Karnali Area Development: A Strategic Frame-work

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The Context
Karnali zone comprises of five districts spreading over 21,351 sq km of land area (14.5 % of the country). The population of karnali was 3,09,084 (1.3% of Nepal) in 2001 and the population density as 14.5/ sq km (as against 157.3 /sq km in the country as a whole). The area is thus thinly populated and scattered all across the zone. The average size of the Household is 5.6, slightly above the national average. There are altogether 133 VDCs in the Karnali zone.

Compared to the national average, the basic Human Development indicators show a poor picture in all aspects of Human development components in all the five districts of Karnali zone. Low female literacy (lowest in some districts), chronic malnutrition, high poverty concentration is some of the features of the districts. Even the status of safe drinking water is way below the national average. The HDI and HPI figure shows Karnali district in the bottom of HDI and highest in HPI among 75 districts of Nepal. It is thus; not surprising that karnali zone is very much out of the main stream of national development.

Selected Indicators of Karnali districts

<table>
<thead>
<tr>
<th>District</th>
<th>Literacy</th>
<th>Female literacy</th>
<th>Life expectancy</th>
<th>Chronic malnutrition</th>
<th>Access to safe drinking water</th>
<th>Human poverty index</th>
<th>HDI</th>
<th>Ranking</th>
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<tr>
<td>Humla</td>
<td>19.6</td>
<td>4.8</td>
<td>58.4</td>
<td>90.0</td>
<td>35.5</td>
<td>63.8</td>
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<td>Jumla</td>
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<td>9.3</td>
<td>50.8</td>
<td>74.2</td>
<td>26.0</td>
<td>56.8</td>
<td>0.34</td>
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<tr>
<td>Mugu</td>
<td>24.1</td>
<td>5.2</td>
<td>44.1</td>
<td>68.8</td>
<td>44.9</td>
<td>61.1</td>
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<td>Kalikot</td>
<td>33.2</td>
<td>10.7</td>
<td>46.7</td>
<td>74.2</td>
<td>54.5</td>
<td>58.9</td>
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<td>Dolpa</td>
<td>29.0</td>
<td>11.7</td>
<td>52.5</td>
<td>74.2</td>
<td>63.8</td>
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<td>Nepal</td>
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<td>20.5</td>
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Source: NPC/UNDP, Nepal Human Development Report, 2004

To quote Jeevan B shahi, ex-president DDC, Humla "...The real reason the Karnali has not been able to develop is not lack of resources. It is the lack of imagination. Over the decades, the Karnali has been deliberately made dependent on the outside world by keeping it reliant on rice flown in from Nepalganj. If the money spent on food and airfreight over the past 30 years was added up and invested in irrigation, highways or energy the Karnali would, by now, be feeding the rest of Nepal. . Karnali is poor because it is neglected, not because it lacks resources. Our assets include timber, fuel wood, hydropower, eco-tourism, and biodiversity and herbal products. Our remoteness means we lack a market for these products. We need a road to the border: to India or China whichever is closer." (Etimes, 12-18 august, 2005)

The Challenges
The real challenge in Karnali districts is that it does not have a dependable connectivity with other districts except for an unreliable and seasonal air link to Nepalgunj. It takes days of walk to reach a motor head. This has made the districts isolated from other parts of the country. The inaccessibility of the districts made development costly and governance weak, since most of the government offices are run by junior staff or peon most of the time of the year, because of the absence of the officer. This has affected service delivery badly and the consequence, high child and maternal mortality, low literacy, high concentration of poverty etc.

The cool climate, snow falling during winter, delays crop production and the absence of any serious effort on the part of the government to increase local food production has made the districts perpetually dependent upon the air lifted food from outside. Besides, the cool climate of the district forces livestock to be moved to warm areas in other districts. However, the introduction of community forestry in the hills has caused migration of livestock to other districts costly and as a result, the farmers in Karnali districts were forced to reduce the number of livestock. This has caused serious problems in nutritional level and protein supplement of the people causing malnourishment as high as 90% in the children of Humla and about 75% in Jumla, Kalikot and Dolpa respectively.

Social sector development, such as health, education and drinking water and sanitation are all at the bottom when compared with other parts of the country. Except for Kalikot (33.2%) and Dolpa (29.6%), literacy rate in other Karnali districts are less than half of the national average (48.6%). Female literacy rates are the worst in Karnali district. In Humla district, female literacy is only 4.8% and in Mugu 5.2% when compared to the national average of 34.9%. The figure for other Karnali districts is also not better (see table above). The proxy indicator for health, such as life expectancy at birth and chronic malnutrition, are both very disturbing when one compares it with the national average. The life expectancy in Mugu (44.1) and Kalikot (46.7) are way below the national average of 61 years. Similarly, the malnutrition in the Karnali districts, as sighted above, are the worst in any districts in Nepal. Furthermore, the districts also lack access to safe drinking water. As compared to the national average of 20% with no access to safe drinking water, about 64% of people in Dolpa do not have the access to safe drinking water. The situation in other districts such as, Kalikot with 54.5%, Mugu 44.9%, and Humla 35.5% are also equally challenging.

The heavy concentration of poverty, low social development, weak governance and high cost of development due to inaccessibility and scattered settlement has compounded the problem of mainstreaming development in the Karnali districts. It thus, requires for a well thought out strategy and missionary zeal in implementation supported, of course, by resources, both human and financial, to lift the districts in Karnali up from it's precarious position and bring it in the mainstream development.

**Strategic Framework for development**

To overcome the basic challenges faced by the districts and taking it forward, a **four plus two pillar strategic framework** is suggested here to mainstream Karnali development. The **Four pillars** of Karnali development are the provision for a rapid completion of north-south connectivity including a dependable air link to outside districts, harnessing of resource potential, social sector development and social inclusion and safety nets. The **Plus Two pillars, which will help improve the tempo of development,** are the improvement in the Governance and development of non-conventional energy, information and communication network (ICT) and new technology injection supported by research and development.
As the accessibility is the number one constraint for development in Karnali districts at present, it is absolutely necessary to give top priority to the construction of roads connecting district headquarters of all the five districts of Karnali. Such road connectivity should be given from both north and south. Northern connectivity may provide faster relief to the local people. This is because, first, completion of northern road may be faster and second, it will improve the traditional trade links with the northern border, the Tibetan autonomous region of China. Besides, the possibility of using Tibetan border road may significantly reduce the cost of transportation to the districts in Karnali.

The potential resources of Karnali districts are high value herbs, high value soft timber, livestock, high altitude vegetable seed, natural salt and tourism. It is also said that the area is also rich in a variety of precious gems. But, whether it is available in commercial quantity is yet to be verified. As the major source of traditional income in these districts are the collection and sales of natural high valued herbs, livestock and products, natural salt and soft timber, a major set back in the these traditional sources of income have been noticed in the last decade or so compounding the problem of nutrition, mortality and poverty in almost all the districts of Karnali. The strategy suggests that a comprehensive program be designed and implemented in each of the five districts to harness these potentials and attempts be made to revitalize traditional trade links, promote tourism to its fullest potential and support promoting livestock through better pasture area development and cost/subsidy negotiation with the community forestry groups along the livestock migration routes as well as systematizing high value herb plantation, collection, drying and sales for sustaining higher employment and income generation in the area.

Social sector development is another area, which needs quick attention in Karnali districts. Innovative as well as focused approach may be needed to improve the educational status of
both male and female as well as the health and sanitation status in the districts. As the proportion of people with no access to safe drinking water is unacceptably high in Karnali districts, a large number of programs for community drinking water, in line with Drinking Water Fund Board model, are suggested in all the five districts to catch up the deficiency in the shortest possible time.

Studies in the Karnali districts have shown that the level of education, health and sanitation are the worse among dalits and marginal class of people. Poverty is also very much concentrated among these castes and group. Therefore, a comprehensive social inclusion program comprising of education, health and sanitation, skill training and upgradation, employment and income generation should be designed and targeted to uplift such vulnerable groups in the district. Incentives program for educating boys and girls as well as for non-formal education of the adults should be carried out intensively to raise the level of literacy among these groups. As the districts are also characterized with high malnourishment/nutrition, a school meal program along with a food supplement programs should be launched in the districts to bring down the level of malnutrition. Similarly, a special package program of family health and sanitation plus population programs should be targeted to these vulnerable groups. A safety net programs consisting of a higher level of pension (preferably indexing with the cost of food and clothing), nutrition supplement, free health care system should be launched for the old and disable. Besides, the social inclusion program should also focus on women development and empowerment, education of the advantages/disadvantages of the prevailing social taboos etc.

Energy source development and adoption of new technology in a variety of areas are another strategy suggested for Karnali development. As Karnali districts are perpetually a food deficit districts, it is absolutely essential that the districts be made food self sufficient if not a surplus districts over time. This will both improve the nutritional status as well as the level of poverty in the districts. Therefore, adoption of new agriculture technology for improvement of local variety of cereal grains, introduction of a high land quick and high yielding variety of cereal grains together with an intensive extension service for adoption of new seed variety and bio-manure, attractive buyback arrangements may change the food production situation in the districts. Focus should therefore be made on extensive research and development in bringing out a locally suitable quick and high yielding variety of cereal grains. Similarly, technology should also be applied extensively in bringing out a good variety of vegetable seed for seed production and export. Attempts should also be made in improving livestock for more meat and dairy products.

Application of new technology is also called for a scientific plantation, collection and drying of high value herbs and also in extracting the juices of these herbal products without damaging the basic ingredients of herbs. Such application of scientific technology in herbs areas can significantly improve the level of income of the people and also generate large number of employment opportunity in the districts.

Although Karnali districts has tremendous potential for a variety of non-conventional energy source such as, micro and small hydro, solar and wind energy as well as bio-energy, the districts have not yet benefited from these sources of energy and still totally dependent upon the conventional sources for cooking and heating houses. The over dependent upon this conventional source of energy has also significantly contributed in term of respiratory problem and other health related damage to most of the people in the area. Attempts should therefore, be made in developing clean energy source, as it opens up new vistas for
improving the socio-economic status of the districts and also in accessing modern technology for improving the life of the people and most importantly for national integration. It also encourages people for entrepreneurship development. A large program for the development of clean energy in all the five districts can accelerate the process of mainstreaming development in Karnali area.

The improvement of traditional watermills in many parts of rural Nepal have demonstrated that with a simple replacement of traditional wooden water wheel by a modified metal water wheel can improve the efficiency of such water mills by 3 to 4 fold and can also generate electricity for lighting household in the villages. The technology is simple and the cost very low. As there are a number of traditional water mills operating in all districts of karnali, a program should be launched to modify all traditional mills for generating electricity in the evening and for grinding/ milling etc, at the day time. Such program can quickly change the life of the people at least cost.

A well-placed information and communication system (ICT) can help in many ways the remote districts of Karnali. The possibility of telemedicine, distant learning system, agriculture and weather related information’s and the exposure to development in other parts of the country as well as in the world will not only help improve service delivery in the remotest corner of the district but also help broaden the mind set of the people resulting in to doing away with many existing social taboos. Moreover, the communication network will also help improve governance and develop a feeling of national integration. Such feelings also contribute positively the process of mainstreaming development.

Last but not the least, in the strategy, is the importance of governance. An efficient governance system is always critical in improving the well being of the people and a lean and transparent government is normally the one, which tends to be efficient. As such, it is suggested that the governance in Karnali be made more transparent and the government lean, dedicated and participatory. This will require bringing district development line agency offices under the DDC umbrella by consolidating its function, community management in providing basic services, localization of basic staff, a good monitoring and audit mechanism and a transparent system of resource flows and accountability.

**Development Approach**

It is suggested that the development mainstreaming of Karnali be taken as a mission to be completed with in the shortest possible time frame. As such, an autonomous, fully resource back Karnali Area Development Authority is created. The authority should be chaired by a full time ministerial status coordinator/administrator. (Details of the authority discussed in the section below)

The development partners will be the line agency, local bodies (DDC and VDC), community organizations, user's group and NGOs. Each of these agencies will have a distinct role to play in the process. For example, all infrastructures will be constructed through user's community and small community groups supervised and supported by district line agencies. Social sector development and social inclusion programs will be carried out mostly through community organization and NGOs or its local partners. Harnessing of natural resources will be carried out thru people's participation supported by line agencies, community organizations and NGO's. National Development Volunteer (NDVS) will play important role in providing technical support as well as in the social mobilization in all key program components.
Even if women play a critical role in domestic decision making, they are found to be the most vulnerable and socially and economically deprived segment of the society in all Karnali districts. The challenge of Karnali development mainstreaming therefore, is to bring women in the forefront with important role in the decision making of the community development. The Karnali development approach therefore, suggest to put **women at the center** and design program components and activities under each program giving women to play important role in completing and running it.

**Suggested Programs**

Considering the pathetic status of social sector development, lowest Human Development Index (HDI) and concentration of poverty, Karnali area needs special focused package for mainstreaming development. Such package should at least, comprise of the followings;

**a. District road programs**

As all of the five districts of Karnali zone are not connected with motorable road, the road connecting all five districts with the main trunk road is of utmost importance to improve HDI and reduce poverty concentration. It is therefore, necessary to expedite the present Surkhet- Jumla and Pantadi - kalikot road to be completed within the fiscal year 2006/07. This will provide accessibility of the district during fair weather season of the year.

Besides, road construction to the rest of the three districts namely, Dolpa, Mugu and Humla should be started from fiscal 2006/07. Road construction to Dolpa can be initiated from Rukum, to Mugu and Humla from Bajura and Bajhang respectively. Provision should be made to construct these roads from both sides. This will speed up the construction and reduce time taken to reach these districts by a motorable vehicle. The construction of these roads will give at least a big psychological boost to the people in these districts and as such, this will be a big contribution by the new government.

A Jumla road tested approach of assigning community groups for construction of different patches of road simultaneously seems to be the approach to be taken in constructing these roads. The approach will not only create massive amount of local level employment and thus transfer the much needed cash income to the people along the area but will also expedite the construction of these road. However, department of Roads should provide all the technical support and some equipment to enhance the progress of this road construction. Similarly, they should move simultaneously for the construction of bridges along the road. This will help provide early benefits of road construction.

Besides construction of these inter district roads, some budget should also be allocated in providing road connectivity with the Tibetan Border area. Roads, like Simikot - Hilsa (in the Tibetan border) can increase trade and tourism potential in the area and will also improve the food and nutrition situation of these districts. Similarly, a survey should be made for providing northern connectivity to Mugu and Dolpa.

As some major roads, including Surkhet - Jumla road is handed over to the Army for construction, construction of these new district roads could be handed over to
the Maoist. This will, on the one hand, give them a chance to access government resources for development works there by relieving financial problems to sustain their militia and on the other, will provide them a chance to work for the people bringing peace and stability in the region.

**b. Tourism Development Program**

To expedite connectivity with the district throughout the year and also in realizing the full potential of tourism in these districts, the following activities relating to tourism should be given top most priority and as such, adequate budget should be allocated in carrying these activities with in the targeted time frame.

i. Construction and up-gradation of airports in all five districts. At least three airports in Jumla, Humla and Dolpa be made all weather airport and the airports in other two districts should be made all weather next year.

ii. Construction of roads connecting airport to district head quarter should be given top priority in the coming budget. The non-construction of road from Jufal airport to Dunai in Dolpa district has caused lot of problems in reaching the district headquarter of Dolpa.

iii. A provision should be made to have regular air flight in all the five districts.

iv. As these districts have immense tourism potential, development of programs in realizing tourism potential of the districts should be undertaken. This will include construction of trekking routes in the tourism potential areas such as, to Rara Lake, Phoksundo Lake, and trekking towards Himalayan ranges etc. Skill training for trekking, trekking management and supply, small hotel and lodge management, cooking and bakery training etc., will have to be provided to the young and interested entrepreneur of the districts. A subsidized loan program or a line of credit may be required to attract people in taking up tourism related activities. Development of tourism related activities in the region would greatly help improve the life style of the people in the region.

v. Facilities should be enhanced to attract more tourists traveling to mansarovar area in Tibet through Simikot.

vi. A tourism promotion campaign highlighting all tourism potential and the beauty of the area should be carried out simultaneously.

c. **Agricultural programs**

As the districts are perpetually a food deficit area since last many years, agriculture programs should concentrate mainly in making this district food self sufficient, say in the next five years, by improving the locally produce cereal grains and vegetables. Modern technology and research should be confined to improve local cereal grain variety to a high and quick yielding cereal grain variety. This will improve food situation in the district and make it food self sufficient in the coming years. A focused package program in the following line should be developed and implemented.
i. A fully equipped scientific laboratory should be established, say, in Jumla for developing a high and quick yielding variety of local cereal grains. Besides, attempts should be made to bring in and adapt better variety seed successfully tried in similar condition.

ii. Trial should be made to introduce better variety of cereal grains that yields more grain per hectare of land.

iii. Better variety of cereal grains should be distributed at a highly subsidized rate to selected farmers, 100 each from each district covering diverse VDC (well trained for the purpose) in all the five districts. These farmers should act as a seed grower and chain agent for propagating the advantage of these high variety seed in all the five districts of Karnali zone.

iv. Nepal Food Corporation should make arrangements for 100% buyback of these seed grown by the selected farmers and re-sale it in the next cropping season. Nepal government should assist financially to NFC for the work.

v. Extension services should be provided to all selected farmers for insuring better production of quality seeds.

vi. A credit facility should also be provisioned for these farmers.

vii. Campaign for locally produce bio manure should be encouraged and farm training to the selected farmers should be provided for the purpose. Besides, high yielding liquid nutrients should be introduced and demonstrated in the field.

viii. A special task force of technical person should be formed to carry out the mission and they should be provided with adequate human and financial resources.

d. Livestock development program

The main source of protein and other nutrients in all the five districts of Karnali zone have been the meat and meat products from the domesticated animals. In recent years, especially after the introduction of Community forestry system in the region, people in the region are finding difficulty in keeping their animals because of the high cost due to the requirements of payments to community forestry organizations during winter season when these animals have to be moved down in the lower districts because of severe weather. This has resulted in a sharp reduction in the number of livestock per family and the consequential effect in the level of protein and nutritional level of the people.

A well designed program is therefore urgently needed to increase the number of livestock in the region along with the development of pasture land. Therefore, a comprehensive program consisting of the following should be implemented in the coming year.

i. Research and development of local variety of livestock for better production of meat and introduction of a new and better variety of livestock.

ii. Development of pasture land in all five districts and introduction of a better high yielding variety of grass. High yielding variety grass seed should be distributed at a highly subsidized price to
selected farmers for demonstration. Extension services should be provided to these farmers extensively.

iii. Training of educated youths should be provided free of cost on animal husbandry and veterinary services.

iv. A mechanism should be evolved to subsidize farm grazing in the main trail community forestry during cattle moving season without disturbing the spirit of community forestry.

e. Non-timber forestry development programs

Karnali zone is richly endowed with non-timber forestry particularly a different variety of high valued herbs such as, yarsagumba, pan chaounle, shilazit and many more. A pilot project in Jumla successfully verified the potential of cultivating "Keshar" in the district. Collection of precious herbs has been the main source of off-farm income in all the five districts of Karnali zone.

A well designed program comprising of a training plus buy back arrangement is necessary to be implemented in the region. Training regarding plantation of high valued herbs, collection in the wild as well as harvesting of herbs, scientifically drying and extraction of juices of these herbs have to be provided to people in all five districts. Besides, Herbal processing company. Local community organizations and NGOs can play instrumental role in propagating the technology to the people in a large scale.

Similarly, a buy back guarantee has to be given to assure people about the income potential from the herbs.

f. Intensive Social sector program

The status of education, health and drinking water are extremely poor in the Karnali districts. Not only the literacy rate is poor and far below the national average, the female literacy rate is less than one fourth of the national average. In districts like Humla and Mugu the female literacy rate is 4.8 % and 5.2 % respectively compared to a national average of 34.9 %.

The chronic malnutrition rate is exceptionally high in these districts with Humla topping the list at 90 %. The malnutrition rate in all districts is above 74 % (except Mugu where it is slightly lower at 69 %). Similarly, life expectancy at birth is about 45 years in Mugu and Kalikot whereas as it is slightly above 50 years in Jumla and Dolpa. This is again significantly below the national average of 61 years.

The districts also depict problem in accessing safe drinking water. As against the national average of 20.5 %, 63.8 % of the people in Dolpa do not have an access to safe drinking water. Similarly, 54.5 % of the people in Kalikot, 44.9 % of those in Mugu and 35.5 % in Humla do not have the access to safe drinking water. Considering the Millennium Development Goals, this is very challenging and needs serious attention.

An intensive social sector program in a massive scale is immediately called for in the Karnali districts to improve its social sector status. This will require;
i. Review of existing schools and opening up of new schools.

ii. Recruitment of new teachers, preferably from the local area. In this regard, replication of UNDP model of all female teacher primary school could be a good idea for generating female employment and literacy drive.

iii. Supply of text books and other educational materials,

iv. Construction of new school building and other physical facilities,

v. Mobilization of local people for better participation in the management of school,

vi. Mandatory appointment of female teachers in all school level

vii. More focus should be given to female literacy. This may require some incentive scheme to attract females to be admitted in the school and also in continuing their education. One way may be to provide scholarship but demonstrations in terms of employment opportunities say, as a female schoolteacher, female health worker or a social activist may encourage female schooling in the district.

viii. A non-formal education should also be launched in all the karnali districts. This will help eradicate social taboos and also help encouraging child education including female child.

ix. Innovative mechanism for providing quality education (considering the scattered nature population distribution, a free full boarding high school with all the facilities for quality education in the district headquarter might save overall government cost and at the same time provide quality education in some district)

x. Posting/recruitment of AHW and female health worker as per the position should immediately fulfill, health post management committee formed in each health post and resources be provided for effectively running all health posts. This will improve the health status in the districts.

xi. All efforts should be made to effectively run the district hospitals and ilaka level health center. Required manpower should immediately fulfilled and resources be given to run the hospital and for providing health services.

xii. Community level participatory drinking water scheme should be launched in a massive scale in all the five districts. A short-term training of mechanics should be launched to train local youths in operation and maintenance of the drinking water system.

**g. Social inclusion and safety net programs**

Social inclusion program should be focused more to uplift and empower women, dalits and marginal class or groups of people. This should comprise of;

i. Scholarship for the education of girl child and dalits,

ii. Women development and empowerment,

iii. Safety nets for the old people, widows and disables,

iv. Awareness creation, capacity enhancement and participation in the decision making by women and dalits,

v. Encourage dalits and other poor concentrated community to form user's group and community organization for receiving benefits from the construction of infrastructure and other programs.
vi. Programs to expose the disadvantages of existing social taboos in the district such as "Chaupadi" etc.

**h. Income generation, employment promotion and poverty programs**

As poverty is concentrated in all the districts of Karnali, a comprehensive program for income transfer, employment creation and income generation should be implemented in all the five districts. Employment generation and Income transfer program should be implemented by adopting a labor intensive, small community group approach, with no middleman or contractors, will be adopted in all infrastructure construction. This will help transfer income directly to the beneficiary.

Secondly, income generation activities such as, livestock rearing, milk and milk products, poultry, off season vegetables cultivation, seed growing of high value vegetables, such as, carrot seed, cauliflower and cabbage seed, radish seed and other vegetable seeds plus seeds of a variety of high demand flowers should be grown and scientifically packed and exported from the district. Training and equipments for the purpose should be provided by forming a community cooperative of seed growers. Extension services should be provided for the purpose.

Third, a community level poverty program should be launched in the poverty concentrated VDCs and communities. A social-poverty mapping should be carried out to locate the poverty concentrated VDC and community before the poverty programs are expanded to cover all needed VDCs in the district. The mapping will also help track down the people/family below poverty and their outcome from the poverty trap. The poverty program should be based on a mixture of supply and demand driven concept.

**i. Energy related programs**

As energy is the source of rapid transformation of a society or a community in to modern era, a large number of energy programs comprising of micro/small hydro, solar/wind energy and biogas should be launched in all the five districts of Karnali. The target of the program should be to provide non-traditional sources of energy to every household in the district within five-year time frame. Besides, all traditional water mills should be converted into energy efficient water mills. These water mills will also be used to generate electricity at night. Possibility should also be explored to use such energy to run small irrigation scheme and drinking water system.

**j. Community information system**

A program will be launched to install a community information system in all VDCs of the five districts. Such communication center will have facilities for communication within and outside the district and also to overseas. Besides, the center will also provide facilities for internet networking and media coverage as well as a host of other information facilities, such as weather forecast, agric price
information, telemedicine, distant learning or education of science, mathematics etc. Similarly, central and local government notification and activities in the districts could be efficiently notified and posted for use. Increasing use of e-governance could improve the efficiency of governance system and deliver better services in these remote districts.

**k. Settlement and housing program**

All five districts of Karnali zone are thinly populated. The scattered settlement pattern in the district has made development effort and service delivery more difficult, challenging and costly. Therefore, based on a field level survey, a comprehensive program should be launched in all the five districts to resettle potential VDCs/communities in an appropriate place by providing all basic services. This can improve service delivery to the people and also save significant amount of cost.

**l. Operational modality and organizational structure**

As Karnali area development should be taken as a mission with a clear objective of improving the life of the people living in the area by mainstreaming development, a high power, preferably an autonomous body, say **Karnali Area Development Authority**, with full mandate and resource back up should be created to design, coordinate, allocate resources, monitoring and evaluation. The authority should have four full time members including a full time chairman. They should all be chosen based upon their expertise and the dedication towards development. While the chairman will provide leadership and coordinate all activities of the authority, the members will be responsible for designing and coordinating in the areas of Infrastructure/energy/ communication, agri/livestock/forestry/ small/cottage industry etc., and social sector development/poverty/social inclusion etc. A team of expert and support staff will be there to assist the authority. As it will be easier to coordinate activities in all five districts from Nepalgunj, the authority should be located in Nepalgunj. However, the members and the experts should visit Karnali districts on a regular basis.
At the district level, the overall coordination should be done by respective DDC. However, the authority should appoint a technical staff to support coordinating all activities in the district. He/she should work closely with the Local development officer in the district. As for the program, the authority should finalize programs and prioritize it for the district based on a series of discussion with respective district development committee. In close coordination with the authority, DDC should implement DDC level programs in the districts as per the agreed norms. DDC should also be responsible for mobilizing people's participation for the programs.

As discussed earlier, the basic focus of the program should be on providing connectivity, food production for consumption in the district or export to nearby food shortage VDC/DDC, vegetable growing, high value seed growing for export, livestock and pasture development for improving nutritional status and in overcoming protein deficiency plus for trading, herbs related activities for export and income/employment generation, tourism development for sustainable improving life of the people by harnessing natural scenic endowment and the weather, energy for accessing modern amenities, broadening knowledge and entrepreneurial development, communication center for national unity, access to outside world and improvement in information system. Similarly, focus towards social sector development, social inclusion and poverty programs will help improve HDI, HPI and the status of the people ultimately helping development mainstreaming.
The basic approach in implementation should be through line agencies of government and DDC, community organizations, NGOs and user's group. Small community group approach with labor intensive technology should be the mechanism for implementing all infrastructure programs. Contractors have to be used only when they are absolutely required for some specific works, such as construction of bridges etc. The authority in consultation with DDC and VDC, should appoint administrator to manage and supervise each and every program. Community organization and NGOs should be used for all social inclusion and social sector development activities including poverty programs. Line agencies in hand with COs and NGOs should work on activities relating to skill training, capacity development as well as the development of real sector such as, agriculture, forestry, tourism, energy related and industry related activities. The basic motto of all district level activities should be - "income transfer to the local people and community well-being"
As National Development Volunteers (NDVS) have been found most effective in providing much needed technical support and social mobilization in many parts of the remote districts including some districts in Karnali zone, the services of NDVS can play instrumental role in succeeding mission of Karnali development and mainstreaming. Therefore, it is suggested that a large number of these volunteers in a variety of field be used for providing social sector activities such as running school, college, engineering help, agro and forestry related activities, tourism capacity development, skill training and social mobilization etc effectively. To fulfill the technical personnel requirement in these remote districts, about 20 to 25 volunteers having educational qualification to carry out infrastructure designing and construction activities, agriculture, live stock and pasture related development works, herbs and health related works, internet and communication works, energy, education and social mobilization activities will be required for mobilizing local people, developing local community organizations, running schools and constructing infrastructure and other service related works in each districts.

At the grass root level, coordination in the implementation of the program should be the responsibility of the respective VDC. They should also help formation and mobilization of community organization as well as the user's group. VDC should also help mobilize formation of management committee for smoothly running school and health post etc. The authority will provide a technical support staff to each VDC for better coordination, mobilization and effective implementation of the program. They will work closely with the VDC.

**m. Annual budget commitments and fund flow**

The low development and social status of the districts in Karnali and the high development cost due to inaccessibility and temperate weather condition Karnali districts needs high investments for some period. Government development expenses in Karnali districts in the coming years should at least be increased by two to two and half times the present level. Based upon the program submitted by the Karnali authority, government should commit Rs. 10 to 12.5 billion (Rs. 400 to 500 million per annum per district) for next five years and the budget for the authority should be considered as a transfer in the red book and placed as P1 program. Nepal government should release budget to the authority on a trimester basis. The authority should be responsible for releasing fund to each activity in the district. Based on the agreed budget with DDC and VDC in each district, the authority should release the allocated fund directly to the program/project and a CC copy should be provided to the respective DDC and VDC. The authority should also be responsible for submitting statement of expenditure to the Government. The authority in each program/project should carry out internal audit and final audit should be carried out by the Auditor General's office.

**Annual Government budget in Karnali districts**

(Rs in Lakhs)

<table>
<thead>
<tr>
<th>District</th>
<th>2059/60</th>
<th>2060/61</th>
<th>2061/62</th>
</tr>
</thead>
<tbody>
<tr>
<td>Humla</td>
<td>1246.79</td>
<td>1904.08</td>
<td>2618.60</td>
</tr>
<tr>
<td>Jumla</td>
<td>1198.88</td>
<td>1450.44</td>
<td>1782.99</td>
</tr>
<tr>
<td>Mugu</td>
<td>1263.66</td>
<td>1596.86</td>
<td>1624.69</td>
</tr>
<tr>
<td>Kalikot</td>
<td>1379.48</td>
<td>1439.97</td>
<td>1141.81</td>
</tr>
<tr>
<td>Dolpa</td>
<td>1023.65</td>
<td>1327.76</td>
<td>1520.55</td>
</tr>
</tbody>
</table>
A Comparative picture of budgetary allocation by region and topography

<table>
<thead>
<tr>
<th>Region/topography</th>
<th>2059/60</th>
<th>2060/61</th>
<th>2061/62</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mid-western dev region</td>
<td>1508.12</td>
<td>1767.54</td>
<td>2219.93</td>
</tr>
<tr>
<td>Mountain</td>
<td>1222.49</td>
<td>1543.82</td>
<td>1737.73</td>
</tr>
<tr>
<td>Hill</td>
<td>1172.22</td>
<td>1349.51</td>
<td>1633.51</td>
</tr>
<tr>
<td>Terai</td>
<td>2767.92</td>
<td>3115.83</td>
<td>4391.93</td>
</tr>
<tr>
<td>Far-western dev region</td>
<td>1766.26</td>
<td>2117.0</td>
<td>2401.28</td>
</tr>
<tr>
<td>Mountain</td>
<td>1091.86</td>
<td>1421.13</td>
<td>1705.50</td>
</tr>
<tr>
<td>Hill</td>
<td>1749.45</td>
<td>2130.53</td>
<td>2701.49</td>
</tr>
<tr>
<td>Terai</td>
<td>2811.49</td>
<td>3133.75</td>
<td>2844.55</td>
</tr>
<tr>
<td>Western region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mountain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Central region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mountain</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eastern region</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>mountain</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Source: NPC: District Development Budget (different years)

n. Monitoring mechanism

Strong monitoring mechanism will be the key to the success of the mission of Karnali area development and mainstreaming. Therefore, a three tier monitoring system should be put in place. At VDC level, a committee under VDC chairman should be formed and the committee should comprise of VDC members, VDC elites, Women and beneficiary representative from the program area will monitor the progress of the program.

At DDC level, under the chairmanship of DDC, a monitoring committee comprising of DDC members, representatives from program VDC, representative from the beneficiary group etc. should be formed to monitor progress as well as challenges of the program. The Karnali authority chairman and the members should participate in all such DDC level monitoring meetings.

At the authority level, a monthly meeting should be held to monitor the progress of all program activities in the districts. Special focus should be made on problematic programs and decision be taken to overcome such problems to ensure smooth progress of the program. Problematic program managers should participate in such monthly monitoring meeting. Besides, the chairman and the members should regularly visit the key program/project site in all districts on a regular basis. The
staff of the authority should also visit the program area for a first hand knowledge of the program in progress. The authority should submit monthly progress report to the Government and also participate in the national level meeting.

All monitoring meeting in each tier should be held on a monthly basis. A strong feedback and reporting system should be put in place. Besides, social monitoring and audit at the local level will be encouraged to ensure the benefit of the program.

O. Policy Action Matrix

<table>
<thead>
<tr>
<th>Policy Improvements</th>
<th>Objectives</th>
<th>Activities / Programs</th>
<th>Indicators</th>
<th>Responsible Agency</th>
</tr>
</thead>
</table>
|                     | Achieving more balanced regional development by focusing on utilizing natural endowments available in the region for capitalizing growing markets in the neighboring countries. | i. Development of strategic regional plan for development of resource potential and exporting it.  
ii. Mobilize resources, both domestic and foreign-under joint venture, PPP or any other form to develop regional resource potential.  
iii. Development of infrastructure and social sector indicators in the region.  
iv. Lunch alternate energy, safety nets, skill training and income generating programs plus poverty programs covering all districts.  
v. Restructuring government institution as well as creation of new institutions as per the requirement to focus regional concept of development more effectively and also for capitalizing the neighbor market opportunity. | Government Program/policy document | NPC/LMs |

Develop region to bring at par with other region in the country by designing and implementing programs/projects capitalizing regional strengths and opportunities taking note of weaknesses and threats.

Identifying priority investment areas in agriculture, education, health and infrastructure for immediate, medium and long term.

a. Agriculture –  
i. Food self sufficiency in hill and mountain and high yield rates in Terai in the medium to long term.

i. Design strategic plan based on strength and opportunity in the region.  
ii. Draw strategy to reduce weaknesses and threats there by promoting environment for private sector investment in the region.

Priority areas for investment in 1. Agriculture- with long term objective of food self sufficiency in the hill and mountain districts and high yield rate in Terai.

a. Immediate to short term  
i. Collect local variety of cereal grain seed and bring HYV seed suitable for the region from similar climatic zone in other countries.  
ii. Develop locally suitable HYV seed's  
iii. Pilot test in farmers own field under intensive extension

Government Program/Policy document

Government plan and documents

Government documents

NPC/LMs

NPC/LMs

NPC/MOAC
<table>
<thead>
<tr>
<th>Immediate to short period</th>
<th>Medium to long term</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ii. Promoting high value vegetables and flower seed for export</td>
</tr>
<tr>
<td></td>
<td>b. Horticulture – Promoting plantation, scientific packaging and export of high value fruits/dry fruits.</td>
</tr>
<tr>
<td></td>
<td>Service and support.</td>
</tr>
<tr>
<td></td>
<td>iv. Arrange buy back system at attractive price to encourage food production in the hill and the mountain districts.</td>
</tr>
<tr>
<td></td>
<td>b. Medium to long term</td>
</tr>
<tr>
<td></td>
<td>i. Develop locally suitable HYV cereal grains seed and expand coverage.</td>
</tr>
<tr>
<td></td>
<td>ii. Provide extensive extension service to farmers.</td>
</tr>
<tr>
<td></td>
<td>iii. Continue buy back system at reasonable margin of profit to farmer producer.</td>
</tr>
<tr>
<td></td>
<td>iv. Stop buys back arrangement once the district food grain production is stable.</td>
</tr>
<tr>
<td></td>
<td>v. Phase out airlifting of food grains in a plan manner tying up with success in the HYV production.</td>
</tr>
<tr>
<td></td>
<td>Immediate to short period</td>
</tr>
<tr>
<td></td>
<td>i. Identification of high demand vegetable and flower seed.</td>
</tr>
<tr>
<td></td>
<td>ii. Identification of pocket areas for vegetable and flower seed growing</td>
</tr>
<tr>
<td></td>
<td>iii. Supply of HYV seed, credit arrangement, and technical support for training of farmers for seed growing, drying, and scientific packaging.</td>
</tr>
<tr>
<td></td>
<td>iv. Buy back arrangement of seed and establishing export linkage.</td>
</tr>
<tr>
<td></td>
<td>v. Encourage COs and NGOs in the activities.</td>
</tr>
<tr>
<td></td>
<td>Medium to long term</td>
</tr>
<tr>
<td></td>
<td>i. Expansion of seed growers, quality control of seed and establishing buy back and export marketing channel.</td>
</tr>
<tr>
<td></td>
<td>ii. Establishing farmer cooperatives in all activities.</td>
</tr>
<tr>
<td></td>
<td>iii. Continue technical support and training of seed growers etc.</td>
</tr>
<tr>
<td></td>
<td>Immediate to short period</td>
</tr>
<tr>
<td></td>
<td>i. Identification of high demand horticulture products – fruits/dry fruits.</td>
</tr>
<tr>
<td></td>
<td>ii. Identification of pocket areas for fruit growing.</td>
</tr>
<tr>
<td></td>
<td>iii. Supply of plants and establishment of nursery initially at the government farms and encourage farmers to do plant nursery.</td>
</tr>
<tr>
<td></td>
<td>iv. Credit arrangement and technical support for training of farmers for plantation, harvesting, drying, and scientific packaging.</td>
</tr>
<tr>
<td></td>
<td>iv. Buy back arrangement of fruit/dry fruits and establish export linkage.</td>
</tr>
</tbody>
</table>
| | v. Encourage COs and NGOs in the activities.
### c. Livestock – Promoting Livestock rearing for local consumption and export.

**Medium to long term**
- i. Expansion of fruit growers, quality control of fruits/dry fruits and establish buy back and export marketing channel.
- ii. Establishing farmer cooperatives in all activities.
- iii. Continue technical support and training of fruit growers etc.

**Immediate to short period**
- ii. Identification of livestock and pocket areas for livestock rearing.
- iii. Supply of high breed locally suitable livestock. Multiplication of locally adapted high breed livestock.
- iii Development of pasture land and promotion for using high and quick yielding variety of grass suitable in local condition.
- iv. Encourage domesticating high breed variety of livestock - subsidize cost for promoting such variety of animals
- v. Provide technical support including regular veterinary services for rearing high breed variety animals.
- vi. Make necessary changes in Community forestry act/regulation by negotiation with the forestry group for allowing animal grazing en-route to the lower hill with or without nominal fees during winter.
- vii. Encourage COs and NGOs in the activities.

**Medium to long term**
- i. Expansion of livestock rearing for domestic consumption and export.
- ii. Explore possibility of exporting meat and meat products or live animals to other part of the country or for export.
- iii. Establish marketing channel for export, ensure mechanism for quality control, scientific packaging etc.
- ii. Establishing farmer cooperatives in all activities.
- iii. Continue technical support and training of livestock rearing, treatment of diseases, hygienic meat processing, packaging and export.

### d. Non-timber forestry – Promoting plantation, scientific harvesting.

**Medium to long term**
- i. Identification of high demand non-timber forestry products (high value herbs)
- ii. Identification of pocket

<table>
<thead>
<tr>
<th>Immediate to short period</th>
<th>Government documents</th>
<th>NPC/MOAC</th>
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</thead>
<tbody>
<tr>
<td>i. Identification of livestock and pocket areas for livestock rearing.</td>
<td>Government documents</td>
<td>NPC/MOFSC</td>
</tr>
</tbody>
</table>
drying, and processing of high value herbs.

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e. Education
Increasing literacy rates, promoting female literacy, improving quality of education.

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areas for natural herbs collection, conservation of natural herbs and new plantation.

iii. Supply of plants and establishment of nursery initially at the government farms and encourage farmers for establishing commercial nursery farms.

iv. Credit arrangement and technical support for training of farmers for plantation, harvesting, drying, and scientific packaging.

v. Buy back arrangement of herbs and establishment of export linkage.

vi. Review of act/regulation on herbs collection, plantation and export. Review fee/tax structure (both central and local tax and fees) on herb export.

vii. Encourage COs and NGOs in the activities.

Medium to long term

i. Expansion of herb growers, quality control of herbs and establish buy back and export marketing channel.

ii. Establishing farmer cooperatives in all activities.

iii. Continue technical support and training in high value herb nursery, plantation, collection, drying and processing.

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Immediate to short period

i. Consolidate educational institute and improve physical facilities in school.

ii. Fill up all the vacant positions preferably by local manpower. Give preference to local educated women.

iii. Hand over all primary school to local management committee and provide more authority as well as responsibility to such committee. Continue government support to school as before.

iv. Increase primary school enrollment targeting the deprived and illiterate family and the girl children.

v. Increase scholarship coverage to attract girls and deprived community children.

vi. Expand adult literacy program to cover deprived community.

vii. Supply all free text books in time.

viii. Improve quality of education.

ix. Revive skill training polytechnic and run it to

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Governments documents

NPC/GOES
f. Health – Improving health services, reducing child and maternal mortality, reducing level of chronic malnutrition.

produce locally demanded skilled people.

Medium to long term
i. Expand education coverage by enrolling all school going age children.
ii. Increase literacy rates, both male and female, at par with the national average.
iii. Introduce on a pilot basis, the concept of free boarding school by integrating thinly populated schools in one place, preferably at the district head quarter. (This may improve quality of education at par with the best school in the country).
iv. Hand over all lower secondary and secondary school to locally elected management committee. Continue government support to school as before.
v. Establish polytechnic and vocational education centre to produce skilled manpower to serve local needs.
vi. Expand and improve higher education centre.

i. Lunch programs to consolidate health services.
ii. Hand over all sub-health post to local management committee. Give them more authority as well as responsibility. Continue support to sub-health post as before.
iii. Extend community rolling drug scheme to all sub-health post. As per the scheme provide fixed fund to each sub-health post for medicinal purchases based on local needs.
iv. Fill up all health related vacant position preferably from locally available female health worker.
v. Lunch targeted programs to reduce child and maternal mortality. Expand the services of skilled female health worker for safe delivery of babies.
vi. Lunch nutritional food distribution programs to babies and pre and post delivering mothers for reducing malnutrition and mortality rates.

NPC/MOHP

Immediately to short period

i. Lunch programs to consolidate health services.
ii. Hand over all sub-health post to local management committee. Give them more authority as well as responsibility. Continue support to sub-health post as before.
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Government documents

21
<table>
<thead>
<tr>
<th>Medium to long term</th>
<th>Immediate to short period</th>
</tr>
</thead>
</table>
| g. Infrastructure – Hydropower development – Develop hydro power potential of the region, extend rural electrification, promote alternate energy source. | i. Hand over management of health post, health centre and district hospital to local management committee. Continue government support as before.  
ii. Fill up all vacant position up to district hospital preferably by locally available manpower. Give priority to female health worker in filling up such position.  
iv. Upgrade position of female and male primary health care personnel. Give them training in basic and area specific health requirement training.  
 iii. Construct other small hydro power projects in the range of 30 – 75 MW under PPP or private sector participation.  
ii. Construct large power projects for export inviting foreign investors under PPP or tri-partite joint venture or exclusive foreign investments.  
iii. Invest resource generation from hydro power royalty or fees to develop social and infrastructural development in the region.  
iv. Extend transmission lines to connect all districts in the region and provide electricity.  
v. Lunch alternate energy program to cover districts. | i. Allocate resources in the budget to construct 30 – 50 MW range of hydro power projects in the region. (There is non at present). This will help accelerate rural electrification program and also ensure supply of power to large hydro projects in the region. Chameliagadh and Budhi khola may be the project to take up immediately.  
ii. Initiate development of mid size hydro power project such as, Upper Karnali etc. on PPP or any other suitable form.  
iii. Complete on going transmission line project and initiate construction of new strategic transmission line.  
v. Extend alternate energy program to cover districts.  
iv. Accelerate rural electrification program starting from areas where it can contribute more. |
### h. Irrigation program
Complete large irrigation structure to enhance irrigation coverage. Promote effective irrigation program in the potential areas of hills and mountains.

#### Immediate to short period
1. Allocate resources to complete irrigation projects under construction.
2. Enhance irrigation coverage through completion of small and medium irrigation projects and regular maintenance of completed projects.
4. Expand small irrigation and alternate irrigation technology programs.
5. Explore possibility of constructing small, medium and large irrigation projects.

#### Medium to long term
1. Allocate resources for completing medium and large irrigation projects such as Babai irrigation, Pancheshwor Multi purpose projects etc.

### i. Roads/Airports —
Complete on-going high way construction and inter-district roads program. Initiate road construction to districts not connected by road. Upgrade strategic air port and ensure regular flights.

#### Immediate to short period
1. Complete on-going inter-district high ways such as Surkhet-Jumla road and other inter-district roads such as Chincu-ajarkot, khodpe-bajhang, manma-pantadi etc.
3. Complete strategic roads such as, Simikot-Hisa in Tibetan border etc.
4. Complete inter-regional roads such as, Musikot-Dhorpatan Baglung.
5. Construct roads connecting Chourjhari – Dunai, Bajhang-Bajura, Bajura – Humla, Jumla – Mugu etc.
6. Upgrade Dhangadhi airport as regional airport and Simikot airport as a tourist airport.
7. Upgrade their to an all weather airport.
8. Upgrade facilities in all existing airports in the hills and mountain districts.
9. Explore possibility of constructing airport in the remote districts where there is no alternate accessibility.
10. Regularize flights to these airports.
11. Explore possibility of constructing and managing airports and highways under ppp.

#### Medium to long term

<table>
<thead>
<tr>
<th>Government documents</th>
<th>NPC/MOWR</th>
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<tbody>
<tr>
<td>NPC/MOHPP/M OCTA</td>
<td></td>
</tr>
</tbody>
</table>
| j. Information and communication – Install and expand communication system to improve basic telephone services and internet services. | Immediate to short period  
i. Complete road construction providing motorable services to all districts in the region.  
ii. Upgrade strategic tourism promoting airports such as, Bajhang airport for Khaptad area access, Dolpa Jufal airport, Humla and Mugu airport etc.  
Medium to long term  
i. Enhance basic telephone and wireless ICT services in all VDC.  
ii. Expand telephone lines in the district headquarter as per demand and provide ICT service to all.  
iii. Expand Rural tele-services centre in all VDCs providing internate, VDO telephone and TV facilities.  
v. Expand wireless telephone and ICT services on demand at any place in the region.  
Government documents  
NPC/MOIC |
| k. Drinking water –  
i. Expand safe drinking water facilities.  
ii. Promote hygiene and sanitation programs.  
Immediate to short period  
i. Expand safe drinking water program particularly in the hills and mountain districts where the coverage is still less than 40 %.  
ii. Enhance hygiene and sanitation awareness program involving COs and NGOs.  
Medium to long term  
i. Achieve drinking water target to reach 100 % coverage as committed in the MDGs.  
ii. Expand hygiene and sanitation program to reach all household.  
Government documents  
NPC/MOHP  
NPC/MOLD/NG  
Policies document of Government  
MOLD/LMs/NG  
NPC/NG |
| a. Review current service delivery mechanism and identify weaknesses.  
Government documents  
Policies document of Government  
MOLD/LMs/NG  
NPC/NG |
| b. Develop alternate mechanism to deliver service more efficiently at the grass root level  
Review lesson from past devolved tasks to lbs and devolve more tasks and function to lbs with full resource back up and strengthen its capacity to take up and deliver effectively.  
Promote User's group and community organizations in service delivery.  
Government documents  
Policies document of Government  
MOLD/LMs/NG  
NPC/NG |
<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>a. Review the advantage of scrapping, merging, task handing over to some offices at the district etc., ultimately bringing it under the umbrella of DDC.</td>
<td>a. Give lbs authority to coordinate programs at the district and monitor them.</td>
<td>c. Encourage NGOs to involve in service delivery.</td>
<td>d. Review monitoring and audit system including internal audit.</td>
</tr>
<tr>
<td>2</td>
<td>b. Change planning and programming mechanism and give more authority to lbs for making decision on project/program identification, prioritization, resource allocation and implementation coordination.</td>
<td>b. Establish strong monitoring and information system at lbs.</td>
<td>a. Announcing policy on BOT/BOOT etc., plus other policies that allows private sector involvement in infrastructural construction activities etc., and bring clear policies on PPP if necessary.</td>
<td>b. Establishing act necessary for regulation and inclusion of PPP investments</td>
</tr>
<tr>
<td>3</td>
<td>c. Change budget allocation, release and reporting system. The mountain and hill districts need some reform in the budget release and freeing system. Make provision so that these districts can carry forward unspent balance and continue its activities.</td>
<td>c. Make lb internal audit section effective.</td>
<td>- Review existing policies on BOT/BOOT etc., plus other policies that allows private sector involvement in infrastructural construction activities etc., and bring clear policies on PPP if necessary.</td>
<td>c. Review and fix monitoring and audit system including internal audit.</td>
</tr>
<tr>
<td>4</td>
<td>a. Give lbs authority to coordinate programs at the district and monitor them.</td>
<td>d. Bring lbs audit under Auditor General's Office and make it as a part of annual AG audit report. For discussion in the parliament.</td>
<td>- Announce clearly the incentive schemes on PPP including tax incentives, profit and dividend sharing and transfer, public borrowings -- if necessary, ownership status plus role of public and private sector investors on such joint projects.</td>
<td>d. Establish strong monitoring and information system at lbs.</td>
</tr>
<tr>
<td>5</td>
<td>b. Establish strong monitoring and information system at lbs.</td>
<td>c. Make lb internal audit section effective.</td>
<td>b. Bring necessary act to provide strong legal base for investment under PPP</td>
<td>c. Change budget allocation, release and reporting system.</td>
</tr>
<tr>
<td>6</td>
<td>c. Change budget allocation, release and reporting system. The mountain and hill districts need some reform in the budget release and freeing system. Make provision so that these districts can carry forward unspent balance and continue its activities.</td>
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</tr>
<tr>
<td>7</td>
<td>a. Give lbs authority to coordinate programs at the district and monitor them.</td>
<td>b. Establish strong monitoring and information system at lbs.</td>
<td>b. Bring necessary act to provide strong legal base for investment under PPP</td>
<td>d. Review monitoring and audit system including internal audit.</td>
</tr>
<tr>
<td>8</td>
<td>b. Establish strong monitoring and information system at lbs.</td>
<td>c. Make lb internal audit section effective.</td>
<td>a. Announcing policy on BOT/BOOT etc., plus other policies that allows private sector involvement in infrastructural construction activities etc., and bring clear policies on PPP if necessary.</td>
<td>d. Review monitoring and audit system including internal audit.</td>
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<td>c. Make lb internal audit section effective.</td>
<td>d. Bring lbs audit under Auditor General's Office and make it as a part of annual AG audit report. For discussion in the parliament.</td>
<td>b. Bring necessary act to provide strong legal base for investment under PPP</td>
<td>d. Review monitoring and audit system including internal audit.</td>
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<td>d. Bring lbs audit under Auditor General's Office and make it as a part of annual AG audit report. For discussion in the parliament.</td>
<td>- Announce clearly the incentive schemes on PPP including tax incentives, profit and dividend sharing and transfer, public borrowings -- if necessary, ownership status plus role of public and private sector investors on such joint projects.</td>
<td>a. Announcing policy on BOT/BOOT etc., plus other policies that allows private sector involvement in infrastructural construction activities etc., and bring clear policies on PPP if necessary.</td>
<td>d. Review monitoring and audit system including internal audit.</td>
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<td>c. <strong>Identifying areas for investment in Public Private partnership investments</strong></td>
<td>c. Identify priority investment areas where PPP will be allowed.</td>
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<td>NPC/MOICS</td>
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<td>d. <strong>Clarifying modality on Public – Private partnership investments</strong></td>
<td>d. Specify modality of PPP regarding equity sharing, management and monitoring and supervision system etc.</td>
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