

## FOREWORD

**This report forms an integral part of the Asian Development Bank's (ADB's) continuing efforts to focus on poverty in Nepal. ADB has launched a series of initiatives to analyze the nature and causes of poverty in Nepal and to develop better approaches to reduce it, following adoption of poverty reduction as ADB's overarching goal in November 1999. Important among these initiatives is the preparation of a poverty assessment to better understand the nature of poverty in the country and to provide a set of strategic options for ADB in helping the Government reduce poverty.**

The draft report was presented during the High-Level Forum on Poverty held in Kathmandu on 26 February 2001. Participants in the forum assessed the report and presented their views on the specific role of ADB in assisting the Government to operationalize its strategy. The key findings of the report and discussions during the High-Level Forum culminated in the signing of a poverty reduction partnership agreement between the Government of Nepal and ADB in Kathmandu on 21 October 2001. The agreement formalized a sustainable partnership setting out a long-term vision and agreed targets and strategies for reducing poverty.

The report benefited from comments by the National Planning Commission, the Ministry of Finance, other stakeholders in Nepal, and various ADB departments and the Nepal Resident Mission (NRM). Sungsup Ra, Economist, Operations Coordination Division, South Asia Department (SARD) and Brian Fawcett, Principal Project Economist, Agriculture, Environment and Natural Resources Division, SARD, coordinated and finalized the study with the assistance of Yuriko Uehara, Craig Steffensen, Bhuban B. Bajracharya, Suman K. Sharma, and Erik N. Scarsborough. Earlier work of the study was coordinated by Joseph E. Zveglich, Economist, Sri Lanka Resident Mission. Marshuk Ali Shah, Country Director, Pakistan Resident Mission, former Programs Manager, Division 1, Programs Department (West); Richard Vokes, Country Director, NRM; and Hafeez Rahman, Director, Operations Coordination Division, SARD, provided overall guidance. Vikki Victoriano typeset the draft report.

**Yoshihiro Iwasaki**  
Director General  
South Asia Department

## ABBREVIATIONS

<b>ADB</b>	–	<b>Asian Development Bank</b>
<b>APP</b>	–	<b>Agricultural Perspective Plan</b>
<b>CBS</b>	–	<b>Central Bureau of Statistics</b>
<b>CBO</b>	–	<b>community-based organization</b>
<b>COS</b>	–	<b>Country Operational Strategy</b>
<b>CSP</b>	–	<b>Country Strategy and Program</b>
<b>GDI</b>	–	<b>gender development index</b>
<b>GEM</b>	–	<b>gender empowerment measure</b>
<b>HDI</b>	–	<b>human development index</b>
<b>HDR</b>	–	<b>human development report</b>
<b>HMGN</b>	–	<b>His Majesty’s Government of Nepal</b>
<b>ICIMOD</b>	–	<b>International Center for Integrated Mountain Development</b>
<b>IFAD</b>	–	<b>International Fund for Agriculture Development</b>
<b>IPRS</b>	–	<b>Interim Poverty Reduction Strategy</b>
<b>MPHBS</b>	–	<b>Multi-Purpose Household Budget Survey</b>
<b>NESAC</b>	–	<b>Nepal South Asia Centre</b>
<b>NGO</b>	–	<b>nongovernment organization</b>
<b>NLSS</b>	–	<b>Nepal Living Standards Survey</b>
<b>NPC</b>	–	<b>National Planning Commission</b>
<b>NRs</b>	–	<b>Nepalese rupees</b>
<b>PAF</b>	–	<b>Poverty Alleviation Fund</b>
<b>PRPA</b>	–	<b>Poverty Reduction Partnership Agreement</b>
<b>PRS</b>	–	<b>Poverty Reduction Strategy</b>
<b>TA</b>	–	<b>technical assistance</b>
<b>UNDP</b>	–	<b>United Nations Development Programme</b>

## NOTES

- (i) The fiscal year (FY) of the Government ends on 15 July. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2001 ends on 15 July 2001.
- (ii) In this report, “\$” refers to US dollars.

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