

Sixty years of service
USAID/Nepal

Since Nepal opened its door to donor agencies in the 1950s, development has been a collaborative effort. But more than six decades later, the definition of development hasn't really broadened.

But Dr Kevin A. Rushing, Mission Director of USAID/Nepal, said he is optimistic about Nepal's future and wants to see it like the next South Korea or Brazil.

"If we have a 70th anniversary, I'll be disappointed because we'd like to see Nepal graduate from taking any foreign assistance aid," he said. "Our ultimate goal is to graduate a country so that they no longer need our help."

Since its arrival in 1953, the USAID mission in Nepal has been tackling various developmental issues, and despite the global economic meltdown, the director said, the budget has "not decreased" but increased from US\$46 million in 2009 to US\$50 million in 2010 to US\$57 million in 2011.

Corresponding to its years of cooperation and assistance, The Week sat down with Rushing to reflect on USAID's past, present and future strategies for the country.

It's USAID's 60th anniversary in Nepal. In the past six decades, Nepal's socio, economic and political scene has drastically changed. Along with these transformations, how has USAID adapted to its operations in Nepal and how have priorities changed for USAID?

USAID is proud to have been Nepal's partner and companion in development for 60 years. Over the decades, the nature of America's cooperation has reflected Nepal's evolving priorities and new opportunities, as progress has been made.

In the earliest years of our partnership, much of the effort focused on reducing malaria in the Terai, and on building infrastructure to help the government deliver services to Nepal's remote populations. Later, we focused on education and helped literacy rates jump from two to 40 percent; in health, in the mid-1990s, we witnessed a drop in infant mortality; and our work on agriculture resulted in improved crop varieties, technologies, and extension services resulted in vastly increased yields and diversity of agricultural products.

More recently, we worked closely with the Government to facilitate a peaceful democratic transition, built on the successes of our health efforts, increased incomes and yield from agriculture, and increased disadvantaged youth's access to education employment and income generation.

What's going to be the big focus for USAID/Nepal in the future—any new programs or any particular areas that the agency would want to explore and help develop? Also, what will be the sectors of immediate opportunity?

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In terms of program focus areas in Nepal, we are proud that Nepal was chosen as a focus country under all three of President Obama's new development initiatives addressing global hunger and food security, health, and climate change. With this focus, we have received more attention and funding to help expand our development efforts in the country.

Through the Feed the Future initiative, we will work with the Government of Nepal and other donors to help tackle the root causes of hunger by stimulating agricultural production, increasing incomes, improving nutrition, and lowering food insecurity.

Through the Global Health Initiative, we will help accelerate progress towards Millennium Development Goals, support country-led systems, gain efficiencies and heighten impact of all US development assistance in health sector.

Through the Global Climate Change Initiative, we will help reduce threats to biodiversity and vulnerabilities of global climate change, while also enabling people to be more resilient and better prepared to adapt to climate change stresses.

USAID's other ongoing programs in Nepal support the Peace Process, strengthen democratic institutions and processes, accelerate efforts to improve governance and rule of law, provide training and education for youth employment, support early childhood education, fight illicit trafficking, and enhance competitiveness in targeted economic sub-sectors and promote inclusive economic growth.

In all of USAID programs, special focus on social inclusion, disaster risk reduction, and support for Nepal's youth will also continue.

You say youth is a key player in development, but amid the existing brain drain and migration trend, what kind of potential do you see in the country's progress, and what can be done?

My conversations with Nepals from all walks of life consistently show that the number one desire of most of them is employment and income. While donors can ease the pressure to a certain extent with their income generation projects, the key is to create an environment where the private sector can thrive, both domestically and in the international arena. For it is the private sector, not international donors, that can transform Nepal's economy and create opportunities for its young people.

The Government has the most important role in enabling a private sector.

friendly environment, starting with much needed economic policy reforms to help the private sector create jobs that are so desperately needed. For example, one of our new USAID initiatives will invest US\$30 million over three years to help strengthen Nepal's trade competitiveness, expand exports and make agriculture more efficient. We will discuss the reform of labor laws so that politically-linked labor unions cannot cripple economic growth, and we will work with the private sector and government to identify and eliminate bureaucratic barriers to trade and business development.

Nepal is well-positioned between two of the largest and fastest growing economies in the world, with huge markets on either side of its border. The Government needs to identify "special thrust areas" — hydropower, information technology sector, and agriculture, for example — and work with and through the private sector to increase their competitiveness. Increased exports will directly increase opportunities for many Nepalese.

When we speak of development, it cannot be attained without equal engagement with the community as well as a good public-private partnership, especially for policy response. How is USAID involved in bridging the gap? And what can individuals do?

There is a firm commitment across all of the US Government to adopt a model of development based on partnership and expand our reach and tap into resources and talent of the broader development community.

In Nepal, USAID is launching an exciting US\$35 million effort to help engage the private sector to improve the country's foundations for rapid, sustained, and inclusive private sector-led economic growth.

Efforts to engage the private sector, local communities, and civil society are definitely increasing. In fact, over the years, one of the most important development lessons learnt by the development community is that community participation, buy-in, and support are absolutely essential for success. But ultimately, it is Government policy and political stability that are necessary for private sector growth and involvement.

Individuals, especially youth, have a key role to play. Constituting more than 50% of Nepal's population, youth can and should be at the heart of this country's change.

You've mentioned about President Obama's development initiatives, and climate change is one of them. In 2010, USAID partnered with NASA for the launch of SERVIR-Himalaya that will help countries in the region to monitor and forecast the impacts of climate change. How is USAID addressing the issue of climate change?

The Obama Administration sees global climate change as one of the key constraints for developing countries to move forward. Nepal is extremely vulnerable to the effects of climate change. USAID has a long history of environmental programs in Nepal, like our work with the community forest user groups to support environmental governance, conserve biodiversity, and promote sustainable livelihoods.

We are soon launching a new environmental activity called Hariyo Ban Nepalko Dhan which aims to reduce threats to biodiversity and vulnerabilities of global climate change in Nepal through interventions in two priority bio-diverse landscapes: the Gandaki River Basin and the Terai Arc Landscape (TAL). At the national level, the program will improve policies to protect biodiversity and promote adaptation to climate change.

We're going to be working on species like tigers, too.

But it seems that when we talk of biodiversity and conservation, we tend to talk mostly about tigers and rhinos. What is USAID doing for the conservation of smaller endangered species that are equally important to maintain a balanced ecosystem?

When this program goes into effect, there will be a grant that will be awarded to whoever comes up as the winner. We'll review their work plan and it will be something that we will look at very seriously on the issues of biodiversity conservation. And if they say there are certain species of animals or even flora that need to be highlighted, we'll support them.

So what do you think needs to be done for the development of Nepal in the long term to assure its economic development? What are the major hindrances in achieving development goals?

Government commitment to lead and facilitate the country's peace and development efforts is crucial. Without government commitment and stability, achieving our goals will be slower and harder. At the end of the day, lost government commitment and action is an absolute prerequisite for widespread, sustainable, positive changes. Donors can only accelerate the efforts of the host government.

But we also need the active participation and strengthening of the private sector and NGO sector. The private sector is driven by profit which should be harnessed for development. The non-profit sector should be driven by integrity and altruism.



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IMAGES FROM NEPAL'S DEVELOPMENT STORY 1951-2011

On January 23, 1951, the United States and Nepal signed diplomatic agreement that created a long-standing partnership for the development of Nepal. The US became Nepal's first international development partner and over the next 60 years provided more than US\$1 billion in assistance, resulting in some remarkable development stories. Commemorating its 60th anniversary, USAID/Nepal is organizing a photo exhibition titled "Images from Nepal's development story: 1951-2011" from February 18 to 22 at the Nepal Art Council, Baber Mahal.

viewfinder
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