Strategy, and deepen joint context analysis and coordination based on institutional comparative advantage.
- Develop long-term, sector-wide transition plans that take realistic account of the absorption capacity of the state and the balance of responsibility between state and non-state actors in the delivery of basic services.
- Strengthen conflict-sensitive design, monitoring and evaluation of development and peacebuilding programmes, and commit to periodic exchange of learning between IIs operating in Nepal.
- Develop and articulate joint positions on and shared best practice responses to political interference.
- Capitalise on the comparative advantages of the different mandates and funding modalities.
- Strengthen popular trust in and legitimacy of the IIs through participatory and interactive public communications.
- Review objectives and incentivisation of staff to respond systematically to complex relationships and environments.

## Background: Key Peacebuilding Priorities in Nepal

After sixteen years of struggling democracy and ten years of violent conflict, the conflict between the Maoists and the Government of Nepal ended with the signing of a peace agreement in November 2006. Five years on, on 1st November 2011, political parties finally made a breakthrough by signing a historic seven-point agreement which decides on the contentious issues of army integration, constitution drafting and power sharing. Nevertheless, Nepal has continually faced significant challenges in moving the peace process forward. Progress on key decisions is still being blocked by political party in-fighting. Stalemates are fuelled by disputes such as amnesties and political party cadres like that put forward by the United Communist Party of Nepal-Maoist (UCPN-M) whilst in government. Insecurity, particularly in the Terai region, has escalated since 2006, with the emergence of numerous armed groups taking advantage of a security vacuum. The economy has been hit particularly hard, with many larger businesses scaling down and development projects affected.

Drawing on discussions with a range of local and international actors, including representatives from civil society, local communities, donors and the Government of Nepal, there is some consensus on peacebuilding priorities for Nepal. The following outlines the top five peacebuilding priorities identified. The analysis also draws upon Alert's own context analysis and takes into account analysis contained within the CPA, the interim plan, and the Nepal Peace and Development Strategy.

It is intended as an overview of long-term peacebuilding priorities and not an exhaustive list of conflict causes or a “shopping list” for peace.

**Ensuring rule of law.** Parts of the country (particularly the central and eastern Terai and the eastern hills) have seen an escalation of tensions since 2006 and a corresponding decline in security and the rule of law. This in turn impacts upon the economy and jeopardises public support for a “peace” which neither delivers security nor economic dividends. Discussions are taking place in Kathmandu about the need to strengthen the rule of law. A major priority for these discussions will be to ensure that the Government of Nepal and the international community can, in partnership, develop a long-term vision and road map for addressing the underlying causes of the weak rule of law through initiatives which respond to local needs and public demand. Addressing the weak rule of law and insecurity is a precursor to ensuring inclusive economic growth.

**Creating the conditions for inclusive economic growth.** Equitable economic recovery is a key requirement for consolidating peace in Nepal, where economic exclusion of various groups, ownership of productive resources by a small élite and decades of failed development progress have fed both poverty and multiple violent conflicts. There is emerging awareness amongst stakeholders in Nepal that economic recovery requires different approaches to “economic development as usual”. A debate on what that entails in practice and how these efforts can enhance chances for lasting peace has to be fostered with and among the full range of stakeholders.

**Enhancing access to basic goods and services.** Key to this peacebuilding priority is the delivery of basic goods and services by the state. The failure of the state to meet basic needs following the transition to parliamentary democracy in 1990 led to widespread frustration and anger towards the ruling parties and ultimately provided effective fuel for the Maoist movement after 1996. International institutions need to work with the state to generate the will and with service-users (i.e. the Nepali public) to generate the demand to strengthen and, in some cases restructure, the way in which the state delivers basic goods and services. This means delivery without discrimination, without élite capture, and with the state at the forefront. Strengthening state-citizen relationships through service delivery is an essential component of sustainable peace and development in Nepal.

**Transforming Political Culture.** Ideological and personality clashes within the political parties and mis/interpretation of peace-related agreements among political parties has resulted in the present situation of government stalemate. A lack of trust within and between parties, combined with short-term visions of gaining and

maintaining power, is a major challenge to sustainable peace in Nepal. Younger leaders are emerging and, in many cases, appear to have greater vision and more willingness to cooperate with other parties around issues for the common good than their elders. Nurturing this generation of politicians and ensuring that they have a collective voice at the decision table will be an important step towards changing the culture of Nepali politics from one of power politics to one of issue-based politics.

**Ensuring socio-economic inclusion.** Most striking in the years since the CPA has perhaps been the “agitations” by groups previously excluded from political processes and now demanding “self-determination” in the form of a secessionist or federal state to be constructed along their identity interests. If such demands and negotiations are not managed appropriately, these tensions risk dividing the country further along ethnic and religious lines and threatening the viability of the component federal regions which may emerge under a new constitution. One further concern to take into account is the need to diversify “inclusion” discourse from a focus centred on caste and ethnicity to one which considers more pluralistic forms of discrimination and exclusion in Nepal, such as income inequality.

## International Institutions’ Response to Peacebuilding Priorities in Nepal

International agencies’ record for responding to the aforementioned peacebuilding priorities is mixed. IIs have made some progress in strengthening their capacities to respond to local context needs in Nepal; however, some challenges remain<sup>3</sup>.

### Strengths

On the whole, institutional priorities tend to match the priorities articulated by the context, with the UN, World Bank and ADB having a significant size and number of projects and programmes aimed at delivering basic goods and services, promoting economic growth, ensuring rule of law and promoting socio-economic inclusion (see Annex 1).

There is also increasing recognition amongst some II representatives of the security- and political-based structural barriers to inclusive economic growth, which is reflected and identified in the joint Growth Diagnostic Country Study of 2009,

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<sup>3</sup> Please refer to Annex 1 for a summary of IIs’ national priorities, as stated in their national strategy and planning documents.

and also in each of the IIs' country strategic partnership documents.<sup>4</sup> The most recent significant step towards a more coordinated peacebuilding approach to development came in the form of the Peace and Development Strategy (PDS). The PDS contains a strong message that peace and development should be integrated, consecutive and concurrent, not linear, processes. The two Banks are not signatories to the PDS, partly because it contains positions on many "political" issues such as SSR and transitional justice; nevertheless, the PDS does match some of the Banks' priorities included in their own strategic documents, and both Banks provided analysis and input to the development of the document.

However, with the Government of Nepal (GoN) remaining outside these processes, questions persist over whether the GoN fully understands or takes the interlinkages between peace and development into account, and whether these joint analyses and strategies are being operationalised in practice by either the GoN or IIs. Aid effectiveness in fragile and conflict-affected countries is dependent not just on whether donors have chosen the right priorities, but also on how their priorities are identified and how their strategies are designed and implemented.<sup>5</sup> IIs have, nonetheless, made progress in strengthening their institutional approaches to reflect the conflict aspects of the context.

All IIs are now either piloting or implementing some kind of conflict-sensitive tools or approaches. UNDP, UNICEF and the United Nations Resident and Humanitarian Coordinator's Office (UNRHCO) are embarking upon a process of mainstreaming "do-no-harm" approaches within projects and programmes. ADB staff are using, and the World Bank piloting<sup>6</sup>, a "peace filter"<sup>7</sup> to assess new projects from a peace and conflict impact perspective. Such initiatives are in the early stages for all institutions; therefore, effectiveness in mitigating conflict risks such as resource capture by political élites remains to be seen.

The presence of staff with the expertise and mandate to take peacebuilding impacts into account has also made a difference to the ability of IIs to respond to the local

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4 For example, the ADB, ILO and DFID 2009 Growth Diagnostic Country Study (validated by the World Bank, IMF, SDC and USAID, and the Government of Nepal) identified four principal constraints to accelerated economic growth in Nepal: 1). Weak governance and slow recovery from civil war and domestic conflict; 2). Inadequate infrastructure, specifically in relation to power, transport and irrigation; 3). Poor industrial relations and labour market rigidity; 4). Slow structural transformation of the economy.

5 Lack of access to basic services and jobs is, for example, a root cause of conflict; however, provision of service delivery and jobs will not necessarily build peace. Instead, if delivered outside of a wider conflict-sensitive, political economy analysis, jobs for peace could risk reinforcing or maintaining existing power dynamics which sustain conflict.

6 For further information, please see Alert's forthcoming paper on the World Bank's use of peace and conflict filters in Nepal and Sri Lanka, available on the Alert website: <http://www.international-alert.org/>.

7 "Peace filter" is a tool for assessing and mitigating the impact of development projects on conflict-affected or -prone regions. In Nepal, DfID led the process, funding consultants to design and pilot conflict-sensitivity tools for both the World Bank and ADB country offices in early 2009. The "peace filter", designed with support from Alert, was endorsed in Nepal in 2009 by the World Bank and ADB.

context. Peacebuilding and Development Advisors (PDAs) within the UN, a Senior Social Sector Specialist and a Senior Governance Specialist within the World Bank, and a Conflict Advisor within the ADB are all able to advise colleagues on contextual sensitivities and ensure that peacebuilding remains on the institutional agenda. However, the need to incentivise staff to consider the conflict and peace impacts of their work appears to be only a very recent consideration within all institutions.

## Challenges

Despite efforts such as the PDS, IIs in Nepal currently struggle to effectively tackle the underlying structural, political and security obstacles to ensure aid effectively supports peace and development. There are relatively few initiatives seeking to address the political framework conditions required for the effective implementation of peace and development. One of the most serious consequences of the weak political framework is that there is considerable political party interference in the distribution of state resources, development budgets and delivery of basic services such as security and justice. Political capture remains a major, yet poorly addressed, strategic priority for strengthening aid effectiveness in Nepal. This is most likely due to mandate constraints of the Banks (i.e. the World Bank and ADB's "no politics" rule) and a broader lack of understanding of how to begin to strategically address such a difficult issue involving the transformation of entrenched attitudes and behaviours.<sup>8</sup>

In addition, a strategic blind spot among IIs appears to be proper evaluation and planning for absorption of aid (i.e. the capacity and will of the state to deliver aid effectively). World Bank research indicates that the peak aid absorption period for a country in post-conflict recovery is four or five years after the signing of a peace agreement.<sup>9</sup> Now, five years after the signing of the peace agreement in Nepal, current donor commitments to substantially increase aid to Nepal would suggest that there is a belief that there is the capacity to absorb these funds. Experience shows, however, that the GoN is struggling to absorb and spend these funds in a conflict-sensitive way. Indeed, the donors themselves had to delay the third tranche release of the Local Governance and Community Development Programme (LGCDP) because of reports of increased fiduciary risks<sup>10</sup>.

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8 UNDP is in the process of designing a "collaborative leadership and dialogue" programme which will aim to bring (young) political leaders together around identified common strategic interests. The programme appears to be a positive step, in that it was designed by political parties themselves and, therefore, promises a high level of participation and ownership.

9 P. Collier et al (2002). *Breaking the Conflict Trap: Civil War and Development Policy*, Washington DC, USA: World Bank, p.157-9; P. Collier and A. Hoeffler (2002). *Aid, Policy and Growth in Post-Conflict Countries*. *World Bank Policy Research Working Paper 2902*, World Bank Conflict Prevention and Reconstruction Unit.

10 Asian Development Bank (2011). 'Progress Report on Third Tranche Release, Nepal Governance Support Program'. accessed on 22nd November 2011. Available at <http://www.adb.org/Documents/Tranche-Releases/NEP/36172-042-nep-prtr.pdf>

At an operational level, efforts to address these challenges are positive; however, it is too early to assess their impact as IIs are at the initial piloting or implementation stage of conflict-sensitive tools and/or approaches. Nevertheless, there are already concerns that staff capacity (in terms of time and expertise) to ensure that engagement is conflict-sensitive may be limited. The World Bank, for example, has outsourced specialist expertise for testing the “peace filter”, and task team leaders do not appear to receive training for its implementation. The UN, on the other hand, is recruiting in expertise to roll out their “do-no-harm” mainstreaming programme. ADB has only one expert to mainstream conflict sensitivity across the entirety of its operation in Nepal.

A lack of incentives and senior staff leadership to roll out such mechanisms and tools are barriers to producing desired changes in II operations. Alongside skilled and experienced peace and conflict specialists, there is a need for staff with a strong contextual understanding who have the seniority and space to ensure that this understanding informs decision making beyond the operational level.

Although ADB has recently started coordinating with local civil society/II partners on conflict sensitivity and efforts for joint analysis are being made, coordination among agencies with regard to peacebuilding still needs to be prioritised and increased. Lack of staff time within the World Bank, ADB and UN for consultations with other development partners appears to be the main obstacle. The increasing push for results (particularly quantitative results) at the World Bank also incentivises staff to chase quick results, rather than ensure a strong consultative and informed process which can support conflict-sensitive and sustainable outcomes.

Finally, in certain cases, the lack of effective communication of mandates, programmes and activities to the public has impacted upon IIs’ ability to make a greater contribution to peace and development. UNMIN is an often-cited case study in this respect, whereby a lack of successful public relation campaigns communicating mandates and constraints contributed to negative public attitudes towards its presence and role. In addition, UNMIN’s role in supporting the mainstreaming of the UCPN-M was misunderstood as its promotion. The United Nations Interagency Rehabilitation Programme (UNIRP) similarly suffered from a lack of accessibility to information and of effective communications around its programme, affecting beneficiaries and public relations alike. Conversely, the World Bank has demonstrated how the accessibility to information can improve public relations and build trust. The Public Information Office offers access of all public documents and resources to the public via the Bank’s website and a small library.

## Moving Forward: Opportunities for Strengthening Aid Effectiveness in Nepal

The following section summarises priorities to strengthen the development and peacebuilding impact of IIs operating in Nepal. There are seven recommendations directed to IIs:

**Strengthen buy-in to the Nepal Peace and Development Strategy and deepen joint context analysis and coordination based on institutional comparative advantage.** The PDS is a welcome development and has the potential to act as an overarching peacebuilding framework for international peace and development actors. However, widespread organisational buy-in to the PDS and the annual action-planning process needs to be generated to ensure that it becomes central to institutions' strategic planning. Similarly, the joint analysis within the PDS must be continually updated and deepened – both the Banks and the UN have analysis and technical knowledge that could feed into future updates. In particular, UNRHCO is currently in the process of setting up field offices, the mandate of which will include the collection and analysis of information. There is a clear opportunity for UNRHCO to play a role in providing context analysis to the wider international community, including the Banks. In addition, it is crucial for improved service delivery that Nepal's national and local governance entities are active participants in the dialogues and processes which inform II context analysis, decision making and coordination.

**Develop long-term, sector-wide transition plans** that take realistic account of the absorption capacity of the state and the balance of responsibility between state and non-state actors in the delivery of basic services (including justice and security, as well as basic health and education services). This should include a clear process for consultation and agreement on roles and responsibilities for state and non-state actors, as well as a “roadmap” for the transition to state-led service delivery, including a clear accountability and advisory role for civil society. For example, in the justice sector, efforts to increase access to justice through strengthening and establishing informal and paralegal justice options need to go hand in hand with longer-term efforts to strengthen state justice provision to avoid undermining state responsibilities. All of this would require coordinated financial planning between IIs and bilaterals. Given their financial weight and technical expertise, multilaterals are in a strong position to play a leadership role in this regard.

**Strengthen conflict-sensitive design, monitoring and evaluation of development and peacebuilding programmes, and commit to periodic exchange of learning between IIs operating in Nepal.** All IIs are piloting or implementing “do-no-harm”

or conflict-sensitive approaches. Although it is early days to assess the impact of such initiatives, there are opportunities to share comparative advantages and learning from the initial implementation of these diverse tools. It is also important that the UN evolves from a narrow “do-no-harm” agenda to a more pro-peace, conflict-sensitive approach to its operations in Nepal. Analysis and planning also need to proactively respond to possible state restructuring in Nepal; for example, IIs will need to prepare for a new federalised system and its corresponding implications for good governance.

**Develop and articulate joint positions on and share best practice responses to political interference and political capture.** Acknowledging that the political capture of development programmes and projects is widespread in many districts, there is a need for better analysis and evaluation of current formal and informal mitigation strategies, better sharing of best practices and the coordination of efforts across the international community and government. Existing strategies include the World Bank’s e-bidding mechanism, both of the Banks working with the Auditor General’s Office on public finance management, and II programme staff informally negotiating with political parties for operational space. However, these are not sufficient to counteract political interference, corruption and aid leakage. There is an opportunity here for IIs to use their combined leverage to call for required reforms and put pressure on political parties to curb interference and corruption. Such reforms include those aimed at strengthening anti-corruption institutions, improving public oversight mechanisms and the holding of local elections.

**Capitalise on the comparative advantages of the different mandates and funding modalities.** This is key for strengthening understanding and strategic responses to structural and political blockages in Nepal. Differing II mandates and funding modalities (and hence leverage) of the Banks and the UN offer an opportunity to better balance “apolitical” engagement with the state (the Banks’ concern) and “more political” engagement with the wider population (the UN’s concern). For example, although the Banks’ “no-politics” mandate may be restrictive, the funds that both Banks bring to the country and the modalities of the funding (i.e. through the government) constitute considerable leverage to ensure attention is drawn to contextual obstacles to peace and development. The UN, on the other hand, with its various agencies working together, can be more direct in confronting sensitive issues (e.g. the management of arms and the armed forces).

**Strengthen popular trust in and legitimacy of IIs through participatory and interactive public communications.** Transparency and trust are important factors for ensuring IIs’ work is not undermined by public misunderstanding. IIs could

establish accessible information hubs and create clear, interactive information campaigns which disseminate mandates and activity programmes to civilians via radio, hardcopy and the internet. Such public relations initiatives should be done on a regular basis, as and when new activities are being designed.

**Review objectives and incentivisation of staff to respond systematically to complex relationships and environments.** All the aforementioned opportunities for strengthening aid effectiveness in Nepal will rely heavily on long-term, knowledgeable and experienced staff, trained in conflict sensitivity. Such professionals will be better equipped to engage with Nepal's complex conflict scenario. However, IIs have a small number of such experts; therefore, their outreach is limited and they mostly focus on conflict-specific programmes. IIs will significantly enhance the impacts of their programming if more staff are incentivised to apply conflict sensitivity across a broader range of development interventions. In addition, IIs should consider the impact of short-term contracts on the quality of long-term programming.

## Annex 1. Summary of II National Priorities

Policy	Key points
Government of Nepal	
Comprehensive Peace Agreement	The <b>Comprehensive Peace Agreement</b> outlines priorities for political, economic, social transformation and conflict management; management of armed forces and arms; maintenance of ceasefire and the end of the conflict; compliance to human rights; management of differences and disagreements post-CPA; the monitoring of CPA implementation.
Interim Plan	The <b>Interim Plan for Nepal 2010- 2013</b> which followed the <b>Interim Plan of Nepal 2007</b> , aims to 'enable people to feel change in their livelihood and quality of life by supporting poverty alleviation and establishment of sustainable peace through employment-centric, inclusive and equitable economic growth.' <sup>11</sup> The interim plan, among others, includes chapters on social justice and inclusion, peace reconstruction and rehabilitation, gender mainstreaming and inclusion, land reform and management, and good governance. The Plan period is from financial year 2010/2011- financial year 2013/2014.

11 Government of Nepal, National Planning Commission (2011). *Three Year Plan Approach Paper (2010/11 – 2012/13)*. Unofficial Translation (Draft). Available at <http://www.npc.gov.np/uploads/publications/20110901113819.pdf>

Policy	Key points
<b>International Institutions</b>	
World Bank Interim Strategy Note (ISN)	<p>As per the strategy on fragile and countries coming out of conflict, the World Bank has designed a three year ISN, as opposed to a CAS. The present ISN (FY 2012-FY 2013) is linked to the approach paper for the Nepal Government's Interim Plan for Nepal (2010-2013). The ISN outlines three pillars of engagement:</p> <p>Pillar 1: Enhancing connectivity and productivity for growth; Pillar 2: Reducing vulnerabilities and improving resilience; Pillar 3: Promoting access to better quality services.</p> <p>The cross-cutting theme permeating all operations of the Bank as outlined in the ISN are: (i) governance and accountability and (ii) gender equality and social inclusion. The ISN also envisions the continuation of the "peace filter", which aims to identify key conflict and political economy issues so that they can be considered and mitigated early on in the project design phase.<sup>12</sup> The "peace filter" tool was piloted during the preceding ISN period. The current ISN also gives emphasis to continued commitment to enhance accountability and conflict sensitivity in its operations through various tools and processes.</p>
ADB	<p>Like the World Bank, the ADB has a three-year Country Partnership Strategy (CPS) which is aligned with government planning processes. The ADB also takes the draft NDSP and the three-year interim plan as the basis for its 2010-12 CPS, allowing space for a review when the government's new development plan has been approved, to ensure continued CPS alignment with government priorities.<sup>13</sup> The development of the CPS began with joint consultations with the World Bank and DfID, followed by the development of a CPS issues paper, a series of internal reviews and a formulation mission in August 2009 which discussed the key content of the CPS with the Government of Nepal.<sup>14</sup></p>

12 The World Bank Group [2011]. 'Interim Strategy Note for Nepal, (FY12-FY13)', accessed on 22nd November 2011. Available at [http://www-wds.worldbank.org/external/default/WDSCContentServer/WDSP/IB/2011/08/19/000020953\\_20110819132102/Rendered/PDF/633810ISN0IDA0R201100268.pdf](http://www-wds.worldbank.org/external/default/WDSCContentServer/WDSP/IB/2011/08/19/000020953_20110819132102/Rendered/PDF/633810ISN0IDA0R201100268.pdf)

13 Asian Development Bank [2009]. 'Country Partnership Strategy: Nepal, 2010-2012', accessed on 22nd November 2011, p.10. Available at <http://www.adb.org/documents/CPSs/NEP/2010-2012/CPS-NEP-2010-2012.pdf>

14 Ibid, p.53.

15 Ibid, p.54.

ADB (cont)	<p>In addition, the CPS was developed based upon the recommendations arising from the evaluation of the previous CPS, which included the need to strengthen aid coordination and undertake joint evaluations of assistance programmes and to continue conflict-sensitive operational approaches.<sup>15</sup> The CPS has four pillars:</p> <p>Pillar 1: Broad-based and inclusive economic growth;  Pillar 2: Inclusive social development;  Pillar 3: Governance and capacity-building;  Pillar 4: Climate change adaptation and environmental sustainability.</p> <p>Similar to the World Bank's ISN, the CPS envisages a peace filter checklist pilot 'to minimise the risk of exacerbating social and political tensions.'<sup>16</sup></p>
UNDAF	<p>The United Nations Development Assistance Framework is the overarching strategy for UN agencies in Nepal. UNDAF 2008-2010, launched in 2007, identified four basic priority areas: consolidating peace; quality basic services; sustainable livelihoods; human rights, gender equality and social inclusion. UNDAF is aligned with the Interim Plan; the design process included consultations with government, civil society and development partners. The next UNDAF is being developed around the needs of identified vulnerable and excluded groups, rather than thematic sectors, underlining the UN's focus in addressing socio-economic exclusion. The new UNDAF, covering the next planning period, is forthcoming.</p>
PDS	<p>The Nepal Peace and Development Strategy underlines the need to 'refocus development efforts more effectively towards peace...[stating]...the greater the extent to which development promotes the fundamental values of the CPA – equity, security, rights and justice – the more likely it is to build sustainable peace in Nepal...The role of development partners in the peace process, therefore, is to help sustain the process by supporting the government to deliver development benefits in ways that reflect the new aspirations of the Nepali people.'<sup>17</sup> Ausaid, Canada, DANIDA, DfID, the EU, Finland, JICA, the Embassy of the Federal Republic of Germany, the Norwegian Embassy, SNV, the Embassy of Switzerland, USAID, and the UN have signed the PDS.</p>

<sup>16</sup> Ibid, p.14-15.

<sup>17</sup> United Nations Resident and Humanitarian Coordinator's Office, Nepal (2011). *Nepal Peace and Development Strategy, 2010-2015*. Kathmandu, Nepal: United Nations. p.3-4.

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### Government of Nepal

Office of the Prime Minister (1)

Ministry of Peace and Reconstruction (1)

### International Institutions

World Bank (6)

Asian Development Bank (2)

United Nations Resident Coordinators Office (3)

United Nations Childrens Fund (2)

United Nations Development Programme (2)

United Nations Missions In Nepal (2)

### Bilaterals

Department For International Development, Nepal (3)

Embassy of Norway, Nepal (1)

Embassy of Denmark, Nepal (1)

### Civil Society

Social Science Baha (1)

Alliance for Social Dialogue (1)

Freelance Journalist (1)

Carter Centre (2)

National Democratic Institute (2)

Association of International (AIN) NGOs (1)

Former UNMIN (1)

### Participants at sharing roundtable, 15<sup>th</sup> March 2011

United Nations Resident Coordinators Office, Nepal (4)

World Bank (3)

Asian Development Bank (2)



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