

A Time to Grow



ANNUAL REPORT 2006 - 2007



यूनाइटेड मिसन टु नेपाल
UNITED MISSION TO NEPAL

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Dear Friends and Supporters of UMN,

Having taken the organisational theme for the year 'A Time to Grow', I am pleased to report that indeed we have seen growth in many aspects and facets of UMN's work over the past year. For this we are extremely grateful firstly and most importantly to God who has blessed us greatly. We are also indebted to the Government of Nepal, its Ministries and expressions at local and national level for the cooperation and mutual assistance we have received. As we have moved, almost entirely, to working in partnership with Nepali organisations of many different kinds, our work would not be possible without their cooperation, energy and commitment for which we are very thankful. Our staff have worked tirelessly, learning new skills, facing new opportunities and challenges and sharing their experience and knowledge at local, national and international level to ensure our Strategy, Mission and Vision are fulfilled. This year has seen a number of new supporters of UMN's work - these contributions come in the form of finances, people and prayer. We are very grateful to all who, often having never visited or worked in Nepal, contribute to enable the work to grow.

The growth can be seen in a number of ways such as increased partnerships, meaning greater opportunity to make a difference positively with poor and marginalised people and communities. Increased interaction, particularly outside Kathmandu, with the local Christian community has led to many more opportunities for them in turn to reach out and be 'salt and light' in their communities. In order to do this work there are now more staff, particularly Nepalis, living and working outside Kathmandu. This includes those from marginalised groups. The overall financial position of the organisation has continued to grow, giving the opportunity for further development of the work both last year and in the future. Growth has not just been in size but in maturity, with partnerships becoming more sustainable and productive and the work having very tangible results at local and national level. These developments have resulted in fresh opportunities for involvement at national level, influencing decision and policy makers and those in positions of power to bring about positive change.

During the year we visited five districts to choose where we would expand the work in the coming year. Three districts in the Far Western Region have been chosen along with Nepalganj as a Support Office. This expansion will happen in the first half of the coming year.

Since its inception nearly 54 years ago UMN has consisted of a consortium of organisations from outside Nepal supporting the work here and enabling it to develop and grow through sending finances and people and through prayer. At the General Assembly meetings in May this year, significant changes were made to this structure and a new model of ownership and governance was introduced to allow UMN to function in a more appropriate and effective manner.

There have been some disappointments during the year which have meant certain aspects of the transitioning work have not been able to move forward. The lack of agreements relating to the handover of the Hospitals and independent status for Butwal Technical Institute and Tansen Nursing School are among the most significant. Along with this, the lack of the provision of gratis visas for expatriate volunteers, a provision UMN has had for the past 53 years, has been a real disappointment.

The growth in both size and maturity over this past year has been exciting and encouraging and we continue to be committed to see change and transformation in the lives of poor and marginalised people and communities knowing that as we give ourselves fully to the work of the Lord, our labour in Him is not in vain - May the glory be to Him.

Jennie Collins
Executive Director
November 2007

UMN's Strategic

Our Mission

To minister to the needs of the people of Nepal in
known by word and life, thereby strengthening the

Our Vision

Individuals and communities will be able to secure
participation in effective and self-reliant Nepali org

UMN's overall focus is to

ADDRESS ROOT CAUSES

UMN's approaches

Addressing Injustice and Inequity

Pe

UMN's ways of working

Partnership

Capacity Building

UMN's areas of work

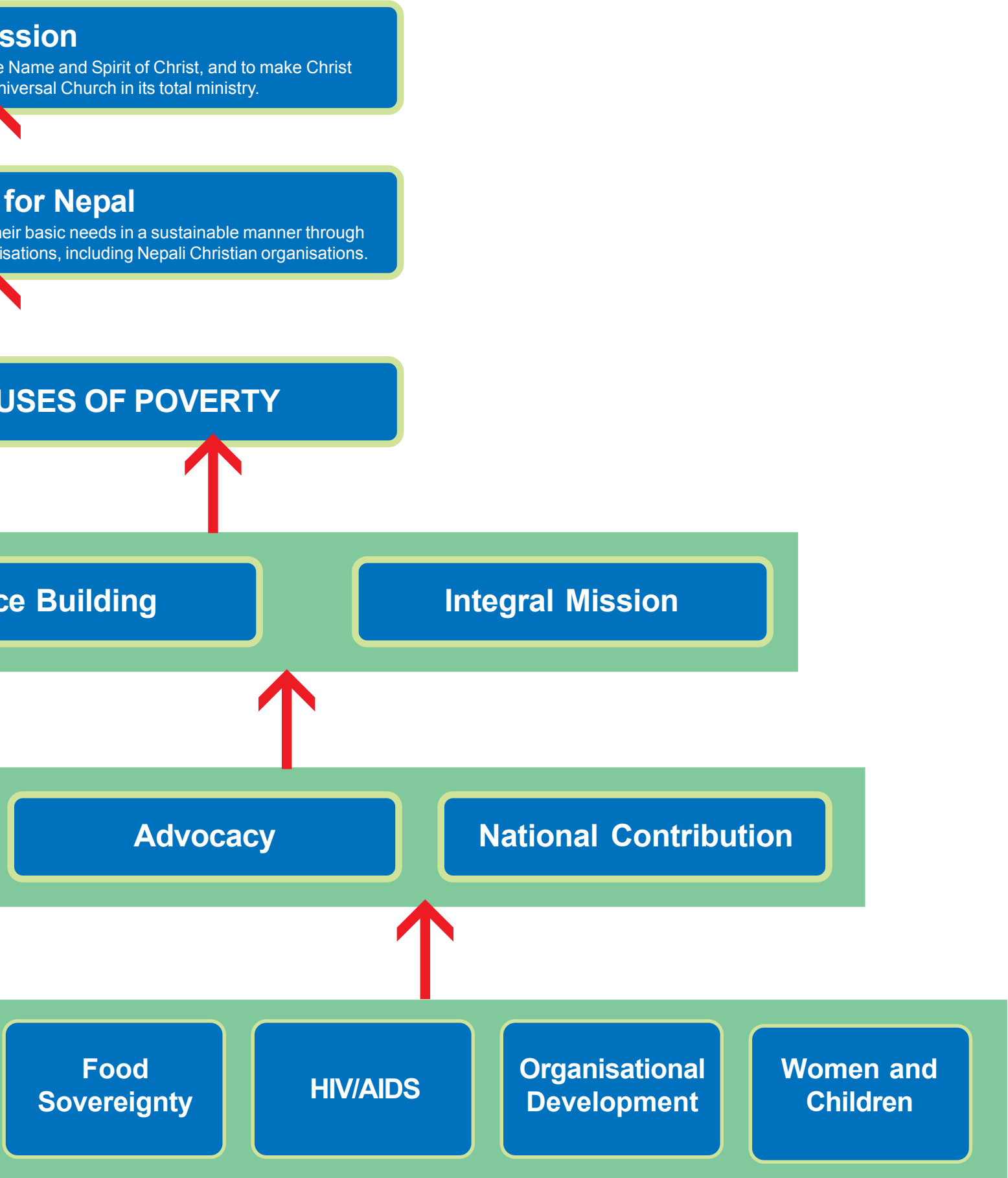
**Conflict
Transformation**

**Disaster
Management**

Education

**Enterprise
Development**

Plan 2003 - 2010



Bajhang, Doti & Accham

After exploratory visits to 5 districts in far west Nepal by staff teams, three new districts were selected for two clusters to be established in 2007-2008. Doti, and Accham will be a multi-district cluster.

Mugu

Mugu is located in the mid-west in the Himalayan region bordering with Tibet. It has the lowest Human Development Index in the country. There are no motorable road links and airline services are unreliable. There are high maternal and infant mortality rates. Due to steep slopes and infertile land, food production is very low and therefore the majority of people are only able to grow sufficient food for six months of the year. The district is considered as a 'punishment post' for local government officials so there are many unfilled posts particularly in the education and health sectors.

Kaski ◆**Rukum**

Rukum is in the Midwest region (middle hills) of Nepal from where the Maoist conflict began. In the north east live the Kham Magar (ethnic group). In other parts of the district all caste groups live in mixed communities. Gender discrimination and food insecurity are key challenges. Road access is seasonal and there are irregular flights.

UMN implemented Programmes (2006-2007) *

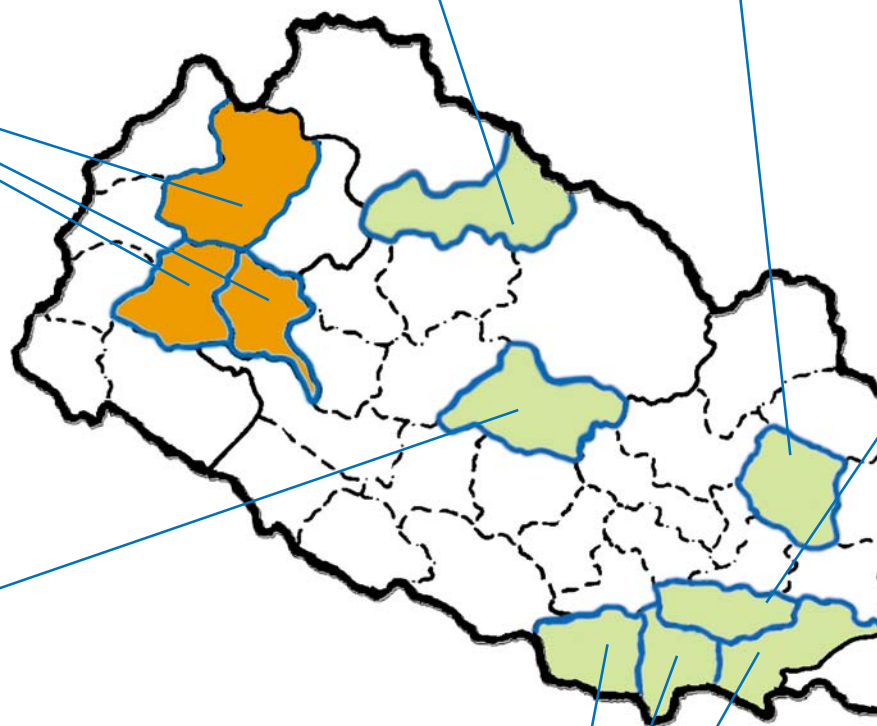
United Mission Hospital, Tansen, Palpa
Oral Health Programme, Lalitpur
Okhaldhunga Community Hospital

UMN Partners in Transition (2006-2007) ◆

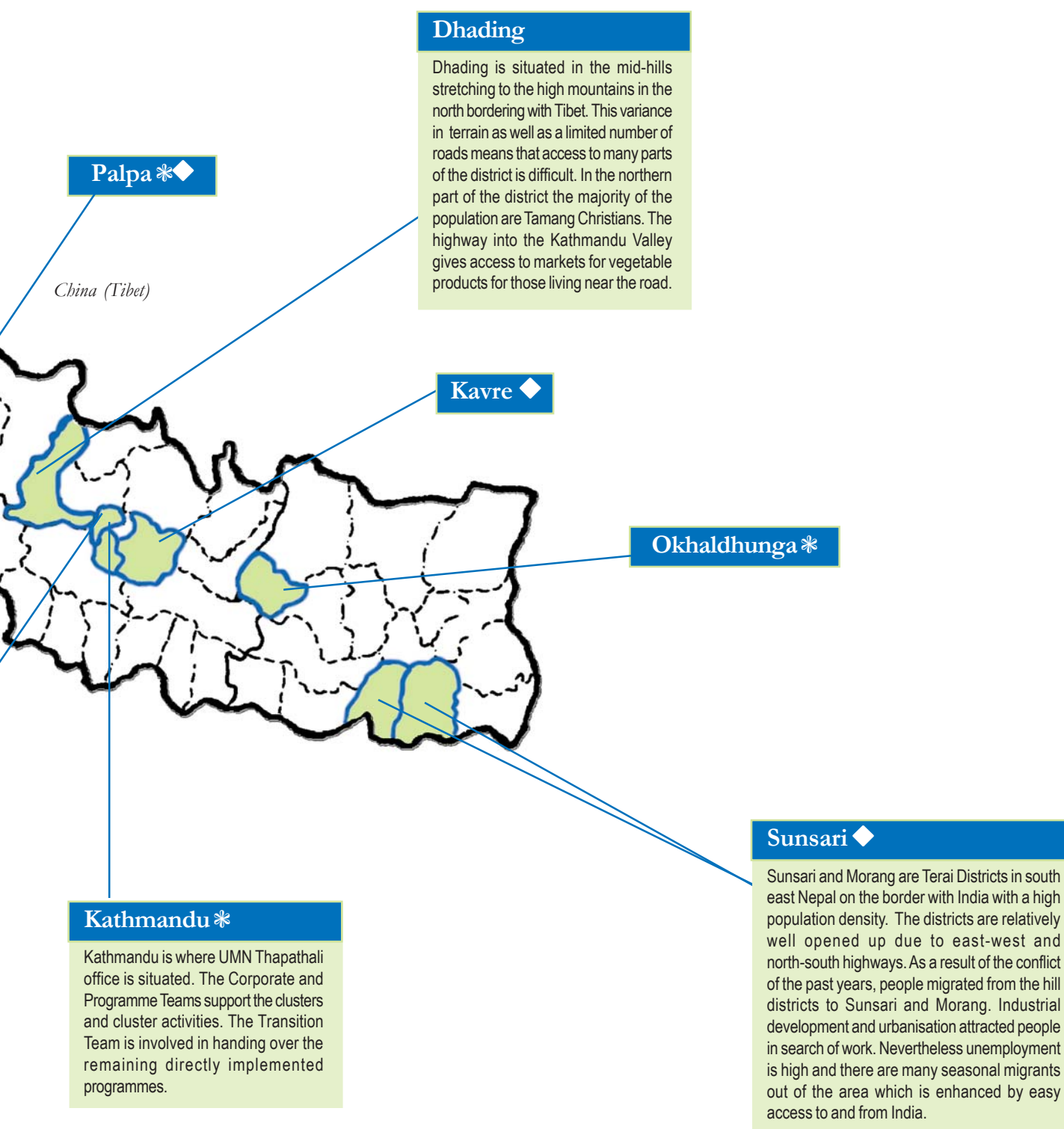
Gandaki College of Engineering and Science, Kaski
Tansen Nursing School, Palpa
Butwal Technical Institute, Rupandehi
Patan Hospital, Lalitpur
Dhulikhel Medical Institute, Kavre
Kathmandu University, Kavre
Kathmandu University Medical School, Kavre
B.P. Koirala Institute of Health Sciences, Sunsari

Rupandehi ◆

Rupandehi cluster includes Nawalparasi, Rupandehi and Kapilvastu districts all of which share a southern border with India. The population is composed of a variety of people groups. There is intensive agriculture including rice, vegetables and fruit but most farmers do not own their own land. There has been migration from the conflict areas of the middle hills into temporary dwellings which are vulnerable to flood and landslides.

Lalitpur ◆

Working Locations (2006 - 2007)





Conflict Transformation

Since the decade long conflict ended, it is very important for affected communities to forgive the group on the 'other side'. UMN conducted a workshop on 'forgiveness and reconciliation' which helped pastors and church leaders to see God's view of trauma, healing, forgiving and how to extend God's love to a wider community by being ambassadors of peace.

Conflict Transformation Technical Officers joined cluster teams and began to work towards enhancing social harmony, relationships and hopes at the grassroots level by coaching and mentoring partners.

Staff and partners learnt skills on handling life's conflicts, which helped them to understand conflict, deal with it in a positive way and focus on relationship enhancement. Partners became more conflict sensitive when delivering services after adopting Do No Harm concepts.



A training on 'Conflict, Negotiation and Peace building' was conducted in Mugu for all partner representatives and cluster staff.

UMN actively supported partners in orientation and understanding of the 'Constituent Assembly' at the local level. A peace poster on the appropriate representation of women in the constituent assembly and the role of women in peace building was disseminated to all partners and other organisations.

A TIME TO GROW



building peace through children

A few years ago in Mahakali Higher Secondary School, teachers walked into classrooms with sticks to discipline students for bad behaviour, failure to do homework, talking in class and other actions they deemed as misbehaviour. As a result, many of the children dropped out of school. Quarrels and fights among students were frequent and often violent while the teachers remained indifferent.

UMN Mugu Cluster and the School for Peace Programme decided to launch an awareness programme to speak about the importance of peace and harmony in the school. A club Jagriti Bal, was formed and today this club is actively involved in advocating and maintaining peace in schools. Teachers no longer carry sticks to class and fights among the students have significantly reduced. School management committees are keen to solve disputes in less confrontational ways that promote peace rather than aggravate anger.



Disaster Management



EFICOR and UMN jointly ran a training programme for UMN staff and seven partners from five clusters on disaster management.

Technical officers and advisors worked with all partners and local government officers to encourage the establishment of district disaster preparedness committees for effective networking during preparedness and relief interventions.

Interactive orientation workshops were conducted for staff and partners in four clusters to enable them to understand the eight phases of Disaster Management (DM) in greater detail. This will help partners to develop their own DM plans in the future.

The Disaster Management Technical Advisors had opportunity to gain hands on experience during an exposure visit to Bihar with Evangelical Fellowship of India Commission of Relief (EFICOR).

In Gamgadhi bazaar, Mugu, a fire controller water pressure pump was set up. The practice of community group members saving a handful of grain per day for a local disaster fund ("muthi daan") was improved. This has significantly increased community preparedness against disaster. More than 50 families who survived a landslide, received food and non-food support. They were trained through the "maize extension programme" to use improved seed. This helped them overcome food shortages.

fire extinguishing equipment

A few months ago, the residents of Gamgadhi, the district headquarters of Mugu realised that if there was a fire outbreak, they would lose their houses and property because they did not have any fire extinguishing mechanism. The nearest water supply, a river, is miles away.

Confronted with this likely disaster, Nepal Red Cross Society (NRCS), a UMN partner, asked UMN staff to help them address this need. By linking NRCS with the Finnish Embassy, and supporting them to write a funding proposal, the embassy provided NRCS with a grant that allowed them to buy a fire controller water pressure pump.

"We are happy that UMN is also working to bridge us to an external community. Without this, we would not have been able to access the

funding needed to implement this disaster reduction programme" says the NRCS Chairperson.



HIV/AIDS

The Peer Educators in two clusters have raised awareness about HIV/AIDS, Sexually Transmitted Infections (STIs) and Sexual Reproductive Health (SRH) in schools, colleges and communities. Each educator reached 15-25 peers and in Sunsari peer support groups were formed.

Partners developed and shared contextualised and culturally sensitive HIV/AIDS related materials after receiving a UMN facilitated Information Education and Communication (IEC) training. In Dhading,

Rupandehi and Sunsari, UMN supported the District AIDS Coordination Committee (DACC) to meet regularly and ensure implementation of agreed district action plans. Partners supported DACC meetings and played a significant role in coordinating various joint collaborative activities in raising mass awareness.

Equipment for the HIV/Syphilis baseline survey among pregnant women in Mugu was delivered and a research assistant recruited by a partner. Significant coaching of the partner was undertaken.

Orientation by Technical Advisers to stakeholders, partners and beneficiaries on Community Home-Based Care (CHBC) ensured services and support reached people infected and affected by HIV/AIDS in Rupandehi and Sunsari clusters. With UMN facilitation, partners have strengthened existing referral systems to ensure People Living with HIV/AIDS (PLHAs) have accurate information about where to get quality services.



speaking out... a woman's battle against HIV stigma

Mina lives in Sunsari district with her three children. At the age of 14 she got married. Because of the family's low income, her husband had to go to India to find employment.

While in India, he frequently went to the brothels and engaged in unsafe sex. A few years later, he started to fall sick and after undergoing tests at a hospital in India, he was told that he was HIV positive. Dismissed from his job and unable to find other employment in India, he returned to Nepal but did not disclose his status to his wife or family because of the fear of stigma and discrimination that surrounds people living with HIV.

A few years later, his body succumbed to AIDS and his family found out that he was HIV positive. Mina was blamed for infecting him and after her husband's death was forced to leave the family house with her three children. With nowhere to live, unemployed and three children to take care of, she contemplated suicide but thoughts of her orphaned children and later her sister's invitation to stay at her house changed her mind.



Mina continues to experience discrimination from her parents in law and neighbours but her life has taken a significant turn since she joined a support group for people living with HIV called Dharan Positive Group (DPG). DPG provides counselling and care for its and through its home based initiative supported by UMN, more than 48 people living with HIV are receiving care.

Mina is currently an active advocate in her village, speaking out against stigma and discrimination. She is also part of a women's group that has been started to support women living with HIV in Itahari, Sunsari district.

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Enterprise Development



Last year 11 partners in three clusters were involved with 500 beneficiaries in Enterprise Development (ED) activities. The majority of them have made the decision to improve their businesses and are making plans and gaining skills. About 100 households have already increased their income.

In Sunsari, one partner, Sewa Savings and Credit Cooperative Society (SEWA) developed an innovative loan package programme which included practical support to start and improve commercial farming activities (vegetables and animals)

for their marginalised members. UMN assisted, facilitated and coached SEWA during the development and implementation of this unique programme. Another partner Ramganj Yuba Club (RYC) started a vegetable project with inexperienced, low caste, landless women who invested in enterprise for the first time.

Staff and partners increased their knowledge and skills about entrepreneurship and enterprise development approaches through exposure visits, training, follow-up and coaching. With support from external resource people, trainings on Business Development Services, micro-finance, entrepreneurship and Start and Improve Your Business (SIYB) were conducted for UMN staff and partner organisation members. Representatives from ten partners from three clusters took a SIYB Training of Trainers course and then trained their target group members. This helped partners to widen activities with their target groups to start small businesses including vegetable farming, pig & goat keeping, selling local snack food, candle and stool making.

putting classroom learning into practice

"See how the goats go crazy when I hang up the mineral block? This is the second block I am putting up today and since I started doing this, the goats have a bigger appetite and look healthier," says Sabita Silwal.

Sabita lives in Dhading and has been rearing goats for the last six months. With limited knowledge on goat farming but eager to make this a profitable business, she attended a five-day basic goat raising training organised by a local cooperative and supported by the UMN Dhading cluster.

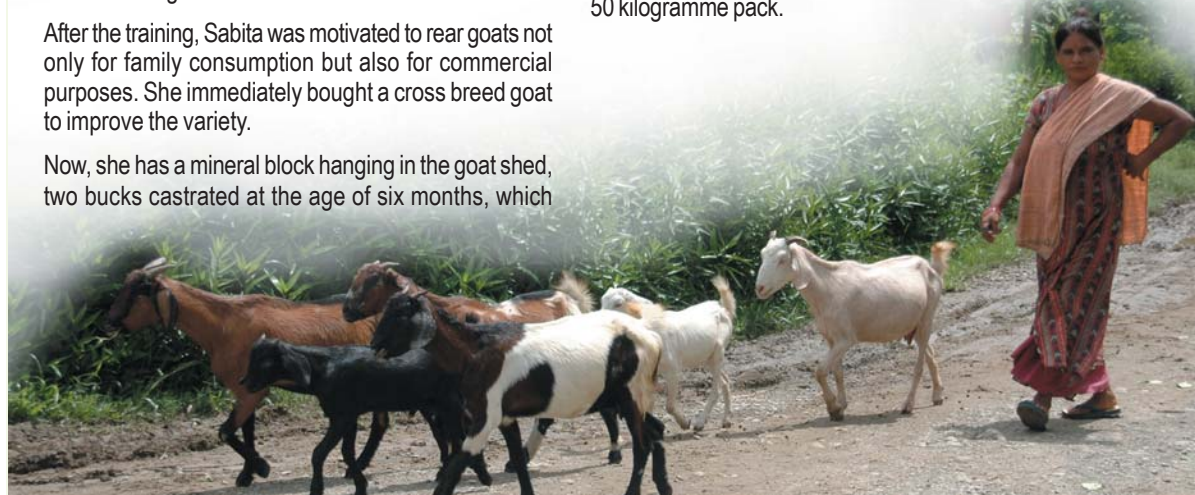
After the training, Sabita was motivated to rear goats not only for family consumption but also for commercial purposes. She immediately bought a cross breed goat to improve the variety.

Now, she has a mineral block hanging in the goat shed, two bucks castrated at the age of six months, which

would normally have happened at the age of twelve months and fodder that includes legumes and non-legumes. Besides this, she has also planned to renovate and improve the goat shelter.

Sabita is confident that with an improved breed, good feeding and management, better production can result.

Goats are an important source of income in her area. There is a high demand for goat meat and manure. Goat manure is sold at about USD\$ 2 for every 50 kilogramme pack.



Food Sovereignty

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Last year the words 'Food Sovereignty' replaced food security as an Area of Work. Food Sovereignty focuses on people's

control over accessibility, acceptance and availability of food. Work continued in three clusters and partners were supported with new, indigenous and eco-friendly ways to improve food production and animal raising techniques.

Five partners in Mugu received training on nutrition, agriculture, animal husbandry and veterinary care which resulted in a positive change where people began eating green vegetables, lentils and milk products. There was an inter-partner learning on a 'Dalit Model Village' in Mugu facilitated by the National Dalit Development Forum (NDDF). This inspired hope to the poorest dalit communities. In Mugu, UMN initiated a district level food security network of NGOs and INGOs working in food sovereignty, agriculture and income generation sectors. The network shared the learning experiences, problems and gaps in the district about food and food producing resources. They decided to publish a quarterly Food Sovereignty bulletin for local circulation.

New partners in Rukum and Dhading have started community mobilisation programmes with a focus on nutrition, sanitation and food habits. Some beneficiaries are now generating income through commercial farming and improved breeds of animals along with improved agricultural technologies.

many are starting to believe that change is possible

Mugu cluster initiated a community based model programme to address the food security problems in the village of Tallighuria. Here many households have food for only six months in a year. For the other months, they depend mostly on relief. The "Model Village" programme, an initiative of the Regional Inter-agency Partnership Programme (RIAP), aimed at increasing the access and availability of food. UMN provided the National Dalit Development Forum (NDDF), an implementing partner, the technical support it needed to ensure that village activities were carried out and monitored effectively.

Today, this village is undergoing change and transformation. Almost every household has a kitchen garden and people can explain the importance of nutrition, health and hygiene. Parents understand why

their children need to go to school, adult women attend literacy classes to learn how to read and write and households are keen to learn new ways of boosting their family income through planting tree nurseries and rearing livestock.

Now boasting an increased supply of food through improved farming methods, Tallighuria has become a model for other villages to learn from. In addition, the self-esteem among women and Dalits, formerly known as the untouchable caste, has significantly improved. NDDF continues to focus its activities towards advocating social justice, inclusion and equality for all people.

Many communities in Mugu have been inspired and are now looking to implement programmes similar to the model village. Many are starting to believe that change is possible.



Education

UMN partners with 10 NGOs, six Higher Secondary Schools and one Community Learning Centre in education activities in all five cluster areas and also works in national level networks.

Chandrajoti Integrated Rural Development Society (CIRDS) a partner in Dhading started exploring Distance Education and Open Learning (DEOL) as an innovative way to ensure children whose parents are daily wage labourers have an education. With support, the Dalit Welfare Organisation (DWO) has become an effective district level advocate for the abolishment of all types of discrimination and for free education with accommodation facilities for Dalit children.

In Sunsari, some partners are working to create a learning environment for pre-school children. In schools an appreciative inquiry methodology has been adopted by teachers to improve the teaching and learning environment which has contributed to an increased quality of education.

Strengthening of parent teacher associations and school management committees were key supports to make formal education more practical and relevant. Chhayachhetra Community Development Centre (CCDN) has adopted an Integrated Education Programme focusing on adult literacy, improving household sanitation and increased awareness on quality of life issues.

In Rupandehi one partner is a community learning centre which promotes life long functional non-formal education. UMN supported NGO partners to initiate women's literacy activities.

UMN continued its scholarships in Kathmandu where there are 55 students. In the clusters an additional 152 students receive scholarships including 57 dalits in Mugu. Local scholarship committees were formed in all clusters to manage scholarship distribution locally.

a future for jit

When Jit Kumar Budha was one year old, his father died and his mother left him to get married to another man. Now 14 years old and living in Rukum district, he lives with his mother's sister, a poor woman who earns very little from selling vegetables. Most of the time, there is hardly enough food to eat. Jit was disabled following an accident that led to the amputation of his right hand because he did not have the money to access immediate treatment at the hospital.

Now studying in class 6, Jit always wanted to learn how to read but never had enough stationery and other materials to make that

dream possible. UMN Rukum cluster in partnership with Nepal Magar Society Service and Information Centre have provided scholarship support for Jit, who is now happy and excited about the future.



Organisational Development

The key focus of Organisational Development (OD) interventions has been to ensure that partners have mission and vision statements, policies, a strategic plan, good governance, maintain transparency and are capable of accessing resources to serve their target communities.

This year, the number of partner organisations increased significantly from 37 to 57 including four at the national level. Twenty one potential partner organisations have completed a participatory organisational assessment followed by problem tree analysis and planning. Major capacity building interventions with partners included training and workshops on organisational governance, strategic planning, policy formulation, account keeping and funding proposal writing. Each intervention has an on-going coaching and mentoring component.

As a result of OD intervention some of the partners have restructured themselves to

ensure social inclusion within their organisation. Several started developing and implementing personnel and financial policies. Eight partners, four in Sunsari and four in Mugu, have developed strategic plans and use them as a basis for their activities. Similarly, 14 partners in Dhading, Mugu and Rupandehi started using a standard accounting system and sharing about their financial transactions with their stakeholders. In Sunsari, partners have shared their technical expertise with each other so an Inter-Partner Human Resource Sharing Process guideline was developed. This has helped the more mature partners to grow professionally and to support weaker organisations.

UMN also supported its cluster based OD staff to continuously grow through appropriate professional courses including coaching by the OD Advisor and regularly sharing experiences, information and skills.

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training to mobilise local resources

50 people are gathered in a training hall, attentively listening to their instructor. Occasionally they break out in laughter and applaud a participant. This is the last day of a training session that has been going on for a week to encourage the locals to think about and proactively start small enterprises to boost their income. Many of the people in the room are housewives, casual labourers or farmers.

This is one of the many strategic training programmes that Nepal Abhinas Social Service Organisation (NASSO) has done to reach more than the 145 households in the villages where they work in Rupandehi.

Ramesh Tapa, President of NASSO says that before partnering with UMN, they had no planning skills and carried out their activities in a haphazard way.

"We had no organisational structure and gave money to our target communities without asking them what they were going to use it for. As a result, we lost a lot of money and nothing was done to help the poor," he says.

Following training by UMN staff in Organisational Development, Ramesh says their organisation is working more effectively to address the needs in their target communities.

"We have learnt the importance of ensuring that the target communities take ownership and responsibility for their programmes and activities," says Ramesh.

"We will only help them to identify their needs and provide them the skills and, when necessary the finances to address the needs they have identified. We must teach people to mobilise their own local resources," he adds.

NASSO is a faith based organisation actively involved in teaching and supporting poor people to start small businesses. They are also involved in outreach programmes targeting commercial sex workers living with HIV and raising awareness about HIV/AIDS in the churches.

Women and Children



UMN worked with the Government of Nepal (GoN) in four clusters to strengthen the district health system to improve maternal, neonatal and child health and increase access to the services by the community, especially by poor people. Improvement in ante-natal services and provision of 24 hour midwifery services was observed in five rural health facilities including Mugu district hospital and health posts in Mugu and Rupandehi. Improved quality of care and upgraded service

UMN's Women and Children work has six key components –

- ◆ Maternal and Neonatal Health (MNH)
- ◆ Community Based Integrated Management of Childhood Illnesses (CB-IMCI)
- ◆ Adolescent Sexual and Reproductive Health (ASRH)
- ◆ Women's Empowerment
- ◆ Rehabilitation of disabled children.
- ◆ Children at Risk interventions

provision was achieved through participatory planning which involved all stakeholders, motivation of staff and management committees, training, coaching and mentoring.

The Health Facility Management Committees (HFMC) of the health posts showed interest in improving their health facilities. The HFMC encouraged and supported staff to provide 24-hour services, by creating an enabling environment that included provision of incentives and frequent monitoring with support visits to the facility.

left for dead – kopila's story

At the age of 14, Kopila was forced by her parents to marry and become a second wife to Dal Raj almost 30 years older than her. Immediately, he started to beat and abuse her and when she gave birth to a girl, the abuse increased. He threatened to abandon her and when she gave birth to another girl he beat and left her for dead in a pit of cow dung. Her neighbours came to her rescue and asked her to seek the help of Sunghaba Community Development Centre, which is involved in advocacy against gender violence as well as conflict mediation.

Although the violence has stopped, Kopila is unhappy about her family situation. Single handedly raising the children and also working to support her family, she wishes she had gone to school and not married so early. She is afraid she will conceive another baby.

Gender violence is common throughout Nepal and UMN is working through its partners to advocate and put an end to this injustice against women.



The HFMCs with whom UMN worked in Mugu and Rupandehi each recruited 1-2 extra staff to provide the 24 hour delivery service. They mobilised local resources to improve the facility, liaised with district line agencies for provision of electricity, water and a telephone line where this was absent. They gave incentives to Female Community Health Volunteers who provided home based care for childhood illnesses and referred delivery cases to the health facility.



Work with local NGO partners started with them conducting a household survey, planning with their target groups, preparing a proposal and then implementing activities with the community. These included women's group mobilisation, health and rights awareness and activities for gender equality. Faith based partners in Rupandehi and Sunsari were also involved in development of culturally appropriate training materials for adolescent sexual and reproductive health through peer education. Church leaders as well as youth participated in the material development.

UMN worked to improve the situation of disabled children in five clusters through partners both government and NGOs. The

Model Children Approach was used. This involves the rehabilitation of the child physically and gives an opportunity for integration into society thus reducing stigma against disabled children.

UMN began working with children at risk in 2006-2007 focusing on child trafficking, corporal punishment and the effects of conflict. Children at Risk networks were formed in four clusters to advocate for local issues as well as to improve the situation of children in their working areas. Various partners included these issues in their plans.

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is it a boy?

A painful groan escapes her lips, writhing and turning in pain she firmly clutches the mattress as the nurse nearby whispers words of encouragement. After the last contraction passes, Rira lies exhausted on the hospital bed. She is expecting her 7th child and desperately wants it to be a boy.

"I am certain it's a boy because I have exceeded my nine month term," says Rira.

This is Rira's first delivery at a health post. Her other six children were delivered at home by Rira herself. It took her more than an hour to get to the health post

but she is happy that she is not doing the delivery herself this time.

Through UMN support and facilitation, Dhakdai and Parrowa health posts in Rupandehi are now offering 24-hour care delivery services to pregnant women.

After about three hours in labour, Rira gave birth to a boy.



2006 - 2007



Let's have some fun! Staff and their families take part in UMN's annual winter games in Kathmandu.



Happy Birthday UMN! Celebrating 53 years - UMN marked the occasion with a blood donation programme.



Celebrating the Saviour's birth! UMN 2006 Christmas celebrations.



This is Rukum Cluster! UMN staff excitedly share their plans for the work in Rukum at an introduction programme.



We are off to Bajhang! Teams like this one made exploratory visits to 5 districts in the far western part of Nepal



Singing God is Great! UMN staff at the opening ceremony of the General Assembly.

in Pictures



Christians in Nepal raise their hands to God in prayer during the Easter procession through the streets of Kathmandu.*



Prime Minister GP Koirala and Communist Party Nepal - Maoist Chairman Prachanda signing a historic peace agreement to end the decade long conflict.*



Speaker for the House of Representatives Subash Chandra Nemwang chairing the last session of parliament.*



The UN registration Team (in blue jackets) with Maoist representatives at an arms cantonment site.*



A Nepali minority community staging a transportation strike in Kathmandu urging the government to implement the new constitution.*



A stranded ambulance with a tree blocking the Mahendra highway during the Terai (lower plains) protests.*



National Impact

National Partner Profile Nepal Christian Relief Services

Nepal Christian Relief Services (NCRS) is a faith based NGO established to respond to disasters.

Until 2000, there were small scale responses to disasters. Since then NCRS has worked in 11 districts responding to incidents including fire, floods, landslides and assisted over 1000 affected households.

Work with UMN

Nepal Christian Relief Services (NCRS) is working in partnership with UMN to:

- ◆ Establish a network of trained volunteers, who are mobilised at short notice for relief interventions.
- ◆ Establish and implement long term projects focusing on risk reduction at the community level.
- ◆ Build a broader and more comprehensive membership base from a wider geographical area particularly from amongst the Christian community
- ◆ Strengthen NCRS's organisational capacity.

Key Activities with UMN in 2006/7

- ◆ Participatory Organisational and Technical Assessment led to a review of long term objectives
- ◆ Action Planning raised sustainability issues and how these could be addressed.
- ◆ Coaching and mentoring in proposal preparation

In 2006-2007 UMN has contributed nationally in two ways – by working directly with government or national institutions, and by bringing our grassroots learning and information into the central level. In doing this UMN was able to influence policy, making it more relevant and appropriate. UMN made contributions to the following areas:

This year for the first time UMN has worked at national level in disaster management and contributed to the development of the **Disaster Management Policy** and **National Strategy for Disaster Risk Management**. UMN influenced the actual wording of the Disaster Management Act to make it clearer and differentiate between the concepts of 'relief' and 'disaster management'.

UMN was represented in the **Association of International INGOs (AIN) Peace Working Group** which continued to work with the grass-roots partners of all its members on issues relating to the national peace process.

Through membership of the **Peace in South Asia (PISA) network** UMN gave input into national workshops on building local capacities for peace. UMN contributed to the development of a curriculum on 'Peace' for grassroots community workers through involvement with the **School of Shanti (Peace)**.

UMN and the **Forum for Women Law and Development** jointly launched a poster on the meaningful participation of women in the Peace Process. A Technical Adviser was invited by the Government of Nepal to be advisor and coach for the Nepali facilitators who will set up District Peace Committees.

Involvement in **HIV/AIDS** issues was focused on supporting and improving the **Community Home Based Care Programme** currently being piloted and evaluated as part of the national strategic planning process. In addition UMN contributed significantly to the discussions regarding forming a new sharing forum amongst faith-based organisations working in HIV/AIDS.

UMN was the consultant for the national level review of the **Prevention of Mother to Child Transmission of HIV/AIDS Country Strategy**.

As an affiliated member of the **International Federation of Organic Agriculture Movements** UMN shared knowledge with other professionals and contributed to an international, four - nation, consultation workshop on food, security and water in South Asia.

As a member of the **Nepal Permaculture Group**, the Technical Advisor actively participated in the development of national guidelines on organic products which the Ministry of Agriculture included in the final government policy document.

Through membership of the **National Food Coordination Committee**, UMN contributed to the national food policy and support strategy and worked with the **Nepal Agriculture Research Council** to provide wheat in Mugu.

There was strong involvement in strategic planning and policy development on safe motherhood



and children's issues through membership of the

- ♦ **Safe Motherhood Sub-Committee** and
- ♦ **Integrated Management of Childhood Illnesses Sub-Committee**

UMN received a letter of appreciation from the **Family Health Division**, of the **Ministry of Health**, for its contribution to the reduction of the national maternal mortality rate from 539 to 281 according to the Nepal Demographic and Health Survey 2006.

Through partnership with **Children at Risk Network** UMN contributed to the development of child protection policies.

UMN continued to contribute to the success of the only formal physiotherapy training in Nepal by supporting the **Dhulikhel Medical Institute**, part of Kathmandu University, with the secondment of a physiotherapy tutor and the Course in Charge.

As a member of the **AIN Capacity Building Taskforce** UMN presented its experience in partnership and organisational capacity building with local NGOs and actively shared in the on-going discussions.

UMN contributed to establishing the **Distance Education and Open Learning** forum where grassroots experience was shared as a part of

promoting lifelong functional education in Nepal.

UMN was involved in other national networks, including:

- ♦ **Education Network Nepal**,
- ♦ **One Laptop per Child Nepal** and
- ♦ **Education Task Force of AIN**

In collaboration with **Educational Resource Development Centre Nepal**, UMN developed a set of capacity building manuals to make both formal and non-formal education more practical and in line with the broadening needs of society. The seven themes are: – school governance, child centred learning, village education plan, community learning centres, inclusive literacy materials, peace education and rights to education. These manuals have been tested and are being published for use by education related organisations throughout the country.

UMN participated in the national **Enterprise Development Network** sharing experiences and contributing to discussion on various issues. The national **Small Farmers Cooperative Federation (SFCF)** network learnt how their Dhading branch became more "socially inclusive" as a result of partnering with UMN, and set a target to attract more poor and marginalised community people to become members.

National Partner Profile Children at Risk Network Nepal

Children at Risk Network Nepal (CARNet-Nepal) is a faith based organisation which started to implement different activities related to child protection. This included raising awareness, rehabilitating children, prayer and organising children's events.

Work with UMN

CARNet-Nepal is working in partnership with UMN to:

- ♦ Ensure that there is significant improvement in the situation of children who are at risk.
- ♦ Expand its network both within and outside Nepal.
- ♦ Build CARNet-Nepal's organisational capacity and move it from dependency to interdependence.

Key Activities with UMN in 2006/07

- ♦ Support of CARNet-Nepal in writing a proposal for the "Daughter project" – an intervention against child trafficking and sexual abuse. This project received funding and is now being implemented.
- ♦ Production and publication of awareness raising materials such as newsletters, phone cards and flip charts against child sexual practices.
- ♦ Workshops on time management, strategic planning and policies (personnel, financial). As a result, for example a financial accounting and recording system is now in place.
- ♦ Involvement in Team Work for Life through UMN's facilitation.
- ♦ Organisation of meetings on varied topics including holistic child development, child theology and child rights.
- ♦ Formation of two working groups to explore the impact of CARNet-Nepal's work.
- ♦ Organisation of different children's events.



Integral Mission

a soldier's battle cry

Bal Krishna became a Christian while serving in the Indian army. He retired from the army a few years ago, returned to Nepal and joined a local church in Sunsari. At that time, Bal was eager to see the church get involved in all spheres including the spiritual, social and political. He especially wanted to see church leaders engaged in activities to help the poor in their congregations and communities. However his zeal was met with criticism from many people in his church. Greatly discouraged, he gave up that dream.

Following an Integral Mission workshop, that emphasised Bal's earlier convictions of the church working holistically, Bal was again encouraged to believe that integral mission through the church was possible.

Bal is now an active advocate of the proclamation and demonstration of the gospel. He holds Bible studies teaching others to view the role of the church in a holistic way.

For us, Integral Mission is an expression and demonstration of God's love through our work. Our involvement in Integral Mission aims to bring about transformational changes in people's lives physically, socially and spiritually. This helps everyone recover their true identity as human beings created in the image of God and to restore true relationships with people, with creation and with the Creator.

During devotions in the Programme Team Learning Reviews we shared about restoration of our relationships with God, with others (our neighbours), with creation (the environment) and with ourselves. In this environment UMN staff members had the opportunity to understand relationships from a biblical worldview. At the end of every Learning Review each participant expressed a personal commitment to demonstrate a specific behaviour from her/his life. This type of sharing happened not only during Learning Reviews but also in other events where staff members had an opportunity to reflect on their work and individual behaviour.

Opportunities were provided in Nepal and abroad for key staff members to increase their understanding and skills in the area of transformational development. Cluster leaders now have a better understanding about Integral Mission and their commitment through their work and personal life. There are two Leadership Trainees who are gaining leadership knowledge and skill as well as developing their confidence

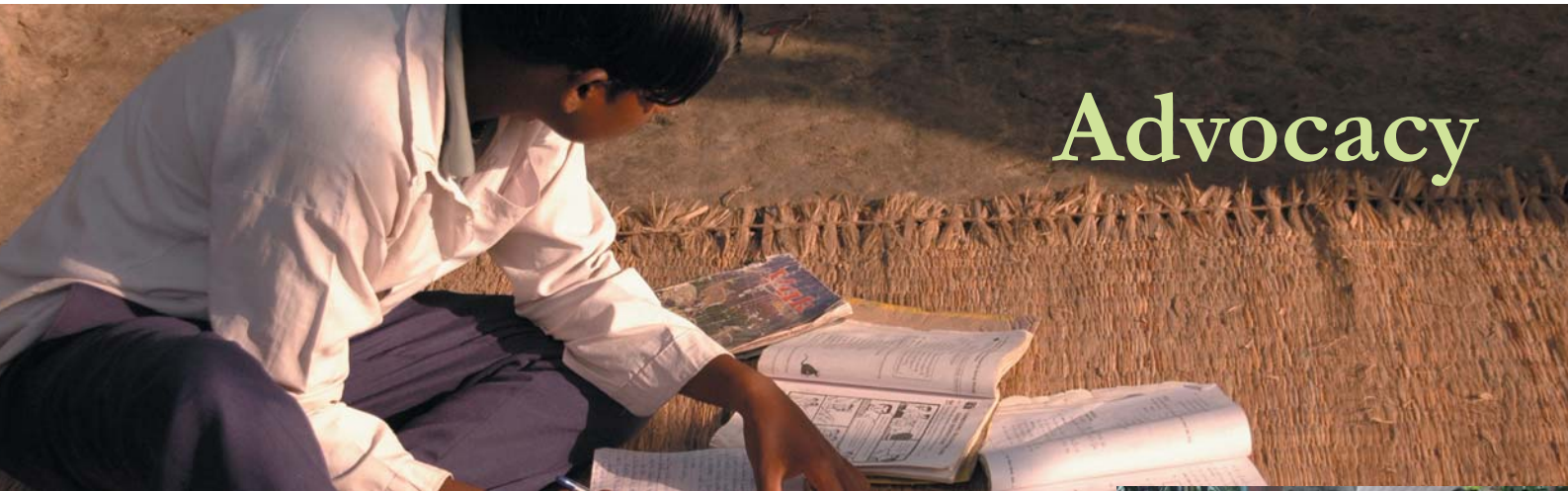
regarding Integral Mission in the real situation. Three young people from the Christian Community took part in a three month internship programme at the UMN office in Kathmandu. The programme gave them opportunity to learn about what it is like to work in an international organisation like UMN. They also learned some Integral Mission concepts.

A third workshop on Integral Mission for youth groups was completed this year in Sunsari where some young people from the eastern region of Nepal had the opportunity to learn for the first time about Integral Mission and the role they can play in society. As a result of similar workshops organised with the church and womens' leaders, district and regional level network societies have been formed in order to engage more meaningfully in the transformation of poor and marginalised communities.

Nine faith-based partner organisations have developed their vision, mission and capacity to engage in transformational changes in their communities. Involvement in HIV/AIDS home based care, increasing income among the poor communities, raising awareness through literacy activities, mobilising resources for relief and disaster mitigation, aiming to bring transformational changes among commercial sex workers living with HIV/AIDS are some examples of the commitment of these organisations.

UMN was actively involved in and supported activities of Micah Network and Vision Network Nepal.

Advocacy



Advocacy is a key UMN way of working and therefore all activities include an advocacy component. This varies from partner to partner but with staff now trained and orientated in advocacy, more partners are being supported in a proactive manner to raise concerns at the local and national level. A number of partner organisations have initiated and/or integrated a rights - based approach to address their concerns, beginning at the local level.

In Rupandehi five partners received general advocacy training and two of them successfully initiated the right-to-citizenship campaign. These partners helped their target community to understand the importance and the process of acquiring the citizenship certificate. Through lobbying, making use of the local media and other awareness raising techniques, they directly assisted 3107 individuals to get their citizenship certificate papers. Among them were women, dalits (low caste), widows, poor and marginalised community members. Apart from accessing government benefits, the citizenship certificate will also help them to vote in the Constituent Assembly Elections. Without citizenship papers no one is able to get a job in a factory or to be admitted to college.

Similarly the Dalit Welfare Organisation (DWO) a UMN Partner in Dhading, has initiated the Right to Education campaign for the dalit community in 14 Village Development Committees (VDCs) of Dhading district. The programme is focused on empowering and encouraging dalit children to go to school and also

lobbying the government mechanism to actively work for dalit education. Awareness raising activities also targeted dalit parents to encourage them to send their children to school.

Similarly, partners in Rukum and Mugu are in the process of taking up active advocacy initiatives on important local issues.

Partners received extended training on how to advocate at the national level. This training helped them get new insights, build experience and network with other national organisations. UMN efforts have also helped to link partners at the grassroots with national level organisations and other advocacy networks. Some of the partners have become members of these groups.

As part of building capacity in advocacy, partners were given practical training on how to deal with different stakeholders for example government agencies, I/NGOs and people in their communities. The advocacy initiatives of partners are aimed to be non-violence based.

Apart from cluster based staff and partners, centrally based senior staff were also oriented in advocacy and a rights based approach. All Technical Advisors gained an understanding of national level advocacy from seminars and workshops led by facilitators from Coady International Institute, Canada and ICIMOD.



i am nepali

Uday, his mother and father have lived in Nepal for more than 10 years. Originally from India, they crossed to Nepal with the hope that they would have a better life in Nepal. But this was not so as they had to struggle to survive and lived in a camp for years. Uday suffered from a gangrene infection, which resulted in the amputation of both his legs. Without any citizenship papers, he could not find a job, open a bank account or access the subsidized services offered to people with disability.

With the support of Sunwal Community Development Centre in Rupandehi district, which actively advocates for the rights of people with disability, Uday now has a citizenship certificate and volunteers at Sunwal Community Development Centre to help the organization reach out and support other disadvantaged people.



Monitoring and Evaluation

hurray! there is more to it...

Hurray! That's not a statement you will commonly hear in villages in Nepal but for Karani Community Development Centre and Disabled Rehabilitation and Rural Development Organisation, UMN's two partners in Mugu, "Hurray we can now make our own plans!" is a statement they frequently enjoy using. But this was not always the case. One year ago, these two organisations did not fully understand their communities' needs or how to effectively address them.

However, following training provided by the UMN Monitoring and Evaluation Team, in Core Situation Analysis and later Participatory Organisational and Technical Assessment, they are now able to identify the real needs in their communities and make plans to address them. These two organisations are happy to tackle the issues in their community with a new understanding.

Besides Karani Community Development Centre and DRADO Nepal, all UMN's partners have received training and continue to get support in this identifying of community needs, and the making of appropriate and relevant strategic plans for each particular community's context. Ongoing involvement of the Monitoring and Evaluation Team assesses the impact of the programmes.

UMN continues to ensure partners monitor the impact all their interventions with beneficiaries. This monitoring is initiated at the earliest stages of the partnership through a participatory Core Situation Assessment (CSA). Identifying or defining the appropriate target groups of potential partners has become an important function of the CSA. It helps both UMN and partners to be very specific about their target groups as well as to select those communities where needs are greatest. This serves a critical role in maintaining UMN's overall strategic focus which is to address the root causes of poverty.

The Monitoring and Evaluation team have given oversight to CSA development through significant revisions to data analysis and presentation. A standardised tool for partners to make a participatory organisational capacity assessment has been developed. Area of Work-related detailed baselines and analysis of the data has started. Formation of an Exit Strategy with criteria, indicators and evidence has also begun. Initial work on the potential of a "Participatory" approach to Monitoring and Evaluation in both UMN and its partners will be taken further in the coming year.





Transition

Over the past year, capacity building and the divestment of the remaining programmes and institutions continued. The progress in transition work at different institutions, programmes and companies is as follows.

Yala Urban Health Programme (YUHP) completed its work after handing over a DOTS clinic to Lalitpur Sub-Metropolitan City (LSMC). LSMC is now successfully running maternal and child health clinics throughout Lalitpur District.

Oral Health Programme (OHP) continued to provide oral health care training to various organisations, carry out Aristo Caries Treatment (ART) studies among school children, developed awareness raising materials on oral health and supported the Government of Nepal's Ministry of Health Oral Health Programme. An NGO called Health and Development Society Nepal was started to continue the work of OHP after it finishes in July 2008.

UMN continued to support **Butwal Technical Institute (BTI)** through secondment of expatriates and giving input into BTI's governance structure. A new seven-member Board was formed to govern BTI.

Gandaki Boarding School (GBS)/ Gandaki College of Engineering Science (GCES) appointed a new principal to lead both GBS and GCES. UMN continued its commitment to GCES by seconding an expatriate instructor.



UMN continued to support **Kathmandu University (KU), Kathmandu University School of Medical Science (KUMS), Dhulikhel Medical Institute (DMI) and BP Koirala Institute of Health Sciences (BPKIHS)** by seconding expatriates to build the capacity of these institutions. This support will continue until July 2008.

The issuance of "Patan Hospital Development Committee Formation Order 2063" in August 2006 by the Government of Nepal was a landmark achievement towards the transition of **Patan Hospital** as an autonomous legal entity. As per the commitment,

UMN continued the secondment of senior expatriate medical professionals to help the hospital in coaching and mentoring the Nepali doctors. Through the Medical Assistance Funds and the UMN Hospitals' Endowment Trust, the hospital continued receiving charity funds to support poor patients who cannot afford the cost of treatment. A Memorandum of Understanding was signed between UMN and Patan Hospital in June 2007 in order to continue UMN's partnership cooperation with the hospital including input at the governance level by serving on the Board.



Both **United Mission Hospital – Tansen and Okhaldhunga Community Hospital** continued serving patients including poor people by maintaining a high level of quality care as in the past. Although it was expected that the management of these two hospitals would be formally handed over to Human Development and Community Services (HDCS), a Nepali Christian Non Government Organisation, by this year, this did not occur due to transition in the country's political situation and the changes of the government staff. There were some monitoring and assessment teams formed by the

Government of Nepal (GoN) that visited both hospitals and made recommendations regarding the handing over of the hospitals to HDCS. The proposed draft agreements between GoN Ministry of Health and HDCS for the running of these two hospitals remain unresolved. Despite the ongoing delays in the decisions, HDCS continued overseeing these two hospitals on behalf of UMN and UMN continued its support to the hospitals by sending expatriate medical practitioners, charity funds, funds for capital improvement and prayer support.

UMN expatriate tutors worked throughout the year to capacity build **Tansen Nursing School (TNS)**. TNS continues to produce high quality nurses, which is reflected in its 100% success rate results with a majority obtaining distinctions. TNS had also planned to commence a Bachelor in Nursing programme but this did not materialise due to the absence of key officers at Tribhuvan University. UMN is committed to helping TNS to secure a sustainable future and fulfill its Mission and Vision.

Corporate Services



groups which want to support UMN's work in Nepal and who fit certain criteria, can become Supporting Partners. These organisations choose whether they wish to be involved in the governance of UMN. This new structure will also allow for a much wider pool of people who can be nominated to the UMN Board of Trustees.

Government Relations

As part of the monitoring and evaluation of UMN's work, in December the Social Welfare Council and other government representatives were invited to give input on what had been achieved up to July 2006. This will be a regular annual process as UMN seeks transparency and good constructive advice.

Throughout the year there was regular lobbying in different Government of Nepal ministries for the continuation of the free visa status that UMN has had for the past 53 years. By the end of the fiscal year this had still not been resolved, though the government is working on an amendment to the existing Immigration regulations.

A Time to Grow

As UMN's work in cluster areas has progressed, there have been 25 new Nepali staff and 10 new expatriates joining the organisation in the past year. Some staff completed their time with UMN and so at the year's end there was a total of 132 Nepali staff and 31 Expatriate visa holders. The latter come from 17 countries, including for the first time Kenya, Uganda and Turkey. The Nepali staff are from a wide variety of ethnic backgrounds. On the basis of the Project Agreement with the Social Welfare Council, UMN made the decision, towards the end of the year to expand its work into two more geographical areas. These will be Bajhang and Doti/Achham in the far western region of Nepal and will be

developed in the coming year. UMN will also establish a cluster support office in Nepalganj to assist in the technical and logistical support needed for UMN's work in the mid-west and far west regions.

UMN's Governance Structure

For many years UMN has had numerous International Member Organisations which were the "owners" of UMN. However, the UMN General Assembly in May decided that in the future, international





Staff Issues

UMN's Personnel Management Framework which covers the working conditions for both Nepali and expatriate staff, was revised at the start of the year with staff input. It provides a flexible framework for all line managers. A Pastoral Care worker was appointed this year to give support mainly to expatriates.

All staff have their own Personal Development Plan through which they are encouraged to work positively in developing their own skills and competencies. All Technical Advisors started on an 18 month commitment to the "Advisory Learning Programme", facilitated by an outside consultancy group, Organisation Development Centre. There were occasional social programmes which were well attended by staff and their families.

Open Source Migration

Last year UMN took the bold step of starting to move the whole organisation from using proprietary software solutions to using "Open Source" solutions. Unlike proprietary software, Open Source license(s)

allows UMN to freely copy and share any Open Source software with partner organisations. During the year, the majority of staff undertook initial training in the use of this software.

UMN Archives

Fifty years of UMN archives have been gradually built up and housed in a university library in Edinburgh, Scotland. However, administrative changes there meant that from mid-2007 the archives had to move. The decision was made to relocate them to a very suitable archive library in Yale University in USA. This will be accessible to appropriate students and researchers. The UMN archivist Betty Young oversaw many of the practical arrangements for the transfer of the archive collection, but sadly passed away in July. There was much gratitude to God for her 50 years of committed service to UMN both in Nepal and Scotland.

Security

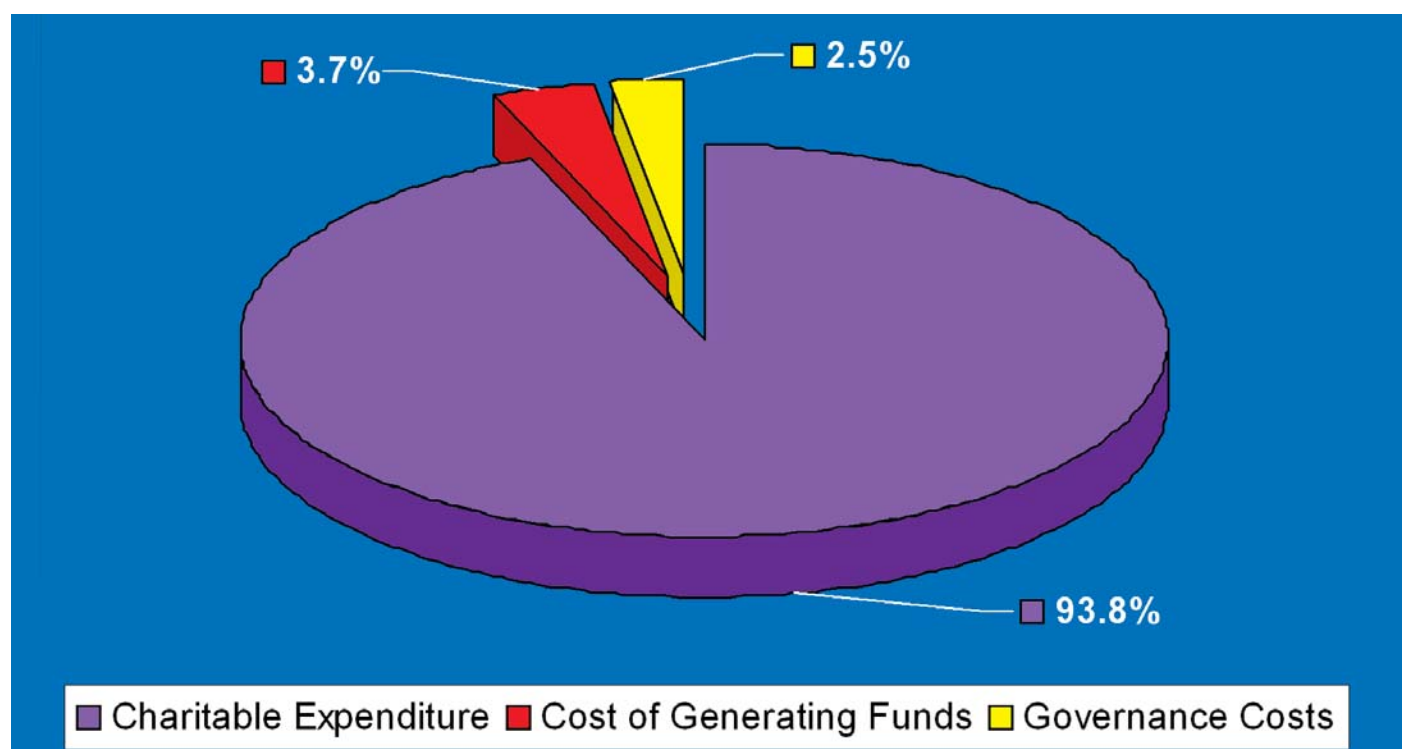
As for all INGOs working in Nepal, the past year has been a challenging one as constant strikes and stoppages have interfered with UMN's ability to do all that was planned with partner organisations across the country. The districts in the Terai that UMN works in – Sunsari, Morang, Rupandehi, Kapilvastu and Nawalparasi - were especially affected. We thank God for all our dedicated staff, especially those in cluster areas who work so hard, despite all these frustrations and disruptions.



Finance

From this year, UMN has chosen to voluntarily adopt financial reporting practices as recommended by the Charity Commission UK. The accounts have been prepared in accordance with the requirements of the Statement of Recommended Practice (SORP) published in March 2005.

Expenditure in 2006-07



In the year ending 16 July 2007, the consolidated expenditure of United Mission to Nepal including its two Hospitals was \$ 3,973,693

The charitable expenses including the expenditure by two Hospitals (in transition) was \$ 3,728,520. These charitable expenses include \$ 348,078 support costs allocated on the basis of a percentage of direct

expenses by each area of work. No support costs have been allocated to the two hospitals.

The cost of generating funds \$ 145,985 accounts for 3.7% of UMN's consolidated expenses. This includes the expenses associated with activities that are intended to attract institutional donors and

individual funding for charitable expenses necessary for UMN's work.

Governance costs are those which are necessary to provide the governance infrastructure that allows UMN to generate information required for public accountability. Such costs amounted to \$ 99,188 and account for 2.5% of total expenses for the year.

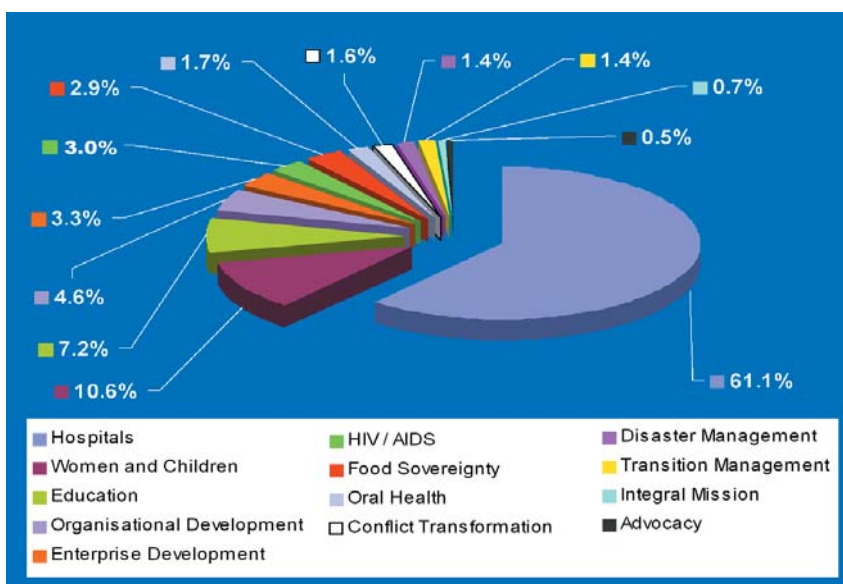
NB. (Figures for last year are restated to facilitate comparison).

US \$ 1 = NRs 65.145

Finance

Breakdown of Charitable expenditure:

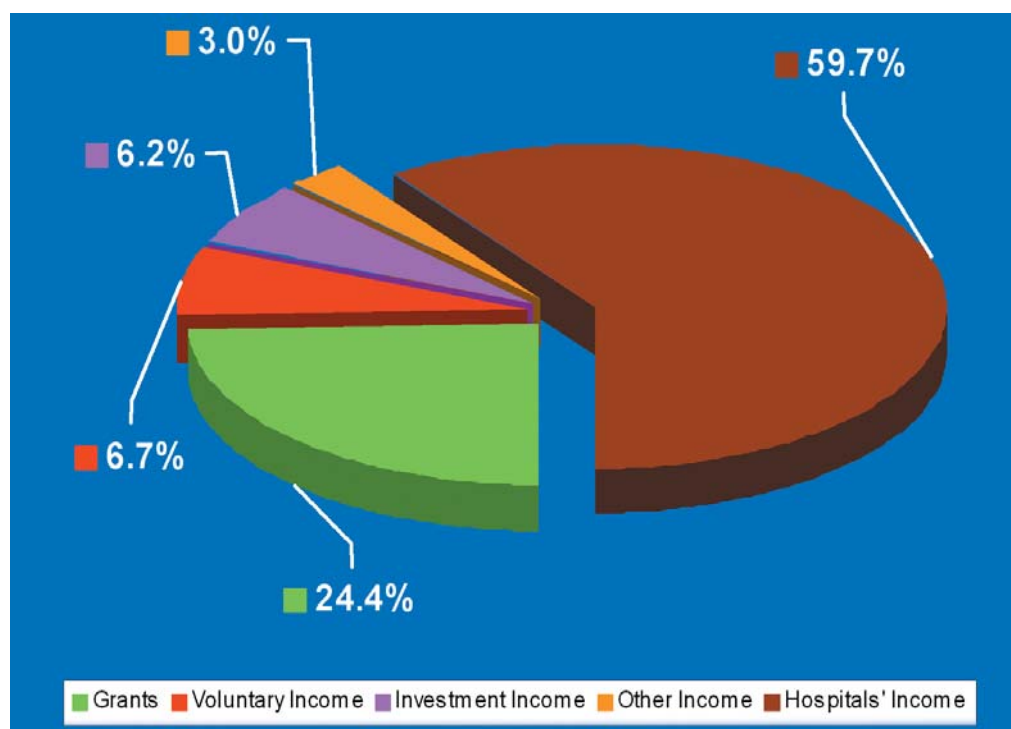
To achieve UMN's Mission in Nepal, we have spent resources in a number of different areas of work. Charitable expenditure in the year ended 16 July 2007 was as follows:



Charitable Expenditure	US\$	%
Hospitals	2,278,283	61.1
Women and Children	395,943	10.6
Education	268,218	7.2
Organisational Development	170,541	4.6
Enterprise Development	123,314	3.3
HIV / AIDS	109,945	3.0
Food Sovereignty	108,904	2.9
Oral Health	64,982	1.7
Conflict Transformation	60,085	1.6
Disaster Management	53,343	1.4
Transition Management	51,074	1.4
Integral Mission	26,305	0.7
Advocacy	17,583	0.5
Total	3,728,520	100.0

Income in 2006/07

Consolidated income in 2006/07 was \$ 4,380,401, an increase of 46.1% over last year (\$2,998,883). The majority of this growth came from the increase in grants income. This is because of the response by UMN donors and supporters to UMN's desire to expand its charitable activities. Besides this, investment income and hospital income also increased significantly. Growth rate of income was sufficient to cover the increased charitable expenditure by programmes, indicating UMN has a sound and sustainable resource base.



Finance

Grants Income

Grants income constitutes a major source of funding to UMN's charitable expenditure. As in previous years, UMN continued to receive grants from various institutional donors and individuals. In the year 2006/07 the total institutional grants excluding income to undesignated funds amounted to 1,070,466, an increase by 82.3% from the last year (\$ 587,335). Institutional grants received in the year 2006/07 were:

Grants Income (Donor wise classification)

Donors	US\$	%
Tear Australia	236,012	22.1
Tearfund UK	198,354	18.5
Grants from various donors	164,645	15.4
FELM	115,245	10.8
Tearfund Netherlands	82,322	7.7
ICCO – Kerk in Actie	74,391	7.0
DFID	65,604	6.1
Der Evangelische Entwicklungsdienst	60,828	5.7
Church of Scotland	41,943	3.9
Interserve	30,304	2.8
Total	1,069,648	100.0

Voluntary Income

Voluntary income comprises any gifts in kind, volunteer services, and small donations provided by individuals. Such income in year 2006/07 was \$ 295,649 which is an increase of 25%.

Investment Income

UMN has invested its funds in the equity shares of companies in Nepal. Other investments are comprised of bank deposits in foreign banks abroad and local banks in Nepal. Income from such investments amounted to \$ 273,483, an increase of 117.1% on last year. The primary reason for this increase is because of dividend income in this year. No such dividend was received last year.

Investments are subject to market risks and the returns from such investments vary year to year. This year, the investment portfolio sustained a significant exchange loss of (\$393,367) because of the very large appreciation of Nepalese currency against the US Dollar. However, investments in equity shares of listed company were revalued on a market value in accordance with the SORP 2005, which offset the exchange loss.

Hospital Income

Income to the two hospitals of \$2,611,264 is comprised of all income including grants, donations, interest and any other income generated locally. Total income of these hospitals accounts for 59.7% of the total UMN consolidated income and is an increase of 37.5% on last year (\$ 1,898,547).

Other Income

Income not falling in any of the above categories is included in this line item. This income usually comes from membership fees, sales of materials and items, instalments paid by Medical Services Management Trust (MSMT) Nepal and other minor income. Such income amounted to \$ 129,539.

Consolidated Summary Statement of Financial Activities (SOFA) Year ended 16 July 2007

	US\$	%
Income		
Voluntary Income	295,649	6.7
Grants received	1,070,466	24.4
Investment Income	273,483	6.2
Hospital Income	2,611,264	59.7
Other Income	129,539	3.0
Total incoming resources	4,380,401	100.0
Expenditure		
Cost of generating funds	145,985	3.7
Charitable expenditure	3,728,520	93.8
Governance costs	99,188	2.5
Total outgoing resources	3,973,693	100.0
Net incoming resources	406,708	
Other recognised gains and (losses)	2,842,337	
Net movement in funds	3,249,045	
Funds brought forward	3,204,785	
Funds carried forward	6,453,830	

Finance

Other Recognised Gains (Losses)

The amount shown in this line represents the net effect of exchange loss of \$ 393,367 and revaluation surplus \$ 3,235,704 from investment in marketable securities.

Financial Policies

Consolidation Policy

The figures presented in this report include the expenses and income of the two UMN hospitals namely Okhaldhunga and Tansen. It is UMN's policy to consolidate their accounts until the ownership and operation of the hospitals is transferred to Human Development and Community Services (HDSCS). Expenses and Income of these hospitals are consolidated in the Statement of Financial Activities (SOFA) in a single line as they are treated as separate programmes where as in the balance sheets these are consolidated on a line by line basis.

Reserves

Consolidated Reserves represent funds that are held by UMN and the two hospitals. The funds are invested in UMN and its two hospitals' fixed assets and the working capital. These reserves include restricted funds, unspent capital funds, funds designated by UMN and its two hospitals and the revenue reserves. Restricted funds are funds which are specifically designated by donors to spend in specific areas of work or geographical locations. Designated funds, though not restricted by donors, represent funds which are set aside by UMN itself for specific projects, contingencies or planned work in the future. Revenue reserves are unrestricted funds that UMN can

spend in any area in accordance with UMN's approved policies and programmes. Unspent capital funds are funds set aside for acquisition of fixed assets in future.

The Executive Director in association with the Finance Team Leader reviews the position of different kinds of reserves on a half yearly basis and the policies thereof annually. Policies with respect to possible usages of different kinds of funds are devised and included in the Financial Management Framework. The purpose of reserve policy is to ensure with a high degree of confidence that none of the planned charitable programmes will suffer because of the shortage of funds in the foreseeable future. In this regard, it is UMN policy that revenue reserves should be maintained at a level of \$ 1,000,000. Currently this is at least enough to fund seven months expenses on various activities. Total amount of funds at the end of the year is \$ 6,453,830 including the funds of the two hospitals \$ 628,847. Funds excluding the two hospitals are amounted to \$ 5,824,983. The share of unrestricted funds in this amount is 89.7%. Total funds are increased by 201.4% from last year (\$ 3,204,785). The reason for the large increase in reserve is the revaluation of the shares in Butwal Power Company Limited (BPC) and the Hospitals surplus. Previously the shareholding had been shown at par. The value of the share as at 16 July 2007 was \$ 3,595,226. In future the shares will be revalued annually.

Investment Policy

In line with the current Investment Policy approved by the UMN Board of Directors, resources which are not expected to be incurred in the short

run are invested in highly liquid and secured financial instruments. These instruments usually consist of interest earning bank deposits in the United Kingdom denominated in Sterling, Euro and US dollar. These deposits and their earning potential are monitored every three months. All of these investments are carried out by UMN itself rather than being assigned to an asset manager.

Apart from these deposits, a proportion of the funds have been invested in equity shares of companies in Nepal and in loan notes.

Grants making policy

Grants being made to partners is becoming an important aspect of UMN's operation. This is part of moving out of direct implementation and working solely through capacity building and providing resources to Nepali Partner Organisations.

Grants are made within agreed parameters. Grants are only provided to partners whose proposals can pass through a formal multi stage assessment of capacity to ensure they can utilise the grants to the full in a transparent and accountable manner.

Going Concern

UMN management is of the opinion that it has adequate resources to continue its operational activities and does not intend to close or scale down its activities materially in the foreseeable future. The exception to this is the two hospitals which are expected to be handed over to Human Development Community Services.

Partner List

Cluster Name	Organisation Name
N A T I O N A L	Children at Risk Network - Nepal People, Energy & Environment Development Association Centre for Mental Health and Counseling Nepal Christian Relief Services Dhulikhel Medical Institute (DMI-Physio Therapy)
D E A D I N G	Chandrajyoti Integrated Rural Development Society Nari Jagaran Kendra Dalit Welfare Organisation Jagat Jyoti Community Development Centre Small Farmer Cooperation Federation Achane Higher Secondary School Namaste Yuba Club Himalaya Samudayik Mukti Karyekram
M U G U	Rinimokshya Samaj Sudhar Kendra Gramin Samudayik Sanstha National Dalit Development Forum Chhayachhetra Community Development Centre Malika Community Development Centre Mahakali Higher Secondary School District Health Office Nepal Red Cross Society District Chapter Karani Community Development Centre Disabled Rehabilitation & Rural Development Organisation
R U K U M	Dalit Welfare Organisation Seto Gurans Bal Bikas Sewa Nepal Magar Society Service & Information Centre Nepal Red Cross Society District Chapter Rukmini Higher Secondary School

Cluster Name	Organisation Name
R U P A N D E H I	Gramin Mahila Uddham Sahakari Sanstha Ltd Siddhartha Samudayek Samaj Sunawal Community Development Center, Nawalparasi Nepal Abinash Social Service Organisation Sungabha Community Development Centre District Public Health Office Jana Kalyan Higher Secondary School Bhrikut Community Learning Centre Life Development Resource Centre Lumbini Christian Society Sakar Samuha Nepal
S U N S A R I	Samudayik Sewa Kendra Ramganj Yuba Club Nepal Chelebeti Disabled Women's Society Sewa Saving & Credit Co-opreative Society Naba Jiwan Samaj Sewa Participant Mobilisation Centre Chandra Mukhi Club Jana Chetana Samuha Sundar Samaj Nirman Samuha Multi Purpose Rural Development Centre District Health Office Purba Anchal Gyanchaksha Bidhalaya Kirat Yakthang Chumling Vadgaun Sinuwari Higher Secondary School Sarada Higher Secondary School Brethren In Community Welfare Society Community Development Forum National Community Development Centre

Member Bodies and Affiliated

Member Bodies who became UMN Supporting Partners as from June 2007

Australia

Church Missionary Society, Australia
Tear Australia

Ireland

Presbyterian Church in Ireland

Netherlands

Tear Netherlands *
ICCO & Kerk in Actie *

Norway

Normisjon *
Norwegian Himal Asia Mission

United Kingdom

BMS World Mission
Church Mission Society, Britain
Church of Scotland
Methodist Church in Britain
Tearfund UK

United States of America

Maryknoll Sisters Congregation *
World Mission Prayer League

Multi-national Bodies

Interserve

** Not involved in governance*

UMN Associate Organisations

Denmark

Danmission

Canada

Pentecostal Assemblies of Canada
Presbyterian Church in Canada
Volunteer International Christian Services

Finland

Evangelical Free Church of Finland
Finnish Evangelical Lutheran Mission

Germany

Der Evangelischer Entwicklungsdienst
Gossner Mission

India

Assemblies of God
Church of North India
Church of South India
Methodist Church in India
Presbyterian Church Synod Mizoram
SIM
United Evangelical Lutheran Church in India

Ireland

Church Missionary Society

Japan

United Church of Christ in Japan
Japan Overseas Christian Medical Cooperative Service

Norway

Norwegian Pentecostal Mission

Singapore

Singapore Baptist Convention

South Africa

SAAWE

Sweden

InterAct
Swedish Pentecostal Mission

Switzerland

Swiss Friends for Mission in Nepal

United States of America

American Baptist Churches
Evangelical Lutheran Church in America
Global Ministries
International Technical Assistance Group
Mennonite Central Committee
Mennonite Mission Network
Navigators
Presbyterian Church
Southern Baptist Convention
United Methodist Church
Wesleyan World Mission
World Concern

Multi-national Bodies

South Asia Group

A Time to Grow

"There is a time for everything, and a season for every activity under heaven"
Ecclesiastes 3:1

"And Jesus grew in wisdom and stature, and in favour with God and men."
Luke 2:52

"Defend the cause of the weak and fatherless; maintain the rights of the poor and oppressed."
Psalm 82:3

"...The LORD is my rock, my fortress and my deliverer."
2 Samuel 22:2

UMN exists to serve the people of Nepal especially poor and disadvantaged people and communities and our theme for 2006-2007 'A Time to Grow' helps to express this mission.



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