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## Pro-Poor Governance Assessment NEPAL

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## FOREWORD

In recent years a wide range of Nepali stakeholders, politicians, academics, and donors have frequently voiced concerns about the state of governance in Nepal. Many of them had hoped that the 1990 advent of democracy would have ushered in an era of improved governance. These expectations have not been met and the widely accepted view now is that there is a crisis of governance in Nepal. The main victims of this crisis have been the majority of Nepal's citizens who are poor and marginalised. As a result, Nepal today remains one of the poorest countries in the world with nearly half of its population living below the poverty line.

Poverty reduction cannot be achieved in Nepal without effective governance. The Enabling State Programme (ESP) was established to assist Nepalese people to achieve pro-poor governance. The project aims to support the government, the private sector, and civil society to improve the situation of the poor in Nepal. ESP's overall strategy is to focus on the development of seven key capabilities, which have been identified by the UK Department of International Development (DFID) as internationally applicable. Interested Nepalese are being encouraged to initiate, design and implement projects to improve governance and, through that process, to facilitate the development of change advocates who can influence reform towards pro-poor governance.

In October 2000 ESP commissioned a base line assessment of pro-poor governance to be carried out by Nepalese consultants. It covered a wide range of issues and shortcomings, and the outcome — this book — gives a comprehensive understanding of the pro-poor governance situation in Nepal. This information should prove useful for government, civil society, other Nepalese institutions, and donors to help activate reforms for pro-poor governance. ESP is already supporting a number of projects and invites other Nepalese to develop project ideas and join the ESP process.

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