

ANNUAL REPORT

of

THE UNITED MISSION TO NEPAL



to His Majesty's

Government of Nepal

July 1989

July 1990

UNITED MISSION TO NEPAL

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Preface

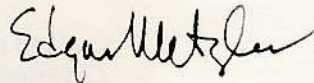
Annual Report to His Majesty's Government

July 1989 - July 1990

This Annual Report is intended to give a brief summary of the various projects in which the United Mission to Nepal is engaged in cooperative activity with the people of Nepal and His Majesty's Government to improve the quality of life and Nepal's development capacity.

Additional information about the United Mission to Nepal is available at the address above. We welcome your questions and suggestions.

Sincerely,



Edgar Metzler
Executive Director

May 1991

ANNUAL REPORT TO HIS MAJESTY'S GOVERNMENT OF NEPAL
ON THE WORK OF THE UNITED MISSION TO NEPAL 1989/1990

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ANNUAL REPORT TO HIS MAJESTY'S GOVERNMENT OF NEPAL
ON THE WORK OF THE UNITED MISSION TO NEPAL

JULY 1989 - JULY 1990

1. THE UMN WITHIN NEPAL

1989/1990 has been a year of change both on a national level and within the UMN.

- Within UMN the most significant change was the handover to a new Executive Director.
- Within the country overall, high expectations among the population, following the change of government, have been marked by a wave of industrial/labour unrest and high wage demands, which have had direct repercussions for UMN.
- A number of local staff union have been formed in different projects and various requests have been submitted to management.
- The UMN General Agreement was extended for a six months' period from May 26, 1990 to enable additional consultation with members of the new interim government. (Subsequent to this reporting period, the UMN General Agreement was renewed for a further five year period on November 20, 1990.)

As UMN completes its 36th year in Nepal, the Mission is encouraged by the democratic changes taking place with the country. UMN applauds the improvement in the human rights situation and the recent release of political and religious prisoners. The Mission looks forward to continued cooperation with His Majesty's Government as it seeks to serve the people of Nepal in the name and spirit of Jesus Christ.

1.1. Headquarters

UMN Headquarters is located in Thapathali, Kathmandu and is responsible for coordination of projects and programmes within Nepal, the Headquarters acts as the main link between UMN's member bodies and supporters around the world, particularly in connection with personnel and finance. The Executive Director is supported in his leadership role by members of the Coordinating Committee, comprising the Secretaries of the Health, Education, Engineering & Industrial Development and Rural Development departments, in addition to the Treasurer and Personnel Secretary.

1.2. Employment and Training of National Staff

A commitment to "train the people of Nepal in professional skills and leadership" is enshrined in the Constitution of the United Mission to Nepal and remains one of its principle aims. The establishment, in July 1989, of a new Training and Development Section within UMN's Personnel Department is further testimony to this commitment. The report which follows underlines the high priority UMN places on training Nepali people, both through in-service training within UMN/UMN-related institutions, and in the substantial UMN Training and Scholarship Programme.

2. **FINANCE**

Since each expatriate member of the UMN comes as a volunteer worker, supported financially by his/her sending body including cost of overseas travel, it means that none of the UMN's programme finances are used in supporting foreign personnel. In addition, financial grants from these and other agencies enable the administration and operation of the various programmes in Nepal in which the UMN is involved. The UMN is a non-profit organisation and all money is used only in the approved work projects.

There are a few industrial projects assisted by the UMN and run on a commercial basis. Any profits from these to UMN are directly reinvested into industrial development.

In medical institutions fees are charged to those able to pay and these fees are used to help cover the expenses of the hospitals, clinics, etc. In each of the hospitals in which the UMN is involved subsidies are provided and is seen as free or subsidised care to patients unable to bear the full costs of treatment.

The following figures summarise the total financial activity of UMN projects of 1989/1990. The expenses are given under the five main divisions of UMN work. The value of UMN expatriate staff services at equivalent Nepali salaries is included.

Overall Statement of Expenditures July 1989 - July 1990

(All figures given in NRs)

Expenditure	
Administration	19,450,140
Engineering & Industrial Development	99,053,858
Rural Development	7,042,580
Education	17,489,149
Health Services	55,277,704

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3. **EDUCAT**

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The above expenditures have been funded in the following manner

Gifts and grants	161,129,869
UMN expatriate staff services at equivalent Nepali salaries	14,406,792
Income generated in Nepal (fees, sales etc)	22,776,770
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3. **EDUCATION**

3.1. **Assistance in the Gandaki Boarding School (Regional School), Pokhara**

The UMN has continued to demonstrate its commitment to the development of this first Regional School with the provision of personnel and capital finance: six of the seven expatriate UMN posts were filled at the end of the year, and UMN has assisted in the building programme, which includes class room blocks (one completed), staff quarters and a second girls' hostel.

From 1990, all classes are in English medium, with double sections in all but classes nine and ten. Of a total 460 students, 82 % are boarders, 23 % are girls and 30 % receive varying degrees of scholarship assistance, mostly from UMN's Training & Scholarship Programme.

Delay in the implementation of the Higher Secondary Education programme, the course approved for the School by the National Education Committee, has been a source of frustration for the School.

UMN personnel have continued to work alongside the Nepali staff in strengthening the teaching and extra curricular activities of the school. Twenty clubs, including Boy Scouts and Girl Guides, Cubs and Brownies operate in the School.

TOTAL UMN INPUT JULY 1989/1990 NRs 3,571,980

3.2. **Assistance in the Karnali Technical School, Jumla**

The Karnali Technical School building programme is now complete (at a cost of over NRs 22 million) with only minor finishing off work still to do. Almost all buildings and equipment have been handed over to the School. There were 186 students at the School, 35 of whom graduated during the year. A participatory evaluation was conducted to assess the impact of the UMN project over the past ten years. This evaluation was useful in preparing the draft plan for a future four year involvement in Jumla after May 1991.

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Most of the UMN targets will be met within the current agreement period, however, staff shortages (both expatriate and Nepali) have resulted in a reduced level of text book production and extension work than was planned.

The Forestry Programme continued to emphasise the motivation of village people to raise seedlings and plant trees in their localities. Forestry Programme staff also taught forestry in the School.

TOTAL UMN INPUT JULY 1989/1990 NRs 6,239,517

3.3 **Assistance in Teacher Training**

One teacher educator taught in the Butwal campus up to September 1989 and another in Pokhara for several months. However, because of the political situation very few classes were in session. This programme has been put "on hold" until a firm agreement is negotiated with HMGN.

3.4 **Business School**

Twenty four students from two batches graduated during the year from the 7 month Secretarial Science course. Standards continue to be high and most graduates found employment fairly easily. Fourteen week English as a Second Language (ESL) courses at four different levels were offered to about 200 students using newly introduced English teaching material. Two week computer courses were also given.

TOTAL UMN INPUT JULY 1989/1990 NRs 371,668

3.5 **Training & Scholarship Programme**

There are now 401 School Level Scholarship recipients, the single biggest location being Gandaki Boarding School, Pokhara. Thirty nine General Scholarships were awarded - the low number being because the general disturbances in the country in March/April meant that the campus programmes were delayed and the second batch of awards could not be given during the year. Fifty eight In-Service Scholarships were granted to employees from many UMN projects. Some of them were to study in overseas institutions. At the end of the year there were 70 people on in-service courses. Two students continued their Advanced Level Scholarship studies.

Many more resource materials were added to the Scholarship Office for use by projects in seeking appropriate courses.

TOTAL UMN INPUT JULY 1989/1990 NRs 6,286,257

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3.6. **Seconded Personnel**

Two staff were seconded to the programme of Development Communication Productions (DCP), administered by the International Nepal Fellowship. DCP produces printed and audio-visual material for both mission and non-mission programmes.

3.7. **Education Support Office**

The UMN Education Support Office has continued to provide direction, support and guidance to all UMN education activities and maintain close liaison with the Ministry of Education and Culture. The Office also assumes overall responsibility for administration of the twice yearly five month Language & Orientation Programme for UMN expatriate personnel, and for the Children's Education Support Programme providing for the educational needs of UMN expatriate children.

The **Jumla Liaison Officer** continued to provide invaluable service in support of the Jumla Project and also assisted in other ways in the Education Department.

The **Consultant Librarian** was much involved in training library staff in various UMN and UMN-related projects. She also assisted in trainings for outside groups as well.

The **Non-Formal Education Consultants** travelled many times to various projects assisting in trainings and offering technical advice. They also were involved in post-basic literacy development and their office acted as a clearing house for a large quantity of NFE material required by the various UMN programmes.

TOTAL UMN INPUT JULY 1989/1990 NRs 255,287

3.8. **Future Plans**

On invitation of HMGN, UMN plans to begin a Non Formal Education project in Jajarkot district, Western Nepal. We also hope to be able to assist in further development of the Kathmandu Valley Campus and look for opportunities of involvement in Special Education. Currently we are negotiating the Jajarkot agreement and also a further four year involvement in the Karnali Technical School, Jumla.

3.9. **Personnel**

There are currently 40 expatriate volunteers assisting in the various education related programmes of the UMN.

4. HEALTH SERVICES

4.3.1.

4.1. Introduction

The Health Services Department, one of the four functional departments within UMN, is responsible for UMN's involvement in Health and Health related activities. This includes community health programmes, institutionalised health care, training of nurses as well as other programmes.

4.2. Nursing Campus, UMN Programme

The Campus offers a three year certificate level nurse training. The yearly intake is 40 students (10% male). Seventy percent of the 3rd year students passed their exams this year, a result that compares favourably with similar campuses. The campus functions as a branch of the Maharajgunj Nursing Campus in Kathmandu. It has been seeking recognition as an independent campus under the Institute of Medicine since 1987. This year, for the first time, the campus produced more graduates than UMN needed in its own programmes. All graduates found employment. Plans are being made for building a hostel to accommodate the male students.

4.3.2.

TOTAL UMN INPUT JULY 1989/1990 NRs 3,081,339

4.3. Community Health Programmes

All our community health programmes (CHP) were affected to some extent by the political changes in Nepal this year. One of the immediate consequences of abolishing the "Panchayat system" was a dearth of locally elected leaders to work with in the village. It is, as yet, unclear how the new "Multi-party democracy" will take shape locally.

Another important happening was the beginning of the implementation of a process of integration of all the Government Health Services. Vertical programmes (malaria eradication, family planning, leprosy control etc.) will now be integrated into the overall district health care delivery infrastructure. This has meant the appointment of Government Village Health Workers, a category of worker we used to have in our own community health programmes. All our programmes have had to make adjustments to this change. On the one hand we do not want to overlap with or duplicate the work the Government is doing, on the other hand we do not want to see old systems collapse before the new systems have proven their worth.

4.3.3

4.3.1. **Lalitpur Community Development and Health Project** continued working in 28 village development areas in Lalitpur District. This included Family Planning, Mother and Child Health and Health Post activities as well as Health Volunteer training. Two Village Health Workers were able to join Government services, five had to be dismissed whereas 13 received a changed job description and are now working in integrated health development work. Health Development work took place in seven remote village development areas. This included community participatory activities in forestry, drinking water, non-formal education, agriculture and rural industry. In Malta village area a small team started a Pilot Project with an emphasis on community initiated development.

With 135 staff in Lalitpur Community Development and Health Project, this is our largest community health programme. The need for a management review of this programme became apparent and this is now being planned for.

TOTAL UMN INPUT JULY 1989/1990 NRs 9,425,894

4.3.2. **Palpa Community Health Programme** works together with selected communities in seven village development areas to facilitate health development. Preventative and curative medical care, agriculture, animal health, non-formal education and drinking water are the components of this programme. Government health posts in Palpa District were visited regularly and health post staff received training. An informal evaluation was undertaken with input from other UMN-Programmes to help future planning. The programme serves as a training ground for students from the local health auxiliary campuses. Total staff was 45, and this year a Nepali assistant director was appointed.

TOTAL UMN INPUT JULY 1989/1990 NRs 3,167,103

4.3.3. **Gorkha Community Health Programme** serves five village development areas to the north of Amp Pipal Hospital. Health, drinking water and non-formal education are the main components. Relationships with the Government District Public Health Office have been very good. This enabled the transfer of all five Village Health Workers of the Programme to Government Service. Total staff was 12.

TOTAL UMN INPUT JULY 1989/1990 NRs 857,909

4.3.4. **Okhaldhunga Primary Health Care Programme** works mainly in five village development areas in the vicinity of Okhaldhunga Hospital, alongside a rural development programme administered by the Rural Development Department. The main activities have been in Tuberculosis control, Mother and Child Health, Volunteer training and Health Education. Total staff was 19, towards the end of the year a Nepali Programme Co-ordinator was appointed.

TOTAL UMN INPUT JULY 1989/1990 NRs 1,026,108

4.4. Hospitals

4.4.1. **Tansen Hospital** (102 beds) continued to serve many people in West Nepal. Out-patients numbered 96,779 and In-patients, at 4,956, were slightly less than last year. A strict policy of limiting patient numbers continues to be enforced putting a lot of stress on relationships with the surrounding community.

A building programme is well under way. A new administration block is finished, Operating Room renovations and refurbishment of the old administration section to provide additional ward space, is in process. Eventually the number of hospital beds will increase to 125.

An amalgamation with the local 15 bed Government hospital was suddenly proposed by the Health Minister in November. However, strong protests from local people caused this proposal to be withdrawn. The number of Nepali doctors posts is increased to 5, with 5 posts presently filled. The activities of the dental department have increased considerably despite understaffing of the department.

TOTAL UMN INPUT JULY 1989/1990 NRs 10,494,339

4.4.2. **Amp Pipal Hospital** (53 beds) shows a steady level in the provision of most of its services. Outpatients 33,217, inpatients 2,056. An increase occurred in mother and child health services, including family planning and antenatal care. As in other hospitals, charity assessment to discern poor patients needing a discount, remains problematic.

TOTAL UMN INPUT JULY 1989/1990 NRs 2,577,510

4.4.3. **Okhaldhunga Hospital** (20 beds) was badly damaged by the 1988 earth-quake. A new 25 bed hospital is currently under construction. This should be finished by mid 1991. The workload is steadily increasing. Outpatients just under 16,000 (14.7 % up from last year) and inpatients almost 1,300 (6.8 % up from last year). A computerised outpatient information system was started. As planned, more intermediate surgery than previously is now done on a regular basis.

TOTAL UMN INPUT JULY 1989/1990 NRs 952,740

4.4.4. **Patan Hospital** (138 beds) continues to be heavily used by people from Lalitpur District and other areas. Outpatients 154,654, inpatients 8,617. Plans to increase the hospital to 200 beds by using the top floor as a ward and building new staff quarters did not materialise because the necessary funding has not been obtained yet. A Nepali Nursing Superintendent designate was appointed to take over from the expatriate who is leaving next year. Towards the end of the year an ad-hoc-union-committee was formed by some of the Patan Hospital Staff. The Board needed extra meetings to deal with demands put forward by this group.

TOTAL UMN INPUT JULY 1989/1990 NRs 9,073,409

4.5. **Gorkha Tuberculosis Control Support Programme (TCSP)**

This is a new programme, started this year established as a support programme to the District Public Health Office. It aims to strengthen the existing TB control services, which are supervised by the Tuberculosis Control Section of the National Tuberculosis Centre. This first year of the programme was spent mainly in gathering information on tuberculosis and tuberculosis control activities in Gorkha District, and in training and orienting the two TCSP staff.

TOTAL UMN INPUT JULY 1989/1990 NRs 122,132

4.6. **Mental Health Programme**

The programme has been involved in a programme of training workshops for Paramedical Health Worker Tutors, which was very encouraging. It has opened up possibilities for mental health input into paramedical curricular review.

Secondment of psychiatric nurses to the Mental Hospital and Institute of Medicine Teaching Hospital has helped to develop psychiatric nursing skills. A programme was started, in cooperation with the UMN Training and Scholarship Programme to send Nepali nurses for psychiatric training in India.

Community Mental Health input has been through the Lalitpur Community Development & Health Project but plans are being developed for a community mental health programme in East Nepal. This programme would make use of existing Government Health Care Delivery infrastructure.

At last, after waiting five years, there has been provisional acceptance for a one-year Pilot Project in Dhulikhel Jail. Final acceptance awaits renewal of the overall Health Agreement.

The Drug Abuse Prevention Programme (DAPP) has continued to strengthen Nepali NGOs working in the field of drug abuse prevention. Activities included assistance with setting up a urine-testing facility and preparation of drug usage surveys. Perhaps the most encouraging event was the coming together of several NGOs for a Joint Pilot Project for demand reduction of narcotics to be funded by UNFDAC (United Nations Fund for Drug Abuse Control).

Through links with "Youth Vision" DAPP has been active in urban youth development work and the plan was for DAPP to change its emphasis into that direction even more in the coming year. However, shortly after the end of this reporting year it became apparent that the present programme director will not have a successor. The coming year will now be the last year of DAPP after which the programme will be phased-out. It is encouraging to see local NGOs taking responsibility in this area, something that seemed impossible 6 years ago.

TOTAL UMN INPUT JULY 1989/1990 NRs 996,103

4.7. UMN-Oral Health Programme

This programme aims to pay attention to the oral health needs of Nepal beyond the dental work done through our Hospitals and Community Health Programmes. The main activities in the past year have been in training of personnel from within UMN but also from external centres. Compilation and development of teaching aids continues. Information gathering is under way regarding the pre-malignant condition, "submucosal fibrosis". More dentists are required to respond to the oral health needs of Nepal.

4.8. Health Services Seconded Workers

- 4.8.1. **Nursing Campus, Maharajgunj.** Currently two UMN nurse-tutors are involved in the Post-basic nursing teaching, one with particular involvement in Community Health Nursing.
- 4.8.2. **Institute of Medicine; Medicine Campus.** The doctor teaching basic sciences to MBBS students left. UMN was requested to release another doctor part-time but has been unable to meet that request. Another UMN doctor started a full-time teaching assignment under the community medicine department.
- 4.8.3. **Leprosy Research - Anandaban Hospital.** The doctor involved in this programme left but continues to be involved in the programme from his home country. The lab-technician continued throughout the year.
- 4.8.4. **Mental Health.** Three of the Appointees working with the UMN Mental Health Programme are seconded on a part-time basis. A psychiatrist to the Teaching Hospital, a psychiatric nurse to the Teaching Hospital and a psychiatric nurse to the Mental Hospital.

4.9. Health

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4.9. Health Services Consultants and Support Services

- 4.9.1. **Bio-medical Maintenance Section** fulfills an urgent need in our UMN institutions. Apart from repairs, the section is involved in equipment consultancy and management. There is a nationwide shortage of trained bio-medical maintenance technicians, consequently in the future there will be an emphasis on training local people in this field.
- 4.9.2. **Medical Supplies Department (MSD)** is a combined programme serving both UMN and INF (International Nepal Fellowship) Programmes. MSD purchases, imports and distributes medicines and medical supplies. The programme is administered by UMN. Annual sales for the year comes to 10.5 million rupees.
- 4.9.3. **Nutrition Consultant.** A major event was the appointment of a Nepali counterpart who joined the programme after completing a Masters Degree course in Nutrition in the Philippines on a UMN scholarship. Project visits and other consultation were important means of strengthening the nutrition side of many of our projects, as were the appointments of nutrition-link persons in several projects.
- 4.9.4. **Planning, Information and Evaluation Section** was established in 1986 to provide a central "Clearing House" for Government required health services information. It operates a central, computer based health service information system. It also provides advice and assistance to project managers and Health Services Office/UMN management in various aspects of planning, monitoring and reporting. It is hoped to strengthen the staffing of this section in the coming year to facilitate the establishment of ongoing evaluation and reporting systems.
- 4.9.5. **Training and Manpower Advisor** assisted Health Services Projects with recruitment of Nepali technical staff and identifying suitable in-service training courses. A start was made to hand-over some of the responsibilities to the UMN Training and Scholarship Programme. In the coming year this section will be phased out and its functions taken over by existing programmes.
- 4.9.6. **Health Services Office.** All the Health Services work is coordinated from the Health Services Office. The Assistant Health Services Secretary left at the end of the year, his successor was delayed until mid-November. This office has no plans or budgets of its own but is part of UMN Headquarters Project.

4.10. **Agreements**

The Health Agreement was extended for six months after May 26, concurrent with the UMN General Agreement. Drafts of a new Health Agreement and a Patan Hospital Sub-Agreement have been submitted, and progress on approving these agreements is now eagerly awaited.

4.11. **Personnel**

Approximately 950 Nepali staff are employed in UMN's health services activities. Supplementing this, an additional ... expert expatriate personnel are deployed in our various health services projects and programmes (or seconded to approved positions within government service). Nepalisation steadily progresses. Noteworthy in the past year are the appointments of a Nursing Superintendent designate for Patan Hospital, a Hospital Administrative Officer for Tansen Hospital an Assistant Director for the Palpa Community Health Project, and a Nutrition Consultant counterpart etc.

4.12. **The Future**

The currently approved annual and long term plans for the Health Services programmes do not indicate major changes in the kinds of activities we are involved in.

Areas needing attention are:

- to continue thinking about ways to make our hospitals more indigenous (management, staffing, financing) in order to ensure the long-term future of these much needed institutions. We also need to strengthen the referral function of the hospitals within the overall primary health care services in their district or zone. This will differ in each location depending on local circumstances.
- financing of our hospitals which is increasingly difficult. Raising fees has its limits if we wish to continue serving the poor. Patan Hospital Board has set up a sub-committee to investigate alternative ways of financing the hospital. The outcome will be of interest to the other hospitals.
- reconsideration of the role of our community health programmes, in the light of government plans to implement integrated public health activities at a district level. We have been combining community motivational work with health care delivery infrastructure, support work; do we continue to follow both tracks?
- secondments of UMN Appointees into government posts (mainly Institute of Medicine). This has been a fairly minor activity in view of the overall UMN health work. What steps could we take to provide a more major input in this area?

5. **ENGINEERING**

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- urban development. The Health Services department has been facilitating "networking" amongst organisations involved in urban development, although no specific new programme proposal for urban development involvement of UMN has been envisaged yet.

5. **ENGINEERING & INDUSTRIAL DEVELOPMENT**

5.1. **Background**

The work of this Department started in 1963 with the Institute of Technology and Industrial Development in Butwal. Out of this Institute have come various organisations and companies all started and helped by UMN. The Butwal Technical Institute has become well known in the training of apprentices in the industrial environment. More recently its sister institution, Development and Consulting Services, has been making major contributions in the area of appropriate technology development. Nepal Hydro and Electric Company Pvt. Ltd. has been a growing resource for Nepal in the manufacture and installation of water turbines and electrical equipment; and Butwal Plywood Factory Pvt. Ltd. has for many years been making a major contribution to meet the plywood needs of Nepal.

Out of this Butwal complex other companies have emerged which now are based in Kathmandu. The Himal Hydro and General Construction Company Pvt. Ltd. has continued to serve Nepal as a construction company specialising in underground tunnelling and other hydro power related construction techniques. The Butwal Power Company Pvt. Ltd. has been setup as UMN's major arm for the development and implementation of hydro power systems. Finally the Gobar Gas and Agricultural Tools Development Company Pvt. Ltd. has become a well known company in Nepal for the installation of Bio-Gas digester plants.

5.2. **Description of Activities**

Most Engineering & Industrial Development Department work is conducted through these related organisations, which have been setup by UMN in collaboration with HMG, in the form of Private Companies or Institutions. This Department relates to these organisations by representation at board level, and the secondment of UMN expatriates.

In addition, because of its integrated link with the Andhikhola Hydrel and Rural Electrification Project, this Department relates directly to the irrigation programme of the Andhikhola Project. Butwal Power Company is the owner and manager of hydro power and electrification projects undertaken by HMG and UMN.

ANDHIKHOLA IRRIGATION UMN TOTAL INPUT JULY 1989/1990 NRs 3,235,995

5.2.1. **Hydro Power Sector: Butwal Power Company Pvt. Ltd.** is the owner/manager of hydro power stations with a design consultancy division for engineering design. This company was originally established to organise the building of the 1 MW power station at Butwal but after completion, moved on to organise and fund the 5 MW power station on the Andhikhola River in Syangja District. In the last financial year it has begun to organise and fund a 12 MW hydro power project on the Jhimruk river in Pyuthan District.

AHREP UMN TOTAL INPUT JULY 1989/1990 NRs 17,552,464
JHEREP UMN TOTAL INPUT JULY 1989/1990 NRs 70,717,979

Himal Hydro and General Construction Ltd. is the Civil Engineering contractor for the construction of hydro power and irrigation systems. This company developed out of the construction work for the Butwal Power Station, and has continued to be the main contractor in both the Andhikhola and the Jhimruk khola power stations. It has also expanded its work by taking on construction contracts in Tatopani, and investigation work for the Arun III Project.

Nepal Hydro & Electric Ltd. is the supplier (through international collaboration) of electrical and mechanical equipment for the hydro power industry, working especially through the Butwal Engineering Works Pvt. Ltd. as a subcontractor. This company has supplied and installed the water turbines and electrical equipment for the Andhikhola Power Station and will be supplying the electrical and mechanical equipment for the Jhimruk Power Station. The company has also recently expanded its work by setting up a new transformer division for the repair of distribution transformers with international collaboration with the EB National Transformer Company. After a phase-in period the company will have the capacity for manufacturing these transformers as well.

5.2.2. **Training Sector: Butwal Technical Institute** is a model of apprenticeship training using on-the-job training methods, mostly in companies which have been started by the UMN. Over the years this Institute has trained over 250 apprentices to Tradesmen level.

5.2.3. **Research and Development Sector: Development and Consulting Services** is a Technological Centre with emphasis on appropriate technology development and dissemination. This organisation has been responsible for the installation of nearly 250 micro-hydro turbine units in Nepal. Recently its emphasis has turned to the installations of electrical generators attached to these turbines. Another recent major development has been the introduction of fibre, cement roofing tiles into Nepal, based on a model used in other developing countries.

UMN TOTAL INPUT JULY 1989/1990 NRs 1,205,849

Gobar Gas Company Ltd. is a disseminator of bio-gas technology in Nepal. This company was set-up by UMN in conjunction with the Agriculture Development Bank of Nepal (ADB), but recently, a strong UMN input has not been necessary. The ADB has taken a leading role in the way the company is run and managed and in the dissemination of this technology throughout Nepal.

5.2.4. **Industrial Forest and Wood Sector Butwal Plywood Factory Pvt. Ltd.**

was originally started by the UMN for the production of plywood, and recently has extended its work into organising lease forestry for producing large volumes of timber for the industrial market. During the last financial year the factory was leased out to a sub-contractor, but the forestry programme with its developmental objectives and pioneering in the area of lease forestry in Nepal, has continued to expand.

Butwal Wood Industries is a manufacturer of high quality furniture, and a training ground for apprentices.

5.3. **Personnel**

In all these different sectors of work within the Engineering & Industrial Development Department, about 680 Nepali staff are employed on a full contract basis plus an additional 200/300 people are employed in various daily wage related tasks. To supplement this labour force a total of 35 expatriate expert engineers and managers are seconded to the different companies and organisations to bring their contribution as their training and qualifications allow.

5.4. **Agreements**

UMN's work in these different sectors is covered by four separate agreements with HMGN. The original agreement covering the work in Butwal, called the Institute of Technology and Industrial Development Agreement, has been renewed over the years and continues to serve as the agreement for Butwal Technical Institute and Development and Consulting Services, plus some of the secondments for expatriate staff for other companies. All the work associated with the Andhi Khola Power Station and its Rural Electrification Programme is covered under separate agreement. Likewise, our work in connection with the Jhimruk Khola Power Station is covered under a separate agreement. Finally a fourth agreement was made to cover our work in the Andhi Khola Project area concerning irrigation for the local farmers using water from the Andhi Khola.

5.5. **Future Plans/Development**

UMN will continue to operate in the areas of training, appropriate technology development and dissemination, hydropower, rural electrification, and entrepreneur development.

However, our experience in industrial development in Nepal has been discouraging to some extent. There are a number of policies and practices in Nepal which serve to hinder rather than encourage industrial development. For example, laws concerning labour, taxes, etc are written in such a vague and arbitrary manner that industrialists are confronted with too much uncertainty to risk investing.

Therefore, UMN is interested in seeking ways of sharing its experiences with government officials and policy makers which will hopefully create an environment conducive to development of the industrial sector.

6. RURAL DEVELOPMENT

6.1. Surkhet Project for Income Generation and Development of Cottage Industries

The work area and office is located in Surkhet District, one day's walk west of Birendranagar. The Project is an integrated rural development project under agreement with the Department of Cottage and Village Industries. The Non Formal Education Programme is structured to be the initial point of contact and assistance for those interested in literacy as they assess their situation, identify needs and prioritise their actions. The remaining Project sections: Income Generation, Conservation, Water Systems, Women's Development and Health, provide technical assistance and material in a combined village/project effort to meet identified needs.

An overview of its many activities indicates an encouraging movement towards the Project's designed objectives. Three higher level Nepali counterpart posts were filled and, despite the political changes and uncertainties of the year, the Project's activities were minimally affected. By building up basic infrastructure (Water, Conservation, Literacy etc) along with awareness building (NFE, Women's Development) communities are enabled to take charge of their lives and begin developing local income generation activities and small cottage industries.

UMN TOTAL INPUT JULY 1989/1990 NRs 1,683,353

6.2. Rural Development Centre, Pokhara and Tansen

The Rural Development Centre (RDC) primarily has been serving UMN projects and programmes through the training and consultancy services of its five professional/technical programmes:

Animal Health Improvement Programme (AHIP)
Horticulture/Agronomy Support Programme (HASP)
Rural Income Creation Programme (RICP)
Tree Planting and Forestry Programme (TREES)
Water Systems Consultancy (WSC)

A total of 524 trainees (19 % female, 35 % from non-UMN projects) attended 33 courses organised by RDC sections, with an average length of nearly nine days per course. RDC facilities include two demonstration farms and a library.

During the year great emphasis has been placed on training and the opportunity for UMN projects to receive specialist training has greatly increased. However, the focus of RDC is changing from being exclusively targeted for UMN projects to include a wider NGO/user groups training emphasis. Discussion continues with the Social Services National Coordination Council with a view to RDC becoming a training centre under their auspices.

UMN TOTAL INPUT JULY 1989/1990 NRs 2,384,243

6.3. **Okhaldhunga Project Rural Development Programme**

Okhaldhunga District is located in East Nepal, a very poor area with little development. It is situated in hills where travelling is difficult. The nearest road is a three day walk away and the airstrip is a three hour walk from Okhaldhunga bazaar. For 26 years a small 20 bed hospital has been operated by UMN and for 13 years a Community Health Programme (CHP) has been working in a 14 panchayat area within a 4 - 5 hour walking radius from the hospital. In January 1989 the CHP was divided into a Primary Health Care programme (PHC) reporting to the UMN Health Services Secretary; and a Rural Development Programme (RD) responsible to the Rural Development Secretary. The RD programme activities:

Drinking Water Section
Forestry Section
Non Formal Education Section
Agriculture Section
Income Generation Section

This trial division of the former CHP is extended until July 1991. The two programmes will continue to work under a UMN agreement with the Ministry of Health which authorises UMN to engage in health and health related activities throughout the Okhaldhunga District. Cooperation and coordination between all programmes in the Okhaldhunga Project takes place via a Field Council.

UMN TOTAL INPUT JULY 1989/1990 NRs 2,070,102

6.4. **Nisikot Forestry Programme**

In April 1990, USAID approached UMN to see if the Mission would be interested in assuming management responsibility for its Nepal Coppice Reforestation Project. The Project began in 1987 with the development of three sites (Nisikot - just west of Kathmandu; Rasnal - one day east of Kathmandu; and Sinduli - on the terai). Project objectives include coppicing research and community forestry extension, although the letter of these has not been developed at all.

UMN presented a proposal to USAID for the management of Nisikot site only, for a three year period, to include reviewing/maintenance of relevant research, but with emphasis on community forestry.

Management of Nisikot was assumed on July 1, 1990. With the initial handover procedures now complete, the Programme is now working on relationship building with communities and the District Forestry Officer to facilitate the developing of user organisations and management plans for the handover of forest areas from government to community.

6.5. **Future Plans/Developments**

By the end of 1991 the Rural Development department anticipates going through a strategic planning process that would give a five year vision/focus for its programmes. In 1991/1992 a Village Leather Training programme is planned to start up. It will provide training to leather caste communities for local and export markets. Dialogue continues with the Ministry of Forestry for continued work in Nisikot and beginning work in Rasnalu.

6.6. **Agreements**

For the Surkhet Project agreement with the Department of Cottage and Village Industries, a draft proposal is presently moving through government offices. Okhaldhunga Rural Development remains under the Health Services agreement with the Ministry of Health. Rural Development Center continues under the General Agreement as we seek a way to move this towards a Nepali institution. Hopefully new movement towards a separate agreement will begin after elections. The Nisikot agreement goes till July 1992. Discussions are in process with the Ministry of Forestry as we explore ways to move forward there.

6.7. **Personnel**

We have been very happy with staffing levels in the last year. Rural Development projects have 72 Nepali staff (14 in section leadership or counterpart positions) and 16 expatriate staff. Looking forward we see a big exodus of present expatriate staff in the next two years. Some positions we anticipate phasing over to Nepali staff, in other positions we see a continued need for expatriate presence.