

## I. BACKGROUND

Nepal has made progress in poverty reduction over the past decade despite the conflict and high levels of political instability. However, while the official poverty rate decreased from 42% to 31% between 1996-2004<sup>1</sup>, an estimated 55% of Nepalis still live on less than \$1.25/day and 78% on less than \$2/day. Poverty is higher in rural areas (35%) than urban areas (10%), and in the Mid and Far-West where there are high levels of chronic poverty. The Human Development Index (HDI) stands at 0.509, and is also lowest in the rural, mountain and Mid and Far-Western regions.<sup>2</sup> While poverty cuts across all caste and ethnic groups in Nepal, the decline in poverty rates has been uneven. The *decrease* in poverty was the least among Muslims at 6 percent and highest among Brahman/Chhetri groups at 46 percent.<sup>3</sup> Dalits have a much higher poverty incidence, at 46 percent, than Newars, at 14 percent. Across caste and ethnicity, the HDI is also lowest for Muslims and Dalits, with these two groups having a lifespan shorter by 11-12 years than that of Brahmans or Newars.

In addition to disparities in poverty reduction rates, other social development indicators demonstrate the unequal progress gained by women and those from excluded social groups and regions. Women continue to experience greater vulnerability to poverty and score lower in other areas of human development because of gender-based discriminatory practices such as early marriage, dowry, seclusion and limited mobility, inequitable access to and control over economic resources such as property, as well as being exposed to greater health risks alongside unequal access to health and education services. Women's representation and participation continues to remain lower than for men in the political, economic and professional spheres, especially for women from the rural areas, Mountains, Tarai and Mid-and Far-West.

The increased life expectancy of women and school enrolment of girls has contributed to improving gender disparities, but these are still stark, and for women from excluded groups even more so. Only 6% of women are employed in the formal sector, and women's agricultural wages as a percentage of male wages has actually declined; in 2001, only 11% of households had female landowners. Diversity in government jobs is low. For example, in education civil service posts, 8% are women and 81% are Brahmin/Chhetri. Almost 80% of Muslim women in Nepal still have no education, compared to a national average of 55%; 83% of Tarai Dalit women are illiterate.<sup>4</sup> Education quality remains a challenge and national statistics mask disparities between regions and between caste and ethnic groups. Leaving exam pass rates are low (68.5% overall) with a 10% gender gap.<sup>5</sup> Gender and exclusion gaps widen as students progress through the system. Waterborne disease causes significant U5 deaths and costs around \$150m per year in lost time and illness. Impacts fall disproportionately on women and girls as primary water fetchers and carers. They are most at risk from disease from lack of sanitation facilities, and from harassment and violence whilst walking to remote water points<sup>6</sup>.

The majority of births continue to take place at home with only 18 percent of deliveries in a health facility. Institutional deliveries are highest for Tarai/Madhesi Brahman/Chhetri women (70 percent) and lowest for Tarai/Madhesi Dalit women (9 percent).<sup>7</sup> Child survival rates (infant and under-five mortality rates) have declined, but this is accompanied by growing inequality. The total fertility rate declined dramatically from 4.6 births to 3.1 between 1996-2006, but it remains high for Muslims at 4.6, Dalits at 3.9 and the poorest at 4.7.<sup>8</sup> The contraceptive prevalence rate has increased to 44 percent, with the gap between economic and social groups narrowing, but remains consistently low for Muslims at 17%.<sup>9</sup>

Gender based violence is widespread, deep rooted, and hidden, with estimates that as much as 75% of women experience gender based violence in their lifetimes. Widows, adolescent girls and women from excluded groups are especially vulnerable to abuse and discrimination. Child marriage of girls persists, though it has decreased significantly since the 1980's, and in spite of the legal prohibition on polygamy, many women still face the indignity of having to accept co-wives.<sup>10</sup> Further, Madhesi Other Castes and the Muslims continue to practice purdah, or seclusion.

<sup>1</sup> NLSS, 2003/04.

<sup>2</sup> UNDP, Nepal Human Development Report, 2009.

<sup>3</sup> CBS, 2005. Poverty Assessment. Central Bureau of Statistics, Kathmandu.

## II. DFID Nepal's Theory of Change

DFID Nepal (DFIDN) has a strong theory of change that underpins our work on gender equality and social inclusion. This is used in the development, implementation, monitoring and evaluation of our programmes. The theory is conceptualized as a framework with three interlocking "domains of change":

- access to livelihood assets and services;
- the ability of women and poor and excluded people to exercise voice, influence and agency; and
- the "rules of the game", which refer to the policies and institutions which mediate and regulate people's participation in the life of the state as well as their access to livelihood opportunities.

The first two domains of change ("access to assets and services" and "voice, influence and agency") are part of empowerment processes. The last domain of change ("rules of the game") is where social inclusion does, or does not, take place.

The definitions of empowerment and social inclusion used by the World Bank have been adopted for DFIDN's work on gender equality and social inclusion. These two definitions<sup>11</sup> are as follows:

- **Empowerment** is the enhancement of assets and capabilities of diverse individuals and groups to function and to engage, influence and hold accountable the institutions that affect them.
- **Social Inclusion** is the removal of institutional barriers and the enhancement of incentives to increase the access of diverse individuals and groups to development opportunities

Empowerment occurs at the individual and group level and, to an important extent, has to do with changes in the *internal self-perceptions* of women, girls and those who have been in some way negatively defined and excluded by the dominant society. This builds their sense of agency (their capacity to act on their own behalf), as well as helping them to realise the power they gain from collective action. Empowerment also has to do with increasing their access to assets, services, and livelihood opportunities, which is often a critical prior or concurrent step in enabling the chronic and extreme poor to engage in collective activities.

Empowerment approaches often work at the grassroots, 'from below', helping diverse groups of poor and socially excluded citizens organise themselves to improve their livelihoods and to demand broader institutional change. These approaches are most effective when they can be scaled up to stimulate the formation of *coalitions for change* between excluded groups and other better-off citizens who also want a more equitable society—or who share other interests with the excluded. Globally, across Asia, and in Nepal, collective action and coalitions for change have enabled women to make significant gains in terms of empowerment and inclusion.

Social inclusion concerns the institutions and the policies that must be changed if women, girls and other excluded people are to be able to effectively influence and change the encompassing institutional environment. Social inclusion is often referred to as the 'rules of the game' that control the distribution of assets, opportunities and voice to different individuals and groups.

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<sup>4</sup> Bennett, Lynn, Dilli Ram Dahal and Pav Govindasamy, 2008. Caste, Ethnic and Regional Identity in Nepal: Further Analysis of the 2006 Nepal Demographic and Health Survey.

<sup>5</sup> Ibid.

<sup>6</sup> Position Paper on Sanitation (2005 – 2010) Water Aid 2006

<sup>7</sup> Bennett, Lynn, Dilli Ram Dahal and Pav Govindasamy, 2008. Caste, Ethnic and Regional Identity in Nepal: Further Analysis of the 2006 Nepal Demographic and Health Survey.

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Bennett, Lynn, Bandita Sijapati, and Deepak Thapa, forthcoming 2011. Forging Equal Citizenship in a Multicultural Nepal

<sup>11</sup> *Social Analysis Sourcebook: Incorporating Social Dimensions into Bank-supported projects*, (working draft) August 2002, p. 2, Social Development Department, World Bank, Washington, D.C.

DFIDN's gender and social inclusion work seeks to bring about system-level institutional reform and policy change to remove inequities in the external environment. Social inclusion requires a shift from an institutional environment that gives some individuals and groups more opportunity to realise their agency than others, to one where the political system and the rule of law support equal agency for all.<sup>12</sup> Sometimes these reforms are reluctantly conceded by entrenched power holders who are forced to do so by economic and political events they can no longer control e.g. the Maoist up rising. But in other cases reforms are actively championed by change agents who are allies of the poor and excluded and who may have come to power within the current ruling group or from the opposition. In other words, while the social inclusion dimension of the social change process may be a response to pressure from below created through empowerment, it can also be instigated from positions of relative power within the existing institutional framework.

Our theory of change is premised on the understanding that change that does not happen in all three domains will not be transformational – it will have less impact and be less sustainable than change that occurs in all three domains.<sup>13</sup> For example, assets may be increased and consumption smoothed temporarily by providing food or cash for work, but unless and until poor people can claim their rights to social security, education and health care, and decent work, there will be no sustainable improvement in livelihoods, people will not be empowered and social exclusion will remain.

### **III. From Theory to Action: achieving results for women, girls and other excluded groups**

#### **1. Improving monitoring and evaluation, and building a stronger evidence base**

DFID Nepal has a strong internal and external focus on achieving better monitoring and evaluation of results for women, girls and other excluded groups., Our Operational Plan includes dedicated resources for further work in this area.

Internally, we ensure that our logical framework outcomes and outputs are capturing intended changes for women and girls, and that indicators and targets are disaggregated - where desirable and possible - by sex and social group. The Gender Equality and Social Inclusion (GESI) Audit that will be conducted following the approval of the OP will have a strong focus on disaggregated monitoring. This recognises that “counting” women and girls is not enough. Our programmes need to be to measure and report on transformational changes, changes in opportunity structures and power relations. In conducting the GESI Audit, we will link closely to the Asia regional work programme on women's economic empowerment. DFID Nepal also has a strong and growing programme of work focusing on violence against women and girls. This is an area where the evidence base is weak, and we will invest in better data collection and analysis on issues such as suicide and gender based violence (GBV), sexual harassment and abuse of adolescent girls, attitudes and behaviors of men and boys, service mapping and improved provision, institutional tracking of GBV cases, and legal reform.

Externally, our focus will be on ensuring that Nepal's Poverty Monitoring and Analysis System takes account of gender and social issues. We will support the gender analysis of the Nepal Living Standards Survey (NLSS), and will provide Technical Assistance for GESI strategy implementation and monitoring

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<sup>12</sup> The idea of equality of *agency* as being necessary for the poor to realise equality of *opportunity* is taken from the paper by Vijendra Rao and Michael Walton, 2004, “From Equality of Opportunity to Equality of Agency—Grounding a Cultural Lens for Public Policy in an Unequal World” in *Culture and Public Action; A Cross Disciplinary Dialogue on Development Policy*, Vijendra Rao and Michael Walton, eds., Stanford University Press, Palo Alto.

<sup>13</sup> It is not always necessary for an individual project or programme to contribute to all three domains, as long as the sum of our programmes that contribute to the OP do so. However, larger programmes should contribute to change in all three domains, although there may be more emphasis in one domain than another.

in the health sector, and for improving the GESI aspects of monitoring information systems within other key ministries, such as the Ministry of General Administration, the Ministry of Education, and the Ministry of Local Development. We will also support stronger participatory monitoring methodologies within the health and local governance sectors, including social audits, public hearings, and the piloting of community score cards.

## **2. Achieving women's economic empowerment through wealth creation, and reducing vulnerability to climate change and disasters**

Increases in female literacy and the emergence of women's credit and savings and other types of development groups over the last 20 to 30 years have enabled women to extend their roles beyond that of the care economy to other spheres of economic activity. However, current data on the occupational status of women and men reveals that women continue to work mainly as unpaid family labor and/or in the agriculture while men predominate in the higher return, modern sector jobs and migration. Even though women across the board are economically very productive, they do not control productive assets and have limited input into household decision-making. This has been one of the main reasons for their lower levels of empowerment in economic, political and social realms.<sup>14</sup> Women's limited access to cash, financial services, and to ownership of property are all factors limiting poverty reduction and the advancement of women's economic rights.

We are adopting a twin track approach in the wealth creation pillar: ensuring that all of our programmes address the needs of women, as well as implementing targeted interventions for women and girls. Analysis of women's current economic activity and potential in different areas will underpin programme design in our skills, market development, rural infrastructure and access to finance programmes will help us set realistic targets for participation and results. For example in sectors where women make up 75% of producers, participation targets (for example a target of 50% participation for women) are nonsensical. Instead, we will focus on women achieving greater control over resources and greater power over decision making, supporting them to increase their incomes and their agency. On the other hand, in sectors with large growth potential but few women active, we will address the barriers to women's participation, and set ambitious but realistic targets for participation. Thus we will tailor our approaches and our results based on robust evidence. Our new programming in the area of financial inclusion will focus on chronically poor areas of the mid and far west, develop innovative approaches for ensuring the inclusion of poorest, and have a strong focus on women. The Centre for Inclusive Growth will also undertake specific analysis on the barriers to women's economic participation and work with government and the private sector to remove these barriers, e.g. finding ways to increase women's ownership of land.

Across the CC/DRR portfolio, we will be developing innovative approaches that will strengthen both community resilience and women's empowerment. The climate change and forestry programmes will build on past successful work on inclusive approaches in to: empower women and embed socially inclusive budgeting in adaptation work; ensure at least 50% of employment in forest based enterprise goes to women; and provide specific support to at least 25,000 women headed households (who are particularly vulnerable to climate change impacts). Disasters increase gender inequality, making bad situations worse for women and girls. DFIDN's interventions will seek to increase gender sensitivity and effectiveness in DRR programming through the full and balanced participation of women, men, girls and boys.

Outcomes and outputs for women and girls under the wealth creation and CC/DRR pillars include:

- i. Increase incomes for poor women and men
- ii. Increase employment of young women and men from excluded groups
- iii. Increase access of poor women & men to formal financial services
- iv. Improve livelihoods of forest dependent men and women

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<sup>14</sup> On an average, 33 percent of women indicated that they do not partake in any decision-making process, at least in the four areas covered by the 2006 Demographic and Health Survey data, including on issues related to their own health care.

- v. Ensure gender and inclusion sensitive earthquake preparedness programming in order to build resilience at community level
- vi. Increase number of men, women, boys and girls resilient to earthquakes
- vii. Increase numbers of men, women, boys and girls resilient to climate change

### **3. Governance and Security: achieving greater political inclusion for women; increasing women's participation in local governance; and realising greater security and justice for women and girls**

#### Women's political participation

Nepal has made much progress since 2006 in the area of political inclusion, with about 33% of the Constituent Assembly (CA) being women, and greater representation of women in public life. DFIDN's promotion of political inclusion for women, and particularly those from excluded caste and ethnic groups, will continue – building on the results which put 40 women trained by DFIDN into the Constituent Assembly. For example, through the Rights Democracy and Inclusion Fund, we are supporting the active participation of women throughout political parties, with a particular focus on local level politics.

#### Women in local governance

Women's inclusion in decision making in local governance remains a challenge. Proportionally, their inclusion is far lower at the local level (around 10%) than at the national level (33%). This meets local governance reservations of one woman member in each of the VDCs/DDCs but it is clear that these are way below national reservations. The DFIDN-supported local governance programme (LGCDP) has recently issued guidelines that require at least 35% of untied funds to be spent on projects benefitting women and other excluded groups. This requires all members to consider gender in resource allocation and project design. In a number of other DFIDN programmes we are encouraging women's participation, setting a benchmark of at least 40%. As a result women are actively involved in project user groups, giving them decision making power over non-government resource allocation. This is also intended to provide a stepping stone to women's greater participation e.g. involvement in Community Forestry Group Committees and then local politics.

#### Violence Against Women and Girls (VAWG)

Over the past 18 months we have built up a small "exploratory" portfolio focusing on Violence Against Women and Girls. We have also increased the focus on VAWG across our portfolio, for example in the police programme and the health sector programme. We will increase our attention to tackling VAWG across the portfolio over the OP period, as will building a stronger evidence base on what works.

Over the OP period, therefore, we will continue to work a strategic level with GoN to ensure the effective implementation of the GBV Action Plan. In parallel it is also critically important for achieving tangible results for women and girls that we move beyond strategic work at the central level. We will, therefore, increase our focus in three areas:

- i. increasing the access of women and girls to integrated and quality VAWG response services at the district and sub-district level, through paralegal programming, health and education SWAs, the police programme, and a new VAWG Response Programme
- ii. working with men and, in particular, adolescent boys, to support more positive attitudes and behaviours surrounding VAWG, through a Civil Society Challenge Fund that will be part of the larger VAWG Response Programme
- iii. scale up successful approaches to eliminating harmful traditional practices (again through the Civil Society Challenge Fund)

Our work will also increasingly focus on adolescent girls, supported by a 1 year action research programme on adolescent girls starting in March 2010.

Overall, the Governance and Security Pillar will focus on three main areas critical to women's empowerment and the achievement of better outcomes for women and girls: women's political inclusion; women's participation in local governance; and greater security and justice for women and girls, with a particular focus on VAWG. We will:

- i. Strengthen representation of women who participate in local level planning and user committees; and support social audits of local government allocation and spending – for example through local government block grants
- ii. Improve police-community relations, particularly between police and citizens from excluded and vulnerable groups
- iii. Establish a nationwide network of Paralegal Committees to promote and protect the rights of women, children and excluded groups.
- iv. Pilot innovative approaches to working with men and boys on VAWG and scale up proven approaches
- v. Support the establishment of robust district VAWG response and referral systems

#### **4. MDG Pillar: increasing reproductive health & choice and achieving better educational outcomes for girls**

Health outcomes have improved across many key indicators, but progress at the national level masks worsening disparities in others. Overall, around 22 percent of the population still lacks access to basic health facilities. The gap between the poorest and wealthiest quintiles is high in several health indicators. Although the poor suffer higher rates of mortality and morbidity, the richest fifth of the population spend 25 times more than the poorest on health care.<sup>15</sup> Across social groups, it is generally Dalits from the Tarai, Muslims and Tarai/Madhesi Other Castes<sup>16</sup> who fare worse in terms of health care utilisation and outcomes.

The most cost-effective way to support general health services, particularly the integrated care that is required to reduce maternal mortality further, is through the established Nepal health system and support to the Government of Nepal's national health plan. Together with Government counterparts we will push for better governance of the health sector and an improved response to gender and social disparities in health and nutrition outcomes through strong and focused support to the implementation, monitoring and evaluation of Government's fledgling Gender Equity and Social Inclusion Strategy. DFIDN will invest additional resources in scaling up access to family planning services, the most off-track health MDG.

Globally, there is strong evidence linking levels of education to economic growth, improved health and nutritional outcomes, lower fertility and social stability. Investing in education, not only at the basic level, but at post-basic also, is central to addressing the challenges of global competitiveness, climate change, conflict and insecurity. In Nepal, development partners expect education to impact on MDG goals around wealth creation, poverty reduction, maternal health, voice and accountability as well as climate change.

The national education plan, which we fund, makes provision for a code of conduct for child protection, with particular focus on Dalits, girls and excluded groups; basic education scholarships for all Dalit children, and 50% of girls (though the policy has just recently changed to universal provision of scholarships for girls); and criteria for teacher selection weighted in favor of candidates from excluded groups, alongside other policies to tackle social exclusion in education. Our support will contribute towards reducing maternal and child mortality and improving reproductive health; increasing access and utilisation of health services in pregnancy and childbirth; and enabling more women and girls to make choices about their reproductive health.

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<sup>15</sup> Prasai et. al, 2006. Nepal National Health Accounts, 2001-2003. GoN/MoHP, Kathmandu.

<sup>16</sup> Tarai/Madhesi Other Castes refer to the those groups of Tarai or Madhes origin, and who are neither Brahman/Chhetri nor Dalit.

Our support to the education sector focuses on quality, through enhancing the educational environment for girls (not just access and retention); increasing female role models for girls at all levels of the system (supportive policy and strategy environment plus lobbying); changing parental and community attitudes (for example concerning out of school children, and violence against adolescent girls); and reforming the secondary sector, including skills for employability. Our support is tackling a wide range of education related issues – for example curriculum, school environment, teachers and pedagogy, water and sanitation, access, and assessment – which increases the chances of achieving results. There is potential for a stronger focus on adolescent girls, and this will be explored over the OP period.

DFIDN's support to the education sector will contribute to the following:

- increased provision of early childhood education - more girls transition to primary
- improved water and sanitation facilities for girls in order to increase attendance and retention
- scholarships and cash transfer programmes for children aged 5-16 boost enrolment and retention of girls
- more women teachers in the system at all levels
- more informed health seeking behaviours and choices
- later first marriage ages, increased family planning activity, improvement in child nutrition and well being
- completion of secondary leading to increased employability and life time earnings

**IV. Headline Results Summary for Women and Girls<sup>17</sup> (directly attributable to DFID)**

<b>DFIDN OP Pillars and Gender Vision/SRP Priorities</b>	<b>Governance and Security</b>	<b>Wealth Creation</b>	<b>MDGs</b>	<b>Climate Change/Disaster Risk Reduction</b>
<b>Girls education</b>  (Gender Vision and SRP)			<ol style="list-style-type: none"> <li>1. 16,900 girls supported in primary school</li> <li>2. 11,200 girls supported to complete primary education</li> <li>3. 4,100 girls supported in secondary education</li> </ol>	
<b>Women’s economic empowerment and reduced vulnerability</b>  (Gender Vision and SRP)		<ol style="list-style-type: none"> <li>1. 500,000 women with access to financial services</li> <li>2. 165,000 jobs created for women</li> </ol>		<ol style="list-style-type: none"> <li>1. 1.65 million women with reduced climate vulnerability</li> <li>2. 313,500 women lifted out of poverty through forestry programmes.</li> </ol>
<b>Violence against women and girls</b>  (Gender Vision and SRP)	<ol style="list-style-type: none"> <li>1. 22,000 women and girls with improved access to justice services.</li> <li>2. Robust district GBV response and referral system established in y districts benefitting x women and girls (TBD)</li> </ol>			

<sup>17</sup> Where possible all of these indicators will also be disaggregated by social group. See DFIDN OP Results Framework for details of disaggregation.



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and SPR)	3. Improved police-community relations benefits x women and girls (TBD)			
<b>Reproductive health and rights</b>  (Gender Vision and SRP)			<ol style="list-style-type: none"> <li>1. 16,000 unwanted pregnancies averted per year by 2015.</li> <li>2. 25,000 births per year by 2015 attended by skilled staff; 60% of all births attended by 2015.</li> </ol>	
<b>Other</b>	1. 248,390 women supported to have choice and control over their own development and to hold decision-makers to account		<ol style="list-style-type: none"> <li>1. 60,000 women and girls benefit from safe latrines by 2015.</li> <li>2. 130,000 women and girls with sustainable access to clean drinking water sources</li> </ol>	