

The Challenge

Concerns for political stability in Nepal are deepening. The Maoist insurgency and crisis in governance continue, worsened since February 01, 2005 when the King dismissed Parliament. The insurgency, the Palace takeover, and disarray among political parties threaten the state's ability to function effectively in much of the country and imperil Nepal's 14 year experiment with democracy. Corruption and a poor human rights record cast a long shadow over the Government's effectiveness and legitimacy among the people. The long-standing sources of fragility remain: poverty; inequities of caste, tribe, and gender; and geographic and policy barriers to social services and economic growth. USAID programs mitigate the effects of conflict while fostering those Nepalese institutions and social forces that offer hope of a return to peace, democracy, and stability.

Objectives, Sectors and Workforce

Mission Director: Donald Clark

MCA Status: Currently Not Eligible

PEPFAR Focus Country: No

Provided or Received Services From Other Missions: Received

Program Budget (Appropriations by Objective)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07	2005 SO Performance		Direct SO Admin. Cost Ratio
	(\$000)	(\$000)	(\$000)	(\$000)		Score	Score	
367-001 Sustainable Forest and Agricultural Products	1,900	2,637	1,485	0	N/A	1.19	Exceeded	0.23
367-002 Health and Family Planning	23,840	25,165	18,613	0	N/A	0.95	Met	0.10
367-006 Hydropower Development	1,600	1,700	0	0	N/A	0.83	Not Met	0.30
367-007 Democracy and Governance	5,611	5,224	4,339	0	N/A	1.19	Exceeded	0.19
367-008 Ending Conflict and Expanding Democracy	5,734	5,399	7,021	0	N/A	1.35	Exceeded	0.34
367-WWW Enhance Stability and Security	0	0	0	14,995	N/A	N/A		N/A
367-YYY Strengthen Governance and Protect Human Rights	0	0	0	2,975	N/A	N/A		N/A
367-ZZZ Build Capacity of Critical Institutions	0	0	0	12,066	N/A	N/A		N/A
PL 480 Title II not Allocated to a Strategic Objective		966			N/A			
Country Total	38,685	41,091	31,458	30,036	-22.4%			

Program Budget (Appropriations by Account)	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Child Survival and Health Programs Fund	24,840	25,165	18,613	17,985	-27.6%
Development Assistance	8,874	10,000	7,895	7,051	-20.5%
Economic Support Fund	4,971	4,960	4,950	5,000	0.6%
PL 480 Title II	0	966	0	0	N/A
Total	38,685	41,091	31,458	30,036	-22.4%

Program Budget by Sector and Account	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
	(\$000)	(\$000)	(\$000)	(\$000)	
Basic Education DA	0	392	3,358	2,392	N/A
Agriculture and Environment DA	3,800	4,150	3,052	1,583	-58.3%
Higher Education & Training DA	811	0	0	0	N/A
Economic Growth DA	1,013	1,400	0	0	N/A
ESF	2,971	2,960	2,232	2,950	-0.7%
Human Rights DA	650	0	0	0	N/A
ESF	0	0	301	0	N/A
Democracy and Governance DA	2,600	3,632	1,485	1,500	-42.3%
ESF	2,000	2,000	990	1,000	-50.0%
Conflict Management / Humanitarian Assistance DA	0	426	0	1,576	N/A
ESF	0	0	1,427	1,050	N/A
Family Planning / Reproductive Health CSH	7,900	8,875	6,336	5,001	-36.7%
HIV / AIDS CSH	8,700	8,700	7,326	6,633	-23.8%
Child Survival and Maternal Health CSH	5,040	5,340	4,951	4,965	-1.5%
Vulnerable Children CSH	1,000	250	0	0	N/A
Other Infectious Diseases CSH	2,200	2,000	0	1,386	-37.0%
PL 480 Title II not Allocated to a Sector		966			N/A
Total	38,685	41,091	31,458	30,036	-22.4%

Workforce	FY 2004	FY 2005	FY 2006	FY 2007	Percent Change FY 04-07
US Direct Hires	6	8	8	8	33.3%
US Non Direct Hires	10	10	7	7	-30.0%
Foreign Nationals	93	97	96	96	3.2%
Total	109	115	111	111	1.8%

Operating Expense	FY 2004 (\$000)	FY 2005 (\$000)	FY 2006 (\$000)	FY 2007 (\$000)	Percent Change FY 04-07
Salaries and benefits	1,022	792	711	768	-24.9%
Travel	244	251	189	547	124.2%
Transportation of things	79	88	46	84	6.3%
Rent	166	135	161	161	-3.0%
Security	318	303	385	400	25.8%
Equipment	331	299	0	105	-68.3%
ICASS - Operating Expense only	189	171	183	195	3.2%
Other Operating Expense	519	439	334	370	-28.7%
Total OE Budget	2,868	2,478	2,009	2,630	-8.3%
US direct hire salary and benefits	1,072	919	945	1,048	-2.2%
Program Funded Administrative Expenses				2,934	
Country Total Administrative Budget				6,612	
Percent of Bureau OE Total				#REF!	

Mission Summary	FY 2004	FY 2005	FY 2006	FY 2007
Program per US Direct Hire (\$000)	6,448	5,136	3,932	3,755
Program per All US (\$000)	2,418	2,283	2,097	2,002
Program per Position (\$000)	355	357	283	271
Operating Expense as % of Program Funding				8.8%
Program Funded Admin Expense as % of Total Admin				44.4%
Total Admin Expense as % of Program Funding				22.0%

Other Major Donors:

Bilateral: Japan, the United Kingdom, Germany, Denmark, Switzerland, Norway, Finland, India, Switzerland, Netherlands, Kuwait, Saudi Arabia, France, China, and Australia. The United States is the second largest bilateral donor in Nepal, after Japan.

Multilateral: The World Bank, the Asian Development Bank, the European Union, United Nations Development Programme, United Nations World Food Program, United Nations Children's Fund, United Nations Family Planning Agency, the Joint United Nations Program on HIV/AIDS, and the International Labor Organization.