

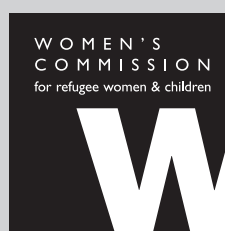


DON'T CALL IT SHANGRI-LA **Economic Programs for Displaced** **Populations in Nepal**

Women's Commission for Refugee Women and Children
May 2008

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The Women's Commission for Refugee Women and Children works to improve the lives and defend the rights of refugee and internally displaced women and children.

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EXECUTIVE SUMMARY

“My husband, three children and I live in one room in Kathmandu. My husband was tortured by the Maoists and is now disabled. We fled with nothing—leaving our land and our livestock. Now I work as a daily laborer [in the construction industry] and earn 140 rupees a day [approximately \$2]—when I have work. I can’t go home. My husband can no longer farm. My children are in school here and I have work at least some of the time.”

—Interview with an internally displaced woman living on the outskirts of Kathmandu

The Women’s Commission for Refugee Women and Children (Women’s Commission) is undertaking a multi-year project on how to promote effective livelihoods for displaced women and youth. As the length of displacement continues to increase, and as we learn more about the importance of economic opportunities as an effective way to protect against abuse, exploitation and violence against women, it is clear that the humanitarian assistance community must develop effective, sustainable livelihood programs that focus on giving people the training, tools and support they need to be able to feed and care for themselves.

In January 2008, the Women’s Commission visited Nepal to assess livelihood projects. Nepal, which is recovering from a 10-year civil war, has a large population of internally displaced people, some of whom are still displaced and some of whom are now returning to their original homes. It also hosts refugees from Bhutan, who have been living in camps in the southeast of the country for 17 years. Thus, Nepal provides a rich context to assess livelihood projects under a variety of conditions.

This report contains some excellent examples of creative, comprehensive economic programs targeting these displaced and returning populations, such as agricultural cooperatives that provide access to bigger markets. It also highlights missed opportunities that, unfortunately, often characterize current humanitarian livelihood responses—such as not preparing refugees to work in camp or out-of-camp markets and not teaching them skills vital for third-country resettlement. Additionally, this report notes the benefits that can be achieved when the humanitarian assistance and development communities work in tandem in a post-conflict recovery context.

Finally, the Women’s Commission found that community-based approaches are the most successful approaches, and also help build peace. For example, livelihood projects that target both the returnees and the community to which they have returned tend to mitigate discrimination and promote community cohesion.

KEY RECOMMENDATIONS

- > **Humanitarian assistance agencies and longer-term development organizations need to coordinate and link their programs.** Humanitarian assistance agencies, with access to shorter-term funding and expertise in identifying and serving the vulnerable, should link with development organizations, which have more experience designing and implementing economic programs. Humanitarian agencies should provide immediate, shorter-term assistance (such as vocational training, community infrastructure rehabilitation, cash-for-work programs, animal disbursal, seeds and tools) and ensure client access to longer-term economic interventions (such as micro-finance and agricultural support) provided by development organizations.
- > **Market assessments and value chain development must be part of all livelihood program design.** Livelihood projects must be market driven and target those areas along the value chain (input supply, production, processing, wholesaling and distribution) that provide the strongest opportunities for increasing income. Interventions must understand and take into account the local context, including constraints, such as minimal infrastructure and lack of market access, as well as existing opportunities, such as the prevalence of high-value agricultural products, adding value to current production through processing, the opening of new roads and emerging changes in labor demand.
- > **Livelihood interventions must assess household economies and the economic contributions of all family members, including youth.** Households must be helped to diversify their economic activities, thereby reducing their economic risks should one livelihood activity be disrupted by the re-emergence of conflict, a natural disaster or other calamity.
- > **More work must be done on monitoring and evaluating livelihood projects to assess real, long-term impact.** Evaluations must go beyond reporting on the numbers trained, loans given and repayment rates. Livelihood projects should include household-level indicators to measure impact on the household's food security, the children's nutritional status, school attendance and health care access, as well as the woman's participation in household decision-making and the risks of sexual and gender-based violence.
- > **Refugees should be prepared for employment inside the camps, outside the camps and in third countries where they are being resettled** through more targeted, informed vocational training programs that are linked to existing market opportunities and that include business development skills, such as financial literacy.
- > **Donor funding cycles should be extended.** The short-term (six- to 12-month) funding cycles that are typical of humanitarian assistance impede the development of effective livelihood projects as is clearly evident when comparing these interventions with those of the development community, which generally has access to longer funding cycles. Short-term funding cycles do not allow adequate time for well-planned interventions that are based on thoughtfully carried out market and labor market assessments and value chain analyses.

For a more complete list of recommendations, see page 14.

BACKGROUND

THE COUNTRY

Nepal is an underdeveloped, mountainous country that has been plagued by instability, poor infrastructure and ethnic and caste divisions. Home to 29 million people¹—many of them residing in remote, barely accessible rural areas—Nepal is one of the poorest countries in the world. Eighty-two percent of the population lives on less than \$2 per day²; per capita income was \$322 in 2006.³ The literacy rate is 49 percent.⁴ Agriculture remains Nepal's principal economic activity, employing over 71 percent of the population and providing 38 percent of the country's gross domestic product.⁵ Nepal's multi-layered Hindu caste system, made up of 60 ethnic and caste groups,⁶ affects available economic opportunities and livelihood programming, especially for those from lower castes.

THE INTERNALLY DISPLACED

In 1996, an armed Maoist insurgency grew out of the Communist Party of Nepal and resulted in 10 years of conflict, human rights violations perpetrated by both the government and the Maoists, and large-scale displacement that affected nearly all of Nepal's 75 administrative districts. Although no reliable figures exist, an estimated 200,000 people were internally displaced by the conflict, which claimed more than 13,000 lives.⁷ In addition, tens of thousands more relocated to the Kathmandu Valley in search of both safety and economic opportunities, as livelihoods were severely disrupted in conflict-affected regions. The population in the Kathmandu Valley increased by 100 percent during the conflict.

The massacre inside the Royal Palace in 2001 led to a political crisis in Nepal and the re-invigoration of the pro-democracy "people's movement," which ultimately resulted in the end of direct royal rule in 2006. The subsequent formation of an interim government created conditions for negotiations between the Maoists and the Government of Nepal. In November 2006, a comprehensive peace agreement was signed between the Seven Party Alliance⁸ and the Maoists, which ended the 10-year conflict. The Maoists, with a pledge to end feudal practices in the country, won the majority of seats in multi-party elections held in April 2008. What this means for the future of Nepal and Nepal's economic development is, as yet, unknown.

Relative peace has allowed many to return to their home communities and current estimates are that only 50,000-70,000 remain displaced.⁹

This reduced figure, however, may reflect internally displaced people's reluctance to participate in the government registration process rather than represent an accurate reflection of returnee numbers.

Studies conducted on the internally displaced show that in 2006, 41 percent were unemployed; most have no regular source of income or no income at all; and over 70 percent said that they could not earn enough, if anything at all, to feed their families.¹⁰ Further, large numbers of internally displaced people have moved to urban areas and ended up as urban poor. Many, in fact, are surviving on loans; at least 63 percent had taken loans to make ends meet,¹¹ resulting in heavily indebted families, often burdened by high interest rates.

REFUGEES IN NEPAL

In the late 1980s the Government of Bhutan, a small kingdom located between China and India, enacted discriminatory citizenship laws that stripped nearly one-sixth of the population of their citizenship and led to the expulsion of tens of thousands of ethnic Nepali Bhutanese who had lived in Bhutan for generations.¹² Today 104,500 of these Bhutanese live in seven refugee camps in southeastern Nepal,¹³ where they have been in exile for 17 years. The Government of Bhutan refuses to allow the refugees back to their long-since confiscated lands and Nepal, which has no national legislation on refugees and considers them illegal immigrants, refuses to allow them to integrate locally.

Due to the protracted nature of their displacement, which has left refugees largely dependent on humanitarian assistance, the United States and other countries have recently begun offering third-country resettlement to these refugees. The U.S. has promised to take up to 60,000 of them over the next five years, with Canada, Australia, New Zealand and Scandinavian countries taking smaller numbers. Intimidation and threats, however, have been used in the camps to dissuade individuals from accepting third-country resettlement. Many refugee leaders promote return to Bhutan as the only viable long-term durable solution and fear that resettlement might undermine their support base. Despite the intimidation, the resettlement is proceeding.

An additional 20,000 Tibetan refugees reside in Nepal (the numbers are probably much higher), and although they have achieved a degree of local integration, their legal status in the country remains inadequate for their full and durable local integration.

FINDINGS

REINTEGRATION OF THE INTERNALLY DISPLACED PROVES A CHALLENGE

“Human rights activists agree that the main problems for returnees are land seizure and livelihood.”

—Article by Nini Gurung, UNHCR News Service, December 28, 2007

Supporting the return and reintegration of internally displaced people in Nepal has been challenging for both the government and the humanitarian community due to problems with identification, fear of return on the part of those displaced and the relatively small-scale but widespread nature of the displacement across the country. Reportedly 73 of the country’s 75 districts were affected by displacement¹⁴ and wildly different numbers of internally displaced people have been reported—ranging from 100,000 to 450,000. Less than 1 percent of the total population was displaced¹⁵ over a huge geographic area, making it virtually impossible to have targeted programs serving the displaced. Targeting communities affected by displacement and return is a more pragmatic approach.

While the government has drafted a rights-based policy on the internally displaced that includes guiding principles on registration, non-discrimination, protection of property and protection of internally displaced children and women, adoption and implementation of the policy have been problematic. The Government of Nepal, for example, has only 32,000 officially registered internally displaced people¹⁶ and, at present, provides only return transportation assistance, which many of the displaced report using for subsistence needs rather than for transport home.¹⁷ Also, for those who have been displaced in urban areas, return to rural areas, where education and health care are less available, is undesirable. Women have enjoyed more freedom and more “public space” in the cities and are reluctant to give up these privileges and return to more traditional rural villages. The conflict simply accelerated the large rural-to-urban migration that was already underway.

An additional challenge in serving all vulnerable populations in Nepal, where agricultural production is the major source of income, is that many of the poorest are landless and, hence, agricultural interventions cannot be the only programs implemented. Further, land parcels have become so small with the sub-divisions of family land from generation to generation that plot size is often no longer large enough to sustain a family.

Other challenges in serving vulnerable populations include: limited education that inhibits understanding about possible opportunities; the inaccessibility of markets in many remote villages and districts; and the challenge of addressing existing caste and gender inequality to facilitate community inclusion.

FORMER CHILD SOLDIERS RECEIVE ASSISTANCE

A number of organizations implement reintegration programs targeting children associated with armed forces and armed groups. The former child soldiers include those recruited by the Maoists and the government—soldiers, porters and all associated with either armed faction. The best of these programs have an assistance package that allows the children, generally youth ages 13 to 20, to make choices about their future. The assistance can be used either for school-related costs (books, supplies, uniforms) *or* for an income generation activity. Income generation activities include goat raising, vegetable production and the establishment of small commercial shops.

The better programs include support for vulnerable children in the community as well as the former child soldiers—usually on a one-to-two basis. They also include support for the school, if education is the child’s choice, or the community cooperative or working group that supports an income generation activity.

When a former child soldier decides to pursue an income generation activity, a cooperative project, such as goat raising or vegetable production, is supported through membership fees, so that the child becomes a shareholder. An initial deposit is also often placed into the cooperative’s savings and loan program, which the child can generally access for credit after three months. Coop members serve as mentors and trainers for the young person and provide ongoing technical support for his or her income generation project. The inclusion of vulnerable children within the community, as well as direct support to schools and cooperatives, assists the former child soldier’s reintegration by reducing discrimination and stigmatization while promoting community inclusion.

The majority of these programs, though, suffer from inadequate financing—support is only given for one year, which makes the sustainability of school re-entry doubtful as there are no

mechanisms to pay school-related costs for year two. Additionally, the amount of resource support provided, 10,000-12,000 rupees per child (roughly U.S. \$156-\$188), is considered by implementing agencies to be too small to make a significant impact on the child's reintegration. This amount is subsequently divided into a reintegration package where a former child soldier actually only receives an in-kind benefit of 2,000 rupees (\$31), a vulnerable child from the community receives support worth 2,000 rupees and the structure that supports the child, be it a school or a cooperative, receives the equivalent of 6,000-8,000 rupees (\$93-\$124). An apprenticeship model is often used with young people who opt for income generation activities, but the funding amount is too small to support placing the youth in formal vocational training centers.

Many former child soldiers were placed in government-operated cantonments (holding centers) following the disarmament and demobilization process. Thousands remain in these cantonments and it is unclear when they will be released and the type of support services that will be available to them. While services are being provided to them within the cantonments, these are closed facilities, and it is not

known whether these services are, in fact, preparing them for reintegration into society and/or re-entry into the formal educational system or the job market.

VULNERABLE WOMEN FACE DIFFICULTIES CLAIMING PROPERTIES

Female heads of households and widows face particular challenges in returning to their communities of origin. The enforcement of widows' property rights remains problematic. Not only do other family members wish to claim the property, the Maoists have also been reluctant to hand back confiscated land. The Procedural Directives of the National Policy Relating to Internally Displaced Persons drafted by the Government of Nepal makes specific reference to war widows deprived of their property, and notes: "One particularly vulnerable group of IDPs are widows of men killed in the conflict who, together with their children, are forced out of their homes by the family of their late husband. Such women should be provided with legal and any other assistance necessary to acquire and protect their property rights."¹⁸



Raising goats lets former child soldiers earn income and helps them reintegrate into the community.

OTHER PROJECTS TARGETING RETURN AND REINTEGRATION OF INTERNALLY DISPLACED PEOPLE

“My family is totally dependent on my income from this [off-season vegetable production].”

—Dalit (caste also known as “untouchables”) woman growing off-season vegetables in the western Terai region of southern Nepal

Off-season Vegetable Production Boosts Incomes

A number of organizations implement agricultural projects that target or include internally displaced people. Off-season vegetable production is a particularly lucrative livelihood activity as there is a market for the products. Families can also supplement their diets through the harvests. Off-season production generally requires irrigation. Some organizations are using low-cost, appropriate technology, such as treadle foot irrigation pumps and micro-irrigation drip systems. Initial investment input is reportedly \$50-\$100 per targeted family, while income earned per household is approximately \$250 per year—generally a doubling of household income.¹⁹



Organizations provide start-up funds, for example, for the irrigation systems, as well as training in vegetable production, pest control, fertilizing and harvesting. The organizations also link the production groups to village- and district-level agriculture extension workers for ongoing technical support.

Women report that their participation in the project has resulted in improved nutrition for their children (due to the increased consumption of vegetables in the home) and earnings of 6,000 rupees per harvest (US \$93).²⁰ They say that the work only requires about three hours of their day, allowing them time for their other household responsibilities.²¹ These interventions must be within an hour of a road to be successful, however, or it is difficult to access to large enough markets. Other supported projects include livestock disbursal, fishpond construction, medicinal/aromatic plant harvesting and the development of coffee and tea plantations. The introduction of processing technology and the establishment of a specialty coffee industry has, for example, increased coffee production from zero to 200 tons since 2002.²²

Another project focuses on cardamom value chain development.²³ Working with both farmers and traders and bringing in improved dryers, the project aims to improve the quality of the product, thereby increasing the price to sellers. Organizing traders helps them gain access to new markets.²⁴

Distilling Herbs and Medicinal Plants to Increase the Standard of Living

Working with community forest-users groups is another intervention. While the projects do not specifically target internally displaced people, returnees are included if and when they are members of the forest-users groups. Nongovernmental organizations encourage the government to hand over the forests to the users groups, which are assisted with putting together operational and management plans with a focus on conservation. The forest-users groups collect herbs and medicinal plants, such as chamomile, mint and eucalyptus, the majority of which are exported to India.

The NGOs, with the support of the government, provided inputs for building small distillation units to extract the vital oils and provide training, technical support and assistance with marketing. The distillation of the plants reduces the need to transport huge amounts of bulky raw products long distances and allows the users groups to add value to their products. The distilled oils are much more easily transported and command a much higher price. Linkages with Aveda

Using a treadle foot pump for irrigation has doubled household income in many cases.



Distilling herbs and medicinal plants into oils is lucrative and reduces the need to transport raw products long distances.

and the Rainforest Alliance have also been forged for the high-end export market. Per-household income for participating households has increased by 11,202 rupees annually (\$174).²⁵ Project impacts include using fallow and marginal land to cultivate aromatic plants; providing local communities with access to distant markets; developing technical cultivation and processing skills; and generating employment for local community members.

Besides analyzing the value chain and assessing where interventions could add value or increase productivity, the project also educates both buyers and sellers, and links local groups with socially responsible international retailers. The supporting organization has also formed a “sustainable buyers group” and hosts a non-timber forest products donors and members group.²⁶ Major challenges for this highly successful intervention are geography, as it is difficult to bring even small-scale technology to rural areas, and the low economy of scale, which makes it difficult to entice international buyers. Meeting the rigid organic certification requirements, particularly of European Union member states, has also been a challenge.

These value chain development projects, implemented by a number of U.S. Agency for International Development partners working in a consortium, have reportedly increased the incomes of more than 100,000 poor households (over 600,000 people) by more than 50 percent since 2003.²⁷

Cooperatives and Markets Benefit the Community

“I used to grow only wheat and earn 1,000 rupees per harvest. Now I grow a variety of crops and earn 10,000 rupees per harvest.”

—Farmer in a small village outside Birendranagar in Surket district

A number of NGO projects target affected communities instead of individual returnees through both conflict resolution activities and quick impact projects. Such projects include irrigation systems, construction of community mills and rehabilitation of schools and health clinics. One example is an agro-collection center whereby individual farmers can sell their produce daily to a central collection storage facility. The manager of the collection center then links to local markets to sell the produce in bulk. This project reduces the farmers’ previous dependence on a once-weekly market where their products may or may not sell. Additionally, since the farmers are only delivering their products to the collection center, they no longer have to spend an entire day staffing a market stall to access potential buyers. As a result of having a “sure market,” farmers have increased their production and the diversity of the crops they grow. The farmers now want to start an animal collection center and to diversify further into seed and sapling production.

The project, though, is not without its challenges. At present, the collection center managing agent has been able to sell the majority of the produce he buys from the farmers locally. As more farmers get interested in using the services of the collection center, oversupply could become a problem and it will be necessary to access broader markets. Access to broader markets and wholesalers, though, is complicated by poor local roads that become impassable during the monsoon season and result in high transportation costs. An additional challenge is how to promote post-harvest food technologies, such as processing, drying and preserving, to minimize rotting of surplus vegetables and fruits.



Vegetable collection centers reduce farmers' dependence on weekly markets and free up time.

Another intervention was the establishment of a marketing and planning committee, which formed and set up a local market as a place where farmers could sell their products in a region where no local market existed. The market serves 11 villages and 180-200 farmers come twice a week to sell their fruits and vegetables. Previously, without regular market access, there was little local vegetable production and most vegetables were imported from India. The planning and marketing committee charges sellers rent for space, fees to use their weights and scales, and a vehicle entrance fee. The committee provides stall areas for selling, toilets and sanitation facilities, marketing sheds, a store house and advertising on local radio.

Between eight and 15 metric tons of produce transit through the market each market day, worth approximately 100,000-150,000 rupees (\$1,550-\$2,335).²⁸ The market has resulted in an increase in local vegetable production as well as a rise in employment and income. Income has, for example, reportedly gone up by 15 percent on average for each small farmer.²⁹ The increase in production, however, has resulted in a decrease in prices as supply is beginning to outstrip demand. As the supply continues to grow, links need to be forged with larger wholesale and regional markets in order to expand market demand.

“Other Vulnerable Children” Project Looks Out for Needs of Children

“If the mother is a little bit aware, the whole family is benefiting.”

—Interview with the Program Manager of the Other Vulnerable Children Project, Nepalgunj, January 18, 2008

A valuable complementary project, “Other Vulnerable Children,” serves as an add-on to several of the projects described above. Targeted beneficiaries are the participants in the economic programs, specifically mothers who have children under five and pregnant women. The project targets these households as well as traditional healers, whom these households generally access for their health problems, to educate them on the importance of hygiene, nutrition and school attendance. The project uses drama, healthy baby competitions, nutrition demonstrations, billboards and radio messaging. The objective is to ensure that the extra income that mothers earn benefits the children.

Micro-economic Initiative Provides Grants to Start Businesses

A further example is a micro-economic initiative focused on providing in-kind grants for business startups to vulnerable internally displaced people and returnees, which begins with an individual assessment

of skills, available resources and capacity. Many of the target beneficiaries are widows and female heads of household. Small-scale farming (potato, cabbage, ginger), animal husbandry (pig, milking buffalo, goat raising) and the trade (milk, vegetable, and fruit retailing, grocery, tea stall) and service sectors (rickshaw, barbering, bicycle repair) are common livelihood activities supported. However, some beneficiaries sell their in-kind inputs for cash to meet basic needs. Project participants, though, often request support to small industries in the villages as they prefer daily labor work to entrepreneurship.

Over all, the presence of long-term development actors enhances the quality of the livelihood programming serving internally displaced people and returnees. Multi-year funding cycles, a better understanding of the social and economic context and more experience conducting market assessments and value chain analyses result in more effective, sustainable programs. The prior existence of

cooperatives and village savings mechanisms also facilitates livelihood project development as there are pre-existing structures to build upon. The humanitarian assistance community is particularly adept at the identification of the most vulnerable community members, such as returnees and children associated with armed forces, and in securing funding for quick impact projects such as road repair and school rehabilitation. Linking the humanitarian assistance and development actors' programming on the ground through client identification and referral mechanisms could greatly improve service delivery and sustainability. Topography, however, and the lack of access to roads, communications and markets severely affect program reach and effectiveness. Creative responses to the challenges of topography are, however, being developed, such as the use of gravity ropeways to move raw materials and products up steep mountainsides to and from isolated rural villages that are inaccessible by roads.³⁰



This twice-weekly market has resulted in an increase in local vegetable production and a rise in income.

REFUGEES LIVING IN CAMPS FACE LIMITED ECONOMIC OPTIONS

While limitations imposed by the Government of Nepal on refugee rights legally restrict refugees' freedom of movement and their right to work, camp borders are porous and a few livelihood opportunities exist. Refugees take advantage of some of these opportunities, without any agency support, and the UN High Commissioner for Refugees (UNHCR) and its implementing partners take advantage of others. Further opportunities exist, however, that are not capitalized on.

RELIEF SUBSTITUTION PROJECTS PRODUCE GOODS FOR USE IN CAMPS

UNHCR supports a number of relief substitution projects, managed through refugee groups such as the Bhutanese Women's Forum, in the seven Bhutanese refugee camps. Refugees are paid on a piece-rate basis to produce non-food items for in-camp distribution rather than purchasing the products outside the camps. The largest such project involves the production of sanitary materials. Refugees dye, dry, weave and cut material for women's sanitary cloth, which is purchased by UNHCR and distributed to all females between the ages of 15 and 49. Chalk is also produced in the camps for distribution to all the schools and laundry soap is produced for all refugee families.

VOCATIONAL TRAINING IS OFTEN INSUFFICIENT

"We have no ambition for the future. Training is a waste of time. We are like blind."

—Bhutanese male refugee youth, Sanischere camp

A number of vocational training programs are offered for refugees both inside and outside the camps. The majority of the in-camp trainings, implemented by nongovernmental organizations, are short, covering only basic information, and are, according to the refugees, insufficient in terms of both depth and length for students to develop competence in the sector. Course offerings include driving, computer literacy, knitting, weaving, tailoring, electrical wiring, mechanics, hairstyling, necklace making, carpentry and bamboo handicrafts. Additionally, some of the vocational training programs only target youth who are not in school, which puts those young people who do stay in school at a disadvantage in terms of non-academic skill development.

Few vocational training programs provide start-up kits or link with loan programs and many of the materials refugees require to practice the skill developed are not available in the camps. Further, refugees state that they have no money to buy raw materials to practice their trade and that there is no market for their products within the camps. Others



Producing sanitary materials in the camp provides income for refugee women and reduces the need to buy supplies outside.

complain about market saturation in the camps—too many tailors and barbers, for example; the resulting competition makes it impossible for any of them to earn much. Out of 120 adult vocational training program graduates surveyed, only 20 were actually using the skills they were taught and even then they were earning only a small amount of supplemental income.³¹ There were a few exceptions, however. One refugee woman, who was trained as a tailor, said that she made enough money, about 500 rupees (\$8) per month, to buy vegetables and clothes for her family.³² A young refugee man who repairs flashlights and umbrellas said that he can earn up to 150 rupees per day (\$2.50) during the monsoon season and 40-50 rupees (75-80 cents) per day during the dry season.³³ Other refugees said that they were sometimes able to earn a little bit of money from their skills, but not much—generally just enough to buy a few vegetables.³⁴

REFUGEES DEMAND SKILLS FOR THE FUTURE

“Whatever skills are needed in third countries, we need training in—here in the camp.”

—Young refugee man, Goldhap camp

Refugee women and youth asked for more in-depth courses that offer much more than the basics. They wanted training courses in such occupations as shoe-making, noodle-making and baking. They also wanted training in housekeeping and hotel and restaurant work, as well as expanded nurse training programs, more advanced computer training, vehicle repair and more extensive driving courses. They specifically asked for trainings that would be marketable, including those skills that they could use in third countries for those pursuing resettlement.

Government-funded vocational training centers outside the camps are used to place a smaller number of refugees in more specialized courses in such occupations as community medical assistants (CMA) (nurse aides and lab technicians) and agriculture extension workers. The CMA course is particularly popular although only 20 scholarships are available per year for refugees to attend a local nursing school. Many young refugee men and women would like to participate if there were additional scholarships. Teacher training is also provided to 65-85 qualifying refugees per year, based on available funding, at a teacher training college outside the camps.³⁵ This training is particularly lucrative and hundreds of refugee graduates now work as teachers in private schools throughout Nepal (the government does not allow the public school system to hire refugee teachers). The downside of this, however, is that good teachers leave the camps for better-paying positions, as they are eligible only for refugee incentive pay inside the camps (about 1,100 rupees (\$17) per month for an in-camp teacher [for reference, minimum wage in Nepal is 3,000 rupees (\$47) per month]). As a result, students

report that the quality of education in the camps is decreasing.³⁶ Providing adequate monetary and in-kind compensation to refugee teachers to stay and teach in the camps could alleviate this problem.

“We don’t know the market. We don’t know what kind of training would be helpful. It’s the NGOs’ job to find out.”

—Refugee youth focus group participant, Beldangi II camp

Specific vocational training courses are offered for refugees with disabilities. Viable courses appear to be those that teach watch and bicycle repair—sectors where trained refugees are reportedly working and earning at least a bit of income.³⁷ Courses in painting, bead work and music are also offered, although these skill sets provide few opportunities for sustainable income generation.

The most successful vocational training programs include certificates for graduates. Nepali society places high value on certificates, and certification programs lead more readily to employment opportunities.

REFUGEE INCENTIVE STAFF ARE HIRED BY NGOS

The majority of NGOs operating within the camps employ refugee incentive staff as skilled and unskilled casual laborers, teachers and health care workers. Casual laborers, who assist with infrastructure rehabilitation and construction, are hired, as needed, on a daily basis for 40-50 rupees (60-80 cents) per day. In addition, NGOs employ 2,100 regular refugee incentive staff, such as teachers, on a longer-term basis within the camps. Refugee incentive workers are paid according to a four-tiered pay scale, dependent on position, ranging from 840 to 1,514 rupees (\$13-\$23) per month.³⁸

SMALL BUSINESS DEVELOPMENT HELPS REFUGEES ESTABLISH BUSINESSES

One NGO targets only those families with malnourished children and, through an individualized approach, assists these families to start small businesses and cottage industries within the camps. The NGO provides training, with trainers hired from the Nepali business community, and seed money. Activities include bamboo crafts, mushroom production, banana fiber crafts and jute carpet making. This NGO has also established village savings and loan associations in the camps. In addition, it is bringing together the government, business community and refugees to promote the sale of refugee products outside the camps.

Mushroom production has been the most successful home-based activity, with producers able to sell all their products and earn 500-800 rupees per month (\$8-\$12).³⁹ The refugees involved in this activity are in the process of expanding their production as, at present, demand is

outstripping supply. The NGO is planning to expand to all seven of the camps in 2008, introduce new income generation activities—such as incense making and organic pesticide production—and focus on marketing and advocacy with the government to promote access to additional markets outside the camps.⁴⁰

MICRO-FINANCE PROVIDES OPPORTUNITIES— AND THE RISK OF DEBT

*“In the beginning we were illiterate and knew nothing.
We’ve come to know how to solve our money problems.”*

—Bhutanese refugee woman participating in
the loan program, Sanischere camp

The World Food Program (WFP), through the collection and subsequent sale of empty rice sacks and tins after food distributions, funds a small-loan program. Loans of 3,000-6,000 rupees⁴¹ (\$50-\$100) are available to qualifying refugees, generally women. The women use the loans to become fish and vegetable vendors within the camps or to make and sell *mo mo* (samosas). Repayment rates are said to be good, although refugees report that they would like longer repayment periods.⁴² One refugee man who took a loan admitted that he repaid his loan by borrowing money from other refugees.⁴³ WFP has also started a bakery through this project in one of the camps; it brought in bakers from India to teach the refugees how to make doughnuts and cookies.

Clearly, while access to credit and perhaps even more important, access to safe places for saving money, are as vital to refugees as they are to everyone else, the impact of credit at the household level needs to be further understood. For example, are refugees, through access to credit, increasing their business opportunities and income generation, or are they entering into a cycle of debt? How have refugees used their loans? What has been the impact, at the household level, on food security and the nutritional status of their children? Has the extra income promoted school attendance by covering school-related costs, such as the purchase of shoes, and freed up young people from having to work to contribute to their families' income? These questions need to be investigated.

MISSED OPPORTUNITIES

The Camp-based Economy Should Be Expanded

In spite of the restrictions on freedom of movement and the right to work, an informal economy does exist within the refugee camps. Women sell vegetables and clothing in small markets; men and boys with bicycles hire themselves out to transport refugees' bags of charcoal briquettes to their shelters on distribution days; girls spin thread from cotton yarn, which is

collected and sold outside the camps by Nepalese middlemen; and women weave mats from palm leaves, which are also sold outside the camps. No doubt many more informal economic activities are going on in the camps. But it appears that none of the partner organizations have studied the camp-based economy and assessed further opportunities that may exist. Further, none of the organizations offering vocational training courses have tapped into this informal market and adapted vocational training courses to prepare more refugees to participate.

Work Is Available Outside the Camps

According to interviews with UN and NGO staff, about one-third of all refugees work outside the camps on a fairly regular basis. The majority work in the construction industry in the nearby town of Damak, which is experiencing a construction boom.⁴⁴ Other refugees, including young women, leave the camps to harvest tea leaves and plant rice for local farmers. While technically forbidden by the Government of Nepal's policies on refugees, leaving the camps to work in the local labor market is a known, and apparently tolerated, reality. None of the vocational training programs, however, focus on the out-of-camp market and the occupations refugees are engaged in to look at how they might better prepare refugees to work in those sectors. Further building the refugees' skills in occupations in which they are already working might facilitate their accessing higher-paying positions and undertake current jobs more safely.

Third-country Resettlement Provides New Options

Large numbers of qualifying refugees will resettle to third countries, namely the United States, Canada, Australia, New Zealand and the Scandinavian countries, over the next five years. In-camp vocational training courses should focus on developing skill sets that prepare these refugees for entry-level positions in western resettlement countries, for example, in fields such as nurse aides; elder care; restaurant and hotel work, including waiting, bussing and housekeeping; and child care. Courses should also focus on job skills, such as punctuality, work behavior, basic business and financial literacy. Otherwise, this will be a missed opportunity, not only for the refugees but for the resettlement countries as well.

BROADER MIGRATION ISSUES IN NEPAL

Migration for economic opportunities outside the country is a growing phenomenon in market-challenged Nepal. Organizations working with uprooted populations need to understand the broader migration context and if and how the displaced, including refugees, are participating. Trafficking of young girls, for example, including refugees and the



Growing mushrooms is a lucrative business for some of the refugees in the camps.

internally displaced, into the commercial sex industry in India, has been reported, although the extent of the problem is not known.

Seasonal Migration Supports the Nepalese Economy

Seasonal migration is a mainstay of the Nepalese economy and is an ever-growing phenomenon. Every year tens, if not hundreds, of thousands of Nepalese migrate to India during the winter months as a livelihood strategy. It is often the only way families can continue to feed themselves. The length of the seasonal migration, which ranges from three months to a year or more, is, according to some NGO workers, an indicator of vulnerability.⁴⁵ That is, the longer the migration, the more vulnerable the family. Those currently and previously displaced by the conflict are also assumed to be participating in growing numbers due to their increased economic vulnerability.

For many, this seasonal migration is seen as a rite of passage for young men—something necessary, even desired. However, as a long-term strategy, when one or more family members are required to migrate year after year, it becomes an increasing hardship. Most migrant men work in the construction industry in India—often sleeping on the streets or in substandard, overcrowded rooms, earning relatively little and exposed to physical abuse, unsafe working conditions and economic exploitation.

Migration patterns are increasingly feminized and are extending further afield. Malaysia is a popular destination and a planeload of migrant workers reportedly departs for Kuala Lumpur daily. More and more Nepalese women also migrate, many to work as domestic workers,

while others end up, often trafficked, in the commercial sex industry in India. Migration has also become a vector for the spread of HIV and AIDS, mostly through men who visit brothels in India and then come home and infect their wives. As seasonal migration is a fact of life in Nepal, there is a need to help people reduce the associated risks.

Serving in the Military Is a Livelihood Strategy

Historically, serving in various militaries has been a livelihood strategy for many men. To serve as a Gurkha fighter with the British military not only brought much status and better pay but provided opportunities to see new parts of the world. These positions, which began in 1817, are still highly coveted, despite the lengthy family separations that result.⁴⁶ Gurkhas are now fully integrated soldiers of the British Army, and also serve in the Indian Army and in Singapore.

In addition, Nepal has, over the years, contributed 51,661 military, police personnel and other civilians to 29 UN peacekeeping operations around the world⁴⁷; these are also highly competitive, sought-after positions. Nepal has contributed more than 3,500 peacekeepers to 13 of the current 17 UN peacekeeping operations, including Sierra Leone, the Democratic Republic of Congo, Kosovo and Liberia.⁴⁸ Nepal, in fact, is one of the five largest troop contributors. Largely for economic reasons, fighting or keeping peace for others has been and remains a desired livelihood option for thousands of Nepalese men, including the displaced.

RECOMMENDATIONS

The following recommendations are for donors, the Government of Nepal and practitioners.

RETURN OF INTERNALLY DISPLACED PEOPLE

Humanitarian assistance agencies should link with development organizations to implement comprehensive livelihood projects that include a direct hand-off of targeted beneficiaries from humanitarian agencies, which run short-term interventions that focus on meeting basic needs, to development agencies, which work towards sustainable food security and broader economic development.

All organizations implementing livelihood projects should coordinate and share information to enhance learning, share good practices, pitfalls and strategies on working with local communities and the government in order to design and implement the most effective programs possible.

Livelihood projects must be driven by market demand—requiring thorough market assessments that look at opportunities, costs, competition and constraints. An understanding of labor supply and demand is also vital for project design. Too often, interventions focus on increasing or enhancing the quality of the labor supply without addressing the often-needed expansion of market demand to absorb growing supply.

Livelihood projects need to include value chain analysis and development. Projects need to understand a targeted product's value chain from supply input, production, processing, market linkages, wholesaling and exporting, and where interventions can be most effective in strengthening both the vertical (production to market) and horizontal (competition) value chain. Projects need to look at how value can be added to products closest to the bottom-end producer level and how additional top-end linkages can expand markets regionally, nationally and internationally.

Organizations should employ community-based approaches for their livelihood projects as these are most successful and help build the peace. Interventions that serve affected communities

rather than just targeted returnees can reduce stigmatization and discrimination and promote community inclusion.

Organizations need to develop innovative responses, as the most effective intervention may not be from their usual repertoire. At times, rather than implementing the usual menu of livelihood projects, the most effective intervention for promoting sustainable livelihoods might not be targeted directly to the beneficiaries but on broader, seemingly more peripheral elements that serve the beneficiaries only indirectly, such as road construction to open markets to new producers; funding transportation systems to promote market access; facilitating the expansion of an existing small industry to expand employment options; and facilitating linkages between existing programs and emerging markets.

Monitoring and evaluation need to include household-level impact indicators. A child protection lens is vital in assessing program impact on such measurements as children's increased nutritional status, school attendance and access to health care, as well as reductions in the worst forms of child labor—that is, those types of work identified as hazardous to children, such as commercial sex work and drug trafficking. A gender lens is necessary to measure impact on the reduction of sexual and gender-based violence against women and the increase in their participation and decision-making at the household and community level.

Donor funding cycles need to be extended. Quality livelihood programming requires extensive pre-design preparation—conducting thorough market and labor assessments and value chain analyses, and getting an understanding of the local social, political, and economic context. Six- and twelve-month funding cycles do not allow for quality preparatory work and, subsequently, for effective, sustainable program design, funding cycles need to be both multi-year and more flexible, with a focus on longer-term impact versus activities completed.

REFUGEES

Livelihood projects need to understand and capitalize on the camp-based economy and prepare refugees to enter this informal economy through training, grants and loans, as it may provide them the safest venue for income generation.

Training programs need to be comprehensive, of sufficient length and with quality instruction, to provide the depth required to develop competence in a skill area. Basic, short-term training programs are seldom helpful. Successful vocational training programs are market driven, have well-trained instructors and well-developed curricula, include pre-counseling preparation for potential students on available opportunities, as well as certification, and post-graduation apprenticeships, job placements, startup kits and linkages with savings and loan schemes.

Refugees must be prepared for employment in the local economy. As refugees work in the host communities despite government regulations to the contrary, training programs should prepare refugees to participate in these markets. Courses should focus

on further enhancing required skills in order to assist refugees with accessing more highly paid positions and on improving worker safety. As many refugees work in the construction sector locally, vocational training courses should include in-depth, quality courses on masonry, welding, electrical wiring and plumbing.

Training programs must be designed and implemented that prepare refugees for opportunities in third countries. Many, perhaps even the majority, of the Bhutanese refugees will be resettled to western countries, particularly the United States, over the next several years. Agencies should use the intervening months and years to adequately prepare refugees for the labor markets in countries of resettlement. Opportunities will likely exist in the hotel and restaurant industries as housekeepers, dishwashers, bus boys and waiters. Jobs as nurse aides and attendants in hospitals and nursing homes will also be available. Factory and store stocking work are also frequent entry-level positions. Vocational training programs should not only train refugees in these areas but in broader job-seeking and employment-readiness skills—financial literacy, expected work behaviors and so on.

NEXT STEPS FOR THE WOMEN'S COMMISSION

This report serves as a case study of the challenges and opportunities that exist in both a refugee and post-conflict return setting. The Women's Commission will use the findings from the field assessment to advocate with donors and operational organizations on funding priorities and on implementation of the report's recommendations. The findings will also inform the Women's Commission's research project on promoting appropriate livelihoods for displaced women and youth and will feed into the livelihoods field manual the Commission is developing for the international community. The field assessment findings will be presented at a number of fora and the report itself will be shared widely with the donor and humanitarian community, including those working in Nepal.

For more information, www.womenscommission.org

APPENDIX

METHODOLOGY

The Women's Commission conducted a field assessment in Nepal from January 8-26, 2008, which covered Kathmandu; the conflict-affected Midwest Region, specifically the communities of Nepalgunj and Birendranagar and surrounding villages; and the Southeast Region around Damak, where the seven Bhutanese refugee camps are located. Qualitative data was collected from focus group discussions, structured interviews, field observations and informal conversations.

Meetings and interviews were held with 22 national government ministries, UN agencies and international and local nongovernmental organizations, as well as with refugees, returnees and program beneficiaries. Fifteen focus group discussions were held with displaced returnees, community groups and refugee women, men and youth. Data collected included:

- > community involvement in program design and implementation
- > beneficiary selection criteria
- > market assessment tools utilized
- > program measurement and impact indicators employed.

Project sites, vocational training programs, refugee camps and local markets were also visited. The findings present a picture of trends and needs in Nepal, but are limited by time constraints and the subsequent inability to meet with all engaged agencies and ministries.

ORGANIZATIONS VISITED IN NEPAL

Asia Network for Sustainable Agriculture and Bio-resources (ANSAB)
Bhutanese Refugee Children's Forum—Beldangi I camp
Bhutanese Refugee Women's Forum—Beldangi I camp
Bhutanese Refugee Women's Forum—Goldhap camp
Bhutanese Refugee Women's Forum—Sanischere camp
Bhutanese Refugees Aiding the Victims of Violence (BRAVVE)—
 Beldangi II camp
Caritas Nepal
Community Working Group of Ghumkhahare
Concern Worldwide
District Administrator's Office, Jhapa District
Federation of Women Entrepreneurs Association of Nepal (FWEAN)
Government of Nepal—Ministry of Peace and Reconstruction
Government of Nepal—Refugee Coordination Unit
International Committee of the Red Cross
International Development Enterprises
International Organization for Migration
International Rescue Committee—Kathmandu
International Rescue Committee—Surket
Lutheran World Federation
Mercy Corps
Nepal Red Cross Society
Norwegian Refugee Council
Practical Action Nepal
Social Development Forum
United Nations High Commissioner for Refugees (UNHCR)—Damak
UNHCR—Kathmandu
United Nations Office for Coordination of Humanitarian Affairs
 (UNOCHA)
United Nations Resident/Humanitarian Coordinator's Officer—Senior
 Gender Advisor
Winrock International
World Food Program
Youth Friendly Center—Beldangi I camp
Youth Friendly Center—Sanischere camp

ENDNOTES

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- 17 Interviews with IDP families in the Kathmandu Valley. January 14, 2008.
- 18 Procedural Directives 2007 of National Policy Relating to Internally Displaced Persons, 2007, section 15.4, p. 18, final text. November 20, 2007. Note, this final text legislation was not yet passed into law at the time of the Women's Commission's field assessment.
- 19 Interview with Luke Colavito, Agricultural Program Coordinator, Winrock International. January 11, 2008.
- 20 This is additional income (from the off-season vegetable production), which supplements the income earned from the rice crops planted during the monsoon season.
- 21 Interviews with participating women in Nepalgunj. January 18, 2008.
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