

**United Nations Peace Fund for Nepal (UNPFN)
Project Status Update
For the period of [January – March 2013]**

1. Project Overview

Participating UN Organization(s):	UNDP, UNICEF, UNFPA, ILO (ILO component ended in May 2012, and UNFPA component ended in Jan 2013)	UNPFN Project number:	UNPFN/A-7
		UNPBF Project number (if applicable):	

UNPFN Cluster area:	Cantonments / Reintegration
UNPFN Funding round Strategic Outcome:	
UNPBF Priority area (if applicable):	NA
UNPBF PMP Result and indicator (if applicable):	NA

Project Title:	United Nations Interagency Rehabilitation Programme (UNIRP)		
National Partners:	Ministry of Peace and Reconstruction (MoPR)		
Project start date:	01 Jun, 2010	Original Project end date:	31 May, 2012
Revised end date (if applicable):	31 Aug, 2015	Anticipated total Project duration:	63 Months

Total approved project budget:	US\$ 11,851,717		
Funds committed and spent to-date by the project:	Committed: US\$ 11,851,717	As % of approved budget:	100%
Funds spent to-date by the project:	US\$ 10,425,616	Project delivery rate:	88%

2. Description of project goal and strategy

The project aims to support the socio-economic rehabilitation of the Verified Minors and Late Recruits (VMLRs) from the Maoist army into civilian life. It provides training and education support complemented by various cross-cutting services, including gender-specific support, health and psychosocial support, as well as follow-up individual career counselling, business mentoring, community-based peacebuilding activities, job placement support and life-skills training. All the project components have been designed and implemented with conflict and gender sensitivity, and they are intended to contribute to the national peacebuilding process in accordance with the Comprehensive Peace Agreement (CPA) and Agreement on Monitoring of the Management of Arms and Armies (AMMAA).

As a result of an individual tracing initiative conducted in May 2011, the actual number of VMLRs in Nepal was revealed to be 3,040 instead of 4,008; the tracing initiative found that 60% of the 1,614 VMLRs who were absent in the discharge ceremonies had already left the country to work abroad (NOTE: details are mentioned in 1.5).

3. Overview of progress to-date against project outcomes

Project Outcome(s)	Progress: Achievements/Results/Outputs Delivered To-date	% of planned
1.Verified Minors and Late Recruit (VMLR) participants are supported in their socio-economic rehabilitation	<p>1.1. Individual Rehabilitation Option Packages are prepared and made available to participants</p> <p>Of the 3,040 VMLRs who are presently in Nepal, 2,743 (90%) of them had contacted UNIRP through the toll-free phone number or by visiting the regional offices. Of the 3,040 VMLRs, 2,477 (81%) received career counselling and were referred for training or education. In total, 2,231 (73% of 3,040 VMLRs) enrolled in one of the four rehabilitation options.</p> <p>As UNIRP approached its closing date of January 31, 2013, it became apparent it would be useful to extend the programme to consolidate the hard won results and to maximize its positive impact. In late 2012, many VMLRs -- including 151 'late applicants' who had enrolled in the programme in September 2012 upon the request of the Government</p>	73%

of Nepal -- graduated from the training programmes. These fresh graduates required follow-up services for at least six months, including monitoring and counselling services to help them adjust to their newly-acquired skills. Similarly, nearly 90% of the education participants were still in their studies, and they also needed continuous support. Therefore, in consensus with the Ministry of Peace and Reconstruction (MoPR), the components of UNIRP have been extended until 2015. This extension has allowed UNIRP to address participants' on-going needs as well as to provide follow-up support of emerging rehabilitation opportunities, such as linkages to affordable loans and employment opportunities. With a reduced staff, UNIRP provides crucial follow-up support, such as business mentoring, counselling, facilitation of micro-credit linkage, and links to job opportunities for participants for an additional six months (these components will conclude by the end of July 2013). However, UNICEF will continue to support education participants upon their graduation in August 2015.

1.2. Access to Employment and Livelihood Opportunities Promoted:

Of the 1,758 participants who graduated from Vocational Skills Training (VST), Micro-Enterprise (ME) and health training (not including education graduates), 1,234 (70%) of them are self/employed. During this reporting period, **the employment rate has increased by 8%** due to rigorous post-training support, such as career counselling, enhanced support to VST graduates, case-by-case support to ME graduates, as well as tracing and face-to-face monitoring and linkages with micro-credit.

Based on the needs of graduates, UNIRP prioritized its programmes on facilitating linkages with Micro Finance Institutions (MFIs) that would enable participants to access loans for the purposes of promoting their businesses. Many participants who often come from poor and economically disadvantaged backgrounds experience difficulties accessing loans from banks or other MFIs. This is sometimes due to their lack of property that would serve as collateral, or a lack in confidence that they will be able to repay the loans. UNIRP worked to map potential MFIs, such as local banks, savings and credit organizations, as well as cooperatives to link these participants with credit opportunities. Furthermore, UNIRP signed a Memorandum of Understanding (MoU) with the Youth and Small Enterprises Self-Employment Fund (YSESEF) under the Ministry of Finance to ensure a partnership between YSESEF and UNDP to provide financial services to UNIRP participants. The fund from YSESEF provides microcredit soft loans in amounts up to NRs. 200,000 per individual without collateral.

To build local capacity on the YSESEF arrangement and facilitate effective linkages between MFIs, as service providers of YSESEF, and UNIRP graduates, UNIRP organized eight orientation workshops. The workshops helped UNIRP graduates understand the loan processing mechanism that also enhanced the capacity of local YSESEF partner MFIs. A total of 419 UNIRP graduates participated in eight workshops. Also, UNIRP has worked to enhance accessibility to loans through business mentoring and community-based linkages. As a result, over 152 graduates received micro-credit from local banks or financial institutions, or they became members of local saving and credit groups in order to expand and sustain their businesses. As of March 2013, 14 participants received loans through YSESEF.

Furthermore, it was observed that the YSESEF workshops were effective not only in facilitating the participants' access to loan, but also for encouraging participants to start and improve their businesses through interactions with other participants who have opened successful businesses. Most of the participants who attended the YSESEF workshops demonstrated a strong interest in receiving YSESEF funds. While the loan is more accessible to the participants, and attractive for its lower interest rates compared to other loans, procedural steps, certificates, and selection processes were required by each borrower. As a result, the workshops helped to fill the knowledge gap between the graduates' expectations and the actual loan process.

1.3. Participants Received Career and Psychosocial Counselling

Career counselling plays a vital role in supporting the VMLRs' socio-economic rehabilitation. Many VMLRs had spent most of their productive time in conflict and lacked the skills, education, family support and clear guidance that would lead them to sustainable livelihoods. To address this issue, UNIRP provided career counselling to all

2,477 participants who were referred to the training or education component of the programme. Throughout the process, UNIRP maintained post-training career counselling through continuous and on-going field visits. Together with the graduates, UNIRP staff identified the barriers preventing them from attaining their goals and then developed a career plan complete with feasible and concrete steps to help them reach their goals. Career counselling has contributed to the ability of graduates to successfully access financial resources for their business, which also has contributed to a higher employment rate in general.

Business mentoring at UNIRP was designed to be an on-going support mechanism that would support the efforts of participants to expand their businesses in a sustainable way. Through business mentoring, UNIRP staff provided guidance on how to develop new skills, link with local markets, mobilize resources, establish customer relationships, access low interest loans, and promote their businesses. To date, 925 programme graduates have received business mentoring services based on the results of face-to-face post monitoring and telephone monitoring. Evaluated on a case-by-case basis, UNIRP staff provided individualized career counselling and business mentoring in a variety of areas: resources for potential job opportunities, training on the loans process, record-keeping of transactions, and family counselling that would encourage family support for their businesses. UNIRP staff also assisted in helping the participants diversify their business plans to match the market needs. They also gave them an opportunity to observe how other successful participants in similar businesses manage their problems. Throughout the process, the staff provided positive feedback and encouragement by emphasizing their achievements and showing them how to cultivate positive relationships with their customers as well as wholesalers.

Regarding psychosocial counselling, nine (M5, F4) participants were referred to the Centre for Victims of Torture (CVICT) for specialized care. During this quarter, only the urgent cases were provided support.

1.4. Specific Gender Needs of VMLRS Are Met and Special Gender Considerations within the Broader Community Associated with the Process Prioritized

UNIRP successfully facilitated a considerable level of participation by women and girls. Of the total VMLRs who were discharged, 30% were women, while the percentage of women participants who enrolled in the rehabilitation options is 38%. Most elements of the gender support are complete, however child care grants, nutritional diet programme for lactating mothers and pregnant women as well maternity allowances are still delivered to programme participants and their dependents.

1.5. Individual Rehabilitation Packages are Implemented:

UNIRP provided rehabilitation support through four sectoral options: Vocational Skills Training, Micro-enterprises, Education, and Health related Training. All of the trainings have been completed, and only the Education component of the programme will continue under UNICEF.

To sum up the key statistics as of the end of March 2013:

Rehabilitation Option	Total number enrolled by sector	Those currently in training /education	Those who have dropped out	Those who have completed training/education	Those Employed / Started own business
Vocational Skills Training	441 (1% F, 99% M)	0 (0% F, 0% M)	28 (0% F, 100% M)	413 (1% F, 99% M)	222 (1% F, 99% M)
Micro-enterprises	1323 (48% F, 52% M)	26 ¹ (8% F, 92% M)	9 (11% F, 89% M)	1288 (49% F, 51% M)	991 (48% F, 52% M)
Education	406 (44% F, 56% M)	358 (44% F, 56% M)	20 (15% F, 85% M)	28 (57% F, 43% M)	-
Health Training	61 (30% F, 70% M)	1 (100% F, 0% M)	3 (0% F, 100% M)	57 (27% F, 73% M)	21 (24% F, 76% M)
Total	2231 (38% F, 62% M)	385 (42% F, 58% M)	60 (7% F, 93% M)	1786 (38% F, 62% M)	1234 (40% F, 60% M)
Employment Rate (%)					70% (of the total 1758)²

Those who graduated from training are provided post-training support, such as Enhanced Livelihood Support (ELS) and Business Promotional Support (BPS). ELS was developed as a follow-up support mechanism for the VST graduate, particularly those who remained unemployed. To date, 77 VST graduates received this support on a case-by-case basis through skills upgrade training, On-the-Job (OJT) training, or diverse support for establishing their own micro-enterprises. As a result, the employment rate of the VST graduates has increased by 5% from 49% to 54%. Similarly, BPS was developed for the ME graduates in order to enhance the sustainability of their newly-established enterprises. To date, 1,194 participants out of 1,288 ME graduates received BPS. The self-employment rate of the ME graduates has increased by 10% from 67% to 77% in the reporting period.

1.6. Phase-out Strategy and Programme Closure Are Implemented:

In consultation with MoPR, UNIRP plans to conduct a specific capacity building session for Government staff to hand over the UNIRP database and information management system. In January, MoPR selected technical staff to take over of the database and information management system. To initiate this process, a four-week institutional training on the Microsoft SQL server 2005 will be taking place in April-May 2013.

As part of the operational and financial closure of UNIRP, the auctioning of surplus assets, such as furniture, generators from closed/merged regional offices took place during the reporting period. The main activities of the operational and financial closure will begin in July.

2. Communities were engaged in supporting the rehabilitation of VMLR participants

2.1. Public Sensitization and Information Campaign Designed and Implemented

On January 15th, 2013, UNIRP launched its official website. It contains information regarding programme activities, success stories, photos and videos. The UNIRP website is now available via the following link: <http://www.unirp.org.np/>.

In February, a UNIRP newsletter was published and distributed among UN agencies, Government counterparts, major political parties, donors, implementing partners and other stakeholders. The newsletter is available on the UNDP Nepal's website (website) and the Multi Partner Trust Fund website called 'Gateway' (<http://mptf.undp.org/factsheet/fund/NPF00>).

2.2. Broader Community Assisted in Addressing Socio-economic Rehabilitation of VMLRs:

This component of UNIRP involved various peacebuilding activities and events held delivered through UNICEF'sCAAFAG networks, NGOs and Community-Based

¹ Virtually all participants except those enrolled in education completed their training. These 26 micro-enterprise participants are categorised as 'in training', because they finished training but haven't received business start-up support. Most of them are under foreign employment. UNIRP will consider them either 'spontaneous reintegrated' or 'drop-out' based on their current status through follow-up.

² 1,758 are those who have completed training under VST, ME and Health option. 31 graduates under vocational skills training refused jobs offered, because they receive income from other sources. The employment rate will rise to 72% if these are considered as employed.

Organizations (CBOs). A broad range of events included street theatre performances, talent shows, and essay, poem, dance, song-writing and public speaking competitions focussed on themes of promoting and protecting the rights of children. Other activities included a peace marathon, a workshop on peacebuilding and capacity development, a psychosocial health camp, and programmes on school and garden sanitation.

2.3. Capacities of Service Providers for VST Enhanced to Deliver Demand Driven Training:

In May 2012, ILO completed this component of the programme. It provided a variety of capacity development initiatives to UNIRP service providers and partners, which included training on analysing the labour market, and teaching of necessary computer applications in the areas of training and education through the Training Institute management, ToT (Training of Trainers). TOT also provided information about effective enterprise development models.

4. Overview of Project Results, Achievements and Challenges in This Quarter

Additional Achievements

For this quarter, these following activities are additional achievements:

- UNIRP held a workshop in Nagarkot during first week of February 2013 to assess the progress and orient staff on priorities during the extended period until July 2013. The UNIRP staff were briefed and trained on how to shift focus to post training follow up and support services, which included the development of six-month work plan for each regional office, corresponding with UNIRP phase-out strategy. Fifteen UNIRP staff who participated in the workshop were reminded of the challenges in the delivering the planned activities with significantly-reduced human resources.
- UNIRP's database system, the Comprehensive Rehabilitation Information Management System (CRIMS), was updated to accommodate the follow-up of UNIRP's post-training plan. Several monitoring areas, such as career counselling and business mentoring, current monthly income, family information and marital status (inter-caste marriage etc) were updated in order to provide more details of the impact of the programme on VMLRs.
- In consultation with MoPR, UNIRP plans to conduct a specific capacity building session for Government staff to hand over the UNIRP database and information management system. In January, MoPR assigned technical staff to take over the database and information management system. To initiate this process, a four-week institutional training on Microsoft SQL server 2005 will be taking place in April-May 2013.
- UNIRP has been implementing elements of the phase-out strategy in close coordination and consultation with the interagency partners, MoPR and national stakeholders. The phase-out plan, which includes staffing and operational phase-out, has been regularly reviewed upon the level of its progress, workload and outstanding activities.

Major Challenges:

- Nepal's political uncertainty still remains a challenge, which may directly or indirectly impact UNIRP's operations at the local level. How the political situation will evolve is highly unpredictable. However, the programme has maintained consistency in its delivery, as well as its dissemination of key messages that have created a favourable environment for programme operations.
- In a poor and limited job market situation, employment and linkages to micro-credit upon the completion of training is considered a difficult challenge. In addition, graduates often refuse low-paid jobs due in part to unrealistic high expectations. The programme is working with MoPR and the private sector at local level to map potential opportunities to mitigate the risks.
- Following the completion of UNIRP, there will also be insufficient parallel programmes that will be able to deliver support to the VMLRs. UNIRP is working with MoPR to identify existing programmes for possible referral of VMLRs for future support.
- In the area of monitoring, it has been difficult to track participants who are residing in remote areas. In many cases, staff members must walk for days to reach a single participant. One of the continuous challenges to monitoring the participants has been the frequent changes to their contact information.

5. Progress Against Key Indicators in the UNPFN Monitoring and Evaluation Framework

UNPFN PRIORITY CLUSTER A. Cantonment/Reintegration

Intermediate Objective: The safe verification, discharge and reintegration of Maoist Combatants

(if applicable) UNPBF PMP Result: NA

Indicator: NA

Strategic Outcome	Contributing Outputs	Verifiable Indicators	Baseline (by year)	Milestones and Target (by year)	Current / Final Status
1. <i>The Government of Nepal and Maoist Army have the capacity to meet the CPA and AMMAA commitments for the cantonment, discharge, integration and rehabilitation of the Maoist army</i>	Third-party UN registration and verification of all cantoned Maoist army personnel in accordance with the Agreement on the Monitoring of the Arms and Armies (AMMAA)	2.1 # of registered personnel verified as qualifying for cantonment in accordance with agreed criteria	1.1 0 out of 32,250 registered (Dec 2006)	2.1 19,602 legitimate personnel verified (Dec 2007)	2.1 Registration accomplished during Jan-Feb 2007
		2.2 # of registered personnel verified as not qualifying for cantonment in accordance with agreed criteria	1.2 0 out of 32,250 registered (Dec 2006)	2.2 4008 verified as minors and late recruits (Dec 2007)	2.2 Verification accomplished during Jun-Dec 2010
	Improved reproductive health status of cantonment inhabitants (particularly women) and immediate surrounding communities A strategy immediately available to facilitate the Maoist army discharge and provide rehabilitation assistance Orderly discharge of verified minors and late recruits (VMLRs) from Maoist army cantonments in line with the AMMAA	2.3 Rapid commencement of discharge and rehabilitation activities further to final agreement on discharge	1.3 16 Dec 2007, agreement on discharge is signed	2.3 Timely start of the discharge process	2.3 A team of almost 60 UN personnel was deployed to Sindhuli cantonment on Jan 06, 2010.
		2.4 % former combatants (VMLRs) successfully discharged with UN support.	1.4 0 out of 4,008 registered VMLRs in Dec 2007	2.4 4008 of VMLRs registered and discharged by 23 March 2010	2.4 The discharge process began on 8 th Jan 2010 and completed on 23 rd March 2010.
		2.5 A timely offer and start of the rehabilitation assistance to discharged combatants	1.5 No rehabilitation programme (Dec 07)	2.5 Effective start date of the rehabilitation prog. (08 Jan 2010)	2.5 A toll-free line as first line of contact for VMLRs & five regional offices were opened on 8 th Jan 2010 & closed in Aug 2011.
		2.6 % of VMLRs participating in the rehabilitation programmes offered by the UN (disaggregated by gender)	1.6 0% (2008) *100% of VMLRs need rehabilitation support 40% of the 4,008 were absent during the discharge ceremony (discharge database 2011)	2.6 50% of 4008 VMLRs received rehabilitation support (Dec 2010) 80 % of 4,008 VMLRs received rehabilitation support (Dec 2011) 100 % of 4,008 VMLRs received rehabilitation support (May 2012)	2.6 2,231 VMLRs enrolled and supported for rehabilitation by end of September 2012
		2.7 % of VMLR participants enrolled in rehabilitation programme received psychological support	*60% of the VMLRs who were absent during the discharge ceremony had gone for foreign		

<p>VMLRs are supported in the socio-economic rehabilitation and reintegrated into civilian communities with suitable livelihood options and inline established global standards</p> <p>Communities engaged in supporting the rehabilitation of VMLR participants</p> <p>The UN is a strategic partner to the GoN that plays key role in providing rapid response to cantonment management, registration & verification, discharge & rehabilitation of Maoist army Personnel</p>	<p>2.8 % of VMLR engaged in constructive livelihoods six months after the completion of the rehabilitation training (disaggregated by gender)</p> <p>2.9 Communities perception of the local impact of the rehabilitation process</p> <p>2.10 % of VMLR participants who report being rehabilitated in their families & communities without stigmatization</p> <p>2.11 The UN provides and deploys quick and strategic assistance and support to the GoN</p>	<p>employment. Therefore, the number of UNIRP caseloads in the country was 3,040. *30% of the VMLR participants are women & girls (2011)</p> <p>1.7 70% of VMLR participants come with psychosocial needs</p> <p>1.8 0% (2008)</p> <p>1.9 NA</p> <p>1.10 0% (2008)</p> <p>1.11 The UN is seen by the parties as a neutral and strategic partner to support the CPA and AMMAA commitments for the cantonment, discharge, and rehabilitation of the Maoist army (2007)</p>	<p>2.7 30% of VMLRs with psychological needs benefited from psychosocial support</p> <p>2.8 60%³ of VMLRs which completed training (March 2012)</p> <p>2.9 70% of communities positive (Apr 2012)</p> <p>2.10 50% of VMLR participants (Apr 2012)</p> <p>2.11 Provision by the UN Agencies of quick, neutral and technical assistance along the different steps of the cantonment, discharge, integration and rehabilitation of the Maoist army</p>	<p>2.7 1,363 or 55 % of those counselled (2,477) were assessed by March 2013.</p> <p>2.8 1,786 or 80% out of 2,231 VMLRs completed their training by the end of March 2013.</p> <p>2.9 Continues interaction at community level with peace-building activities, collaboration with CAAFAG partners & targeted public information</p> <p>2.10 38% living with friends, 31% living with parents, 15% living with spouse, 4% living with siblings/other relatives, 9% living alone and 3% unknown.</p> <p>2.11 Rapid deployment of UN registration team Upon request from Government of Nepal, winter clothing was procured and delivered to cantonment over a period of three months. It involved procurement of goods in China and their shipment to Nepal. A UN Technical and Logistics Team of 60 staff hired, trained and deployed in less than two weeks to conduct the discharge of 4,008 Verified Minors and Late Recruits. Regular coordination meeting with Special Committees (SC), MoPR and partner agencies. Provided technical assistance to MoPR and SC on integration and rehabilitation.</p>
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³ The rehabilitation support runs for a period of two and a half years with the exception of education which runs for a maximum of four years.