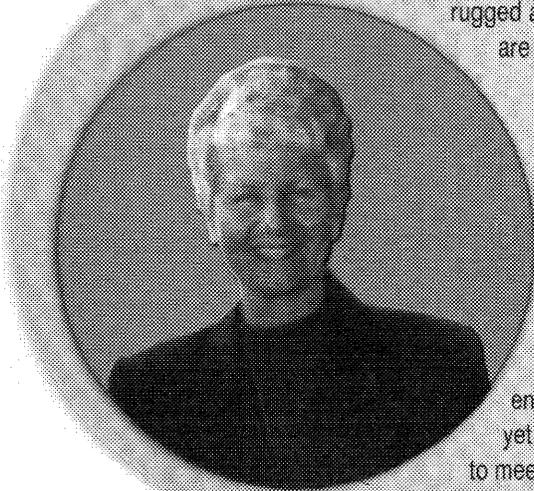




This year marks a special occasion for the United States and the Kingdom of Nepal. Fifty years ago, our countries signed the Point IV Agreement, beginning a development partnership that in the ensuing five decades has achieved a great deal.

The Nepalese people have vastly improved their health care options, their educational and literacy services, and the contributions of Nepal's women to their communities and their nation. Despite the challenges offered by remote villages, and a rugged and diverse topography, Nepal's accomplishments to date are remarkable. They have also laid the necessary framework for the activities and goals we are pursuing today.



As a new decade begins, we are enthusiastically looking toward continuing our partnership to create a more effective regional energy system, healthier citizens, and grassroots groups more fully engaged in advocacy and the democratic process. During the coming decade, USAID and HMG will continue to focus on improving the health of all Nepal's citizens and assuring that Nepal's environment is used wisely so that it can benefit generations yet to come. Through our mutual commitment we will continue to meet future challenges. USAID is proud to have been working side by side with Nepal's people over the past five decades, and looks forward to continuing this productive partnership in the new century.

*Joanne Hale*  
**USAID Mission Director**

I am delighted to be in Nepal as our governments celebrate the 50<sup>th</sup> anniversary of a lasting development partnership that has accomplished a great deal since its inception in 1951. This booklet, through its highlights and anecdotes, puts these important accomplishments in a historical perspective that also charts Nepal's emergence as a modern nation.

It is impossible to travel through Nepal today without seeing evidence of the country's economic and social progress. There are roads, clinics and schools where only a few decades ago there were none. Nepal's government continues to evolve to allow greater participation and provide better service delivery. Markets and private sector investments continue to expand, providing more economic opportunities.

While this development partnership has made real progress, we look forward to building on these past achievements and moving towards the mutual goal of a Nepal where all Nepalese actively and effectively participate in thriving democratic institutions and share in the benefits of the nation's more fully developed hydropower potential, educational institutions and health services. Progress towards such goals is not a job for diplomats, government officials, or development experts alone. It requires a pooling of energy and expertise, resources, and will.

During the coming decade, this partnership will continue its quest of creating a better life for all of Nepal's citizens. As we work together to shape Nepal's future, we can justifiably look proudly to past accomplishments and their continuing impact on Nepal's development.



*Ralph Frank*

*United States Ambassador to Nepal*

**Five Decades of Commitment & Development**

*With* the signing of the Point IV Agreement for Technical Cooperation on January 23, 1951, Nepal and the United States began their long and fruitful partnership. At that time, Nepal depended almost entirely on human and animal power, had no communications network, and no modern institutions. Together, the United States Agency for International Development (USAID) and His Majesty's Government of Nepal (HMG) began addressing Nepal's needs, and Nepal began to realize its full potential.

# 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 HMG:

- Instituted a malaria eradication program
- Founded the College of Education
- Graduated the first class of 12 Public Health Nurses
- Created Kathmandu's first modern telephone exchange

In realizing these goals, USAID and HMG also laid the foundation for a broader working relationship.

### *Profiles in Success: Trailokya Nath Upraity*

In 1953 the Nepalese people were clamoring for education. "People wanted schools. We didn't know what to do, but we were happy they wanted schools." Trailokya Nath Upraity was the Deputy Secretary of the Ministry of Education, struggling to cope with the people's demand. "Hugh Wood [USAID Education Advisor] came to me and suggested going to the U.S. to study educational planning. The Minister of Education, Dilli Raman Regmi, said, 'If you have no plan, go develop a plan.'" Upon Dr. Upraity's return from training at the University of Oregon under a USAID-sponsored scholarship, he began building Nepal's educational system. Together with Nepal's Educational Commission, he produced a report and recommendations for education in Nepal that was later incorporated into Nepal's first five-year development plan.

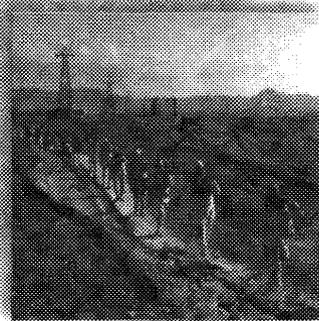
"Today, we have questions about the quality of education; but at that time, we just needed schools. Because the foundation was laid back then, we can talk about quality now. I am gratified and happy that in the last five decades we have made advancement in the field of education. It is the most distinctive advancement we have made."

Among his many current activities, Dr. Upraity is the Vice Chancellor of Tribhuvan University and the co-founder of a new organization, *Society for the Promotion of Civic Education*, which seeks the best ways to teach children about democracy. "We need to concentrate on educational institutions, and give the fundamentals of democracy not only in theory but in some way that children can practice it. The roots are to be laid in [primary] education."



*The* Teacher Training and Related Activities Project was formed in 1954. At first, education specialists came to Nepal, but when large-scale permanent training capabilities were needed, the College of Education was planned. In 1955, eight Nepalese trainers, including Dr. Upraity, travelled to the United States on USAID scholarships. Upon their return, they served as administrators of the new institution. External training was one of USAID's most important early contributions, exposing an entire generation to outside knowledge. Over the past five decades, 6500 Nepalese have participated in USAID training programs in the U.S., India, Thailand and the Philippines.

# The 1960s ...



forming a framework

In January 1961 King Mahendra instituted the Panchayat Constitution, a system of village, city, district and zonal councils. Under the Panchayat system, the central government was responsible for the development of policy and financial planning, while communities were responsible for implementation at the local level.

USAID and HMG began building sustainable institutions—the framework for development—and agreed upon an administrative reform program to refine government administration and promote economic growth.

During the 1960s, USAID and HMG:

- 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
- Opened the country's first and largest industrial district, Balaju

### *Profiles in Success: Ramesh Dhungel*

"In 1965, I was 22 years old and working as a financial analyst for NIDC [National Industrial Development Corporation]. When I got the opportunity to go to the U.S. [through USAID's participant training program], it was very exciting." Ramesh Dhungel is pensive as he considers his past accomplishments. "It was an opportunity to travel overseas when very few people could do so—but it was also a dream—a man who has never seen industry going to see *big* industry. Seeing how the system functions, seeing how it all fits together and understanding how it is managed—it was very exciting. The paper industry was big talk at that time, but we didn't know how to do it. I visited Georgia Paper in the U.S. and *saw* how to do it."

After completing training in the U.S. and the Philippines, Mr. Dhungel returned to Nepal and continued working at NIDC for 27 years, becoming the first employee to rise through its ranks and become its Chief Officer. "I helped hundreds of new businesses start—including the Soaltee Hotel and the Nepal Biscuit Company. Entrepreneurs came to me, and they didn't know how to start a business. I had learned the process of institution building, and developing ideas into projects—and I assisted and taught them."

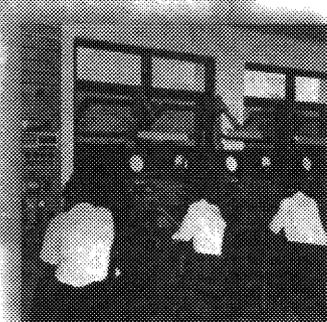
Today, in addition to running his machinery business, Mr. Dhungel is a volunteer for Transparency International, an organization dedicated to increasing government accountability and curbing both international and national corruption. He comments that change takes time, but "the base that USAID helped build, I can still see today."



*The* formation of USAID-supported NIDC in 1959 meant that for the first time Nepalese businessmen could access long-term industrial financing and consultative services. By 1971, NIDC assistance had resulted in the establishment or expansion of over 100 enterprises, ranging from jute companies to bus services and hotels. Today, NIDC plays a smaller role; however, the many NIDC-supported companies still operating attest to its powerful contributions over the years.

# The 1970s ...

Integrating the elements



Throughout the decade, the USAID/HMG partnership focused on meeting the basic needs of the Nepalese people through small-scale technical assistance projects. The emphasis was on consolidating ongoing 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

### *Profiles in Success: Prem Tamang*

Prem Tamang still travels all day on foot and by bus to reach Kathmandu. There are no roads to his village, nor are there telephones. If he needs to contact someone, he sends a letter by messenger, and then follows it. All communication is face-to-face, with one exception. Earning the credentials required to teach can be done right in his village without the physical presence of a teacher.

Prem began his teaching career in 1976. He didn't have teaching credentials, but he had an eighth grade education, an uncommon achievement in his area, so he was hired right away. One day, while listening to the radio, he heard of an opportunity that could expand his knowledge, and improve his chances for career advancement. Travelling to the District Education Office, he enrolled in the Radio Education Teacher Training course. "In the beginning I was a little panicked because it was just one-way communication. I listened and referred to the book, but there was no one to talk to. Then, the Education Officer sent supervisors to check on my progress. We had discussions and made sure I was on the right track." His confidence reinforced, Prem spent 45 minutes every day for the next year listening to the radio and following along in his course-books. Upon completing the course, his status as a teacher increased, as did his salary.

Now, years later, he continues to see the fruits of his efforts. Last year, his community asked him to act as Vice Chairman of their savings cooperative, where he uses the knowledge originally included in his radio training curriculum to help the cooperative. Perhaps even more importantly to Prem, he has seen several of his former students graduate from college.



*Beginning* in 1978, USAID's Radio Education Teacher Training project (RETT) provided in-service teacher training using radio broadcasts, residential instruction and self-instructional textbooks. By 1983, 3,000 teachers were enrolled in the program. RETT increased the number of trained teachers substantially—by one-third, and reached previously neglected rural populations. Today, RETT is called the Distance Education Center, and it still provides teacher training programs to 51 rural districts of Nepal.

# The 1980s ...

tapping into potential



During the 1980s, HMG adopted the Basic Needs Program, which set standards for items including food, drinking water and basic health services. USAID and HMG 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/HMG alliance:

- Increased female literacy from 11% to 18%
- Converted some chronic food-deficit areas to areas of moderate food surplus
- Tripled the contraceptive prevalence rate
- Increased real income by an average of 62%

### *Profiles in Success: Januka Khadka*

It's the difference between signing your name and leaving your thumbprint. Banks don't accept thumbprints. Januka Khadka knows about this firsthand. As the chairperson of a small women's savings and investment group, she keeps the account books and helps individuals with their personal accounts. She holds this position because she can read and count, and because she believes in helping and motivating others to improve themselves.

Januka learned to read as an adult in a USAID-sponsored literacy program. She heard about the literacy course from her neighbors, and decided it would be a good idea to learn to sign her name. She came away from the class with much more than that. She learned numbers, in both English and Nepali script—knowledge that allows her to count money, catch the right bus and dial a telephone, basic skills that are sometimes taken for granted.

She also understands group dynamics and how to work with others, having participated in a literacy class with five other women. After completing the literacy program, she took her new skills and joined a community savings program. Her savings group makes loans to community women to help them start businesses or manage the assets they already have (like water buffalo). Her group holds regular meetings according to a set agenda, follows the progress of individuals who receive loans, and plans for the future. Januka records each meeting's events and fills in the vouchers for individuals who deposit money into the group's savings account. She also executes all bank transactions on behalf of the group and when she goes to the bank, she signs her name on all receipts.



*The* Literacy Expansion Project first promoted literacy to encourage better local-level planning. In its first year, the program served 18,000 participants and steadily expanded throughout the country. In 1988, 76,000 adults participated in literacy classes—nearly 50% of them women. Today, literacy classes continue to do double duty, not only providing education in reading and writing, but also on topics such as legal rights, healthcare and money management. In 2000 alone, 190,000 Terai women benefited from literacy programs focused on women's empowerment.

# 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 strongly supported Nepal's transition 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 HMG completed 50 years of commitment and development with vital achievements, including:

- Dramatically increasing the number of women running for office 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
- Handing over more than 123,000 hectares of land to over 1,300 Community Forestry User Groups nationwide

### *Profiles in Success: Nanda Kumari*

Though small in stature, Nanda Kumari is stately as she enters the room and the respect and recognition she engenders is palpable. This comes as no surprise when one learns that she is one of few women in Nepal who owns land and represents her Ward in the Village Council. For well over ten years, Nanda Kumari Basnet Sedai has served her community, beginning as the supervisor of the Mother's Club in her village, which led to her role as a Female Community Health Volunteer (FCHV), a USAID-sponsored program. "I felt happy to be approached" she said referring to the day the village leaders asked her to become an FCHV, "but the household keeps going." Nevertheless, she took on the added responsibility of caring for her community and it took on a life of its own. "The more involved I got, the more trust was built, and the more confidence the community had in me." As an FCHV, she received technical training in family planning—equipping her with the knowledge to reach out to her community and help them with family planning issues as well as provide basic first aid. "At first, I had to go out to people's homes. After a little time, they started coming to me."

Nanda always had the makings of a leader. Having the opportunity to serve her community in a public way crystallized her potential. After seven years of serving her community as an FCHV, "The village intellectuals recognized my leadership skills and experience in social services." They asked her to run against two other women for the position of Ward Representative. She ran, and won. Now she attends all Village Development Committee meetings and fights for her Ward's needs. Her daughter has now taken on some of her responsibilities as an FCHV. "I brought my daughter in to help and then take over. But the Ward still calls on me all the time for health problems." They know Nanda can still take care of them.



*Nepal* began its national Female Community Health Volunteer Program in 1988, with USAID's support. Since then, over 46,000 women have been trained to prevent childhood diseases. They also provide health education, family planning services and first aid. 17,000 volunteers have been trained to deliver Vitamin A capsules twice a year to children 6-60 months of age, thereby averting 11,000 deaths per year. By training women—who are already caretakers of their communities—the program empowers them to become community leaders, and spread the health message farther than any road can go.

# 2001 and beyond ...

*During* the past fifty years Nepal has taken many decisive steps toward joining the modern world and establishing democratic processes. The training programs begun in the '50s have educated thousands of individuals who have returned to share their knowledge and contribute to Nepal's growth. Institutions established over the past five decades continue to provide a strong framework for development.

Widespread poverty, a limited natural resource base, and rapid population growth continue to present development challenges.

In recognition of Nepal's young democracy—a mere decade old—USAID continues its partnership by supporting communities as they evolve into active participants shaping their own government.

Nepal's rich biological and environmental diversity is world-renowned; USAID is pleased to be working with HMG in strengthening communities to enable them to manage and conserve the rich natural resources they depend upon.

In close collaboration with HMG, USAID supports private sector development of hydropower through which Nepal's vast water resources are converted to clean, renewable, affordable energy for the nation as well as for the region.

By providing quality family planning services and programs to control major communicable diseases, including HIV/AIDS, the USAID/HMG partnership stabilizes population growth while protecting the health of Nepalese families, allowing them to create a better life for themselves and future generations.

It is with great pride and a sense of sincere commitment that we salute the huge strides made by Nepal in the last 50 years. As a development partner, USAID looks forward to building on these achievements together.



USAID  
NEPAL

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United States Agency for International Development  
*Kathmandu, Nepal*

