

FCA COUNTRY STRATEGY 2024–2028

Nepal



FCA

HOW WE SEE THE COUNTRY

Nepal has a population of approximately 30 million people belonging to more than 142 castes and ethnic groups, living in geographically and climatically diverse conditions. The country is one of the poorest in Asia and is placed as 146 of 193 countries on the Human Development Index. 20% live below the poverty line, with over 70% engaged in the informal economy¹. Despite the economic situation of the country and its population, there is a plan to graduate Nepal from the Least Developed Country (LDC) status in 2026. As a landlocked country situated in the Himalayas between India and China, a large dependency on these superpowers is created. Overall Nepal enjoys good international relations with the world around it. Certain sensitivities with its massive neighbours India and China flare up from time to time.

Over the past decade, Nepal has made significant strides in political stability, economic growth, and infrastructure development, with improvements in education, healthcare, and energy access. Through the 2015 Constitution of Nepal a federal democratic republic was established with three tiers of governments (federal, provincial and local municipality levels) based on the principles of coexistence, collaboration, and coordination. The constitution has institutionalised human rights as fundamental rights of the people of Nepal. In the federal institutional arrangements, the local municipality levels have the mandate of policy formulation and the responsibility of ensuring the fundamental rights of people relating to basic services like education, health and livelihood.

The caste system, along with traditional and patriarchal mindsets perpetuate inequalities both between men and women and between different social groups. Discrimination based on gender, caste, ethnicity and disability is prevalent. Meaningful participation and influence in society is limited for many discriminated and marginalised groups. Patriarchal gender structures and roles impose several barriers to women to effectively participate in decision-making processes. Gender-based violence is common in the form of domestic violence, child marriage, polygamy, female infanticide, witchcraft accusations, Chhaupadi² and trafficking of women and girls for sexual exploitation. People with disabilities are often neglected by society and face difficulties getting access to government services and opportunities.

¹International Labour Organization

²Chhaupadi is a tradition associated with the menstrual taboo, in the western part of Nepal which prohibits Hindu women and girls from participating in normal family activities and forces to live in cattle shed or other outhouses while menstruating, as they are considered "impure".



Population in Nepal

30 M.

people

20 %

of the population live below the poverty line

70 %

of the population is engaged in farming



3,000

youths leave Nepal every day

Discrimination against marginalised groups limits their access to resources and livelihood opportunities in various ways. The constitution's provisions and laws to end all forms of discrimination and ensuring equal access to public services are not yet fully realised. The lack of vital registrations also leads to difficulty in accessing fundamental government services and resources. Food insecurity is prevalent and malnutrition a major problem. Around 70% of the population is engaged in farming which is mostly subsistence based and does not generate significant income.

Half a million Nepali youths enter the labour market every year. The low median age of Nepal's population, coupled with insufficient job creation strategies by the government, leads to 3,000 youths leaving Nepal daily in search of better opportunities abroad. This migration, which excludes the significant seasonal migration to India, results in 25% of Nepal's economy being dependent on remittances. It also places a direct burden on women, who manage household and agricultural responsibilities in the absence of male family members. Internal migration and rapid urbanisation further shape the country's socio-economic dynamics, while social media-driven discrimination and hate speech negatively affect the psychosocial wellbeing of youths.

Nepal has seen notable advancements in providing access to school education. However, challenges persist in ensuring quality access to education for children, particularly for the girl-child and children with disabilities and those from marginalised communities. The overall quality of education at all levels remains inadequate, hindering the effective integration of educated human resources into the labour market. A fundamental issue contributing to this low educational quality is weak capacity among most teachers due to inadequate teacher training and the failure to effectively translate pedagogical training into classroom practices.

The impact of the climate crisis is felt all across Nepal with increased intensity and impact on the lives and livelihoods of the Nepali people. Globally, Nepal ranks fourth in terms of vulnerability to climate change³. Some of the climate crisis effects are altering crop patterns, decreasing agricultural yields, erratic rain patterns leading to both droughts and floods, increased frequency of extreme weather events such as heat and cold waves, forest fires, landslides, new diseases, glacial lake outburst floods, and changes in water resources. Farmers, most of which are women generally belonging to marginalised groups, are disproportionately affected. Climate-induced migration is getting more prevalent as many rural areas are becoming less liveable.

The country is located in a high seismic zone and is prone to multiple natural disasters. Floods, landslides, fire, drought and earthquakes are among reoccurring hazards which cause severe damage and destruction of life and property each year. Resilience is weak amongst many of the marginalised groups and disasters often hit these groups the hardest. There is generally weak capacity among the local level governments to take action for adaptation measures and disaster risk reduction plans.

There are many international development actors present in Nepal, ranging from multi- and bilateral donors to INGOs and contractors. The government is regulating civil society and international actors through controlling acts and high level of bureaucracy requirements. The push for localisation from both donors and international civil society actors is prominent. Local and national civil society is strong with a large number of active civil society organisations, many of which have good capacity on community mobilisation, human rights and advocacy. Funding for development cooperation is diminishing due to the global economic situation and shifting donor priorities. The upcoming LDC graduation is expected to further reduce funding opportunities for INGOs and shift priorities more towards trade, private sector and investments.

Globally, Nepal ranks fourth in terms of vulnerability to climate change.



³Global Climate Risk Index

FCA'S COUNTRY VISION AND MISSION

The long-term change that FCA wants to see in Nepal is that marginalized women and youth are socio-economically resilient and enjoy a decent living.

To realise this vision FCA is committed to foster partnerships which create an enabling environment for marginalised people to actively claim their rights while promoting social cohesion and inclusion in all our work. The FCA Nepal Country Office will continue to strengthen local civil society to contribute towards this vision. Through capacity strengthening and elevated awareness levels on rights and access to services and entitlements, FCA provides marginalised individuals with the skills required to advocate for their rights, influencing policy to prioritise marginalised groups. All work will be guided by participatory processes grounded in the Rights-Based Approach (RBA).

Significant changes are required in the situation for women in Nepal. Despite the majority of women being engaged in work, a significant portion of their labour remains unpaid, primarily utilised to feed their families. With 80% of women engaged in agriculture, less than 10% have commercialised their farming⁴. People from marginalised communities have limited or no access to arable land, which compels them to work as unskilled labourers in agriculture or other sectors, where they receive very low wages insufficient to feed their families. Women disproportionately shoulder the burden of unpaid care work. These disparities not only limit women's participation in the workforce but also hinder their economic empowerment, perpetuating traditional gender roles and exacerbating gender inequality. To address this, women's economic empowerment through enterprise development and livelihood creation will be at the centre of FCA's work in Nepal.

To reduce poverty for marginalised groups, the Country Programme (CP) will build green, resilient and sustainable livelihoods for the rights-holders, which will be attained through market-oriented vocational and skill training, access to finance, business literacy, enterprise development and business start-up support such as coaching and mentoring, market linkage and support from cooperatives. As a result, women and youth will be more economically and socially resilient, and reduced poverty and marginalisation will be realised. Through new forms of strategic partnerships with private sector and investments, we will work towards strengthening the entrepreneurial ecosystem and identify innovative opportunities for non-traditional enterprises and livelihoods, integrating digital solutions for

⁴ [Nepal Economic Forum](#)



enhanced impact in both traditional and non-traditional livelihood sectors. Efforts to support digitalisation will help reduce the digital divide which often has adverse effects on the most vulnerable.

Gender disparities remain a large challenge in Nepal and addressing the gender gap is critical in a range of different settings such as land and property ownership, women's leadership and meaningful participation in decision-making, women specific challenges in agriculture, particularly in the face of the climate crisis, traditional and harmful practises, roles and responsibilities in the unpaid care work, and Gender Based Violence. FCA is promoting gender equality, social inclusion, disability inclusion and diversity, and works actively against any forms of discrimination based on gender or other intersectional factors. Men's and boys' engagement is crucial for increased equality in Nepal and activities will be designed accordingly.

In rural areas of Nepal, women engaged in agriculture are now severely challenged by the impacts of the climate crisis, which needs to be addressed by transformational gender strategies. Climate Action will be given special attention, and we will increasingly invest in developing our programmatic approach on climate justice for women. Climate-Resilient Agriculture methods and tools will be promoted and applied in agriculture projects and Disaster Risk Reduction and preparedness will be mainstreamed across all programmes. A healthy environment is also fundamental for sustainable change, and FCA contributes to this by mainstreaming climate action and environmental sustainability across all projects and partnerships.

FCA Nepal is committed to enhancing access to quality education and vocational training for marginalised communities. Our mission in education includes improving teacher training, modernizing curricula, and strengthening the Technical and Vocational Education and Training (TVET) system to ensure inclusive and equitable education opportunities. By integrating TVET and enterprise development, we aim to provide youth and women with the skills needed for green and sustainable livelihoods and economic growth. Through strategic partnerships and advocacy, FCA strives to create an enabling environment where all individuals can realize their right to quality education and professional development.

Women's economic empowerment through enterprise development and livelihood creation will be at the centre of FCA's work in Nepal.

FCA foresees continuing to work with and through local and national partners in development, humanitarian and advocacy interventions; while strengthening their capacity. In addition, effective collaboration with the government at



various levels will be ensured. Linkage and contribution towards the government's priorities will be at the core of the programme. From the planning stage, partners and communities will be ensuring sustainability through the work eventually being taken over and owned by the local governments after the project is completed. Efficient implementation and roll-out of policies by the elected local level governments is key for a progressive development, which will be supported through capacity strengthening initiatives by FCA and its partners.

To ensure the rights of marginalised groups, FCA's and partners' advocacy work will focus on Caste-Based Discrimination, rehabilitation of ex-bonded labourers, equal opportunities for women, access to quality TVET and climate justice. FCA advocates to change policies and structures that create and maintain poverty, discrimination, and the non-realisation of human rights. This is done by providing enabling support to women and community-led and owned groups to ensure the realisation of their rights and advocating toward all tiers of government (federal, provincial and national). FCA will continue applying a comprehensive approach linking socio-economic resilience of marginalised and excluded groups to inclusive civic space and good governance.

This strategy is in effect 2024-2028 and will be revisited on a regular basis and amended if required.

THEMATIC GOALS

Right to Livelihood

FCA promotes the right to develop, secure and sustain livelihoods through employment, entrepreneurship and strengthened resilience.

The main priority will be marginalised rural women's economic empowerment through enterprise development. Women will be supported through market-oriented vocational and skill training and development of micro and small enterprises, with the goal of business growth and job creation. This will contribute towards promoting gender equality with increased opportunities for both women and men. FCA will develop the capabilities and opportunities of marginalised groups to create resilient and sustainable livelihoods and incomes. To ensure inclusive economic empowerment, FCA will work with People with Disabilities by providing tailored vocational and skill training, ensuring accessibility, and promoting inclusive business environments. FCA's local civil society partners will work in close collaboration with the private sector actors throughout the value chains and local level municipality governments. An enabling environment for market and trade at local and regional levels will be promoted.

Market assessments and linkages with the private sector and other market actors will ensure viable and sustainable livelihood options. Women's groups connected to the cooperatives will support their members in accessing government services, facilities and public resources and these topics are also included in advocacy influencing more inclusive policies from the government. Ensuring women's access to productive resources, finance and other instruments such as insurance will be essential for the growth and sustainability of the enterprises. Efforts will be made to address the issue of women not having the required capital or collateral to gain access to finance and start their own businesses. Business start-up support will be provided to the new entrepreneurs.

Youths in these communities will be made aware of TVET opportunities and their access to this will be enabled through linkage with TVET providers and advocacy towards the government, as a means to improve their livelihood. The CP will promote key concepts such as innovation, resilience and sustainability and transform them into practical action. Digital solutions will be considered and promoted wherever possible, for example in agriculture production and enterprise development.



Ensuring women's access to productive resources, finance and other instruments such as insurance will be essential.

We will prioritise gender transformative approaches, focusing on women's role in agriculture and the impact of the climate crisis on them. FCA will implement initiatives like promoting labour-saving technologies, strengthen women economically, advocating for gender equality in decision-making and resource allocation, and providing support for women-led cooperatives. Efforts will be made to commercialise farming, turning subsistence farmers into entrepreneurs, and collaborating with agri-businesses. Support will be given to scale up and roll out Climate-Resilient Agriculture (CRA) practices.

FCA will be promoting non-traditional enterprises and livelihood opportunities which break gender or ethnicity stereotypes or are in more modern and innovative sectors than what has been focused on in the past. The potential sectors for this include green economy, creative and digital livelihoods, waste management and circular economy, transportation, agri-processing/post-harvest, sports and recreation, construction, hospitality and the beauty/cosmetic industry. Returning migrants may be a new target group for FCA in this area. There is good scope in Nepal to bring FCA's Creative Industries programme and efforts towards this will be prioritised. FCA will collaborate with the private sector to create job opportunities and identify potential for investments, also coming from returning migrants.

Right to Quality Education

FCA improves access to quality education through Education Sector Development, Technical and Vocational Education and Training (TVET) and Education in Emergencies (EiE).

FCA will support education sector development by collaborating with government authorities in the education sector, related to teacher training, curriculum development, and TVET with the aim to develop the pre-service teacher training system and ensure provision of continuous professional development opportunities (in-service training). To strengthen resilience and quality of teaching and learning outcomes FCA will support to update and modernise curriculums. To add value to this work, the Finnish education expertise, and experiences from similar work in other FCA CPs will be tapped into. Greening the education system will also be a priority. We will ensure that educational opportunities are accessible to People with Disabilities by advocating for inclusive policies, providing necessary resources and support, and collaborating with partners to remove barriers to education.

Vocational training in Nepal is largely inaccessible to marginalised communities because of the concentration of TVET services are primarily found in urban areas. Women have negligible access to TVET services due to barriers created by the



patriarchal norms and discrimination against women. FCA, in collaboration with its partners, will advocate for policies and initiatives aimed at providing skill training opportunities for marginalised women and youths as well as breaking gender stereotypes. Linkages will be developed between the FCA implemented skill training on enterprise development and the formal TVET system for certifications and strategic collaboration.

To strengthen resilience and quality of teaching and learning outcomes FCA will support to update and modernise curriculums.

In case of humanitarian disasters FCA's approaches on Education in Emergencies (EiE) will be considered as a response strategy.



Right to Peace

FCA contributes to conflict prevention through promotion of inclusive good governance and social cohesion.

The peace theme will be integrated throughout the programme as FCA seeks to promote social inclusion and cohesion, meaningful participation and leadership of excluded and marginalised groups, with a specific focus on women, Dalits and ex-bonded labourers communities, in decision-making at community, local and national levels. Awareness work will be done towards the general public to change norms, values and attitudes towards a higher level of equity. Integrating the peace theme into livelihoods interventions will promote inclusive processes and constructive dialogues at various levels. Through supporting capacities and space for civic action by these groups, they can effectively participate in and influence decision-making in

governance at different levels advancing the realisation of their human rights. In the next strategy period, FCA will further focus on supporting meaningful participation of young women and men and strengthening partnerships with youth networks and actors in Nepal.

The relationship with the Network for Religious and Traditional Peacemakers will be strengthened and synergies will be explored at the regional level. Efforts will be made to expand the donor base for the portfolio on inclusion and participation.

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ORGANISATIONAL DEVELOPMENT

Localisation

FCA's Localisation Framework highlights five key approaches in supporting localisation: Promoting community designed and led approaches, building and strengthening local capacity, supporting participation and ownership, and building resilience and defending civil society space and voice. At FCA, we anticipate that the localisation agenda is strengthened within the coming years, and INGOs will find various ways to execute localisation in meaningful ways. The funding architecture is changing and will require organisations such as FCA to find new venues to secure support for people in need in our operational contexts.

In Nepal, FCA constantly strives towards applying meaningful and relevant operational models. Local registration and business-oriented solutions, such as establishing an enterprise, are some of the possible tools to increase impact in the environments where traditional development funding is decreasing. A detailed plan will be prepared for how FCA can do this in Nepal, at the beginning of the next five-year period. These concepts and the overall process will be further detailed out jointly in dialogue between the Nepal Country Office and the Service and Accountability Centre (SAC). FCA will also be intensifying its regional programming and map out synergies with its office network in Asia, which is expected to strengthen our positive impact in Nepal.

As part of our continued localisation efforts and aligned with FCA's Localisation Framework, we will strengthen the capacity of Civil Society Organisations (CSOs) including that of local level networks and alliances, as well as for youth groups. Informal and formal dialogues, trainings, networking platforms for exchange through learning and sharing between different groups in society will be facilitated. Topics and themes include a range of capacity areas such as gender, human rights, good governance, emergency preparedness, climate action, and disability inclusion. CSOs will be enabled to raise and bring issues from communities to policymakers at higher levels.

In Nepal, FCA constantly strives towards applying meaningful and relevant operational models.



Organisational Goals

FCA's global strategy has four Organisational Goals (OGs) to ensure effective, efficient, accountable, and well-resourced work to pursue the thematic goals.

OG1: FCA promotes rights-based interventions based on the UN's Sustainable Development Goals through the modalities of development cooperation, humanitarian assistance, advocacy and investments

Modalities

The main modality for the CP will be long-term development work coupled with advocacy, with a specific focus on marginalised groups' participation, socio-economic resilience, and equality. An integrated approach will provide the rights-holders and their communities with a holistic development leading to prosperity and dignity following the principles of a Rights-Based Approach (RBA).

The CP will work towards reduced discrimination, increased equality and enhanced social cohesion with a clear focus on human rights. FCA programmes will provide marginalised rights-holders with the skills to play an active and leading role in societal development. The design, planning and monitoring of all projects will be done with the rights-holders at the center and with a high degree of participation.

FCA, partners, and rights-holders will influence policymakers at all levels of the government to promote and protect the Social and Economic Rights of marginalised groups. Our focus is on transparent, responsive, and participatory policies and processes. To achieve this, we will raise awareness and build the capacity of

rights-holders, partners, and duty-bearers. Creating enabling environments for individuals to advocate for their rights through meaningful participation will be a key strategy through collaboration between rights-holders, CSOs, and government bodies. Space for advocacy will be created by linking community groups with local, district, provincial, and federal networks for policy advocacy. Youths are considered key change agents in the advocacy work.

Gender equality will be improved through raised awareness and FCA will promote and prioritise women’s meaningful participation in decision-making on family, community and government levels. This will increase their access to productive resources at private and public spheres, which will contribute to a wider social change and a more equal society. Men’s engagement and involvement in the activities and awareness programmes is crucial for the success and sustainability of the work.

FCA will be striving for agility and a readiness to respond to external changes in our programming as well as changes within the organisation. FCA is prepared to provide humanitarian assistance in the case of a humanitarian crisis and has prepared an Emergency Preparedness and Response Plan (EPRP) and Contingency Plans for this purpose. In case of emergencies, FCA’s Education in Emergencies and humanitarian livelihood programmes will be implemented to restore access to education and livelihood opportunities for the affected groups. We will collaborate with local CSOs, government authorities and development partners in our emergency responses.

All of FCA’s work will be implemented in long-term partnerships with local or national partner organisations, as per the regulations for INGOs in Nepal. FCA will continue to carefully select partners with a good track record and strong legitimacy from communities. These partners will have sound experience working on FCA’s prioritised themes, and the ability to work with integrated approaches. FCA’s added value will be to support and strengthen our partners further in their work through FCA’s specific areas of expertise and international network. New forms of strategic partnerships with the private sector and other actors working on innovations and technical and digital solutions will be developed.

FCA will be collaborating with like-minded CSOs and the government on national level policy works. Nepal has several useful arenas for dialogue, coordination and collaboration such as the Association of International NGOs (AIN), ACT Alliance Nepal Forum, UN clusters and other thematic working groups that create synergy through shared learning platforms. The CP will actively engage with the Embassy of Finland in Nepal and the Finnish bilateral cooperation support to Nepal.



Sustainable Development Goals

FCA’s work in Nepal will contribute to the following SDGs:



OG2: FCA commits itself to quality, accountability, sustainability

Quality and accountability

A key measure to ensure quality and accountability will be to apply a participatory approach throughout the program cycle involving the government, partners, the communities and other relevant stakeholders. Effective mechanisms for Monitoring, Evaluation, Accountability and Learning (MEAL) will be developed and ensured. The CP will have a clear focus on results and will promote and raise the capacity of staff and partners on Results-Based Management. The Core Humanitarian Standard (CHS) including safeguarding mechanisms will be applied. FCA and partners will be accountable and transparent towards the communities through social audits, public hearings and complaint response mechanisms. All government compliances related to MEAL, labour law, tax regulations etc. will be fulfilled. Cost-effectiveness and value for money will be considered in all FCA's work.

FCA will take a role as facilitator to create platforms for knowledge sharing on themes relevant to the CP. Knowledge management and learning will also be done through cross-learning and sharing between FCA Country Offices, Service and Accountability Centre and other actors in the country including the different levels of the government. The Country Office leadership will ensure lessons learned are integrated into future plans.

OG3: FCA puts emphasis on leadership, professional management of people and long-term planning of all human resources

Strategic people management and key competencies

The competent and strong Country Office team will ensure expertise on the relevant thematic areas and issues. Skills on private sector engagement and enterprise development will be given priority along with business development and fundraising skills. The leadership will support establishing a strong, happy, and healthy team working in an open, positive, encouraging and conducive work environment. FCA will uphold an inclusive atmosphere where diversity is welcomed. A positive work-life balance will be actively promoted. Grievances handling procedures will be in place. The lifecycle of FCA employment from recruitment to exit will be well executed and the human resource systems fair and adequate. Capacity building will be encouraged when relevant.



As the programmes grow, additional human resources, infrastructure and equipment will be required to ensure efficient operations. In case of a humanitarian crisis, the CP also needs access to financial and human resources on both Education in Emergencies and humanitarian livelihood.

OG4: FCA actively seeks collaboration with donors and uses financial resources in an ethical and effective way

Fundraising priorities for sustainable income and growth

The key priority for fundraising will be to achieve a more diversified funding portfolio, with strengthened partnerships with development partners such as GIZ, UN Women, EU and private and corporate foundations. This will enable us to expand our programmes, achieve more and reduce the current dependency on the Finnish Ministry of Foreign Affairs, Women's Bank, and FCA's internal funds. FCA's investment mechanism (FCAI) will be considered. Fundraising for climate justice, Climate-Resilient Agriculture, non-traditional enterprise development and digitalisation efforts will be given extra attention.

Nepal's planned LDC graduation will lead to shifting donor priorities. Some donors are expected to leave the country whereas others will focus more on private sector engagement and investments. This will likely leave a void in terms of funding for

work on human rights, gender equality etc. To ensure continued funding for FCA's work in Nepal it is essential to closely monitor shifting donor priorities and align our work with that, without letting go of our core objectives. There is a clear opportunity to showcase FCA's expertise and relevance to donors also in a post-LDC Nepal, particularly concerning enterprise development, investment and private sector collaboration.

Actions such as detailed donor mapping, promotional materials, concept paper development, strengthening donor relations and private sector engagement, and collaborating closely with the Grants Unit at FCA Service and Accountability Centre are necessary to ensure sustainable growth for FCA, especially considering the intense competition. The capacity to deliver high quality results and strong grants management will be maintained. Networking and external engagement will be given high priority by all programme staff and the Country Office's leadership and management.

Good governance

All FCA and partner programmes respect the principles of good governance, setting an example on transparency and accountability. Capacity will be strengthened where gaps are identified. Partners' governance and management mechanisms will be supported and compliance and alignment with government and donor priorities will be ensured. Inclusive governance systems and human resource best practices will be promoted, and capacity on procurements, financial management and internal control will be ensured. Risk management assessments will be conducted at the community, project and CP levels. Projects will be monitored closely, and topics related to Code of Conduct, safeguarding, corruption, fraud, complaints, will be part of regular dialogues with partners.

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New forms of strategic partnerships with the private sector and other actors working on innovations and technical and digital solutions will be developed.



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