



History

9 October 2006

On January 23, 1951, the United States and Nepal signed an agreement that began a 59-year relationship of trust, mutual respect, and commitment to the people of Nepal. With that signing, the United States became the first bilateral donor to Nepal, and in this time, the US has provided more than \$1.2 billion in development assistance to Nepal.

In 1951, travel in Nepal was still almost exclusively by foot, as only 376 kilometers of rough vehicle tracks existed in Kathmandu Valley and in the southern area bordered by India. Electricity was virtually non-existent and food supplies were very limited. Health services of any kind were rare. Malaria was endemic with an estimated 25% of the population infected at any given time -- resulting in prime farmland in the southern band of the country, the Terai, lying fallow. Many other communicable diseases also wreaked havoc, and life expectancy averaged 28 years.

Since then, roads, hospitals, schools, and drinking water systems have been built. Literacy rates have increased, fertility and infant mortality has decreased and the Nepali people can expect to live twice as long. Nepal has made dramatic progress in this relatively short period of time. The United States is proud to have been a major partner in this success.

ACHIEVEMENTS BY DECADE

The 1950s – Building a Foundation

As the Point IV Agreement was being signed in New Delhi, Nepal was undergoing a change in rule. King Tribhuvan, who had left Nepal in 1950, triumphantly returned. Although the King's rule was cut short by his death four years later, he had a vision for Nepal's development, and quickly endorsed the technical assistance USAID had to offer. The Point IV approach focused on providing technical advisors and equipment. Among the many accomplishments during the partnership's first decade, USAID and Nepal:

- instituted a malaria eradication program,
- founded the College of Education,
- graduated the first class of 12 Public Health Nurses, and
- created Kathmandu's first modern telephone exchange.

The 1960s – Forming a Framework

USAID and Nepal began building sustainable institutions - the framework for development - and agreed upon an administrative reform program to refine government administration and promote economic growth. During this decade, USAID and Nepal:

- established 104 health units around the country,
- expanded Bir Hospital to include a surgical wing,
- increased air passenger traffic from 25,000 in 1966 to 210,000 in 1973, and
- opened the country's first and largest industrial district, Balaju.

The 1970s – Integrating the Elements

Throughout the decade, the USAID/Nepal partnership focused on meeting the basic needs of the Nepali people through small-scale technical assistance projects. The emphasis was on consolidating on-going projects and initiating new ones focused on longer-term planning. Great strides made during this time included:

- doubling primary school enrollment,
- linking the food-poor hills to the Terai's strong agricultural base with the Western Hills Road,
- increasing the population served by health facilities from 16% to 46%,
- establishing family planning services in 62 of 75 districts, and
- increasing the yearly use of agricultural fertilizer by 18%.

The 1980s – Tapping into Potential

During the 1980s, Nepal adopted the Basic Needs Program, which set standards for items including food, drinking water and basic health services. USAID and Nepal focused on promoting the private sector and strengthening Nepal's private voluntary organizations' capacity to design, implement and evaluate community-based development efforts. Over the decade, the USAID/Nepal alliance with the Government of Nepal:

- increased female literacy from 11% to 18%,
- converted some chronic food-deficit areas to areas of moderate food surplus,
- tripled the contraceptive prevalence rate, and
- increased real income by an average of 62%.

The 1990s – Increasing Capacity

On April 8, 1990, Nepal became a parliamentary democracy, opening up vast opportunities for its citizens. With democracy came an emphasis on streamlining government functions and expenditures. USAID/Nepal supported Nepal's transition strongly and assisted in the privatization of state-owned enterprises. Nepal's economy grew, led by a private sector moving toward modern productivity and social responsibility.

USAID and Nepal completed over 50 years of commitment and development with vital achievements in the 1990s, including:

- increasing the number of women running for office dramatically, so that 40,000 women nationwide were elected to local government office in 1998,
- engaging 247,000 households in high-value agricultural production,
- reaching nearly 80% of Nepal's districts with lifesaving vitamin A supplements, and
- handing over more than 123,000 hectares of land to over 1,300 Community Forest User Groups nationwide.

2000 and Beyond

Since 2000, USAID/Nepal has built on these successes, and, together with the U.S. Mission to Nepal, continues to support Nepal's efforts to become peaceful, prosperous, and democratic. Current programs build peace, strengthen democracy and governance, improve health services, support economic growth and education, and assist with humanitarian crises in Nepal.