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The *Managing Risks through Economic Development Programme* in Nepal

Nepal is both hazard prone and food insecure. Shifting rainfall patterns, increased frequency and severity of natural disasters, including flooding and landslides, indicate clear evidence that climate change exacerbates the vulnerability of the Nepalese population. 25% of the population lives below the poverty line, with higher poverty levels (46%) observed in the Far West, a hilly area prone to flash floods and landslides, inhabited by marginalised groups and ethnic minorities. Poverty and limited livelihood opportunities in rural areas of Nepal force young men to migrate to urban centres and foreign countries, leaving women and children behind. Mercy Corps' *Managing Risk through Economic Development* programme combines activities focusing on Disaster Risk Reduction with strategies that build economic security through increased income. Taking a systems approach for resilience, the programme design was informed by the results of a combined set of assessment. These tools analysed livelihoods and economic development opportunities while emphasising the overlap of hazard risks, ecosystems, livelihoods, and markets.

PROJECT OBJECTIVES

The project contributed to resilience building and poverty reduction while simultaneously reduce the human and economic shocks of natural disasters.

STAKEHOLDERS AND PARTNERS

The project was closely implemented with the local government, the Nepal Red Cross Society, and Community Disaster Management Committees, in partnership with private sector actors.

APPROACH

To help people do better than just preparing for next disaster, Mercy Corps proposed something new: integrate DRR work with market systems development by creating economic opportunities that directly contribute to reducing the risk of disaster. The programme followed an **integrated disaster and economic assessment approach**, which combined a market assessment for identifying market opportunities and interventions, a Participatory Disaster Risk Assessment (PDRA) to identify vulnerabilities and capacities for the design of community based Disaster Risk Reduction activities.

Partners were mobilised to prioritise plans for (1) the sugarcane sub-sector to prevent river cutting, make productive use of marginal lands, and generate income, and (2) planting fodder species in marginal lands of hilly areas to mitigate the impact of erosion on soil and slopes, while also contributing to the fodder production for improved dairy production in hilly communities.

To **build technical capacity and facilitate supply chain linkages**, seed suppliers, agro-vets, millers, farmers, banks/MFI's and insurance providers were connected and trained in production and management of sugarcane or fodder varieties, financial management as well as a range of farming practices and strategies.

The **coordination amongst key stakeholders** was increased to improve market access and capacity of dairy chilling centres that were provided with logistical and technical support. A combination of improved breeding cattle and optimal rearing practices allowed to improve the milk quality.

Inter-cropping and riverbed winter farming was promoted to increase household food security and contribute to improved nutrition and income.

LESSONS LEARNED

The key to success was community engagement, working with sugar millers (private sector) and – together with the Community Disaster Management Committee (CDMCs) – forming the sugarcane producer farmer group and connecting them with the sugarcane farmer association. These groups, facilitated by the government, developed and signed an agreement disposal of produce, pricing, coordination and continuous capacity strengthening among all stakeholders. Mercy Corps discovered communities independently scaling up and others replicating the model. This indicates that communities are building the capacity, knowledge and skills to live and thrive in their communities, even through recurrent shocks, now and beyond the program.

IMPACTS

Enhanced disaster preparedness was achieved through sugarcane and fodder plantations as well as improved disaster readiness on household level by reducing flood damages and providing income. This was measured by households' use of structural mitigation and bio-engineering to protect productive fields.

The sugarcane planted on riverbanks **reduced the risk of flooding** while contributing to income-generation at household level.

Community cohesion was increased and the **coordination** with local government, private sector and market actors were improved.

By strengthening the sugarcane value chain, investors supported the establishment of sugarcane mills in the target areas which in turn provided new **job opportunities**.

RECOMMENDATIONS

Marginal lands can be used for food production with the opportunity to simultaneously mitigate disasters such as floods. Context specific crops need to be identified accordingly.

Engaging multi-stakeholders enhances knowledge-sharing and cohesion amongst communities.

