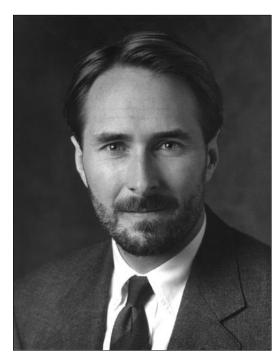
Foreword

This year challenged BNMT in its mission to assist the people of Nepal to improve their health and in its rights-based approach to this end. Amid armed conflict, suppression of civil rights and looming humanitarian disaster, the goal of health rights appeared to be a distant dream. Fortunately, we were not put to the test, and as reported in the Chief Executive's message, we are heartened that a difficult year ended on a positive note.

In this year's annual report, we get to the heart of what health rights are and why they are important. At BNMT, we maintain the conviction that development rests on how people are able to exercise their social, economic and political rights – particularly their rights to health. We focus on health improvement to overcome economic inequality and social exclusion, which are the basis of persistent poverty and political instability. BNMT therefore assists Nepali partners to create demand for services that address the health needs of local people,



and to strengthen the provision of health services that are accessible and acceptable to those people. We recognise progress when mothers who have never learned to read can seek and obtain treatment for their children's pneumonia; when young women can convince their partners to use a condom; and when underpaid health workers can provide vulnerable people with respectful, quality care for tuberculosis.

BNMT's programme has achieved much over the past year, despite the prevailing insecurity and political turmoil. Major accomplishments include:

- community mobilisation benefiting 120,000 people, 64 per cent of whom were women and 58 per cent of whom were from disadvantaged ethnic groups, with training on community priority setting, action planning, and health committee management;
- tuberculosis control with overall treatment success rates of 88 per cent;
- safer motherhood training to enable 300 health care providers to increase access to first aid, emergency obstetrics, and midwifery services.

Having just assumed the chair in January, I want to express my gratitude to BNMT's staff, to our partners in Nepal, and to our supporters, large and small, whose generosity makes our work possible. Let me also extend a special word of appreciation to my predecessor, Dr. Ian A. Baker, whose wisdom and intelligence I can only hope to emulate.

With Nepal on the verge of reconciliation, we encourage you to consider increasing your investment with BNMT to help build the basis for a just and lasting peace.

Gratefully yours,

Jeffrey W. Mecaskey, Chair Board of Trustees

Patrons and Trustees

Royal Patrons: HRH The Prince of Wales KG KT GCB • HRH Princess Helen Shah of Nepal

Patrons: Sir Christian Bonington CBE DSc • Sir John Crofton MD FRCP • Dr Penny Cunningham MB BS • Professor Wallace Fox CMG MF FRCP Professor Sir Andrew Haines MBBS, MD, FRCGP, FFPHM, FRCP, FMedSc • Lady Hughes-Hallet • Lady Pike • Dr J O B Rosedale • Lt Col C G Wylie OBE

Trustees: Dr I A Baker • Dr I A Campbell • Dr G Holdsworth • Mr J Mecaskey • Dr K Øvreberg • Dr N Padfield • Dr D Patterson • Dr J Payne Dr S Sinclair • Ms D Tamang • Ms P Wilson

Company Secretary/Administrator: Mrs A G Peck

A message from the Chief Executive Officer



There is much cause for optimism after the challenging circumstances of the past year. Security in Nepal continued to deteriorate in 2005, as the Royal Palace cracked down on civil liberties and tightened its grip on power. Maoist rebels continued their military offensive, while mainstream political parties formed an alliance to oppose the monarchy. A partnership between the Maoists and the political parties brought the situation to a head in early 2006: the King was forced to end direct rule and allow an interim government to be formed without him. Both the Maoists and the interim government then declared a ceasefire, which came as a huge relief.

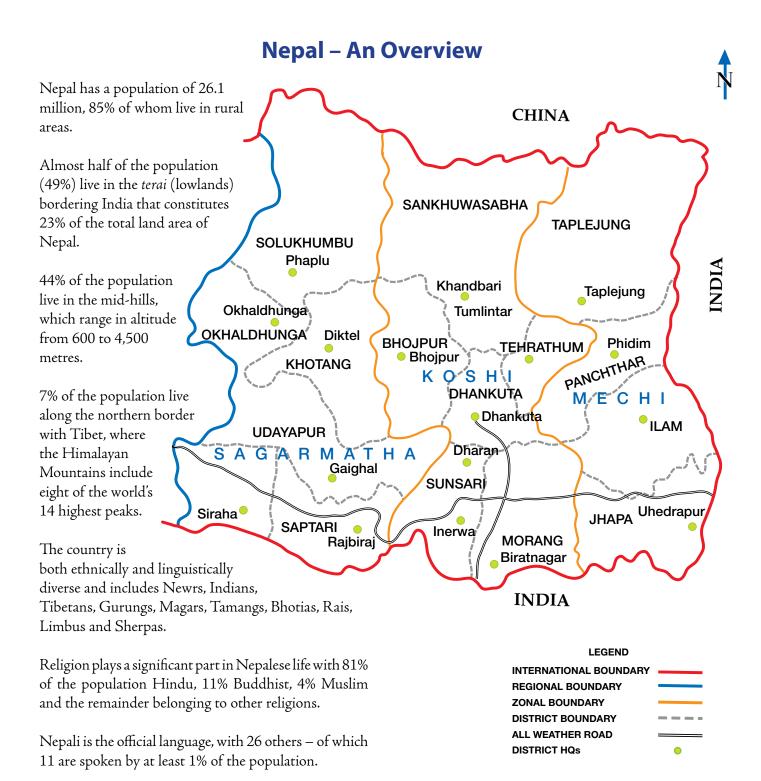
It is hoped that these recent developments will increase stability and create a peaceful dispensation that enables BNMT and Nepal's other health and development partners to work more effectively.

Over this past year, BNMT strengthened its effort to translate human rights into health realities for the most disadvantaged groups in the Eastern Development Region of Nepal, despite the turmoil. Activities in a number of BNMT districts were hampered by protests, *bandhs* (strikes), abductions, intimidation, violence and killings. Thankfully, no BNMT staff were harmed but the conflict displaced many people in the region and eroded the impact of BNMT's work. These challenges make BNMT's contribution to improving health in the region even more crucial.

The field staff, managers and partners of BNMT maintained their strong commitment to the Trust's mission and its intended beneficiaries. The organisation continued to change during the year to improve its structure and approach. Progress was made in articulating more clearly what a 'rights-based approach' means for BNMT and how it can be implemented on the ground. We improved our strategies and systems for working with local partners, and also for monitoring and evaluation. The need for more efficient and effective operations also led to a number of changes in BNMT staff and their placement.

I thank our staff, implementation partners and the Government of Nepal for their continued support. The investments in our programme by ICCO Netherlands, DfID UK, the Big Lottery Fund, Simavi and the Global Fund were crucial. We are grateful to these organisations for their confidence and commitment to our shared cause. The promise of peace makes us look forward to stronger partnerships, performance and people-centred progress in the future.

Mrs Chanda Devi Shrestha Rai Chief Executive Officer



Politically, Nepal is emerging from 14 months of direct rule by the monarchy. Weeks of strikes and protests Poverty and Health

Among the poorest 20 per cent of the population:

- less than 4 per cent of births are attended by skilled health personnel
- just over half (54 per cent) of one-year-olds among the poorest 20 per cent are fully immunised against common diseases such as tuberculosis, diptheria and measles
- the infant mortality rate is 85.5 per 1,000 live births
- more than one in ten children dies before the age of five (the under-five mortality rate is 130 per 1,000).

Economically, Nepal is one of the world's poorest countries, with few natural resources. Its foreign exchange is earned principally through tourism. 38% of Nepalis live on less than \$1 a day.

in April 2006 forced the King to relinquish power to

an interim government composed of political party

representatives. Since 1996 armed conflict between the

government and the Maoist insurgents has killed more

than 12,000 people and displaced more than 100,000.

Achieving the Right to Health in Nepal

In a country where human rights violations are common, BNMT seeks to focus on the universal right to health



Ante-natal check-up, Tamaphok

The International Covenant on Economic, Social and Cultural Rights says that 'Every human being is entitled to the enjoyment of the highest attainable standard of health conducive to living a life in dignity.' This is not a right to be healthy, but a right to have one's health protected. It implies not only a right to timely and appropriate health care, but also healthy conditions of life: safe water, sanitation, adequate food and shelter, and a healthy environment.

'Every human being is entitled to the enjoyment of the highest attainable standard of health conducive to living a life in dignity.'

International Covenant on Economic, Social and Cultural Rights

Equality of opportunity – or freedom from discrimination – is a central principle in the concept of health as a universal right.

A rights-based approach to health uses human rights as a framework for health development. It therefore seeks to safeguard human dignity, pay attention to the most vulnerable in society, and ensure accessibility for all, especially the disadvantaged. It also seeks to

empower disadvantaged people to exercise their right to health, and to take responsibility for it: to demand the services they need, to participate in decisions that concern them, and to take action to protect the health of their families and communities. To do this, they need to work together and to have access to knowledge and information about health, so awareness-raising and community mobilisation are key elements in a rights-based approach.

In Nepal as elsewhere, socially disadvantaged groups – women, children and socially excluded people such as 'dalit' or untouchables – tend to be the most vulnerable to ill-health. Yet these are the people most likely to face



Terraced rice fields north of Khadbari, Sankhuwasabha

© Gabriele Kroos



Children selling goods to supplement family income instead of going to school, Mani Banghang, Sankhuwasabha

© Gabriele Kroos

barriers to access to health services and information. In adopting a rights-based approach, BNMT is emphasising its focus on the most disadvantaged groups and ensuring that health services work better for those who need them most.

BNMT focuses on both the supply and the demand for health services. We work with service providers – such as district health authorities, Village Development Committees and non-governmental organisations – to help them improve the services they offer and ensure they are accessible and acceptable to all, particularly disadvantaged groups. In practice, this often means helping to train the staff of health institutions, to improve administrative practice or to ensure that health posts in remote areas have essential equipment and supplies.

We also work with service users in their communities, to help them take responsibility for their health by

'I thought the drug scheme programme was owned by BNMT. After training I knew it was for us by ourselves.'

> Mr. Iman Singh Rai, Health Committee Member, Khotang

seeking treatment, playing a role in the organisation of community-based services, and advocating additional services to address unmet need. This includes awarenessraising on key health issues, and helping communitybased organisations to develop their own action plans.

BNMT creates opportunities for people in local communities to express their health priorities to service providers, working through community organisations, users' groups, mothers' groups and local health committees. We make a particular effort to ensure the participation of people from disadvantaged groups in these discussions, and the service providers are encouraged to listen. We understand this as a contract of mutual respect between the health providers and the community to address health needs.

Although BNMT's programmes emphasise the participation of people from disadvantaged groups, for example certain ethnic and religious minorities, they do not exclude the rest of the community.

Our ultimate goal is to ensure that communities in Nepal have the tools and knowledge to demand services that address their health needs, and that health service providers can respond to that demand with services that are accessible and acceptable to all.

'We are surprised that you are visiting our village and want to help the people in the most disadvantaged tole (small village). Health staff from the district centre have already stopped visiting our village because of the difficult security situation.'

Mr Chandra Prasad Shrestha, Health Committee Member, No. 6, Budhabare, Dhankuta

Empowering communities

BNMT aims to empower communities to exercise their right to health, and in particular to increase the awareness and capacity of people from disadvantaged groups to demand and access quality health services.



A Female Community Health Volunteer leads a session on safe motherhood

In 2005, BNMT community activities reached 120,000 people, 64 per cent of them women, and 58 per cent from disadvantaged groups.

At community level, BNMT tackles health issues through participatory learning, health analysis and action in community organisations, mothers' groups and so on. Members of the community learn about common health problems such as tuberculosis, HIV, malaria, kala-azar, respiratory infections and diarrhoeal diseases. BNMT staff — or, increasingly, facilitators trained by BNMT — help people to identify the causes of these problems and prepare action plans to address them.

Where community members lack the resources or expertise to implement a solution on their own, BNMT can help with equipment and technical support. In 2005 six communities of disadvantaged people installed sanitation and drinking water systems. BNMT provided the materials and technical support, and local people did the work.

A particular problem for disadvantaged households is the lack of money to pay for treatment, or for travel to a hospital. In 2005 BNMT helped to set up community health emergency funds in 30 villages to

ensure that health care would be accessible to the poor. The funds are managed by the potential beneficiaries, and people borrow from them in case of need. After seeing the community health funds started by BNMT, neighbouring villages took up the idea, and communities in another 65 villages have started their own funds.

The Trust also works with disadvantaged youth. It has organised eight youth groups where young people can learn about health and disease, and how to pass on the knowledge to their peers. The Trust runs a similar programme with 10-15-year-olds, in cooperation with local schools. In 2005 the Trust trained 101 boys and

Saving lives: emergency health funds

After a community planning workshop in Joginya, a health fund was set up for people from disadvantaged groups (DAGs). The head of the sub-health post opened a bank account for the fund. Some time later, a local woman, Radiya Devi Sada, went into labour and suffered severe pains. Her family wanted her to deliver the baby at home, because they could not afford a hospital delivery. A teacher, Mr Safi, who had attended the planning workshop, gave the family 700 rupees to take Radiya Devi Sada to hospital, where she gave birth to a boy. The teacher was reimbursed from the health fund. He said: 'If there was no DAG fund, I could not have afforded to give my money.'



A community meeting called by the Health Committee, Majmajhuwa 100 girls to raise awareness in the community and the school about TB, HIV/AIDS and other infectious diseases.

BNMT trains Female Community Health Volunteers (FCHVs) and traditional birth attendants (TBAs) to raise awareness among pregnant women in the community. The trainees have distributed thousands of keychain cards to pregnant women. The cards have key messages, in words and pictures, about the importance of ante-natal check-ups, the danger signs in pregnancy and labour, etc.

FCHVs report that as a result of this project, more pregnant women have visited health facilities for antenatal check-ups and have started to demand iron tablets and clean home delivery kits, as well as key chain cards for their neighbours.

Saving lives: safe motherhood key chains

During her third pregnancy, Meena followed the advice on her BNMT key chain card, and went to check-ups regularly. Members of her family also went through the key chain and learned about the danger signs in pregnancy. She gave





and everything was going well, until she started to bleed heavily. Bleeding after delivery is listed as a danger sign on the key

chain card, so she and her husband realised that they needed to go to the health post. She was carried there on a stretcher provided by BNMT. At the health post she received treatment promptly and the bleeding stopped. Her husband said: 'The key chain ring card helped me

to identify the problem and save my wife's life. This key chain ring should be distributed to all women.'





Saving lives: street theatre

Street theatre is a particularly important form of mass communication in Nepal. BNMT has organised and trained theatre groups in four districts to broadcast information about common illnesses such as tuberculosis and diarrhoea.

In 2005 BNMT trained students from Saraswati Secondary School in Chainpur, Sankhuwasabha in street theatre skills. They put on a drama on diarrhoea in September 2005 for local people.

A few days later, Ram Bahadur, a resident of Siddakali village, asked a Dhami (traditional healer) to treat his son, who was suffering from severe diarrhoea. An acquaintance who had seen



Street theatre performance

the street drama told Ram Bahadur that diarrhoea would not be cured by consulting the Dhami. He suggested seeking help from the nearby health post. First, they called an FCHV, who gave the boy oral rehydration solution. Then they took him to the health centre, where the health worker gave him an intravenous drip. The health worker told Ram Bahadur that bringing him to the health centre in time had saved the boy's life.

Strengthening institutions

BNMT aims to increase the capacity of service providers in disadvantaged communities to respect and respond to people's health rights.



Training in TB smear preparation

BNMT works with district health offices, local health committees and non-governmental organisations to improve the health services they offer to communities in Nepal. At present, the Trust has 75 non-governmental organisation (NGO) partners.

BNMT's main contribution to these institutions is the provision of training for health workers, health committees and service providers. Other forms of



Revolving drug schemes, like this one in Sital Patti, Sankhuwasabha, help ensure access to essential medicines © Gabriele Kroos

support include providing equipment, helping to improve administrative systems, and helping to establish or revive community-based institutions, such as drugs management committees.

In 2005 the Trust's training for health workers covered tuberculosis laboratory microscopy, basic training on tuberculosis, rational use of drugs, safe motherhood, and prevention and control of infectious diseases.

To help local institutions working on infectious diseases, BNMT also supplied equipment and helped to improve surveillance, reporting systems and drug supplies.

As part of the Safe Motherhood Innovative Project, health workers received training in first aid, emergency obstetric care, basic essential obstetric care and midwifery refresher training. The trainees were also given obstetric emergency first aid kits.

All primary health care centres and district hospitals in six districts now have the equipment and staff to perform effective obstetric care. As a result, complicated

Supporting non-governmental organisations

Three years ago, Raj Shrestha (pictured), an intravenous drug user living in Ithari, learned that he was HIV positive. He found out about a local drop-in centre for drug users that provides free syringes and needles. The centre is run by a local NGO with support from BNMT. Raj obtained clean syringes and needles from the centre, and also received counselling. It impressed him so much that he began to help with counselling other people who were HIV positive. He now works as a counsellor at the drop-in centre. He believes that without the centre, he would not be alive today. 'All my IDUs (intravenous drug users) friends who did not come into contact with the drop-in centre have already died', he says. He believes the centre is essential for preventing the spread of HIV/AIDS in the community.





While they wait for their prescriptions, literate people can read about the services provided at this health centre in Morang

cases such as retained placenta and vacuum deliveries are now managed in the district hospitals. Patients no longer need to travel as far away as Biratnagar or Kathmandu.

During the year BNMT also boosted community-based institutions, reviving health committees through



Training session for partners in Dhankuta

Training health workers

Sita Bardewa, 20 years old and in her fourth pregnancy, went for an ante-natal check-up in Chainpur. The Auxiliary Nurse Midwife (ANM) discovered that the foetus was in breech position, and suggested that Sita should have a caesarian section in Biratnagar or Kathmandu. But the family could not afford to travel, so they decided to deliver the baby at the Primary Health Care Centre in Chainpur. The ANM, Sumitra Rai, felt confident because she had handled a breech birth during the midwifery refresher training provided by BNMT. Sita Bardewa gave birth to twins, and although she had a retained placenta and bled heavily after it was removed, the midwife was able to stop the bleeding. Sumitra Rai said: 'I am providing emergency services to mothers after taking MRT [midwifery refresher] training and I am able to save mothers' lives.'

community meetings. For example BNMT tries to ensure that people from disadvantaged groups are included in these bodies and consulted by them.

Making essential drugs available to all

Khotang is a remote district three days' walk from the nearest road. Transport relies on mules and porters, so consumer goods are relatively scarce and expensive. Health services are inaccessible to much of the population, and most people go to traditional healers for care.

BNMT has worked in the district since 1990, arranging a supply of essential drugs and introducing a cost-sharing scheme. In 2002, BNMT helped to set up a Drugs Management Committee (DMC) in Khotang, to take responsibility for the overall drug supply and



The Drugs Management Committee, Khotang

manage the hospital pharmacy. BNMT handed over its drug store to the DMC, which worked independently, but under the close supervision of BNMT and the district health institutions. By the end of 2005 the essential drugs programme had expanded to 62 health institutions in the district.

The committee procures most of its drugs from the BNMT store in Biratnagar, and the remainder from wholesalers. Specific products are selected on the basis of their quality and price. The committee pays for transport of the drugs to Khotang by charging a small mark-up to the health institutions that distribute them. The costs to patients are determined by the Local Health Support Committees (LHSCs), but charges are kept low so that even the poor can afford them. BNMT conducts basic management training for LHSC members, so that they can manage drug supplies in their health institution.

People in Khotang now have access to good quality, low-cost drugs, as the DMC supplies drugs at a much lower cost than the local market.

Addressing health needs

BNMT's achievements during the past year include training for 26,088 health workers and other service providers, and community based activities reaching 34,108 men and 56,265 women from disadvantaged communities.



Insecticide spraying team in Morang prepares for action

BNMT's work addresses five important health issues in Nepal: tuberculosis, HIV/AIDS and sexually transmitted infections, essential drugs, infectious diseases, and reproductive health and safe motherhood.

Tuberculosis

BNMT's work on tuberculosis covers all 16 districts of eastern Nepal, and helped to increase treatment success rates in the region during 2005. The TB hostels established by BNMT have now been taken over by the District Health authorities. BNMT provides minimal support to ensure a food supply for patients. In addition to its work in eastern Nepal, the Trust provides training and monitoring support to the National Tuberculosis Council. In 2005 the Trust provided:

- training for 261 health workers and volunteers to enable them to trace patients who defaulted on treatment
- · training in sputum smear preparation for 111 health workers,
- training in microscopy for 29 lab staff
- basic training on tuberculosis to 214 health workers and NGO service providers
- 348 community information sessions on tuberculosis for FCHVs, women's groups and people from disadvantaged groups.

HIV/AIDS and sexually transmitted infections

In 2005 BNMT carried out activities on HIV/AIDS and sexually transmitted infections in 11 districts in Nepal. This included:

- a study of the users' perceptions of services for people living with HIV
- research into the vulnerability to HIV/AIDS of returning migrants in Jhapa and Banke districts
- 23 community information sessions on HIV/AIDS.

Safe motherhood

BNMT's Safe Motherhood Innovative Project worked in six districts. This project encouraged community safe motherhood teams to set up funds to ensure women from disadvantaged households could afford travel and treatment. In 2005, this project:

- trained 298 health workers to use the birth preparedness package, an educational package on pregnancy and childbirth for families and communities,
- · trained 110 health workers in infection prevention
- trained 38 health workers in first aid and emergency obstetric care
- ran 102 training sessions for community safe motherhood teams.

Infectious diseases

BNMT worked on the control and prevention of infectious diseases in nine districts. To help address infectious diseases, BNMT organises information, education and communication campaigns. In the lowland districts where malaria and kala-azar are common, the Trust distributes insecticide-treated mosquito nets, and facilitates the planning and implementation of community initiatives such as insecticide spraying and advocacy for improved services. In 2005, the Trust:

- trained 95 health workers in malaria and kala-azar management
- provided education on infectious diseases to 2,250 people, including volunteer health workers, maternal and child health workers, mothers' groups, female community health volunteers, and traditional healers.

Essential drugs

BNMT regularly makes essential drugs available to district suppliers in 12 districts and helps local health committees to manage drug financing schemes, to ensure that everyone in the community has access to essential medicines. Despite the armed conflict and insecurity, there has been no loss or damage of drugs in transit. In 2005 BNMT provided:

- training in drug scheme management for 33 health committees, composed of community representatives and health workers
- training in rational use of drugs for 13 health workers.

Financial Report

The Financial information presented in this report does not constitute the statutory accounts of the Britain-Nepal Medical Trust. The full audited accounts for the year ended 31st December, 2005 have been submitted to the Registrar of Companies and the Charity Commissioners. The Auditors' Report on the Trust's accounts to 31st December 2005 is not qualified in any way. A copy of the Reports and Financial Statements may be obtained from the Trust's office at Export House, 130 Vale Road, Tonbridge, Kent TN9 1SP.

Balance Sheet as at 31 December 2005

	2005		2004 Restated	
	£	£	£	£
Fixed assets				
Tangible assets		2,716		3,394
Current assets Stocks of drugs Investments Debtors Cash and current accounts (including monies held in Nepal) Bank deposit accounts	12,154 101,103 78,459 321,030 29,476 542,222		7,144 86,592 196,036 202,105 18,038 509,915	
Creditors amounts falling due within one year	(139,697)		(143,141)	
Net current assets Net assets		402,525 405,241		366,774 370,168
Revenue reserves				
Unrestricted funds Accumulated income account		405,241		370,168

These Financial Statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. The financial statements were approved by the Board of Trustees on 13th September, 2006 and signed on its behalf.

Jeffrey W. Mecaskey, Director
INCOME
5 6 789 10 11

1. DfID, 2. ADRA, 3. Big Lottery Fund, 4. ICCO, 5. SIMAVI
6. Mercers Company, 7. Family Health International, 8. G. Allen Memorial Fund,
9. Beatrice Laing Trust, 10. Covenants and other donations,
11. Investment income and interest
TOTAL INCOME £768,829

Dr. J.M.V. Payne, Director

EXPENDITURE

2 3 4

1. Direct charitable expenditure, 2. Fund raising and publicity 3. Programme support 4. Management and administration

TOTAL EXPENDITURE £748,267

The Britain-Nepal Medical Trust is a company limited by guarantee and registered in England under number 921566

Fundraising



TB patient and visitor at a TB hostel supported by BNMT

Everest Marathon 2005

Once again a successful Everest Marathon has raised funds for projects in Nepal. Since 1991 the race has raised over £377,000 for charities working at grass roots level, helping those most in need. The Britain Nepal Medical

Trust has benefited from the efforts of those taking part in one of the toughest races in the world. The money raised will be used to buy another motorcycle to enable staff to reach the remoter areas, liquid display screens to show power point training presentations and computer equipment for the regional office in Biratnagar.

Marathon runner raises funds for BNMT

Dave Perkins first ran the London Marathon to raise money for the Trust in 2004. Although he felt 'exhausted and aching from head to toe' at the finish, he decided to run the London Marathon for us again on 23 April 2006. Dave's love of Nepal dates from 1981 when he worked there as a volunteer librarian with the Voluntary Service Overseas organisation. He has never forgotten the kindness and hospitality of the Nepalese people he met and with whom he worked.

This year he successfully completed the course in a personal best time of 4 hours, 5 minutes and 6 seconds. Congratulations to Dave for his successful marathon run and fund raising efforts.

We should like to thank everyone without whose generous support BNMT's work would not be possible

Major donors

ADRA

Department for International Development (DfID)

Everest Marathon Trust

Family Health International

Global Fund

Inter-church Organisation for Development Co-

operation, The Netherlands (ICCO)

SIMAVI

The Big Lottery Fund

The World Health Organisation

Trusts, foundations and other organisations

H.B. Allen Charitable Trust

Beatrice Laing Trust

Clay Charitable Trust

Coulsdon Methodist Church

D & H.E.W. Gaunt Charitable Settlement

Bryan Guinness Charitable Trust

Charles Hayward Foundation

Ibbetson Charitable Trust

Lawrie Plantation Services Ltd

Loseley & Guildway Charitable Trust

Longview Trust

Salamander Charitable Trust

Share Gift

Stonewall Park Charitable Trust

Swire Charitable Trust

The Students of Upton-by-Chester High School

Bequests

The late, D. Bushell, A. Covell, R. Hiles, K. Lowrey, S. Pelmore



The realisation of health rights means that women, young and old, receive appropriate essential health services