

Impact Snapshot

Nepal Livelihoods Resilience Program

Nepal is a largely agriculture-based society, with around 80% of the population dependent on agriculture and livestock for their livelihoods and the sector contributing over 30% of national GDP. Climate change, pressure on land and water resources, urban migration and declining agricultural diversity are placing this livelihood base under growing strain. Women, children, Indigenous communities and marginalised caste groups are particularly vulnerable to resulting food insecurity. The 18 districts across six provinces where the Nepal Livelihoods and Resilience Program worked face recurring floods, landslides and pest outbreaks, while limited access to skills, resources, government services and markets constrained households' ability to adapt and diversify their livelihoods. Under this context, the program brought together three previously separate Caritas Australia-funded projects to support smallholder farmers, cooperative members, young people and people with disability to diversify income, improve food security and strengthen their capacity to withstand livelihood shocks.

Relevance

The program aligned Nepal's Agriculture Development Strategy 2015–2035 and National Adaptation Plan 2021–2050, particularly priorities for food security, inclusive livelihoods and climate resilience, as well as Caritas Nepal's Strategic Plan and Caritas Australia's funding strategy. Districts were selected based on vulnerability, while Farmer Field Schools, Asset-Based Community Development and existing cooperatives supported community-led planning and targeted groups facing greater barriers to livelihood opportunities.

At A Glance

Country: Nepal

Duration: July 2018 - June 2022

Sectors:

- **Livelihoods**
- **Disaster Risk Reduction**
- **Cooperative Development & Financial Inclusion**
- **Gender Equality & Social Inclusion**
- **Child & Youth Empowerment**

Total Reach: 223,792 directly including 147,040 women, 76,752 men, 63,648 children and 5,292 people living with disabilities; and 996,679 people indirectly

Funding/Donor: The Australian Government through the Australian NGO Cooperation Program (ANCP) and Caritas Australia



Project Interventions and Impact

Implemented in 18 vulnerable, poor and food-insecure districts across six provinces of Nepal, the Nepal Livelihoods Resilience Program combined livelihoods diversification, cooperative development, youth empowerment and disaster risk reduction to help farmers, cooperative members and young people diversify income, improve food security and better withstand livelihood and climate related shocks.

Sustainable Livelihoods and Agriculture

The program helped smallholder and commercial farmers and other households diversify production and income through Farmer Field Schools, Integrated Pest Management (IPM), homestay opportunities and vocational support. Integrated Pest Management training on soil and seed management, pest identification and locally produced organic fertilisers contributed to reported yield increases of around 30% compared with traditional farming methods, while reducing reliance on purchased inputs. Women farmers reported earning up to NPR 70,000 (AUD 836) annually from vegetable sales, alongside NPR 50,000 (AUD 600) from group paddy farming. Homestays also created new income opportunities linked to farm produce, with 27 operating throughout Machhapuchhre, most run by women. People with disability used vocational training and grants to establish businesses including carpentry and beekeeping, although participation remained below target. Weak market linkages, competition from cheaper imports and the absence of formal Integrated Pest Management certification limited returns for commercial growers.

"Previously, the production was just enough to consume at home but now I sell the produce at market... I am also able to manage household expenses, school fees for the children as well as have some savings." Farmer Field School Leader, Baijanath, Banke

KEY IMPACTS

Farmers using Integrated Pest Management techniques reported around 30% higher yields than traditional methods, alongside reduced reliance on purchased agricultural inputs such as harmful pesticides.

Women farmers using Integrates Pest Management techniques reported earning up to NPR 70,000 (AUD 836) annually from vegetable sales, plus NPR 50,000 (AUD 600) from group paddy farming.

In Machhapuchhre, 27 homestays created additional income linked to local farm production, with most operated by women whose husbands work abroad.

Disaster Risk Reduction

Disaster Risk Reduction was integrated across the program rather than delivered as a standalone stream. Child and youth clubs received awareness sessions using skits and drama, with participants demonstrating practical application of this knowledge, including volunteering to help extinguish a municipal fire. The program also supported local governments to construct flood-control infrastructure, including dams in high-risk districts such as Kanchanpur and Kailali. However, results were more limited among adults, as Disaster Risk Reduction training was delivered through a single short session rather than repeated sessions. Crop insurance uptake was also low, reportedly due to unclear guidance and limited responsiveness from the insurance sector. Farmers in flood-prone Terai districts continued to report crop damage despite receiving training. COVID-19 further affected implementation, with program resources redirected away from dedicated Disaster Risk Reduction activities in 2020 and 2021.

KEY IMPACTS

- Child and youth club members retained and applied DRR knowledge, including volunteering to help extinguish a fire in their municipality.
- The program supported local governments to construct flood control infrastructure, including dams in high-risk districts such as Kanchanpur and Kailali.

Cooperative Development and Financial Inclusion

The program established and strengthened cooperatives as a source of savings, affordable finance and business support, providing cooperative members with training in financial management, account keeping and business planning alongside collateral-free loans at a concessional 6% interest rate. Twenty-three cooperatives became fully functional, with revolving funds totalling around NPR 2 crore (AUD 238,500). Membership and savings increased substantially, including one cooperative in Badhaiyatal that grew from 25 to 755 members. Monthly savings among members increased from as little as NPR 20–25 (AUD 0.20-0.25) to NPR 200–500 (approximately AUD 2–5), strengthening access to locally managed financial services. Women also took on leadership roles within cooperatives and, in some communities, progressed into local government roles. However, it was found that loan sizes and cooperative share capital was too limited for many members to expand their farm and non-farm businesses at scale.

"The basic management of the cooperative was a mess. Audit and billing system were also messy. But now with the capacity building training such as management, Asset Based Community Development, Disaster Risk Reduction, proposal writing, the cooperative is functioning efficiently." Cooperative Manager, Bardiya

KEY FINDINGS

- Twenty-three cooperatives became fully functional, with combined revolving funds of around NPR 2 crore (AUD 238,500).
- One cooperative in Badhaiyatal grew from 25 to 755 members, expanding access to savings and affordable finance.
- Monthly savings increased from as little as NPR 20–25 to NPR 200–500, strengthening household access to locally managed financial services.
- Women took on leadership roles within cooperatives, with some going on to stand for and win positions in local elections.
- A 437-member cooperative in Rajapur, more than half women, built NPR 58.44 lakh (AUD 69,687) in savings and a loan portfolio of NPR 39.41 lakh (AUD 46,995).



Child and Youth Empowerment

The program supported children and young people to participate more actively in their schools and communities through child and youth clubs, cooperatives and training on child rights, disaster risk reduction, local governance and financial literacy. Child clubs successfully advocated for a school meal program, which was associated with improved attendance and reduced dropout. Children also reported monitoring teacher punctuality and could identify several support services, including the child helpline 1098 and GBV helpline 1145. Youth cooperatives used small revolving funds to establish and grow businesses, including a noodle factory that created local employment and a tailoring business that grew from an initial NPR 30,000 investment to around NPR 2.5 lakh (AUD 2,932). However, some training content, particularly child protection policy and Asset-Based Community Development, was too conceptual for younger participants.

KEY FINDINGS

- Child club advocacy contributed to a school meal program associated with improved attendance and reduced dropout.
- Children could identify multiple support services, including the 1098 child helpline and 1145 GBV helpline, and reported feeling safer in their communities.
- A youth cooperative loan helped one member grow a tailoring business from an initial NPR 30,000 investment to around NPR 2.5 lakh (AUD 2,932).
- A youth run noodle factory created local employment, demonstrating how small cooperative funds could support emerging enterprises..

KEY FINDINGS

- Women reported increased financial independence and confidence, with many no longer relying on husbands to manage household money.
- Women took on leadership roles within cooperatives and committees, with some progressing into elected local government positions.
- Community-based Human Rights Defenders and youth-led awareness activities supported action on gender-based violence and early marriage, with respondents reporting declines in several districts.
- People with disability used targeted vocational training and financial support to establish small businesses, including goat rearing and clothing retail.

Gender Equality and Social Inclusion

The program increased women's access to livelihoods, financial resources and leadership opportunities, with women comprising most trainees across its components. Women reported greater confidence and financial independence, with many no longer relying on husbands to manage household money. Women also took leadership roles in cooperatives and committees, with some standing for and winning local government positions. Community-based Human Rights Defenders supported survivors of gender-based violence, while youth-led awareness activities addressed gender-based violence and early marriage, with respondents in several districts reporting declines in these issues. People with disability received targeted vocational training and grants or loans to establish small businesses, including goat rearing, cold storage and clothing retail. However, participation of people with disability remained below program targets, indicating that further effort is needed to make livelihood opportunities more accessible and inclusive.



Sustainability

The prospects for sustainability vary across the program. Integrated Pest Management has the strongest foundations for continuing beyond the project. Farmer groups are formally registered and linked with cooperatives, participants are sharing what they have learned with other farmers, and local governments are increasingly supporting the approach. For example, Kankai municipality contributed NPR 10 lakh (AUD 11,925) to continue Integrated Pest Management training after the project ended. The outlook for the cooperatives is more mixed. Established saving practices and continued demand for homestay and livestock businesses provide a good basis for ongoing activity. However, limited share capital and loan ceilings restrict their ability to grow without additional funding. Youth cooperatives face similar challenges. The Asset-Based Community Development approach was introduced late and tested in only two districts, so its longer-term contribution is not yet clear. Continued support from local governments, additional capital for cooperatives and ongoing technical support would help build on the project's gains. Extending relevant training to parents and teachers could also help ensure that knowledge and skills reach beyond the project's direct participants.

Case Study

Jyoti Tharu (name changed), from the Tharu community, previously relied on informal moneylenders known locally as Mahajans and Sahus when she needed credit. Through a project-supported cooperative, she accessed a loan at a concessional 6% interest rate and invested it in a piggery that grew to 40 pigs. Selling the pigs locally meant she could access a market without travelling, while increasing income and savings reduced her financial dependence on her husband and other male relatives.

The changes extended beyond her business. Previously, Jyoti's mother-in-law would scold her for leaving the house alone. As Jyoti's business grew, her family began supporting her work, with her mother-in-law taking on more household and childcare responsibilities. Jyoti's experience illustrates how access to affordable finance could help women turn traditional livestock activities into income generating businesses while increasing their financial independence and decision-making power.

Jyoti's experience reflects a broader pattern among Tharu women supported by the program, who used cooperative loans to commercialise livestock rearing and strengthen their economic position within their households.



Recommendations / Future Programming Priorities

1. Pursue formal certification for Integrated Pest Management produce with local government and Knowledge Centres to help farmers access differentiated markets and better prices.
2. Establish local collection points and cold storage facilities to reduce post-harvest losses and strengthen market access for high value farmers.
3. Increase cooperative loan and revolving fund ceilings to enable members to expand viable farm and non-farm businesses.
4. Strengthen links between homestays, Integrated Pest Management farmers and cooperatives to increase local sales of farm produce through tourism markets.
5. Expand outreach and tailored vocational options for people with disability to improve participation and access to livelihood opportunities.
6. Extend age-appropriate Asset-Based Community Development and Disaster Risk Reduction approaches to parents and teachers, alongside children and youth.
7. Adapt training content for younger children so concepts such as child protection and local governance are appropriate to their age and grade level.
8. Strengthen local government partnerships to secure longer-term funding, technical support and handover arrangements for cooperatives and youth groups.

This Impact Snapshot summarises results from the final evaluation of the Nepal Livelihoods Resilience Program, implemented by Caritas Nepal, and supported by Caritas Australia and the Australian Government through the Australian NGO Cooperation Program (ANCP). The Evaluation was conducted by an independent consultancy.

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