End Evaluation of the Decentralised Local Governance Support Programme (DLGSP) in Nepal

End Evaluation

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Final Report

End Evaluation of the
Decentralised Local Governance Support Programme (DLGSP) in Nepal

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Acronyms

ASTO	Area Support Team Office
CB	Capacity Building
CBDMP	Community Based Disaster Management Programme
CDF	Community Development Fund
CMC	Chairperson-Manager Conference (of COs)
CO	Community Organisation
DDC	District Development Committee
DDF	District Development Fund
DFDP	Decentralised Financing and Development Programme
DLGSP	Decentralised Local Governance Support Programme (2004-2009)
GESI	Gender Equity and Social Inclusion
GIS	Geographical Information System
IGA	Income Generating Activity
LDF	Local Development Fund
LGCDP	Local Governance and Community Development Programme
LGP	Local Governance Programme
LPBPP	Bridging Phase of LGP/PDDP
LSGA	Local Self-Governance Act (1999)
MCPM	Minimum Conditions and Performance Measures (of local government)
MEDEP	Micro Enterprise Development Programme
MFI	Micro Finance Institution
MLD	Ministry of Local Government
MTR	Mid Term Review
NA	Not available, Not applicable
NEX	National Execution (of programmes)
NOK	Norwegian Kroner
Norad	Norwegian Development Cooperation Agency
NPC	National Planning Commission
NPR	Nepali Rupee
PDDP	Participatory District Development Programme
QIPSI	Quick Impact Peace Support Initiative
SDC	Swiss Agency for Development and Cooperation
UNDP	United Nations Development Programme
UNCDF	United Nations Capital Development Fund
UNICEF	United Nations Children's Fund
USD	United States Dollar
VDC	Village Development Committee
WFP	World Food Programme

Executive Summary

The present evaluation has been carried out in June 2009, during the exit phase of the Decentralised Local Governance Support Programme, DLGSP, after almost 5 years of implementation. The scope has been to look into the entire programme, however, with greater focus on the period after the Mid Term Review (MTR), carried out in May 2006. This included the implementation of the recommendations of the MTR and the additional elements of support provided during the extension period, including the quick livelihood support (QIPSI). Activities related to HIV/AIDS were excluded, as these were discontinued after the MTR.

Factual information is based on document study and verbal information received. The review team is responsible for factual errors that may still be found in the report. Views and opinions expressed are entirely those of the evaluation team if not otherwise mentioned.

The following is a condensed summary of the results of the evaluation work. For detailed information, the reader needs to refer to the main body of the report.

History

The DLGSP is a successor programme to two directly related earlier programmes and a bridging phase implemented by UNDP. Through the earlier programmes, Village Development based on social mobilisation was carried out in 60 districts since 1994/95. Those programmes reached 662 VDCs and covered 139,000 households.

Social mobilization, a strategy refined over many years, was seen as a necessary means for bettering the conditions of villagers, especially the poor and disadvantaged groups. Implementation of social mobilization is carried out through Local Development Funds (LDFs) at the district level, and more recently also through Community Development Funds at the village (VDC) level.

The Programme: Design and Implementation

The programme was designed to scale-up and to improve on various aspects of the earlier interventions, in particular the bridging phase which provided experiences from 100 VDCs. Coverage was to be extended to reach 1,000 VDCS in 66 districts, reaching a target of 90% of all households. With this, it was the largest decentralisation and rural development project ever in Nepal. A mid-term review was conducted in 2006, and implementation of its recommendations resulted in significant changes to the programme. Micro-credit activities were discontinued, and the coverage target of 1,000 VDCs was reduced to 880, as it had been found that resources were spread too thinly.

Ultimately, an attempt was also made to conceive and implement an exit strategy. This consisted of bringing resources closer to the people by transferring the activities and resources of the Local Development Funds to Community Development Funds that were established at the VDC level. This gave the community groups a stronger voice in funding decisions and facilitated access to other resources. However, only somewhat less than two thirds of all programme VDCs got their own CDF before further programme activities started to be wound up.

In the interim, the DLGSP was also the main programme to implement the Quick Impact and Peace Support Initiative (QIPSI) which spread to 20 districts in the Terai and Mid West and

Far West hills. Two hundred of the poorest VDCs were targeted and in these in particular the poorest settlements, where more than one thousand small infrastructure projects have been grant funded in a fast-track mode.

Achievements

In brief, the programme, including previous phases, reports the following achievements:

- 66 Districts and 880 VDCs covered
- 27,221 Community organisations formed
- 591,629 households benefit
- 675,327 CO members have signed up   of which 54% female
- NPR 905 million internal savings
- 279,527 borrowers of credit
- 140,760 micro-enterprises started   of which 46% female
- 192,903 community members trained   of which 49% female
- 8,448 infrastructures built   benefitting 125,515 households
- 840 village experts trained
- 40% of all COS are classified "good" and "medium" each, while 20% are "weak/defunct" of the more than total 27,000 COs

Note: Numbers are cumulative across all related programmes since 1994

The following other results were identified by the programme at the community level:

- Social harmony developed
- Domestic violence against women reduced
- Women's participation in decision making processes increased
- Primary school enrolment specially for girls increased
- Self-employment opportunity created through income generating activities
- Interest rate charged by local money lenders reduced
- Access to drinking water within 15 minutes walk increased
- Water born diseases reduced in programme VDCs

At the regional (district) level, the following results are reported:

- Enabling environment created in DDCs through computer network, web-site, intercom
- District Information & Documentation Centre with GIS developed as information hub of the district
- Financial record keeping system of DDCs made more scientific
- DDCs Income & Expenditure statements made public
- Internal revenue of DDCs increased by 80%
- 48 DDCs have assigned a gender focal person, and in general, a "social sector" is included in the DDC administrative structure

At the central level, the results are:

- Gender Budget Audit Guidelines were prepared for Local Bodies
- GIS unit was established in NPC and MLD

- Disadvantaged groups maps were prepared
- The programme also provided support to the inception phase of the Local Governance And Community Development Programme (LGCDP)

Assessment

Overall, the programme has made huge efforts in very difficult times to promote local governance. It has primarily supported the demand side through social mobilisation at the village level. The formation of community organisations has been highly successful although it is not possible to verify the maturity status of all groups due to the extremely large numbers. The main outcome is the creation of social capital, which has a significant impact on the people's ability to take their fate in their own hands, in the protective environment of their respective group and network.

Based on social mobilisation inputs, the major results chain of the Village Development Programme is clearly recognisable as a chain of cause and progressive effect:

Inputs	Social mobilisation, group coaching, awareness raising, training, limited financial resources
Results hierarchy	**Results**
Output	Community organisations formed and operational
Outcome	Social capital created
Medium term Impact	Accessed services have helped to improve the socio-economic condition, or the process of doing so at least is ongoing.
Long term Impact	Expected: Alert, inclusive and responsible civil society that pursues democratic principles to further development

Table 1: Village Development Programme Results Chain

No detailed and accurate data exist on the stage reached by each community group, but from the classification of the groups done by the programme, the evaluation estimates that some fifteen thousand COs have reached an uneven medium term impact level. Not more than five thousand groups could be expected to be in a process of achieving a long term impact, while the rest, mostly relatively young groups, are at the outcome level, building social capital.

Of a total of more than 10,000 COs created within a five year DLGSP period, about 7,000 groups have been formed during 2007 and 2008, and based on the experience with much older groups, these "new" groups require further support to reach the skills and self confidence required to access the services and resources needed to improve their socio-economic status.

Social mobilisation has been effective, and the model appears highly relevant, as indeed desirable long term impacts are achievable. However, the raging conflict, the lack of elected local representatives and a widespread lack of economic opportunities and a weak local resource base, and finally the fact that time for the programme has ran out, is responsible for the mixed results in terms of advancing along the results chain.

Support to the district level has aimed at improving the supply side, that is: service delivery to the rural population and downward accountability. All programme districts have been offered an input package with seven components, from human resources development,

across planning, information management and GIS, to accounting and internal audit and public hearings. In terms of resource use, support at this level has been modest. Success in terms of impact on the targeted areas and sustainability of introduced tools, procedures and methods is considered mixed. Inputs provided have been moderately effective in achieving the purpose. Twenty four of the programme districts have not met the Government's minimum conditions and performance measures (MCPM) in a recent assessment. A result that is not significantly better than the national situation. The reason for uneven results is the diverse framework conditions that exist in the districts, based on geographical, cultural and economic differences and widely variable resources and economic opportunities, as well as prevailing staffing situations in different regions and districts of the country. Despite this, the fact that a social sector department has been formally established in all districts, and that 48 districts have assigned a gender focal person are positive signs, and these are largely attributable to the programme.

At the national level, UNDP has interacted with the Ministry of Local Development who bears the ultimate responsibility for the programme. Outcomes are at the technical level and bear considerable relevance in the decentralisation planning process. Political and legislative action, on the other hand, has been held back by uncertainties of changing governments during the conflict and the successive peace process and the delay in local elections. Overall therefore, due to political factors, national level inputs have not been fully effective.

Key Findings

- DLGSP is a successful and large scale continuation of previous programmes addressing local governance, social mobilisation, empowerment, and strengthening of sustainable livelihoods in remote and rural Nepal. It has been designed based on relevant previous experience, and its implementation took place during very difficult phases of the conflict, and entirely in the absence of elected local government. The programme deserves credit for what it achieved under these circumstances.

- There are many factors that have hindered more explicit effectiveness and success of the programme. Conflict related threats to participants. Numerous blockages (bandhas) that caused delays. The absence of government personnel or the lack of its leadership and authority. The lack of opportunities and shortage of funds. Dysfunctional planning and decision processes, but also work overload and limits to capacities and capabilities at many levels of programme implementation. Overall cost-efficiency is found marginally moderate. The lack of time and capacity has meant that standard approaches/packages were employed to address the situation of the poorest, instead of differentiated approaches in consideration of varied causes of poverty.

- At all levels, except in LDF staff, it has been possible to mainstream gender number-wise. Parity has been achieved in many regards, and awareness of the importance of gender sensitivity is high. On the other hand, what effect this has had on the socio-economic status and empowerment of women is uncertain, as specific monitoring and reporting does not exist. Inclusion of disadvantaged groups on the other hand has remained elusive. The programme has not achieved its ambitious targets.

- Social Mobilisation (SM) and facilitation of access to resources are essential and effective tools of the Village Development Programme. The combination of the two is important in order to make socio-economic changes possible. SM is considered highly successful, while

giving access to resources has been constrained in many ways. The latter is responsible for uneven impact across groups.

- The formation of Community Development Funds, in essence moving the support function of the LDF at the district level to the village level, appears highly relevant in bringing resources in terms of facilitation, training and funding closer to the people in a more democratic manner. However, this move was relatively late in the programme's history, and the process has not been completed in more than one third of all districts.

- It is discernible in the programme that it is possible to develop and implement sound general principles of Good Governance, regardless or despite of constraining existing institutional structures. If people have ownership of such principles, and find ways of applying them, it makes the system of local governance resilient to the failure and changes of institutions.

- The programme design and implementation have not included any element of quality standards and quality assurance, neither in the expression of programme intentions, nor in the operationalisation and monitoring of the programme. The lack of quality requirements and standards, and the subsequent lack of quality assurance principles and guidelines, is perhaps the one major deficiency of the programme. As a result, value-for-money is often a questionable aspect, and sustainability of many of the outcomes is adversely affected.

- The programme has been effective in many regards in an operational sense, and it has remained so even when local government was not present due to the conflict.

- Too broad, not deep enough? Any successful programme of decentralisation in Nepal comes under pressure of replication, as there are so many that need to be reached. The DLGSP has fallen victim to such pressures, self-imposed or otherwise. Even though the ambition to reach one thousand VDCs has been reduced over time, social mobilisation has continued on a large scale. This has happened at the cost of depth, or in other words has diverted attention and resources from quality aspects, as seen in the previous finding.

- Monitoring and reporting, even though data collection is elaborate, appears to have two shortcomings.
  - It is not specific enough with regard to the programme key areas of concern and emphasis.
  - There are no qualitative aspects in reporting, as a consequence of the absence of any quality criteria.

Conclusion

Major efforts in terms of resource mobilisation, organisation and logistics have been undertaken to plan and implement the Decentralised Local Governance Support Programme. The programme has maintained its focus on Village Development throughout the five-year period of implementation. Conditions for programme implementation have been difficult and often hostile in view of the armed conflict. Despite this, remarkable achievements have been made, although success has been uneven.

The district and central level have also been addressed, but inputs have been marginal in view of the needs, and impacts on the weaker district administrations have remained elusive.

The targets set for the programme have been ambitious indeed and there are good reasons for achievements falling short by about 15% of such targets, despite a programme extension of more than one year and a significant increase of funding.

The major conceptual strength of the programme is the linkage of social mobilisation efforts with sustainable livelihoods support. The combination of the two has been shown to achieve significant results in many instances. Overall massive and even success however, has been hindered by adverse framework conditions. The programme has not had the time and resources to address variable and changing conditions in a differentiated manner. In general, the programme has been too broad to an extent that resources were spread too thin, and in order to address the key concerns of effectively addressing inclusion of the disadvantaged groups and to provide economic opportunities, interventions have not had sufficient depth, where depth relates to a number of qualitative aspects that are found missing in the programme. From the rich programme experience, the evaluation draws some lessons learned.

Lessons Learned

Programme Design and Management Lessons

1. The inherent "value" of each intervention is often not at the centre of attention. Some activities are performed seemingly without purpose, and these are missed opportunities.

2. Development "wisdom" and experience gained in various sectors exists, and its use contributes to efficiency and effectiveness.

3. Supporting good principles has been a success factor in the programme. Good principles remain good while structures may change or vanish. In a situation of continuing uncertainty about the legitimacy, actual condition and observed constraints and shortcomings of local government at the VDC and at the DDC level, pursuing and upholding sound principles of Good Governance appears to be promising while the emphasis on strengthening existing structures remains a challenge.

4. Reporting of numbers must be done in a disaggregated and concise manner to reflect the key concerns that the programme addresses. Measuring what is relevant is a must in order to improve what does not meet targets.

5. Mainstreaming requires a mandate: GESI mainstreaming in DDCs needs to be backed up by clear policy mandates.

Contextual Lessons

6. Group homogeneity is sometimes but not always the best policy. Mixed groups have advantages in catalytic roles and facilitation tasks. But often, one group tends to dominate the others in a mixed group. So it all depends. Group formation should consider the specific situation: Make use of potential catalysts, while at the same time, temper dominance of individuals.

7. Delivery of a standard package may not be the best approach in all situations. Tailor made solutions are needed to improve the success rate of assistance to the poorest and disadvantaged, in order to improve inclusion.

8. <u>Inclusion is about changing the *rules of the game*</u>: The needs of disadvantaged men and women cannot be effectively addressed through a blanket approach only. Often more profound changes are necessary.

"Technical" Lessons

9. <u>Strengthen the quality and diversity of support</u>. Better quality & more diversity of support is a sound formula to increase the success rate and increased longer-term benefits. In other words, among the options breadth versus depth, move towards depth.

10. <u>Introducing a system of quality assurance</u> in all interventions is essential to make sure intended quality is achieved and maintained.

11. <u>Maintenance of infrastructure</u> is important for sustainability. Maintenance concepts need improvement and should be based on trained user groups.

Recommendations

As a general recommendation: The lessons learned should be reviewed for consideration in future programmes, in particular the LGCDP.

More specifically, but summarised, the evaluation recommends:

*   To make explicit the inherent "value" of each intervention, and make use of proven approaches and capitalize on the "wisdom" and experience gained in various sectors.

*   To support principles of Good Governance by all means. The measures of success of any programme should be related to the success of good principles, rather than structures or institutions, as the latter are influenced and ultimately determined by politics rather than programme objectives.

*   To report on numbers in a disaggregated and concise manner to reflect the key concerns that the programme addresses.

*   To equip social change objectives and tasks with a firm and clear mandate for action.

*   That activities and initiatives of group formation should take into consideration specific constellations that may prevail, making use of potential catalysts while avoiding dominance of sub-groups or individuals.

*   That In order to improve inclusion of and benefits for DAGs, to improve needs analysis in the specific context, and to relate specific approaches and assistance measures better to such analysis.

*   To pay attention to the quality and diversity of support, including the implementation of a quality assurance system and improved maintenance routines.

1 Introduction, Background

1.1 Background

Several donors have been supporting the Government of Nepal in developing and implementing policies, plans, Acts and Rules on decentralisation since 1990. The leading programmes/donors in this sector are the Participatory Decentralised Development Programme (PDDP), the Local Governance Programme (LGP) and their successor and bridging phase LPBPP (UNDP/ Norway/DFID), plus another nine programmes supported by Danida, SNV, UNCDF, DFID, UNDP, GTZ, Norad, UNICEF and IFAD. Key areas of support included promoting participatory people-centred development processes through social mobilisation at the micro level, capacity development of DDCs at the meso level and policy support to the government through Ministry of Local Development (MLD), National Planning Commission (NPC) and allied agencies at macro level.

Predecessor initiatives of the present programme, LGP, PDDP and LPBPP, have supported all three levels – micro, meso and macro. At the micro level, the programmes have helped to implement the Village Development Programme through social mobilisation and to build self-governing Community Organisations (COs).

Social mobilization[1] is a strategy refined over many years, based on the assumption that people, especially the poor and the disadvantaged, are willing to come forward and participate in improving their lives and livelihoods, if given a chance. In order to involve people to help themselves in bettering their conditions, "social guidance" is necessary in three core areas: formation of social organizations to involve people; development of human resources through improving people's social, productive and managerial skills; and formation of capital through generation of a capital fund based on regular savings. Implementation of social mobilization was found through experience to require an institutional mechanism which has the credibility of the government and flexibility of an NGO. Ideally, this was to be an independent and autonomous body set up by the government. This led to the establishment of Local Development Funds (LDFs) at the district level, for which a provision was incorporated in the Local Self-Governance Act (1999).

Photo 1: Recording monthly savings of members in the women's group

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[1] Source: Outcome Evaluation Report: Poor Communities Exercise Their Right to Self Organization and to Build Alliances, UNDP, May 2004

The previous programmes have successfully mobilised more than 19,000 community organisations in 662 VDCs, built more than 6000 small community infrastructures (drinking water, irrigation, river training, trails, community hall, etc.) as identified/prioritised by the communities. More than 139,000 households have been benefited from community infrastructures. COs have generated savings amounting to NPR 280 million and invested (cumulative) NPR 454 million in addition to NPR 888 million cumulative credit capital delivered by the LDFs, which contributed to generate self-employment opportunities to about 68,000 CO members. In several districts and villages (especially in 100 VDCs of mid and far-western development regions[2]), the Village Development Programme has been adapted to address the issues of social exclusion and inequality which are considered as root causes of the conflict.

Although the terminology is not being used in the programme, UNDP applies the principles of its Sustainable Livelihood approach[3]. *Quote*: "Conceptually, 'livelihoods' denotes the means, activities, entitlements and assets by which people make a living. Assets, are defined as: natural/biological (i.e. land, water, common-property resources, flora, fauna); social (i.e. community, family, social networks); political (i.e. participation, empowerment - sometimes included in the 'social' category); human (i.e. education, labour, health, nutrition); physical (i.e. roads, clinics, markets, schools, bridges); and economic (i.e., jobs, savings, credit). The sustainability of livelihoods becomes a function of how men and women utilise asset portfolios on both a short and long-term basis." *Unquote*.

Photo 2: Improved livelihood through investment in goat breeding

1.2   Context for the Evaluation

DLGSP has been implemented during turbulent times in Nepal. At the time when the programme started, a violent conflict was on-going. In 2006, a Comprehensive Peace Accord

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[2] This refers specifically to the bridging phase that led from predecessor programmes to the DLGSP

[3] The following definition is from: http://www.nssd.net/references/SustLiveli/Abst_con.htm

was signed between the conflicting parties. The Interim Constitution of Nepal embodies a commitment to a federal system of government and this is supported by the major political parties. Serious discussions between political parties and including civil society is ongoing to come to agreed criteria to make it operational. The debate on the implication on decentralization and local governance has also started.

At the same time, with the support from various bilateral and multilateral donors, the Government of Nepal has started implementing the LGCDP since July 2008. The programme is a national program framework for achieving improvements in the system of local governance and community development. The underlying intention of the LGCDP is to advance the local governance and community development sector in a joint effort of the Government and a significant number of donors. The evolving context is to be taken into account when assessing DLGSP's results.

The evaluation also takes into consideration the fact that the DLGSP is a successor programme to a number of similar previous programmes that have been implemented since 1995. In particular the Participatory Decentralised Development Programme (PDDP), the Local Governance Programme (LGP) and the bridging phase of these two (LPBPP) have provided the basis on which the DLGSP was built.

1.3   Purpose and Scope of the Evaluation

The purpose of the evaluation is to:

1. Identify DLGSP's concrete achievements (outputs) in line with the programme's objectives and the programme results framework, and assess the relevance and sustainability of these outputs;
2. Analyze the effectiveness of DLGSP's exit strategy and contributions to the inception phase of LGCDP;
3. Identify lessons learned and best practices that can inform future governance or livelihoods initiatives.

The scope of the evaluation is to review the entire programme, however, with greater focus given to the period after the Mid-Term Review, including an assessment of the implementation of the recommendations of the MTR, and the additional elements of support provided during the extension period.

The evaluation is to focus on the objectives of the programme, with reference to the first two programme outcomes mentioned above (governance and livelihoods). The activities related to HIV/AIDS will not be covered in this evaluation.

The evaluation will also cover quick livelihood support provided through the QIPSI component in selected districts separately.

In terms of evaluation criteria, the evaluation follows the TOR provided (see Annex A), and makes an assessment against standard criteria, as well as attempting to answer a number of specific key evaluation questions.

Given the size and spread of the programme and the complicated implementation environment, the end evaluation is severely constrained in terms of resources and time available. This affects the evaluation rigour possible and puts limitations on the reliability of findings.

The present evaluation does not relate explicitly to the Millennium Development Goals, as this is not a part of the terms of reference. It is clear however, that at the very core, poverty reduction is the overriding purpose of the programme.

1.4 Methodology

The methodology used included a desk review in which all documents were studied (refer to Annex B), a field work component in Nepal which was used to visit and discuss with stakeholders, and successive analysis.

Field work took place in the period from 4 June to 23 June 2009. It included two trips to five programme districts, three of them in the Far West and two in the East. The team had the opportunity to visit ten Community Organisations and five DDC administrative offices. This has provided essential insights but in terms of evaluation rigour the sample is much too small to be representative or statistically significant.

Two debriefing sessions were conducted at the end of the mission for UNDP, the Norwegian Embassy and MLD staff. Feedback received was used to better address some concerns in the report.

The complete meeting and activity programme of the review is attached as Annex D.

The further process is now that feedback from stakeholders is requested to the draft report. This will then be addressed in the final version of the report.

1.5 Report Structure

The present report consists of an Executive Summary and several chapters and annexes.

Chapter 1: Introduction and Background

Chapter 2: Programme Design and Implementation
This is purely descriptive, using material from programme documents. Stakeholders engaged in the programme may skip this chapter as it does not provide anything new to them. Others may wish to read it to understand the concept, scope and some of the issues.

Chapter 3: Achievements
This presents results data mostly at the output level, in a way found suitable for successive analysis. The evaluation has added some comments and explanations related to results interpretation.

Chapter 4: Assessment and Findings
This is the main analytical chapter that leads to findings. The evaluation makes an attempt to put these into the context.

Chapter 5: Conclusion and Lessons Learned
Draws an overall conclusion and formulates lessons learned, and derived from this, some recommendations.

Annexes
Annexes contain the TOR (A), and disclose the information sources used in terms of documentation and persons met (B, C). Annex D shows the evaluation work programme.

1.6   Study Team, Acknowledgement and Disclaimer

The study was carried out by Ueli Meier of Scanteam, Oslo, (team leader), Ms. Neeta Thapa Shrestha, independent consultant, and Dr. Harihar Acharya, independent consultant, both of Kathmandu.

The study relied on the full and constructive cooperation of UNDP central level and regional level staff, the Programme Management Unit of the programme, senior staff of the MLD, and from the assistance and support of Norad's representative and the Norwegian Embassy in Kathmandu. In the field, UNDP, DDC and LDF staff, local staff and community members made big efforts to present the achievements of the programme and to discuss and answer questions of the evaluation. The team wishes to thank all involved for their time and effort.

The study team is responsible for the analyses and conclusions of this report, as well as for any remaining errors contained herein. The opinions expressed are those of the study team alone, and should not be attributed to UNDP, the Norwegian Embassy, the MLD, or any of the DDCs or Norad.

2 Programme Design and Implementation

Since 2004, UNDP and the Government of Norway have jointly supported the Ministry of Local Development through the Decentralised Local Governance Support Programme (DLGSP), to enhance effective participation of people in the local governance process and ensuring improved access to socio-economic services by the rural poor, particularly women, Dalits and other disadvantaged groups.

2.1 Overview

The programme was designed to contribute to three outcomes:

a) Decentralized governance with enhanced capacity of local government to plan, finance and implement development programmes in an accountable and transparent manner;
b) Conflict transformation initiatives, support to conflict affected groups and areas, and restoration of livelihoods;
c) Capacities created for an expanded response to the HIV/AIDS epidemic including integration into poverty reduction strategies.

The <u>Goal</u> of the programme is:

> To enhance effective participation of people in the governance process ensuring improved access of socio-economic services to Dalits disadvantaged groups including women, in particular, as envisaged in the Tenth Plan / PRSP.

To help achieve the above outcomes, the programme set out three <u>Objectives</u>:

> 1. To uplift the socio-economic status of the rural poor particularly women, Dalits, and disadvantaged groups through the social mobilization-based Village Development Programme, incorporating positive discrimination;
>
> 2. To strengthen the efficiency and capacity of local bodies (DDCs, VDCs) to deliver basic services through decentralized governance, as envisaged in the Local Self Governance Act,(LSGA);
>
> 3. To support the Government of Nepal in preparing and implementing necessary acts, policies and guidelines on decentralized governance and poverty alleviation.

The programme document proposed a 3-pronged strategy. At the community level (micro level), it implemented the social-mobilisation based "Village Development Programme," (VDP), which is the main focus of the DLGSP. At the district level (meso level), the programme supported capacity development of local bodies to improve service delivery, particularly in the devolved sectors. At the central level (macro level) it assisted the Ministry of Local Development and the National Planning Commission in strengthening intuitional mechanisms for policy and monitoring functions.

A Mid-Term Review (MTR) of DLGSP was carried out in June 2006. The review pointed out that the strength of DLGSP was its focus on the grass-roots level. The MTR recommended that to ensure a successful exit, DLGSP should spend the remaining period in consolidating progress rather than taking on new tasks. The review team also recommended that the

community empowerment endeavour and lessons learnt from the programme should continue through a successor programme after the phasing out of DLGSP.

In 2007, UNDP initiated the "Quick Impact and Peace Support Initiative", (QIPSI), in ten Terai districts, the community infrastructure component of which was implemented through DLGSP. In 2008, the QIPSI community infrastructure approach was expanded to an additional 10 districts.

An independent impact assessment of the Village Development Programme carried out in 2007 found that the VDP had made a significant impact on people's livelihoods, even during the time of heightened conflict and noted that a majority of the community organizations were able to function and engage in community development activities at grass-roots level.

The programme was originally scheduled to close in July 2008, but was extended to June 2009 in the transition to launch the new national Local Governance and Community Development Programme, (LGCDP).

2.2 Programme Design

The bridging phase mentioned earlier (LPBPP) had collected experiences from Village Development implementation in 100 VDCs and the present programme design draws substantially on those experiences.

DLGSP is guided by the following broad programme strategies[4]:

a) The focus of the programme will be to provide efficient services at the community level through the Village Development Programme which will be reoriented and streamlined to address the issues of social exclusion and inequality. Finding effective mechanism to deliver the services will be a key priority. The disadvantaged groups (DAGs) will be identified by using criteria applied in 100 VDCs such as HDI, Dalits /ethnic concentration, severity of conflict, and remoteness. A special package for ultra poor and DAGs will be designed, as required.

b) A long-term strategy for the sustainable provision of micro-credit will be devised and implemented for which a detailed review will be conducted within one year. Pending the finalisation of the micro-credit strategy, credit will be provided to VDP - VDCs on a very selective basis which will be determined on the basis of mapping of social mobilisation and Micro Finance Institution (MFI) coverage. In ongoing VDCs, credit will be maintained where repayment is more than 90%. As a matter of principle, linkage with MFIs will be a priority consideration wherever possible.

c) Human resource development (HRD) by strengthening DDC's HRD centres will be a key strategy to effectively implement the programme at the community, district and national level especially in the light of new situations created by the conflict. DDC's HRD centres will be strengthened further to cater for such services at local level.

d) Given the need to expand the programme to all the districts and more VDCs, partnership among various development partners will be actively pursued.

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[4] Abridged text from the Programme Document 2004 is used. Although text is not quoted one to one, future tense is retained and occasional full quotes from the PD are not set in "quotation marks" for simplicity.

e) National Planning Commission (NPC) will coordinate the work of the sector ministries in the preparation and operation of devolution guidelines including the guidelines for budgetary ceiling, and building GIS facility for planning purposes.

f) DLGSP's professional expertise will be linked to MLD and devolved sector ministries focal point for decentralisation-related broad mandate thereby enabling MLD to discharge its policy and monitoring functions.

g) A broader partnership with the NGOs, civil societies, and private sector will be explored and utilised for maximum impact of the programme at the local level. Similarly, partnership and collaboration with other programmes will be forged both at the central and district level.

 Note: The programme was not implemented in municipalities since there are other programmes addressing these.

The programme adopted the following specific strategies at the operational level:

<u>Micro Level</u>: Village Development Programme (VDP)

a) The programme will implement VDP through Local Development Funds (LDFs) which will be developed as a specialized institution under the DDC to coordinate and manage social mobilisation and poverty related programme within the district. LDFs are capable to function by virtue of their by-laws even in the absence of elected representatives in Local Bodies. Their capacity, however, will be assessed and support provided, as necessary, to enable them to perform more professionally and effectively, especially (a) introducing pro-DAG decision making process to address issues of inequity and (b) establishing strong monitoring, reporting and business accounting system. Organisation reforms in LDF will be carried out based on the recommendation of DLGSP Reformulation Mission and DFID's review of April 2004.

b) Based on the experiences, a special package to directly reach the benefits to the very poor, excluded segments of the society including women will be designed and implemented, and more rigorous proactive initiatives will be included.

c) A more proactive approach for positive discrimination will be put into place in the recruitment of the programme staff, especially at the field level. DAGs and women will largely benefit from this approach.

d) LDF will procure the services of NGOs/CBOs to implement the programme in some VDP-VDCs on a pilot basis. Lessons learnt from these initiatives will be documented for further replication.

e) Wherever there is access to Micro-Finance Institutions (MFIs), LDF will seek to collaborate with them for credit component.

f) A flexible approach of social mobilisation will be adopted to take into account the varied needs and priorities of the districts and villages. Flexibility means adopting positive discriminatory approach to match the needs of Dalits, DAGs, and women. Differential package based on the experience will be prepared for very poor areas. In matured VDCs where COs are capable enough to handle their affairs, support from the programme will be gradually phased out. In the process of phasing out of VDP – VDCs, review will be carried out in those VDCs where VDP is in operation for more than 5 years. A strategy will be adopted to expand VDP in number of VDCs roughly equal to number of VDCs to

be phased out. It is felt that COs need to be federated in appropriate legitimated organizations for increased access to services from various other organizations and functions independently.

g) All the information will be analysed from the perspective of gender and disadvantaged groups and specific strategy will be pursued to empower such groups and reap benefits accordingly.

h) Locally managed service centres established by Community Based Organizations, NGOs, and private sectors will be mobilised as an alternative mechanism to deliver services of devolved sectors viz. agriculture, veterinary, and community health. Community managed service centres at local level will be strengthened through advance training to village expert.

i) The VDP will be implemented in 662 VDCs and it will be expanded gradually to 1000 VDCs on the basis of assessment of coverage of other social mobilization agencies.

Meso Level: Capacity Building of Local Bodies

a) Capacity building measures will be linked to the overall capacity development strategy (CDS) developed and to be piloted in collaboration with DFDP. DLGSP and DFDP will finalize a terms of reference for capacity development strategy based on which DFDP will work in 20 districts and DLGSP will work gradually to replicate CDS in other districts. A joint review of experiences will be carried out to implement the capacity development activities effectively in priority basis. Once the capacity development strategy is finalised based on field experiences, it will be implemented in all the 75 districts.

b) A more focused support will be provided to Local Bodies (DDCs) in the technical areas (GIS, monitoring, internal administration and management, implement devolution guidelines etc.)

c) VDCs capacity will be strengthened in the area of planning, reporting, record keeping and resource mobilization.

d) Appropriate agencies will be contracted on a competitive basis to coordinate and implement the capacity building support of Local Bodies (DDCs and VDCs).

e) The programme will be implemented in on-going 60 districts and will be expanded to 75 districts in partnership with donor agencies.

Macro Level: Policy Support

a) Support will be provided to the MLD /NPC in strengthening the institutional mechanism for policy and monitoring functions in collaboration with development partners.

b) Coordination and harmonisation of policies and procedures between MLD, NPC and other line agencies to expedite the devolution of sector functions will be made. Focal points of each sector ministries will be assisted in the devolution process.

c) MLD will be supported to operationalise the Local Service Act, Sector Devolution Guidelines, institutionalising District Management Information System and reporting

system within MLD. Additionally MLD and NPC will receive support for decentralised policy research and its implementation.

d) Necessary technical support will be provided to Decentralization Implementation Monitoring Committee and Decentralization Working Committee in their efforts to meet their mandate in accordance with LSGA.

e) MLD, NPC, and devolved sector ministries capacities will be strengthened to prepare district specific budget ceiling and planning guidelines enforcement.

f) Support will be provided to MLD in its reorganized structure in partnership with other programmes to meet its new mandates.

g) Gender mainstreaming will be supported. HIV/AIDS was also addressed but is not reiterated here, as it was discontinued and is not subject to evaluation.

2.3 Programme Management

2.3.1 Central Level

The support will be delivered through national execution modality with the Ministry of Local Development (MLD) acting as the Executing Agency of DLGSP. MLD will be responsible for the overall management of the Programme. MLD will depute a senior government official who will be designated as the National Programme Director (NPD) for this purpose. The NPD will be supported by a Programme Support Management Unit (PSMU) which will be staffed with a National Programme Manager and a professional team.

A Project Coordinating Committee (PCC) will be set up under the chair of the Secretary, MLD to coordinate and harmonize the strategies and to enhance coordination among related programmes funded by various partners. The PCC will meet every 4 months.

A Project Management Committee (PMC) will assist in implementing programme at central, district and village level in an efficient and effective manner. PMC will consist of the NPD, NPM and appropriate agencies/programme like DFDP representative. Other development partners will be invited as required. The PMC will meet once in a month and more frequently as and when required.

2.3.2 Regional Level

Area Support Team Offices (ASTOs) will be established in each of the five development regions to assist DDCs to implement the programme activities smoothly and effectively by providing technical backstopping and by advising/supporting DDCs in accessing appropriate and most cost effective services through alternative mechanisms. Given the large coverage of the districts and considering the difficulties in delivering technical support and advise to the DDCs as well as monitor the programme activities from the central office, a major task of the ASTO will be to monitor the programme activities at district and village level on the basis of the established indicators identified by the programme in collaboration of other similar programmes. Each ASTO will be led by a manager and comprise of a monitoring/social mobilisation specialist, a few other professionals including capacity development advisor and programme associate.

2.3.3 District level

Based on the need and request of the districts, either District Development Advisor or District Programme Associate will be placed in the district. The advisors will provide advice and support to the DDCs in the overall planning, management, revenue generation, implementation and monitoring of all the development programmes at the district level. Advisors will document the nature and type of advisory services requested by and provided to the DDC. The roles, responsibilities and accountability of the advisors will be clearly established based on the need of the district. The need of the DDA /DPA will be assessed within a year in consultation and collaboration with DDCs. The DDCs will be provided support to recruit short term/ long term advisors / officers as per their needs.

2.4 Monitoring and Evaluation

The programme established a quantitative as well as qualitative monitoring system. A base line information was compiled to track progress over a period of time. Since MLD is the executing agency of the programme, it was considered important that MLD has a strong monitoring system within its structure. Therefore, the monitoring mechanism of the MLD was to be strengthened systematically to monitor local development in accordance with its overall mandate.

The following was the specific plan:

- The previous efforts done in MLD and DDCs will be reviewed and a strategic plan will be designed in collaboration with donor partners to institutionalise MIS/DMIS.

- Monitoring is carried out through progress reports, field visits, technical reviews, consultative meetings, Report Card System, etc. A substantive Annual Review of the progress will be conducted once a year under the aegis of the Secretary, MLD. The current MIS format will be further simplified in light of MDG and conflict situation without losing its core elements especially the one related to DAGs and women.

- The NPC and MLD will also review the programme in their trimester review meeting.

- To empower the people and raise their interest towards good governance, district level 'Public Hearing Forum' will be established, in the form of piloting, to oversee, monitor and assess the function, outcome of DDCs as mandated in LSGA and committed in citizen charter.

- Independent review by experts will also be a mechanism to assess the impact of the programme. A joint HMG/N and development partner's visit to the programme sites will be organised at least once a year to get first hand information on the progress and challenges of the programme. A joint technical review of the programme will be conducted on trimester basis. In all the reviews, whether quarterly or annual, DFDP and DLGSP will operate as integrated and complementary programme.

For the purpose of monitoring, a results framework and results indicators were formulated as follows:

RESULTS FRAMEWORK

Intended Outcome:

1. National Government devolves its authority (functions/ resources) as per the spirit of LSGA

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2. Local Bodies (DDC, VDC) make provision for the improved delivery of services for the devolved sectors

3. Local Bodies (DDC, VDC) adopt positive discriminatory village development programme model by undertaking affirmative action to benefit the Dalit, Indigenous Minorities and Disadvantaged Groups including women.

Outcome Indicators:

1. at least four devolved sectors. Revised sector devolution guidelines operationalized. Budget ceiling and planning guidelines released in time.

2. DDCs capacity enhanced by adopting Minimum Conditions (MC) and Performance Measures (PM). Local bodies assumed management responsibilities of devolved sector. Appropriate agencies (NGO, CBO and Professional) mobilized for service delivery to enhance better services availability. DDCs timely submit their District Plans and reports.

3. 1000 VDCs adopted positive discriminatory VDP focusing on Dalit and DAG including women. 50% community organizations managed and led by women. 75% of programme resources directed at community level out of which 70% allocated to deprived VDCs/DAGs including women. Income poverty reduced by 20% in programme communities. Girls child enrolment increased by 20% against the national average. School dropout rate decreased by 10%. Community dispute reduced by 50%. More decisions at the household level are made jointly by men and women. Communities adopt gender sensitive and HIV/AIDs development issues by strategising new and creative means/tools. More than 50% projects of community organization are responded/ supported by local bodies.

Programme (Output) Indicators[5]:

Micro Level: Village Development Programme

1. More than 90% left out ultra poor households covered in VDP-VDCs
2. More than 90% ultra poor and poor CO members benefitted from credit capital, seed grant and skill development.
3. Income poverty in VDP implemented VDCs is reduced by 20 percent.
4. Girl child enrolment increased by 20 percent in VDP-VDCs.
5. School dropout rate decreased by 10 percent in VDP-VDCs.
6. At least 45 percent COs are led and managed by women
7. At least 15 percent COs are led and managed by DAGs and Dalit.
8. Community dispute reduced by 50 percent in VDP-VDCs.
9. At least 30% CO members are self employed in micro enterprises established with credit support from LDF.
10. Of the total CO members trained as village specialists, 20 percent are women.
11. LDF delivered 70 percent resources to Dalit and DAGs including women CO members.
12. Proportion of LDF staff from Dalit and DAGs increased by 20 percent.
13. COs plan and programme reflected in local bodies Annual Plan.

Meso Level: Capacity Building of DDCs

1. Participatory planning process followed by DDC to prepare Annual Plan and submit it on time to NPC/MLD.
2. Annual planning guidelines and budget ceiling provided by DDCs to all VDCs.
3. Computer Accounting package introduced in 60 districts.
4. Internal audit system established and functional in DDcs.
5. Information and Documentation Centre in DDCs operational with GIS database.
6. Audit Report discussed at District Council
7. DDCs prepared and implemented monitoring guidelines.
8. DDCs assume management responsibilities of four evolved sectors.
9. DDCs introduced public hearing system and made public income/expenditure.

Macro Level: Policy Support

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[5] From DLGSP Conceptual Framework, Annex 1, MLD/UNDP/Norway 2004

1. Budget ceiling and planning guidelines released on time.
2. Four sectors devolved.
3. Sector devolution guidelines are operationalized.
4. Increased local government expenditure as percentage of total government expenditure.
5. Local Service Act is operationalized.
6. Monitoring and reporting system streamlined.

Table 2: Programme Outcome and Output Indicators

2.5   Budget and Financial Management

Item wise budgeting is provided in the initial project document. This was done for the entire initial phase of 4 years of the programme. In the planning and reporting process, annual expenditures were updated, according to the overview below, covering the extended period of the programme.

DLGSP Budget / Expenditure	2004	2005	2006	2007	2008	2009	Activity total
Totals original budget DLGSP	1 781 220	4 833 414	4 455 075	1 618 202	0	0	12 687 911
Actual expenditure and budget 2009	1 793 026	3 842 461	4 179 404	5 496 111	4 075 990	2 333 704	21 720 696
variation		11 806	-990 953	-275 671	3 877 909	4 075 990	2 333 704	9 032 785

Table 3: Initial Budget versus Annual Programme Expenditure and later Budget Allocations

The programme funds meant for the DDCs and the LDFs are channelled through KH5-Nepal Rastra Bank account to the District Development Fund. Considering the current delay in transfer of funds from DDF to LDF and in other projects the MLD will review the current delivery system of DDF and will take appropriate corrective measures.

DLGSP is subjected to an annual audit in accordance with the NEX Guidelines agreed with the Ministry of Finance.

2.6   Risk and Assumptions

Followings are the risks that might affect the implementation pace and impact of the Programme:

• Conflict and Insecurity: Previous experiences have shown that some of very poor VDCs with high concentration of DAGs and Dalits are also prone to high level of conflict. It is very difficult to reach such VDCs since such areas used by Maoists as their hideouts and training camps. They do not allow anyone to enter such areas and implement the programme. Therefore, further dialogue with the Maoists at the local level is required to enter such areas. Field staff need expertise in persuading the rebels in allowing them in such VDCs and implement the programme. Field staff will be trained on negotiating skills and ability to work under stressful environment.

• Escalation of violence: The programme activities risks slow implementation (even temporary withdrawal from some areas) if the conflict further escalates. At the time of writing the document, there are no signs of conflict abating within the near future.

• Political instability: Prolonged absence of elected representatives, especially at the local level, undermines the spirit of decentralised governance. Without elected representatives, it may not be appropriate to sharpen focus on the capacity building of the local bodies to enable them to assume responsibilities of sectoral functions.

Therefore, the DLGSP strategies should be reviewed in 2005 to respond to the political realities. DLGSP will provide limited support in technical areas while assessing the overall political situation including the prospects for local election before finalising a full-blown capacity building package.

In the above light, the Programme was prepared for taking action on modifications, scaling-down and scaling-up of the activities in light of the deterioration or improvement of the situation.

2.7 Additions and Extensions of the Programme

From the perspective of Norway there have been three addenda to the original agreement with UNDP. This reflects additions/extensions of the programme, according to the following[6]:

March 2007: For Capacity Building of newly appointed personnel in the local government sector. The capacity building programme was severely affected because of the lack of local elected bodies. As a result of the changed political context, it will now be given special attention. DLGSP's experiences in working with local bodies makes it uniquely placed to assist MLD in the capacity building. Extra support is also given for realignment of the micro credit part of the programme. The realignment was recommended by the Micro Credit Review Mission report received 5 October 2005, and is done according to the Realignment Strategy received 24 February 2006. In terms of financing, this addition is reflected in the table above for 2007.

March 2008: It was decided by the Joint Annual Review Meeting of DLGSP on 11 December 2007 to extend the duration of the programme by six months, from January to July 2008 as the successor project to the DLGSP was in the process of design finalization. The Government of Nepal (GON) is committed to continue the activities of the DLGSP beyond 2007 with more focus to address the issues of social inclusion and impact of conflict to the common people, especially women, Dalits, indigenous communities, Madhesi communities, and other marginalized groups. The objective of the extension support is based on the objectives in original phases (2004-2006) of the DLGSP programme, namely to empower rural people, especially the poor and disadvantaged groups including women, and to increase their access in decision-making processes and socio-economic services.

October 2008: The MLD requested another extension of the programme to the end of 2008 with a view to a gradual phasing out of the DLGSP, and parallel initiation of the new Local Governance and Community Development Programme (LGCDP). In addition, immediate livelihood support to the poorest communities in 200 VDCs of twenty districts of the Terai and the hills of the Mid West and Far Western regions, through Quick Impact and Peace Support Initiatives (QIPSI). The six month bridging period would also provide a minimum support for social mobilisation in 46 non-QIPSI districts to support VDCs in bottom up planning and monitoring of VDC block grants and support to link COs in planning cycle of local government.

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[6] From Norwegian Appropriation Documents, dated 13.3.2007, 14.3.2008 and 28.10.2008 respectively

Finally: As not all QIPSI inputs could be delivered, and DLGSP had not wound up completely and LGCDP was not functional yet by the end of 2008, another 6 month extension was mutually agreed for an ultimate completion of the programme by the end of June 2009.

2.8 Quick Impact and Peace Support Initiative (QIPSI)

QIPSI, briefly mentioned above, is separate from the DLGSP, but a part of it was to be delivered through the DLGSP. The overall objective of QIPSI is to provide tangible and immediate livelihood benefits to the poor and excluded communities in conflict-affected areas of the Terai, which have not benefited from UNDP support in the past. Three types of interventions were foreseen under QIPSI: Community infrastructure, micro-enterprise development and disaster (primarily flood) mitigation works. The infrastructure component is implemented through DLGSP.

In a first phase including 10 districts, 200 community infrastructures were envisaged to benefit 10,000 households from 240 communities. Such works were estimated to provide 30,000 man days of short term employment at the local level.

The initiative was later extended in time and scope to cover an additional ten districts, including the Mid- and Far-Western hills.

QIPSI is implemented directly by UNDP, and funds are channelled through the implementing programmes DLGSP, MEDEP and CBDMP for the respective components. In the case of DLGSP funds will be channelled directly to the local LDFs as service providers.

Photo 3: Female wage labour in QIPSI infrastructure project implementation

3 Achievements and Challenges

Results data as reported are presented. This is done mostly at the output level, in a way found suitable for successive analysis. The evaluation has added some comments and explanations related to results interpretation but in depth analysis and assessment is deferred to chapter 4.

3.1 Village Development Programme (VDP)

Under the VDP, which is the main component of the DLGSP, development results were achieved in 880 VDCs, which is in 22 percent of the 3,915 VDCs in the country. Predecessor programmes of the VDC, namely the Participatory District Development Programme, the Local Governance Programme and the bridging phase that connected to the VDP, had been active in cumulatively 662 VDCs of the 880 in succession, , beginning in 1995. The DLGSP actually carried out some further activities in the "old" 662 VDCs, and a full range of activities in 218 "new" VDCs. In this process, the programme expanded from the previous 60 districts to the present 66 districts, extending the base of formed community organisations from more than 16,000 reached in previous programmes to a total of over 27,000[7].

3.1.1 Coverage of VDCs and Households

The programme was designed to cover 1,000 VDCs. After the mid-term review (MTR) of 2006 however, further expansion was stopped, based on a recommendation of the review. The programme was to put special emphasis on targeting Dalits, the poor and women. The evaluation finds that it was consistently difficult to focus on Dalits, while the involvement of women in community organisations was very successful. A clear picture how successful the efforts to target the specific groups were would require disaggregated data, but such were not collected by the programme, as indicated in table 4 by "Na" (Not available).

VDP Coverage		prior to DLGSP	2004	2005	2006	2007	2008	total	country total
#	Indicator								
	VDCs	662	0	56	162	0	0	880	3915
	% of total							22,5 %	
	Settlements	12598	1208	1064	21	3027	0	17918	
1	Total households	416 310	1 599	15 135	18 026	107 251	29 573	587 894	800 336
	Dalit households	67 851	Na	2 271	1 960	20 409	5 618	98 109	128 054
	Dalit HH as % of total	16,3 %	Na	15,0 %	10,9 %	19,0 %	19,0 %	16,7 %	16,0 %
	Ultra poor households (excl Dalits)	Na	Na	Na	Na	Na	Na	Na	
	Ultra poor as % of total	Na	Na	Na	Na	Na	Na	Na	
2	Community Organisations	16 816	239	1 505	1 400	5 559	1 702	27 221	
	Community org members	445 139	27 716	30 097	27 156	111 179	34 040	675 327	
	Female members	223 968	9 282	16 332	19 969	69 016	19 510	358 077	
	Females as % of total	50,3 %	33,5 %	54,3 %	73,5 %	62,1 %	57,3 %	53,0 %	
	Dalit + ultra poor members	Na	Na	Na	Na	Na	Na	Na	
	Dalit+ultra poor % of total	Na	Na	Na	Na	Na	Na	Na	

Table 4: Coverage of the VDP and inclusion of specific groups

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[7] In general, cumulated grand totals relate to the end of 2008 status.

3.1.2 Beneficiaries

By applying positive discrimination actions the objective was to provide benefits with a focus on Dalits and women, as well as the poorest of the poor. Data show an uneven picture, and incomplete reporting. Group specific data were only partially collected and reported. It is therefore not possible to verify whether targets in addressing the disadvantaged and excluded groups were reached.

Benefits		prior to DLGSP	2004	2005	2006	2007	2008	total
#	Indicator							
1	Beneficiary CO members of community infrastructure	19 901	61 694	47 827	97 685	71 129	50 270	348 506
	Dalit beneficiaries	Na	Na	12 393	22 665	17 607	Na	
	Dalits as % of total	Na	Na	25,9 %	23,2 %	24,8 %	Na	
2	Beneficiary members of micro enterprises	Na	14 522	7 614	38 577	32 796	4 560	98 069
	Female beneficiaries	Na	5 663	3 197	19 199	14 817	2 123	43 363
	Females as % of total	Na	39,0 %	41,0 %	49,8 %	45,2 %	46,6 %	44,2 %
3	Total skills training beneficiaries	107 507	59 074	12 083	8 437	49 223	1 156	237 480
	Dalit, excl ultra poor	Na	Na	842	Na	4 913	117	
	Dalit % of tot (excl ultra poor)	Na	Na	7,0 %	Na	10,0 %	10,0 %	
	Ultra poor beneficiaries	Na	Na	5 225	Na	3 932	104	
	Ultra poor as % of total	Na	Na	43,2 %	Na	8,0 %	9,0 %	
4	total Beneficiaries of livelihood package	Na	Na	Na	Na	28 190	6 750	34 940
	Dalit beneficiaries	Na	Na	Na	Na	7 371	2 700	10 071
	Dalits as % of total	Na	Na	Na	Na	26,1 %	40,0 %	28,8 %
	Ultra poor (excl Dalits)	Na	Na	Na	Na	7 316	1 435	8 751
	Ultra poor as % of total	Na	Na	Na	Na	26,0 %	21,3 %	25,0 %

Table 5: Beneficiaries of different resource inputs

About every second CO member derives a benefit of some sort from community infrastructure investments (1).

If micro enterprise is taken as a household or family venture, then about 17% of all households are engaged in micro enterprise activities (2). It is noted by the evaluation that the numbers reported are for initiated enterprises, not for surviving enterprises.

Skills training has been received by almost one quarter million people (3). Taking into account a total population of more than 2.5 million people directly or indirectly reached with the social mobilisation efforts, the evaluation notes that less than 10% of all those mobilised have received skills training. Also, on a household basis, about 40% of all households have a member that received training.

A livelihood package has been introduced in more recent years to better reach the ultra poor and Dalits (4). The evaluation calculated from the data that 54% of all efforts have effectively reached the core target groups, and overall, about 5% of all CO members have received the livelihood package.

3.1.3 Internal Savings and Loans

Savings and loans	prior to						cumulative
# Indicator	DLGSP	2004	2005	2006	2007	2008	total
1 Total savings (million NPR)	280,97	390,00	581,00	657,00	854,00	905,00	905,00
Savings of Dalits	Na	Na	Na	Na	Na	Na	Na
Savings of Dalit as % of total	Na	Na	Na	Na	Na	Na	Na
Savings of ultra poor (excl Dalits)	Na	Na	Na	Na	Na	Na	Na
Savings ultra poor as % of total	Na	Na	Na	Na	Na	Na	Na
2 Number of borrowers	565 017	141 417	93 788	75 249	83 947	108 547	926 548
Total loan amount (million NPR)	454,77	545,46	300,70	271,56	1 111,79	340,40	3 024,68
Average loan amount (NPR)	805	3 857	3 206	3 609	13 244	3 136	3 264
No. of women borrowers	269 206	67 892	52 607	40 179	54 992	64 890	481 804
Share of women as % of total	47,6 %	48,0 %	56,1 %	53,4 %	65,5 %	59,8 %	52,0 %
Dalit + ultra poor borrowers	Na	Na	Na	Na	Na	Na	Na
Dalit+ultra poor, % of total	Na	Na	Na	Na	Na	Na	Na

Table 6: Internal savings organised as revolving funds and cumulative loan amount

Total savings have increased by a factor of more than three, and loans have been awarded to almost one million borrowers, reaching a cumulative loan amount of more than three billion Rupees. About 52% of all borrowers are women but it is not clear how much they have borrowed on average. The evaluation notes that overdue loans would be important to know, but this is not reported.

3.1.4 Community Infrastructure

Community Infrastructure	prior to						
# Description	DLGSP	2004	2005	2006	2007	2008	total
1 No of projects completed	3 709	727	394	1 381	1 457	1 180	8 848
No of irrigation projects	1 416	42	141	431	372	163	2 565
No of drinking water projects	2 189	438	199	502	540	416	4 284
No of public toilets	NA	NA	NA	NA	257	135	392
No of community buildings	NA	NA	NA	90	98	159	347
No of trails and bridges	NA	NA	NA	16	30	73	119
No of other projects	104	247	54	342	160	234	1 141
2 Beneficiary households	139 482	19 901	47 827	50 882	83 947	50 270	392 309
Beneficiary households as % of total	33,5 %	4,8 %	11,0 %	11,3 %	15,0 %	8,6 %	**66,7 %**

Table 7: Infrastructure projects realised over the programme period

The evaluation notes that two out of three households have benefitted from community infrastructure projects, and one of three COs, could implement a planned project.

3.1.5 Positive Discrimination in Employment

	Staff numbers		
Social class	2005	2006	2007
Dalit	36	45	57
% of total	4,2 %	5,1 %	5,8 %
Janajati	191	196	256
Others	639	647	666
Total LDF staff	**866**	**888**	**979**
of which Female	226	223	260
% of total	26,1 %	25,1 %	26,6 %

Table 8: LDF staff across gender & social class

The evaluation finds that attempts at positive discrimination have failed, as women and DAGs remain grossly underrepresented. No reporting is available for 2008 but significant changes cannot be expected.

3.1.6   Other community level results

The following other results were identified by the programme at the community level:

- Social harmony developed
- Domestic violence against women reduced
- Women's participation in decision making processes increased
- Primary school enrolment specially for girls increased
- Self-employment opportunity created through income generating activities
- Interest rate charged by local money lenders reduced
- Access to drinking water within 15 minutes walk increased
- Water born diseases reduced in programme VDCs

3.2   District Level Results

At the district level, the following results are reported:

- Enabling environment created in DDCs through computer network, web-site, intercom
- District Information & Documentation Centre with GIS developed as information hub of the district
- Financial record keeping system of DDCs made more scientific
- DDCs Income & Expenditure statements made public
- Internal revenue of DDCs increased by 80%
- 48 DDCs have assigned a gender focal person, and in general, a "social sector" is included in the DDC administrative structure

3.3   Central Level Results

3.3.1   Achievements

- Gender Budget Audit Guidelines were prepared for Local Bodies
- GIS unit was established in NPC and MLD
- Disadvantaged groups maps were prepared
- The programme also provided support to the inception phase of the Local Governance And Community Development Programme (LGCDP)

3.3.2   Programme Contribution to LGCDP Inception Phase

- Established Programme Coordination Unit (PCU) of LGCDP in the premises of MLD and provided logistics support (including, vehicles, motor bikes, computers, photo-copy machines, electric backup, furniture etc)
- Services of Specialist provided in the area of social mobilization, monitoring & evaluation, procurement, gender and social inclusion and GIS (5 specialists).
- Established Cluster Office in four development regions
- Services of Cluster Coordinator (4 Coordinators) provided (supported to establish coordination at regional level, monitoring of development programme, supported to arrange field visits, meetings and interactions with political parties, DDC officials, line agencies and community members for various donor's mission)
- Supported to design monitoring framework of LGCDP and organized workshop with participation of development partners, line ministries and MLD

- Supported to design Gender Equality and Social Inclusion Strategy of LGCDP and organized workshop with participation of development partners, line ministries and MLD
- Services of consultant provided to prepare Social mobilization guidelines for LGCDP
- Supported to design the strategy of Capacity Development Grant
- Facilitated donor's mission of (DFID, UN agencies) in different regions during the appraisal phase
- Prepared Annual Work Plan and Annual Progress Report of LGCDP of 2008

Photo 4: Boys and Girls: All go to school now

The TOR for the evaluation have provided a structure for the programme assessment by way of asking for an assessment according to the five DAC criteria Relevance, Efficiency, Effectiveness, Sustainability and Impact, plus the additional criteria of gender and social inclusion sensitivity. In addition, the TOR provides thirteen specific key evaluation questions. The assessment follows in the following chapter.

4 Assessment and Findings

The structure of the chapter is simply to deal with these criteria and questions one by one. However, this is preceded by a limited number of findings of the evaluation that fall outside the scope of TOR questions.

4.1 Financial Performance

Total expenditure on a yearly basis is reported at the donor level. Annual accounts are routinely subject to an external audit. From the minutes of Joint Annual Meetings it emerges that no questions regarding the accounts or financial status have been discussed.

Compo-nent	Activities	Year 2004 Total	Year 2005 Total	Year 2006 Total	Year 2007 Total	Year 2008 Total	09 Jan-Mar Total	Amount USD Total Progr.
DLGSP Cap of Local bodies enhanced	Enhance the Capacity of LBs	59 315	170 346	149 477	80 670			459 809
	Technical Support	-175	26 022	27 892	44 996			98 734
	Orient DDCs Officials	31 929	29 164	31 717	54 536			147 346
	Programme Support Exp	335 708	222 356	184 593	584 693			1 327 349
	Strengthen Information System	46 267	411	15 433	3 292			65 402
	Communication and Advocay			6 613				6 613
	Security			19 772	32 404			52 176
	Monitoring and Evaluation			14 705	310			15 015
	Unrealized Gain & Loss	11 901	-4 936	17 040	-7 043	-24		16 939
	Total of 00035358	**484 945**	**443 364**	**467 242**	**793 857**	**-24**		**2 189 383**
DLGSP Positive Discriminised VDP Design	Identity DAG Needs in 750	575 431	1 495 090	790 364	1 566 952	89		4 427 927
	Social Mobilization Mapping		1 122 106	1 501 061	165 456			2 788 624
	Realignment of Credit Facilities	508 426	151	353 142	811 416			1 673 135
	Capacitate Field staff/ Social	19 391	27 326	116 922	247 663			411 301
	Program Support Expenditure	266 134	619 585	776 091	632 960	-30		2 294 740
	Communication and Advocay			10 682				10 682
	Security			115 151	180 788			295 938
	Monitoring and Evaluation			25 487	315			25 802
	Unrealized Gain & Loss	546	67 257	10 840	-4 412	-414		73 816
	Total of 00039402	**1 369 927**	**3 331 515**	**3 699 740**	**3 601 138**	**-355**		**12 001 965**
DLGSP Training on HIV / AIDS	Conduct Orientation on HIV	-61 757	63 310	5 033	1 056 105			1 062 692
	Program Support Exp		5 645	7 612				13 258
	Monitoring and Evaluation				32 074			32 074
	Unrealized Gain & Loss		-1 373	-224	12 937			11 340
	Total of 00039528	**-61 757**	**67 583**	**12 421**	**1 101 116**			**1 119 364**
Quick Impact & Peace Support Initiatives	Enhance Capacity of Local Bodies					5 131		5 131
	Implem. community Infrastructure					1 673 333	785 997	2 459 329
	Program Support Cost					438 041	106 866	544 907
	Prepare Annual Plan of VDP & VDF						146 541	146 541
	Unrealized Gain & Loss					49 153	26 451	75 604
	Total 00060110					**2 165 658**	**1 065 854**	**3 231 512**
Selected Communities Mobilized	Modify and Implementation Social					496 745		496 745
	Enahnce the Capacity of CDF					800 168		800 168
	Program Support Cost					579 585	2 771	582 356
	Unrealized Gain & Loss					34 213	32	34 245
	Total 00060242					**1 910 710**	**2 803**	**1 913 514**
	Grand total expenditure	**1 793 115**	**3 842 461**	**4 179 403**	**5 496 111**	**4 075 989**	**1 068 658**	**20 455 737**
	Remaining budget provision						**1 265 046**	**21 720 783**
	Note: In 2008 and 2009 object focus on quick impact initiatives with no capacity buidling support							
	Similarly HIV AIDS support was implemented only till 2006.							

Table 9: Summary Programme Expenditure Report

The evaluation has received expenditure information in detail on an annual basis, and of this, Table 9 presents the summary. According to the information provided, financial reporting is fairly transparent, with some marginal positions being obscured, as central and district level support is not clearly distinguished.

About 10% of total expenditure went to the Meso and Macro levels, of which roughly one quarter to the central (macro) level. 60% was spent on the Village Development Programme, 5% on the HIV/AIDS component, 15% on QIPSI and almost 10% on community mobilization related to the exit strategy, in other words, largely providing grants to CDFs to enhance their lending capacity.

In the VDP, more than one third of the funding (roughly 4,5 million USD) has been spent specifically on disadvantaged groups. This is only about half the 70% that, according to the impression that the evaluation got from document study, was intended to be spent on DAGs. Hence, there is a discrepancy in terms of planned and actual achievements in one of the key areas of the programme. Unfortunately, due to a lack of time, the evaluation was not able to verify whether this is indeed the case, but when compared to the numbers of DAGs reached reported on, the finding appears to be supported.

Overall, in order to shed some light on the question of cost-efficiency, the evaluation has attempted to separate the value of actual input delivery from the expenditure incurred to make such delivery possible. In particular accounts lines such as *programme support*, *monitoring and evaluation*, *security related cost*, and *communication* were scrutinized, and a summary is presented in Table 10.

Component	Year 2004 Total	Year 2005 Total	Year 2006 Total	Year 2007 Total	Year 2008 Total	09 Jan-Mar Total	Amount USD Total Progr.
Local Bodies Support							
Total support and related exp.	347 609	217 420	242 723	610 363			1 418 092
Support cost as % of total	72 %	49 %	52 %	77 %			65 %
Total component expenditure	484 945	443 364	467 242	793 857			2 189 383
Village Development Programme							
Total support and related exp.	266 679	686 841	938 251	809 650			2 700 978
Support cost as % of total	19 %	21 %	25 %	22 %			23 %
Total component expenditure	1 369 927	3 331 515	3 699 740	3 601 138			12 001 965
QIPSI							
Total support and related exp.					487 194	133 317	620 511
Support cost as % of total					22 %	13 %	19 %
Total component expenditure					2 165 658	1 065 854	3 231 512
Community mobilization (exit strategy)							
Total support and related exp.					613 798	2 803	616 601
Support cost as % of total					32 %	100 %	32 %
Total component expenditure					1 910 710	2 803	1 913 514
Total expenditure							
Grand total support cost	614 288	904 262	1 180 974	1 420 014	1 100 991	136 120	5 356 181
Support cost as % of total	34 %	24 %	28 %	26 %	27 %	13 %	26 %
Grand total expenditure	1 793 115	3 842 461	4 179 403	5 496 111	4 075 989	1 068 658	20 455 737

Table 10: Support cost as a percentage of total expenditure, per component and total

The evaluation finds that in some years and for some components, the support cost and related expenditure is excessively high. For example, on the component "Support to Local Bodies" (the meso and macro components), support costs are shown to be between 50 and almost 80% of total expenditure. Closer scrutiny revealed that most of the costs shown are actually for studies and other consulting contracts. A good part of these however, have consisted of input to the component, defying the heading "support cost". Moreover, a considerable variety of consulting tasks have been carried out at this level, while direct expenditure has been relatively small, resulting in the seemingly exorbitant support cost percentages.

Overall however, and for all other programme components, support and related costs are in the region of between 20 and 30% with the average at 26%. The evaluation finds this to represent less than moderate cost-efficiency. If the 26% is taken as representing total programme overhead, it amounts to about double the overhead that a typical implementing agency in Nepal routinely incurs. But it must be added that such a rough and unspecific comparison may not be entirely fair, as the conflict, partly dysfunctional structures and the large geographical spread of the programme may have constituted rather unique cost drivers.

Another interesting analysis of expenditure is the position *monitoring and evaluation.* Adding up these position for all components where it is shown, gives a total expenditure of about USD 73,000. This constitutes less than 0.4% of total programme cost. The marginal amount relates well to the finding that monitoring and reporting has not been adequate (See section 4.4.5 and the Lessons Learned). It appears it has been underfunded in the first place.

4.2 Reporting on Programme Concerns and Quality Aspects

It is a general feature of the programme to report on activities and outputs. As the programme is large, many numbers of annual achievements are quoted and compared with targets and the previous time period. This is found useful as such, but the more important data tend to get lost or are not found at all. Moreover, there are inconsistencies and a lack of data for some categories in some years. This adversely affects the clarity of progress over time. More seriously, some of the main concerns of the programme are not reported on in a transparent manner. For example, Dalits and the ultra poor, and women are separate target groups that the VDP aims at addressing specifically. The participation of women, on a head-count basis, is properly reported. In the case of Dalits and ultra poor, the two other groups of main attention, data are mostly missing, are inconsistent, or groups are lumped together, including women. As there are ultra poor among the Dalits, and women among both groups, such lumping together may cause double-counting. This is evident from data analysis in some instances, but is not always clear. The lack of data is evident from results tables 4 to 7 shown in chapter 3.

The above is a lack of quality in reporting. But when looking for reporting on other quality aspects, it is found that quality is an alien concept for the programme; it does not exist. This means that all qualitative elements of reporting are missing, but also that quality aspects of project implementation are lacking. This is a cause for concern as qualifications of staff, the quality of training, service delivery, management, advisory provision and infrastructure implementation have a strong influence on the quality of outputs and the sustainability of outcomes of the programme.

In view of the fact that the PRSP/10th Plan mentions <u>improved quality</u> of service delivery and infrastructures explicitly, the omission from the programme is surprising and to an extent inconsistent with the overall objective of contributing to the 10th Plan.

4.3 VDP Results Chain

The formation of community organisations has been highly successful although it is not possible to verify the maturity status of all groups due to the extremely large numbers. The main outcome is the creation of social capital, which has a significant impact on the people's ability to take their fate in their own hands, in the protective environment of their respective group.

Based on social mobilisation inputs, the major results chain of the Village Development Programme is clearly recognisable as a chain of cause and progressive effect, as shown in Table 9. It is noted that the experience is that long term impacts take ten and more years to materialise. Some think this is way too long. The evaluation finds that socio-economic development in a resource-deprived environment is a generational issue. Ten years is just half a generation, and in this light not unduly long. One may not agree to this argument, but the reality in the experience of the VDP is a period of 10 to 12 years to achieve sustainable impact for the better groups.

Inputs	Social mobilisation, group coaching, awareness raising, training, limited financial resources
Results hierarchy	**Results**
Output	Community organisations formed and operational
Outcome	Social capital created
Medium term Impact	Accessed services have helped to improve the socio-economic condition, or the process of doing so at least is ongoing.
Long term Impact	Expected: Alert, inclusive and responsible civil society that pursues democratic principles to further development

Table 11: Village Development Programme Results Chain

Social mobilisation has been effective, and the model appears highly relevant, as indeed desirable long term impacts are achievable. However, the raging conflict, the lack of elected local representatives and a widespread lack of economic opportunities and a weak local resource base, and finally the fact that time for the programme has ran out, is responsible for the mixed results in terms of advancing along the results chain.

No detailed and accurate data exist on the stage reached by each community group, but from the classification of the groups done by the programme, the evaluation estimates that some fifteen thousand COs have reached an uneven medium term impact level. Not more than five thousand groups could be expected to be in a process of achieving a long term impact, while the rest, mostly relatively young groups, are at the outcome level, engaged in building social capital.

Despite the formulation and implementation of an exit strategy, the VDP has been incomplete when the programme was closed. This finding is derived from the fact that only about 40% of all COs have been categorised as "good" on the basis of a large number of indicators. Another 40% are "medium", but about 20% are "weak" or have even ceased to function. This represents more than 5,000 groups that appear not able to achieve their purpose, the empowerment of the group and its members at this stage. Regardless of these statistics, another fact is that an estimated 9,000 groups have not been able so far to access resources with which to realise any kind of physical benefit or other input supporting economic activities. This brings social capital into peril where it exists already, and forecloses the process of building it where it does not exist yet.

There are a number of reasons for this state of affairs.

- About 7,000 groups have been established during 2007 and 2008, and by the standards of the VDP these have not developed far enough to have developed the skills and self confidence to successfully access the services and resources needed.

- Time was simply too short, even for many groups older than two years. The programme had assumed however, that the process would continue to be supported in a successor programme.

- Funding resources have become scarce for at least two reasons: i) Micro-credit operations by the programme have been discontinued without a large-scale switch to existing MFIs, and ii) Cumulatively increasing overdue loans have eroded the capital basis of internal saving and credit and other revolving funds.

- Not all district-level decision makers have approved projects emanating from COs, but have used district level resources for other purposes.

- Finally, it is not an unreasonable assumption that in say, five to ten percent of all cases, the approach to social mobilisation may not have been successful. In theory, SM gains its strength from dynamic application to suit diverse base conditions, differing contexts, and emerging opportunities and challenges. However, there are certain structural constraints that limit the extent to which SM is applied dynamically. First, the currently unavoidable practice of "projectization" of development assistance that calls for predetermining many key decisions, resources and methodologies, has forced even a dynamic process like SM to be largely standardized and thus lose some relevance and value, and also miss many opportunities. Second, dynamic application of SM calls for a level of skill for observation and insight, dialogue and interaction, and decisions and actions, that is often too much to expect from the front-line mobilizers or facilitators whose qualifications, training, exposure, experiences and pay scales do not necessarily match such expectation. Third, the abilities, base conditions, contexts and opportunities of COs are so diverse that the application of the same or similar SM package would not necessarily produce standard results. This is to suggest that a good amount of variation should be expected in the level of organizational maturity and empowerment of COs with regard to accessing external resources, among other things. This is exactly what the evaluation observed during field visits to the districts and the villages: "Standard SM" processes applied over a comparable period of time have resulted in hugely different levels of group empowerment and quality of social capital.

4.4 Assessment with DAC Criteria

Due to time and resources constraints, the evaluation could not gather primary data but relied on secondary data from various sources. Analysis and cross-checking revealed that data quality is uneven, and there are gaps and inconsistencies in reporting. This puts limitations on the reliability of findings.

Nonetheless the programme is evaluated against the following criteria. In this, the same facts may be brought up more than once but the assessment criteria is different every time.

4.4.1 Relevance

Assess the degree to which DLGSP was, and through its adaptations, remained relevant during the rapidly evolving context, into which it was implemented.

The assessment of relevance is broken down to the three levels of the programme: central level, district level, and village level. The substance of the assessment is on the latter.

Central level interventions

Social Mobilisation Guidelines have been written: This was highly relevant throughout the programme period and is also borne out by high appreciation of the people.

The Gender Budget Audit Guideline has been produced and distributed to all districts.

GIS has been introduced at NPC and MLD: Relevance was considered high at the initial stage but at this time relevance is uncertain as it appears that various initiatives have not been followed up on.

Disadvantaged group mapping has been carried out in 43 districts. This is relevant with a view to establish a baseline on which to determine future targeting of interventions.

On behalf of the MLD, an accounting package has been developed. This is highly relevant, as it is the basis for improving transparency at the district level.

Regional level interventions

A package of capacity building consisting of seven components has been provided throughout the programme period. The success of implementing this package has been affected by diverse framework conditions and realities on the ground. The status and level of competence and skills varies widely among DDCs across the country. Accordingly, relevance presents a mixed picture.

Village level – VDP

The main source of information used for this criteria is the report on the Impact Assessment of the VDP (October 2007), but other information, including from field visits is also used for general analysis.

The VDP Impact Study has analysed results of a sample of community groups and villages that is representative. Programme results shown and verified by the study are by and large satisfactory. It can therefore be said with confidence that relevance has been high during the reported period. The evaluation finds relevance remained high to the end, perhaps reduced to a degree due to the discontinuation of micro credit activities.

The Village Development Project clearly represents the main focus of the programme, and it is also the most relevant in terms of achievement of programme objectives. The fact that local

government has remained dysfunctional to a degree over the programme period, accords all the more relevance to the initiatives at the village level. Among the numerous components, there is a strong impression in the evaluation team, that building social capital has remained highly relevant. Secondly, access to resources, be it training, a seed grant, loan or funding for a project, has been relevant. Even more relevant is the tandem of social and physical capital: Empowerment and successive improvement of the socio-economic situation through access to physical inputs. Not a majority but many households have benefitted from this. To be clear about this assessment, cause and effect have been identified by the evaluation in a small number of examples in the field only. General validity across the programme is likely, but cannot be claimed with rigour, as at the same time, some potential for failure of the SM process has also been identified (ref. Para. 4.3).

Photo 5: Proud women group members with their facilitator in the centre

4.4.2   Efficiency/management

Assess the outputs realized in relation to the inputs provided, looking for example at whether the management structures were appropriate. During the conflict, and even in the post-Peace Accord environment, traditional standards of efficiency may not be applicable. Where appropriate, examine the quality of processes that DLGSP applied to ensure the programme was implemented in a conflict-sensitive manner.

There is indeed no "standard of efficiency" in a programme of such complexity, implemented under difficult and often hostile framework conditions. Management processes

are not routinely reported on. Hence, an assessment of management efficiency needs to be based on limited knowledge of staffing and mere impressions from observations in the field.

The evaluation team has a very strong impression that outputs achieved were fairly efficient in relation to inputs and the changing framework conditions.

Processes to guide and monitor appear to be in place. The concept of Area Support Team Offices (ASTO) is efficient. Five regional ASTOs cover thirteen districts on average each, and are managed by a coordinator, but this spreads resources thin. There is a tendency of emphasising management efficiency at the cost of quality (see above), and situational differentiation of approaches is not possible.

Another aspect of efficiency is reporting from the bottom up, which appears laborious. It is uncertain whether the right kind of data is being collected and whether data disaggregation, to report on specific concerns on one hand, and data aggregation for higher level reporting on the other hand, are efficient in relation to the value provided.

4.4.3 Effectiveness

Assess the extent to which the programme objectives were achieved, taking into account the evolving context.

Social Mobilization

During the interaction with of the evaluation team at the community, village, district and the central levels, all stakeholders across the board, almost with unanimous voice, emphasized the high effectiveness of DLGSP in 5 main areas of social mobilization, participatory planning, capacity building of DDC, quick implementation of small community infrastructure schemes, and filling in the void of local government bodies during the conflict period.

It was quite evident that the Social Mobilization undertaken by DLGSP was able to create a broad base of social capital, including community organizations, group solidarity, community savings, awareness, skills, self-confidence, and some community infrastructure. Since the MTR undertaken in 2006, the human values of equity, gender, social inclusion, accountability and preference to the weak received added emphasis. The range of social capital together with the emerging values of equity, unity, responsibility, cooperation and care of the weak provide the foundation on which further initiatives of promoting good local governance, community empowerment and responsibility, community development, capacity enhancement and local enterprises can and need to be built. Building on existing strengths and helping people to make improvements in the areas where they are weak are proven approaches to empowerment and development. The emphasis placed by DLGSP on community organizations was able, to a certain extent, to serve three broad purposes at the individual, community and district levels.

- At the level of the family and individual citizen, advocate, promote and support equity, empowerment, self-help, responsibilities and rights to discharge the responsibilities.

- At the community level, undertake collective initiatives in resource mobilization and production of community based values: goods, services. physical assets and shared values of cooperation, discipline, mutual understanding, respect for others' rights and peace; and ,

- At the village and the district levels, advocate for community causes and demand services and accountability from local government bodies and the line agencies of the central government. At the same time, develop sensitivity to broader issues of environmental conservation, public health, regional balance, social equity and security.

The capabilities of COs are not equal. Some COs are doing better in terms of the three purposes listed above while others are still weak. The differences owe to several factors, some of which are the following:

- How new or old the COs are?

- How different their base conditions were at the time of starting social mobilization?

- How different the frame conditions under which the COs work are, for example, their exposure and access to new ideas, innovations, resources and opportunities?

- How differently the long conflict in Nepal affected community cohesion in different locations?

- How different the quality of social mobilization has been in different places?

These are only a few of the many factors contributing to the uneven growth and development of CO capabilities. This suggests that it would not be appropriate to make generalizations about the value of social mobilization only on the basis of how strong the COs are at any point of time. Though there are a number of areas where the COs would obviously need further strengthening, the purposes they served at this stage of their development fitted very well with the historical trends, the ground realities of Nepalese political economy, and the geographical and social distribution of people across the country. Localized communities and community based initiatives and approaches to the development of irrigation, drinking water, forests, trails, education, security and labour pooling are the historical realities of Nepal and serve as the source of many of the best practices in broad-based local development and empowerment.

Participatory Planning

The second most effective contribution of DLGSP that is appreciated across the board is the participatory planning approach that it and its predecessors (PDDP, LGP) facilitated at the DDC and the VDC levels aimed at investing their internal resources and the funds received from the central government. The charm of this approach is that it allows assessment and prioritization of real needs, selection of relevant schemes and targeting of the benefits to the weaker sections within the community by the community organizations themselves rather than by external agencies. The DDCs in all the five districts visited by the evaluation team attested that the participatory process of planning has been institutionalized at both the DDC and the VDC levels and this achievement can be attributed mainly to DLGSP. The participatory planning process did suffer a setback for some years after 2005 due to the prevailing conflict and the restrictions imposed on community level interactions, but the value was so internalized that it resumed as and when opportunities were favourable in the village and the district. At a time when the VDC secretaries had fled away from the village and taken refuge at the district headquarters, the social mobilizers who had gained the confidence of the community and some acceptance from the conflicting groups, filled the void in planning, priority setting and fund channelling. In addition to institutionalizing participatory planning by the VDC and the DDC, DLGSP facilitated participatory planning

aiming at directly engaging and benefiting women, Dalits and the poor. The process involved the sensitization of communities, organizing of COs, mobilization of internal savings for income generation and enterprise development of CO members, and financial and technical support to implement selected community schemes planned and prioritised by the COs.

Capacity Building of DDC

Especially appreciated are the addition of units and program officers in the DDC, introduction of GIS, institutionalization of participatory planning procedures, and systematization of accounting and record keeping practices.

Quick Implementation of Infrastructure Schemes.

Building on the base of social capital created by previous social mobilization was instrumental to the quickness in planning, implementation and completion of the schemes.

Filling in the Void of Local Government Bodies during Conflict

At a time when the VDC secretaries had fled away from the village and taken refuge at the district headquarters, the social mobilizers who had gained the confidence of the community and some acceptance from the conflicting groups, filled the void in planning, priority setting and fund channelling.

In summary therefore, the programme has been effective in many regards, and it has remained so even when local government was dysfunctional or not present due to the conflict.

4.4.4 *Impact and sustainability*

Assess the sustainability of changes brought about by the programme, at the community, district and national level.

Community level

DLGSP has contributed to the development of a number of assets, procedures and values that are of a sustainable nature because they are now owned, retained, and considered useful by the COs. The following are some examples:

- Targeting the benefits to the vulnerable groups by the CO rather than by outsiders.

- Catalytic roles being played by local youths and educated people (e.g., teachers) within the COs.

- Internal savings generated by the CO members that are easily accessible to members at times of need. The programme experience is that these schemes are being continued, with very few exceptions over many years.

- Confidence gained by CO members to undertake self-help initiatives and to approach other agencies in the village and the district for support.

- Sanitary practices (of not urinating and defecating in open places).

- Social reforms (movement against alcoholism, gambling, domestic violence and caste discrimination) promoted by the COs in their village.

- A sense of community identity, unity and responsibility across caste, gender, political party and religious faith.

- Facilities of drinking water, community buildings, child care that have proved beneficial to the communities. However, a tendency to neglect maintenance was found, which works counter to sustainability.

District Level

- Organizational reform in the DDC with additional units and program officers.

- Mandatory allocation of funds for the benefit of women, children, Dalit and the poor.

- Participatory procedures at the CO, the VDC and the DDC levels.

Central Level

- Two sustainable impacts can be mentioned:

- The organizational reform has been carried out, and

- A mandatory allocation of funds for the benefit of women, children, Dalits and the poor has been introduced.

- Also, the amount of block grant that is transferred to the VDCs has considerably increased over the programme period, from the previous NPR 500,000 to a maximum of NPR 3 million per VDC. It is notable that these transfers are directly from the Ministry of Finance to the VDC, without involving DDCs. While this development cannot be attributed to the project directly, it strengthens the sustainability of community organisations as there are potentially more funds available that can be accessed, and fund allocation mechanisms are closer to the people.

4.4.5 *Gender and social inclusion sensitivity*

Assess to what degree DLGSP was sensitive to gender and social inclusion, from the community to district to central level.

Building on the result and experience of earlier projects (PDDP, LGP and bridging phase), the DLGSP was initiated with the aim to enhance the participation of Dalits and other disadvantaged groups, specially women, by adopting positive discriminatory policies in favour of women, ultra poor and the disadvantaged groups. Though the programme also focused on enhancing local bodies' capacity to improve service delivery, the strength of the DLGSP lies in its focus on disadvantaged groups at the community level. The programme was able to increase the number of women CO members from 50 percent at the commencement of the programme to 53 percent at the end of 2008. During the five year period (2004 – 08), out of the total 230,188 CO members facilitated by the programme, women comprised more than 58percent.

The COs have provided women a forum to discuss common issues and to some extent given them organizational strength. It is reported that women who seldom used to take part in the community activities are now active and are in leadership positions in 48 percent of the COs. 34% of all community organisations are women-only COs, and further analysis reveals that mixed gender COs constitute 41% of the total, and men-only groups are 25% of the total. The evaluation finds this a successful positive discrimination strategy leading to a high share of women-only groups, where women indeed take leadership, as the evaluation team could see

for themselves during visits. But up against men in mixed groups, women still occupy the backseat in decision making structures, as analysis of data shows. Women leaders are outnumbered two to one by men, according to the mixed COs statistics. Nonetheless, in view of existing paternal structures at the family level, gender mainstreaming is considered moderately successful.

Photo 6: Five days of training and a loan for the sewing machine established this Dalit woman in business

Likewise, Dalits and Janajatis (indigenous nationalities) comprise 18 and 41 percent of the CO members respectively. Janajatis appear to be well represented in leadership positions (48%). In comparison, Dalits are not proportionately represented in leadership positions as they account for just 10 percent. A proportionate representation of women from Dalit and Janajati communities, as members and in leadership positions is not assumed, but this cannot be ascertained, as relevant sex disaggregated data to verify such representation was not practiced.

The programme has made provision of changing leadership position on a rotational basis and social mobilizers were also oriented accordingly to oversee this provision. However, the programme appears to have missed out on this aspect as the level of representation of ultra poor and Dalit groups who have managed to reach leadership positions of COs has remained low. This is even more pronounced in the case of women who belong to these groups.

Pokharel Tole of the Tanmuna VDC Ward No. 8 was named after the "Pokharels", who are *Brahmins* occupying the highest rung in the Hindu caste hierarchy. The village, which for long was inhabited by the Pokharels, now has only two Pokharel households in the settlement which comprises 30 households. The remaining 28 households belong to Dalits and Janajatis.

In 1998, the Shree Mahila Bikas Sanstha, a women CO with 24 members, was established in Pokhareli Tole. According to the chairperson of this CO, six of the Dalit households were not interested and did not join the CO. Currently there are 21 members in this CO, as three of the members, one of whom left the settlement and the other two lost interest in the group's activities and discontinued their membership after a few years. Thus, this CO has been carrying on its saving/credit and group activities for the past 11 years with 21 members.

This CO has been very active and was able to establish linkages with other agencies. They have managed to obtain credit capital from the CDF several times and have invested this capital in income generating activities of the group members. This has enabled the members to enhance their livelihood; and as a result, 8 out of the19 ultra poor members have upgraded their economic status to the poor category.

However, in spite of this commendable achievement, the CO's leadership has remained in the hands of the two Pokhareli women since its inception. Despite the provision for rotational leadership, one of them has always held the post of the chairperson while the other stays put as the manager. When will this CO develop a second line of leadership? Will the disadvantaged groups of this CO get the opportunity to grow and lead? These are critical questions that persist and need to be addressed.

Analysing employment data, the evaluation finds the LDF staffing structure insensitive in terms of gender equality and social inclusion. According to available data for the year 2008, women comprised 26.8 percent of the total 980 LDF staff while the same for Dalits and Janajatis was 7 and 26% respectively. There was no representation of Dalit and women in the post of executive secretary. Another important issue of concern was the level of gender sensitivity of the programme staff. The Mid Term Review had recommended that the staff members be imparted related trainings on this issue. Following the MTR recommendation, gender issues were incorporated in the training activities and 280 staff members were provided with relevant refresher training. With what result however, has not been reported.

The Programme appears to have given less recognition to the fact that that issues beyond representation need to be addressed too. Though the Programme was able to cover considerable number of women and disadvantaged groups, its activities relied on a blanket approach that was unable to adequately address the specific needs of the most disadvantaged among the targeted groups - the ultra poor and the Dalits. To a large extent, the programme was unable to bridge the wide gap in the leadership capacity and management skill between the most disadvantaged groups and the rest of its target groups as it did not impart specific programmes focusing on this aspect. Further, monitoring was done from an overall perspective simply disaggregating data by sex and different groups without further disaggregating data by sex in different groups. Thus, the programme managers were unable to gain ample insight on the status of men and women of the most disadvantaged groups (such as Dalit women and ultra poor women) and make necessary adjustments.

4.5 Key Evaluation Questions

The following main questions, as listed in the TOR are answered by presenting and commenting related findings, to the extent possible (questions are set in *bold italic*):

What were the major lessons learned from DLGSP, which points beyond the implementation of the programme in itself?

To maintain report logic, this question is answered last. Please refer to paragraph 5.2 at the end of the report.

Did programme management incorporate lessons learned and recommendations from the Mid-Term Review and other assessments?

In general, it can be seen that programme management took results of studies and recommendations seriously. Some further analysis however, regarding key recommendations, is in order:

- Discontinue micro-credit activities (recommended by the study on micro credit), and transfer credit operations to financial institutions (recommended by the MTR 2006)

Credit activities were promptly discontinued. The credit capital was converted to grants at the Local Development Fund and Village Development Funds (later renamed Community Development Fund). Outstanding loans were to be repaid to these funds, who continued loaning operations as a revolving fund. The second recommendation, to involve financial institutions did not materialise. The evaluation's assessment is that acting on one recommendation but not on the other may have negatively affected the outcomes.

The recommendation to discontinue micro-credit activities was given on the grounds of a lack of expertise within the programme, among other factors. But a transfer of essentially the same "business" to the level of CDF has meant that it is even less professional at this level, as staff in these institutions is lowly paid and marginally educated. As a result, it appears that the programme has lost track of revolving fund operations. Information of how individual funds are doing in terms of monitoring operations, interest charged to different groups of borrowers, overall transparency, accountability, repayment and the level of overdue loans and the relationship between fund income from interest earned and administrative cost, is scarce. Annual reports do not report on it at the central level and reporting at the district level is erratic.

The lack of involvement of established micro-credit institutions has led to the situation described above. In addition, without the infusion of additional capital that would have come from the micro-credit institutions, while at the same time adding new COs on a massive scale, has starved the entire programme of loan funding that would have been necessary to achieve a more consistent impact particularly in the sectors of micro enterprise and income generating activities. It is very likely that over time the existing revolving funds will lose more and more substance, caused by increasing default on loans that cannot be recovered, and by administrative costs that may be higher than income from interest earned. It is true that loan repayment has dramatically improved where the activity was transferred to the CDF (local) level, but this merely lessens the symptoms of an ailing system.

As there are apparently 880 revolving funds at the LDF level, 550 such funds at the CDF level and thousands of internal saving and loan schemes in the community organisations with potentially similar management problems, there is a huge asset available in the best case, or a

major disaster looms in the worst case in the programme districts and villages. The evaluation did not have a chance of looking into the matter even in one single exemplary case, as it would be more time consuming than what was available.

The suggestion is therefore that a separate in depth study should be carried out that clarifies the assets and capitalisation of revolving funds and savings/credit schemes, as well as the operational aspects and current status.

- Beware of credit to the poorest, who may not be able to afford it (MTR)

The programme implemented this recommendation promptly. It was replaced by the domestic animal exchange scheme on grant basis, with good results.

- Consolidate rather than expand VDP activities (MTR 2006)

The decision was taken to not further expand VDC coverage to the original 1,000, but stay at 880.

The largest number of COs however, was established in 2007 (5,559) and 2008 (1,702) of the total of 10,405 COs formed under the DLGSP. Evident reasons are:

- Many SM processes had been initiated before the MTR recommendation, leading ultimately to CO formation. So the programme carried through what it started, and rightly so.

- Another recommendation, the reinforcing of efforts to target the poorest and other DAGs, led to more SM initiatives and group formation among these sections of the population, counteracting any consolidation plan.

For the above, the evaluation finds that programme management is not to be blamed, but it is clear that consolidation, in terms of more depth rather than more breadth would have been preferable overall.

- Commission a study on improved social inclusion approaches (MTR)

The programme had initiated preliminary work to initiate an impact study. This was however later aborted and the study was not carried out for reasons that could not be identified by the evaluation.

- Provide guidance on routine maintenance and minor repairs (MTR)

This led to establishing the rule that a maintenance fund of 5% of the infrastructure value must be established. Also, bare-foot village cadres for maintenance of community infrastructure were trained. The total numbers trained was 134, much too little to be effective, and it sounds like a new invention, while local user group training constitutes a well proven and functioning concept in many sectors in the country.

Was DLGSP able to adapt and maintain its relevance at all three levels of intervention (community, district, central) throughout the programme period?
Refer to relevance, para. 4.4.1

Did DLGSP make the best use of its limited resources? Did it find the right balance between reaching out to more people and making a real difference in people's lives? (breadth versus depth)

Breadth versus depth is a critical topic. Those that the programme has not reached would without doubt argue that it should have been broader. Those within the programme, but benefitting marginally would certainly argue that depth should have been emphasised. There is probably no single right answer to the question. But, the evaluation finds that there is a definite requirement for a minimum of depth, to avoid utter frustration of programme participants who ultimately expect something tangible. This could in the worst case end in loss of hard earned social capital. In this connection, there is a serious concern for all the relatively young groups which by the end of the programme have not been able yet to access any outside resources.

Little money was available after micro-credit was stopped. Budget ceilings were imposed even at the project level. Budgets have been cut regardless of actual project cost. The practice of decision makers was often to accommodate as many projects as possible, but to cut all proportionately, rather than really prioritising. One such project seen in the field was based on a funding request for a four-room school. It was reduced to half, and the village got a school with two rooms. This reinforced the impression that in general there are too many activities covered with too little funding and expertise. Insufficient depth can also be translated as a lack of attention to quality aspects (ref. Section 4.2, second paragraph).

To what extent have the poor people been able to participate in the planning, programming and decision making process of local bodies? To what extent do these people feel that local governments have become more accountable? To what extent has the basic service delivery system of local bodies been enhanced? What factors have contributed to or hindered improving the service delivery system of local bodies?

There is no evidence that the poor could be assumed to have actively participated in planning processes, or that local level service delivery would have improved in a significant way. However, this needs to be seen in the prevailing context.

The story, as it evolved over time, is complicated. By and large, basic service delivery of local bodies is uneven and only small incremental improvements have generally been realised. In the absence of elected representatives, downward accountability has remained elusive. The assessment is that the programme has done its best, succeeding in some little ways but in the end making a difference only very partially, for many reasons.

The DLGSP time frame (2004-2008) coincided with a period of conflict of varying intensity in Nepal. Throughout this period, elections for local bodies were not held. Even at the time of this evaluation, both VDCs and DDCs are devoid of duly elected local representatives. As a temporary arrangement to fill the void, the government of Nepal tried three different options at three different times during the conflict period. Initially, the representatives elected from the immediately preceding local body elections were authorized to continue in office until new arrangements were made. Later on, this arrangement was discontinued and the local bodies were run by the representatives of line agencies working at the district and the village levels under the leadership of the LDO and the VDC secretary respectively. This option was also discontinued after 2006, and a third option is in operation for over two years by now. Under this current arrangement, the LDO is serving as the president of the DDC assisted by an advisory board of representatives from seven political parties who led the peoples' movement in 2006. This sometimes works well, but it depends entirely on the individuals involved. At the VDC level, the VDC secretary is expected to serve as the chairperson of the

VDC (and representatives of political parties as de facto advisors and watchdogs). Because of the worsened security situation in rural areas during the conflict period, VDC secretaries were virtually absent from their office in the village and they fled to the district head quarters. A sizable number of VDC secretaries were forced to resign from their position by the rebels. A few VDC secretaries who still remained in the village were intimidated, threatened, physically attacked or even killed. The situation gradually went on worsening and there was an extended period when the rebels did not allow any representative from the government to visit the villages and interact with people there for any purpose whatsoever. Even when peace came, the local bodies have remained without duly elected peoples' representatives. Rather, matters are conducted by government employees and party nominees who have not duly received peoples' mandate. This is to suggest that under the current arrangement, the accountability of local bodies to people at the grassroots remains only a theoretical proposition at best. The vision of downward accountability is still far in the distant future.

Photo 7: Micro enterprise: A retail shop for basic essentials

After the peace treaty was concluded, local bodies slowly started to show their presence. VDC secretaries are gradually moving into their respective villages but still a number of VDCs do not have their own separate VDC secretaries. This means, one VDC secretary has to look after the affairs of a number of VDCs. In some districts, most VDC secretaries are still operating from the district headquarters. The situation is still not considered favourable enough to allow a thorough participatory planning as recommended by the Local Governance Act. Recent political developments do not instil much confidence that matters may change anytime soon.

There is the possibility that the schemes prioritized through a participatory exercise while preparing CO plans may get reflected in the VDC and the DDC plans directly or indirectly. But there is also a possibility that bottom-up planning is entirely disregarded. According to the procedure, the CO plans are collected, screened and selected at the CMC and forwarded for funding to CDF since 2007 (previously, and where no CDF exists, to the LDF at the district level). As the CDF funds are limited, only the schemes of some COs receive CDF funding while the other schemes have to be taken to other agencies. The VDC secretary, who is also a member of the CMC, often agrees to allocate supplementary funds to selected CO schemes, and sometimes forwards some of the CO schemes to the VDC council for funding. Theoretically, the VDC council may fund the CO schemes from its own fund, i.e. received block grants from the central government, and forward the rest to the DDC for incorporation into the District Development Plan. The DDC in turn, may put the proposed schemes in the process of reviewing, screening and selection through various committees.

Because of the very short duration of field visits, the evaluation team could not even in just an exemplary manner independently verify whether or not the participatory plans originating at the CO level were actually incorporated into the Village Development Plan or the District Development Plan. The impression that the evaluation team got from the field visit is that the nominees of political parties who are influential in the local bodies have their own political criteria to allocate funds for particular schemes through their informal quota of funds. Some of the CO schemes that meet these unofficial political criteria may get reflected in the VDC and the DDC plans directly or indirectly. Especially during the interim arrangement made for the operation of local bodies, whether or not the schemes planned by the poor actually get funding or technical support from local bodies, largely depends on the discretion of the political party nominees placed in the local bodies.

COs that the evaluation interacted with have expressed their view that they are incrementally approaching local bodies, line agencies and NGOs for financial and technical support to their schemes. In some cases, they manage to receive partial support to their plans from these agencies. In other cases, they have been turned down again and again, but learned the procedures and the rules of the game as to how, when and for what to approach different agencies for support. Overall, the impression of a bureaucratic and top-down decision process remains.

In this situation, it appears that the best move the DLGSP has done is to support the formation of Community Development Funds at the VDC level. These institutions are by far more democratic and closer to the people than the LDFs they replace. This appears to have a positive effect on more participatory decision processes, and CDFs have been able to collect about 70% of the previous LDFs overdue loans from local borrowers, it is reported.

The evaluation credits the programme for its pragmatic adaptation to the changing institutional situation. Indeed, it is not found realistic by the evaluation that the programme could have played an important normative role in institutional development, as it is quite obvious that higher level political decisions, and sometimes the lack of decisions, have been decisive, and have determined how things work and develop further. In this situation, an accommodating attitude towards institutions and their shortcomings has been appropriate, while the emphasis on implementing the VDP, supporting good principles, was maintained.

To what extent did the socio-economic status of the rural poor, particularly women, Dalits and disadvantaged groups improve? What factors have facilitated and hindered improving the socio-economic condition of the rural poor?

DLGSP's intervention, which used community organisations (COs) as entry points, can be rated as moderately successful in improving the socio-economic status of men and women at the community level.

About 66 percent of the total households (591,627) covered by the programme belong to the poor and ultra poor. Cumulative saving of about USD 11.5 million was generated, in the form of a Group Fund, by more than 27,000 COs comprising more than 675,300 members through weekly/monthly savings. This fund was generally invested in the form of loans to members who primarily utilized it to meet their immediate needs (food, children's education, medical treatment) of their family. Prior to the formation of COs and the establishment of the Group Fund as a saving credit scheme, members had no alternative but to rely on local money lenders who charged exorbitant interest rates (36 to 60 percent) further exacerbating their precarious livelihood condition.[8] The saving and credit schemes, besides developing a saving habit of CO members, has also provided them with an easy access to credit in times of urgent needs. It was appreciable to observe that COs, which were formed some twelve to thirteen years back, were still intact and involved in regular savings. Many of these COs have an accumulated saving of over one hundred thousand rupees (over USD 1,250) which have been turned over many times with cumulative borrowings amounting to more than three times the actual savings.

Some portion of the Group Fund and credit capital provided by LDF (before) and CDF (at present) was also being utilized by members for income generation activities. Out of the total CO members, about 14% are involved in micro enterprises. In all the COs visited by the evaluation team, two to three members were able to start an alternative livelihood option. As the groups generally have around 20 members, this confirms the overall reported percentage of micro enterprises of total group members.

Generally, these small scale investments were used for livestock farming, agriculture inputs (seeds, fertilizer and bullocks) and income generating occupation (retail/cart shops, rickshaw etc). Though these activities have positively contributed towards improving their subsistence livelihood, the impact is marginal without any significant leap forward in their economic status. Income generating activities and micro enterprises have seldom been able to expand and grow as they are not guided by business plans, and more importantly due to a lack of profitable markets. The new entrepreneurs lack the vision and knowledge on how to plan ahead and increase returns on investments in very marginal market niches.

Typically, women groups in the Terai are taught to produce incense sticks and small plastic "tika" fragments (a decorative accessory that women stick to the forehead), and to sell these on the local market. Except for the locally collected wood bark for the sticks, raw materials and packing cellophane needs to be bought on the local market at retail prices, and the value added in hand-producing these little items is immensely small. The profit margin in the local market niche, which has not (yet) been reached by Indian competition, is marginal, and perhaps smaller than the real labour cost involved.

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[8] This was reported by CO members during interactions with the evaluation team.

The example illustrates well the fragile and marginal economy in which many income generating activities, and even micro enterprises, operate. Statistics are not available, but the evaluation would not be surprised if the actual survival rate of IGAs and micro enterprises was below 30% as these activities are not robustly sustainable.

Goat keeping is another supported activity with immense popularity. It appears that most women taking an investment loan, do this for the purpose of purchasing a goat. Economics are intact in the eyes of beneficiaries, if everything goes well, and there is still a lot of room for replication. The evaluation finds there is a shortcoming in the promotion concept as there is no safeguard against loss of animal life, which may cause hardship. It is also noted that there is a saturation point at which an environment and a local economy cannot support more goats.

Community infrastructure support to COs was quite diverse (drinking water, irrigation facility, health posts, schools and community buildings, toilets, rural electrification etc) and primarily focused on improving health and sanitation, education, agriculture, electricity and other community based services. Many poor and excluded households benefited from the indirect economic benefits (decrease in drudgery, improved sanitation, more time for productive work, enhanced agricultural production) from the community infrastructure. The CO members were also engaged as wage labourers during construction works. Typically, this amounted to several days of work per family rather than several weeks. Also, as infrastructure support was thinly distributed, only about 21 percent of the households addressed in 2008[9] benefited from this support. The number is low because the programme had already started to wind up activities. Overall, a more satisfactory two out of three participating households have benefitted from community infrastructure investment during the programme period.

Support to livestock farming, through goat and pig exchange scheme, was one of the primary strategies adopted to enable ultra poor people to be engaged in meaningful income generating activities. Generally one goat or a pig was distributed to ultra poor CO members. Within a year, except for misfortunes and unfortunate incidents, they generally multiplied to three and one offspring was returned back to be given away to another CO member. Though this was inadequate to create a critical mass for substantial increase in the income level, about 20% of the ultra poor CO members, who have benefitted from this scheme, were able to supplement their annual income by some Rs. 5,000 to Rs. 7,000 through the sale of two to three goats. In the event of sudden demise of the first goat, which also happened, the scheme did not work out for a whole community, as the programme apparently did not have a provision for replacement in such a case.

> All the CO's have maintained basic information about their group members, including information on their wealth status, such as segregation by the number of ultra poor, poor and medium poor. During separate presentations of group activities by the four COs in the districts visited, the evaluation team was informed that the current number of ultra poor CO members had been reduced significantly. Initially (in the period 1999 to 2001), when these COs in the three districts[10] were formed, out of the total 93 members, 44 members

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[9] Annual progress report 2008, DLGSP

[10] Shree Mahila Bikas Sanstha, Tanmuna VDC,Sunsari, Siddha Baba Samudayik Sanstha, Gankhet-9, Dadeldhura, Siddha Kedar Samudayik Sanstha, Gankhet-8 , Dadeldhura, and Muhnyal Mahila Samuha, Pahalmanpur -1, Kailali

were ultra poor while 43 of them were poor and the remaining 6 were medium poor. Currently, the number of ultra poor CO members has decreased to 23 while the number of poor and medium poor CO members rose to 53 and 17 respectively. These figures, though they may not look too perceptible at the ground level, do indicate a significant improvement in the economic status of the poor people who have had the opportunity to be engaged in the IGAs supported by the programme.

In summary, more in an exemplary manner than in terms of overall application, the following were the most conducive programme concepts and elements:

- Positive discriminatory policies and practices: The programme focused on community development through social mobilization and adopted positive discriminatory policies and practices that benefited disadvantaged groups including women.

- Principles of local self-governance: The programme upheld the principles of local self-governance by promoting participatory processes and local ownership. This mitigated the hardship of marginalized rural people by financing much needed basic rural infrastructure projects and improving service delivery. With the CO members fully involved in the planning, implementation and operation/maintenance of small rural infrastructure projects along with the implementation of a saving and credit scheme and management of the resultant group, the programme made a difference.

- Broad based linkages: The COs formed by the DLGSP have been able to establish linkages with programmes implemented by many different development agencies, thereby broadening their resource base and reducing risk.

- Saving and loan schemes: All groups find this very helpful. Many continue doing it year after year. It provides a reason to meet and a solidarity-based safety net.

Factors that have hindered improving socio economic conditions

On the other hand there are several factors that have slowed down the process of socio-economic improvement. The primary factors that hindered the improvement of the socio-economic condition of poor and marginalized women and men at the grassroots level were as follows:

- Absence of elected representation: Downward accountability is usually much more evident when elected people's representatives are responsible for running local bodies whereas local people have constantly been questioning the downward accountability of Government appointees. This has been further aggravated by the absence of VDC secretaries, who currently manage the affairs of the VDCs, in their station of duty as many of them are still based in the district headquarters. In such a situation, the rights of the poor and marginalized women and men, who lack the economic and social capital to access these VDC secretaries, are severely curtailed.

- Inadequate market research and linkages for micro enterprises: The Programme was unable to link micro enterprises to markets by imparting relevant know how and information. Difficulties in selling one's product and services were cited as one of the major stumbling blocks by CO members who have taken credit for this purpose.

- Lack of strategic partnership with district level line agencies: The Programme has attempted to establish coordination and partnership with line agencies, at the district level for technical support and funds for implementation and maintenance of the infrastructure projects. However, except for the District Technical Offices, all other line agencies' participation was limited to the provision of resource person (in agriculture and livestock related training).

- Thinly spread resources throughout the project districts and low investment on the hardware delivery: Only just below one third of the COs received infrastructure support (8448 infrastructures for 27, 221 COs).

  In 2007 for example, 1,457 infrastructure projects were funded at a total value of almost NPR 117 million. This gives an average of about NPR 80,000 per project, or the equivalent of not much more than one thousand USD. DDC/VDC funding amounted to a mere 10%. It is difficult to assess this as successful access to local resources.

- Inadequate human resources: The guidance and facilitation provided to COs was limited owing to inadequate numbers of social mobilizers. With one (or two in case of large VDCs) SMs stationed at the VDC level, SMs were overburdened: usually each SM was responsible for more than 60 COs. On an average, even if they worked every day, they would be able to reach each CO once every three months.

To what extent has the social mobilization-based "Village Development Programme" contributed to build social capital and to eliminate discriminatory practices against women and girls and other excluded groups? (e.g. untouchability)

There are a number of dimensions to this question. If the notion of *social capital* is that community members get better along because they interact with each other, then the programme can be said to have contributed to its formation, in particular through social mobilisation work and community group formation. Awareness has been raised on a number of discriminatory practices. All groups met have stated that life in the community is more harmonious, and men's behaviour is improved and/or better under control; there is less domestic violence. Beyond this, it is difficult to identify changes. It cannot be assumed that untouchability has changed, and that related discriminatory practices have been eliminated, as there is no evidence that would support such an assumption. In general, the evaluation finds that it has been easier and more successful to address gender discrimination than social status-related discrimination.

The COs have been developed as a forum for awareness raising, sensitization, information dissemination and interactions and debates on the current socio political situation to help create an enabling environment where women and men at the grassroots level become increasingly conscious about their rights and are able to demand their delivery from the authorities.

Group formation and regular saving credit scheme has lent support to bonding of group members through common fund that has provided easy access to credit in times of need. Participating in the meetings, collecting savings, having their passbook up-dated, discussing their problems, setting priorities and keeping minutes of the discussion and decisions were significant learning experiences for the members, generating pride and instilling self confidence.

'Group dynamics', which has emerged as cohesive force binding the community together, was the primary achievement reported by all CO members. Conflict mitigation measures have been developed and practiced within the community. Disputes that previously persisted for a long time and created unwanted animosity are now generally openly discussed and addressed within the COs.

The major impact in the elimination of discriminatory practices was evident from the positive change in attitude of parents and guardians towards the education of their daughters and realization about the fallacy of early marriage of girls. Almost all the CO members who interacted with the evaluation team proudly stated that they no longer discriminated between boys and girls while providing education to their children. Now all the girls go to the school. Though many other factors (such as communication and information through mass media and awareness programme of other organizations) complement the projects initiatives to promote gender equity in terms of children's access to education, COs active effort to promote girls education and condemn early marriages and the resultant social pressure created on parents and guardians, has been one of the prime factors for the elimination of this discriminatory practice.

> "My daughter, who passed the School Leaving Certificate (SLC) examination this year, is the first girl to reach this level in our village." stated a proud mother of a Dalit community located in Tanmuna VDC, Sunsari district. Early marriage of girls was a common practice in the village. Girls' education was never given priority due to poverty, ignorance and the prevailing patriarchal culture. When social mobilization was initiated in the village with the arrival of the DLGSP, women realized that one of the main reasons for their backwardness was illiteracy. Thereafter, mothers started to take the initiative to promote the education of their daughters. Many of them paid the education expenses from the loan provided by their CO. At this moment, all the girls of this community go to school and the practice of early marriage has also decreased.

Caste based discrimination, such as practice of untouchability, has also decreased to some extent as representatives from all the caste groups are present in the COs. The harmony, cohesion and unity among members was evident as a majority of the COs have been functional, growing and serving their members for a long period of time. However, though discriminatory behaviour is not apparent at the CO level and in joint activities, it cannot be assumed that this type of discrimination has been eliminated in the private domain at the household level. The VDP impact study conducted by the DLGSP has pointed out that the issue of untouchability and social discrimination has not been adequately addressed by the programme. What is encouraging is that incidences of disruption of community activities due to such discrimination are unheard of and not practiced.

Social mobilization and group cohesion has also been able to reduce the domestic violence. With COs members coming forward to confront and condemn such abuses and violence, many social malpractices such as alcoholism, gambling, forced dowry and wife battering were reported to have decreased. While approving or deciding on credit applications, COs also give priority to the victims of violence to enable them to become self sufficient and live a dignified life.

> The plight of a member of the Muhnyal Women Community Organisation, Pahalmanpur VDC, Kailali district was getting worse day by day. She was frequently beaten up by her

intoxicated husband. Her children had to drop out of school. She couldn't afford to pay for their education as a significant portion of her husband's income was expended on alcohol.

After joining the CO, slowly she became emboldened and shared her problems with the other members in the CO meetings. The CO decided to help and rescue her from her plight. They started to exert social pressure on her husband to stop the violence. Repeated visits to her house, public interactions about the violence, and threats of social boycott and legal action forced her husband to mend his ways. The CO provided her a loan of rupees 5,000 for setting up of a retail shop. She was then able to earn enough money to supplement her household income and pay for her children's education. This has not only restored her dignity and self esteem but also earned the respect of her husband's family.

Even under uncertainty and risks during the conflict period, the DLGSP, which gained high acceptance from the local people, was able to continue its activities at the community level primarily due to effective social mobilization which infused a high degree of local COs' ownership of the programme activities. During the conflict period, when there was virtually no presence of local government at the village level, participatory planning process, decision making, transparency and accountability were imparted, practiced and cultivated in the COs and CMCs. Community level interaction of the COs and VDC level interaction of the CMCs has brought awareness, information and knowledge about ongoing social, economic and political situation to the CO members. Group dynamics has created interest on contemporary social and political changes. Most of the CO members who interacted with the evaluation team knew about the VDC budget and VDC council's activities for the current year. The COs have further enhanced their collective strength with the federation of the COs at the VDC level in the form of a Chairperson Manager's Committee (CMC). This federation has not only lent more weight to their demands but also enabled them to be in a better position to negotiate with local bodies and government line agencies.

To what extent did the Quick Impact and Peace Support Initiatives contribute to enhance the livelihood of beneficiaries? To what extent did it promote social cohesion and increased confidence in the peace process?

With regard to immediate livelihood support, QIPSI was planned to provide 30,000 man days of short term employment in the beneficiary communities. If implemented at this scale, and considering the targeted 10,000 households that were to benefit from infrastructure investments, the resulting average of three man days of employment is assessed as very welcome but it is not a significant contribution to enhanced livelihood[11]. As the programme has targeted the poorest households, the average figure calculated may look much better when assigned to the poorest households, which are fewer in number. However, reporting on QIPSI appears not to have been done at this level of detail. The actual contribution to enhanced livelihood remains uncertain. The impact on livelihoods of the provided infrastructures itself, on the other hand, is clearly not immediate, and it is questionable if it benefits the poorest and disadvantaged in a preferential manner.

The evaluation notes that QIPSI was conceived to have a connection to the ongoing peace process by introducing the term *peace dividend*. As we understand from interaction with

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[11] QIPSI was implemented through three different UNDP programmes, one of which was the DLGSP. Regardless of what QIPSI component was implemented through which programme, the point made is that work opportunities created did not constitute a significant direct contribution to livelihood improvement.

beneficiaries in the field, QIPSI was seen as a late but welcome substantial material input of the programme. All stakeholders questioned, officials and politicians at the district level and community organisation members at the village level, have highly welcomed QIPSI, and no instance of disagreement as to the use of resources could be identified. Hence, the programme component quite clearly promoted social cohesion, but it was not connected to the peace process in the thinking of beneficiaries interacted with.

The QIPSI, which primarily focused on poor and excluded groups and implemented infrastructure projects through community based users committees in remote villages. According to reports, QIPSI was able to cater to unfulfilled needs of a large proportion of rural areas in 20 of the 66 districts covered by the DLGSP. As it was able to provide tangible benefits to conflict affected people in a short period of time, it infused a ray of hope that generated positive energy amongst people who had for long been living in despair and helplessness.

To what extent has gender and social inclusion been mainstreamed in district development planning, programming implementation and monitoring?

The present socio-political context and expectation of the people of 'New Nepal'[12] has created pressure on DDC officials and politicians who readily acknowledge the significance of inclusion. However, the commitment towards translation of pledges into deeds through actual implementation of policies is doubtful and one of the major barriers to mainstream gender equality and social inclusion. Gender equality and social inclusion intervention at the DDC is limited to allocating a small size of budget for women and disadvantaged groups as a sector. Besides some targeted programmes that focus on specific excluded groups, mainstream development programmes generally take a neutral approach catering to the needs of the general population without putting in adequate effort to integrate inclusion of excluded groups as a cross cutting theme. GESI, as usual, is dealt as a separate issue instead of treating it as a cross cutting issue in all development sectors.

A Gender Focal Person (GFP), generally the programme or social development officer, has been assigned in the DDCs and all the line agencies. The Programme supported the training of GFP in all the DDCs. However, DDC and line agencies have not provided specific job descriptions, additional facilities, or adequate orientation on their functional responsibilities to the GFPs. Apparently, their roles are mainly confined in representing their organizations in gender related trainings and workshops conducted in the district.

With the technical support of DLGSP, MLD has prepared Local Bodies Gender Budget Audit Guideline 2008, which was approved by the Ministry level decision. The guideline was issued for the promotion of gender perspective in local bodies in line with the provisions of the LSGA, 1999. Local bodies are authorised to adopt it with the approval from their councils. As the guideline has recently been distributed by MLD to all DDCs, the result of its practical application, will take some time to materialize. Further, there also arises a need for a similar guideline on social inclusion. Gender audits have been conducted in some of the districts with the technical support of DLGSP but the learning from the gender audit still needs to be incorporated by these districts. Analyzing projects from a gender and social inclusion perspective in the annual review of projects has not been practiced.

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[12] 'New Nepal' is the term commonly used after People's Movement II

Minimum Condition and Performance Measures (MCPM) of the DDCs, which are used for formula based grants provided to all DDCs, mainly focus on financial management, planning and programme management, and reporting procedures. Minimum conditions do not include the integration of inclusion aspects in budgeting, planning and reporting. Though the performance measures do include a number of indicators related to GESI,[13] the score allotted to these indicators are nominal and DDCs can easily bypass these indicators and still obtain the required score quite comfortably.

However, the LDOs and DDC staff interacted with were of the opinion that prior to DLGSP, DDCs development efforts primarily concentrated on physical infrastructure such as roads and suspension bridges. Following the advent of DLGSP's capacity development support to DDCs, social development programmes also began to gain significance. District level social and poverty mappings were initiated with the technical support of the DLGSP. Thus, although gender and social inclusion has still not been adequately mainstreamed in the DDC, these issues have gained importance and started to feature in the DDCs programmes. DLGSP's contribution was instrumental in the inclusion of these issues in DDCs' activities and programme.

Examine the extent to which the programme has successfully built partnerships (district level line agencies, VDCs, other development partners) to improve livelihoods and/or strengthen local governance.

The most noteworthy is perhaps the partnership with DACAW (UNICEF) at the operational level. It was agreed that UNICEF would not build its own separate groups at the village level, but would use the existing COs to form function sub-groups from within the existing structures. GTZ, in an informal manner did the same for several of its rural projects. There are no strategic partnerships among donor organisations of the type: "Together we will undertake to...". Hence, to use the term in the mentioned context is stretching it a bit.

District level line agencies were in general not close to the DLGSP, or there is at least no evidence that would suggest otherwise. As far as they existed and were functional during difficult times, they were preoccupied with their own tasks.

Some NGOs (on the order of tens rather than hundreds) were contracted to carry out social mobilisation on a pilot scale, and where the programme itself was unable to act due to a pending local lawsuit. One may not want to call simple contracting a partnership. Whatever the name however, it was not replicated and never reached significance.

Analyze the extent to which the capacity building support at DDC level has been institutionalised and is likely to continue after the programme ends.

Not *capacity building support*, but built capacity has been institutionalised at the DDC level, to the extent that such capacity was effectively built. The level of reporting provided from the programme does not allow for any deep analysis of capacity built. During field visits, it was found that capacity building has been constrained by various factors. It is not possible to generalise, but there are clearly successes, for example the fact that in Kailali district GIS maps are being produced routinely, while at the same time, in the hill district of Dadeldhura,

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[13] i) participation of women, children, civil society, NGO and people with disabilities in annual plan and sectoral committee meeting; ii)budget allocation from internal resources of DDC for elderly, people with disabilities, destitute, dalit, indigenous nationalities; iii)budget allocation for programme which provides direct benefits to women and children and (iv) public hearing and social audit of projects within the completion of four months.

GIS is not functional, due to the fact that the only trained employee has left, and there is no funding for training of others. More in general, it is reported that only about one third of the DDCs that have received hard- and software for accounting, have not adopted the regular use of the package. The programme appears not to have followed up on this situation, as it had already entered the exit phase, when the above was reported.

Hence, the tentative answer to the question is that the institutionalisation and sustainability of capacity built is mixed. It will require a detailed study of this specific aspect in all programme DDCs to give substance to the finding.

In general and implemented as a package, Capacity Building Support to DDC consisted of the following:

CB Area	Main contents of support from DLGSP
1. Strategic Management	• Preparation of Periodic plan (for 5-7 years). • Preparation of HIV/AIDS Master Plan (5 districts)
2. Organization Structure	• Conducting Organizational Development (OD) study in the district. • Establishing additional Units established and functioning in DDC (social, agriculture and forests, physical infrastructure, human resources, Accounting and Financial Management)
3. Working Culture	• Preparing job description • Conducting regular meetings • Adopting systematic filing practices • Maintaining up-to-date records in a systematic way. • Timely reporting
4. Human Resource Development	• Establishment of HRD unit • Training to VDC secretary by DDC • Training Needs Assessment • HRD Unit conducting training to DDC staff
5. Accounting and Financial Management	• Development and dissemination of accounting software in program districts. • 3 to 4-day training of two people (Government accountant and DDC accountant) on the accounting software.
6. Information Management and GIS	• Establishment of District Information and Documentation Centre (DIDC) • GIS package installed in the district • Training of DDC staff on operating GIS package and producing maps.
7. Participatory Planning	• Annual planning (holistic) done in participatory ways. • Use of 14-step planning until 2004 • Planning officer and program officer from DDC provided with one-day orientation. • DDC staff provided with a seven-day training and a three-day refresher on participatory planning. • VDC secretaries provided with one day orientation by DDC

Table 12: Subjects of Capacity Building in target DDCs

In general, it has not been possible for the evaluation to establish the degree of change even in vague terms and broad categories. Some context information on various points follows, but this is anecdotal rather than representative:

Human Resource Development

A HRD unit has been established in each programme district. The five districts that the evaluation team visited had maintained such a unit. A training needs assessment was also conducted to determine the areas of training needed, and to prepare a HRD plan for the district. The DDC HRD unit conducts training and orientation of VDC secretaries and DLGSP was not directly involved in VDC level training. In several districts one VDC secretary looks after a number of VDCs. Each VDC in turn has a number of COs supported by DLGSP and other agencies. This indicates that the CO interaction with VDC secretary is very limited, irregular and delayed.

Accounting and Financial Management

A new accounting and financial management software developed by the MLD has been installed in the districts. Some districts, for example Sunsari, have made full utilization of the facility and found it to meet the government requirements. Many other districts have found the package not quite practical. In Saptari district, this package is not used for accounting purposes because, reportedly, it does not meet the governmental requirements. The effectiveness and relevance of this software have remained questionable at the district level.

Accounting knowledge and capacity of staff and the level of acceptance of the new software by DDCs is uneven between districts. One of the five districts visited by the evaluation team did not adopt the new accounting package. Until recently a junior staff was responsible for account keeping. Though a senior staff has been appointed now, he has not received the training for the operation and utilization of this accounting software package.

Participatory Planning

Bottom-up participatory planning was undertaken during LPBPP and the early period of DLGSP. But after 2003, it was confined only to CO and CMC planning as the conflict intensified in the district. Elected local bodies were dismantled, and VDC secretaries fled away. LDO was assigned the additional role of DDC chair person, and representatives of political parties served as the advisory body of the DDC and the VDC. In the absence of elected bodies at the DDC and the VDC levels, the priorities set by COs and CMCs did not necessarily receive funding from VDC and DDC budgets. Those COs that actually received some assistance had to contend with a sliced budget and/or an altogether different activity than what they had proposed. Political parties sitting in the local bodies often had altogether different priorities than what the COs had requested. As they were basically the nominees of their respective parties rather than duly elected by local people, their accountability and loyalty was more toward their party supporters than the common people, especially the marginalized. At the DDC level, many a times the political parties did not come to a consensus and so no decision could be made about funding programmes or other action.

Information Management and GIS

DDCs had a GIS package installed in their offices with the support from DLGSP. DDC staff also received training in GIS so the system could be operated and properly utilized. However, skill in GIS and the level of utilization of the system varies in different districts. For example, in the eastern Terai district of Sunsari, where the frame conditions are more

favourable, a well trained staff operates the GIS and the GIS maps are utilized for targeting, planning, funding, and service delivery to a great extent. Also, the maps are made available to other interested agencies that work in the district. On the other hand, in Baitadi, a far west remote hilly district, the person who received training in GIS at the DDC found a better job somewhere else and left the district for good. But no other staff has sufficient skills to operate the GIS package, and no further training is available in the district. This all means that GIS remains unutilized so far. In general however, GIS maps are available in many districts but the data is relatively old and requires updating.

Did DLGSP have an effective exit strategy?

Firstly, there seems to have been a considerable number of things that the programme has realised it should be doing before closing, that were not part of an exit strategy. Secondly, what the exit strategy included were a number of effective measures. The transformation of LDF activity to formation of CDFs and operating at that level has benefitted the villages due to easier access and more direct self control. The measure is considered highly effective, but it has been implemented only in 550 of 880 VDCs. Also part of the strategy was to train all CDF committee members, but this was not implemented. The reason for no further CDF formation and training of committees is not clear. It appears this was on higher orders from UNDP head quarters. In conclusion, the programme is assessed as having not a perfect and complete, but nevertheless an effective exit strategy. However, it was only partially implemented. As a result, 38% of all programme VDCs are left without the benefit of a user-friendly CDF at the village level.

Has DLGSP effectively contributed to the inception phase of the LGCDP?

The programme has provided support in many ways, as shown in chapter 3. A more pertinent question is perhaps how the LGCDP takes experiences from the DLGSP on board. Given the obvious success, in particular of the VDP, with social mobilisation at its core, the evaluation would have thought it obvious for the LGCDP to take some key lessons learned on board. There are doubts however, that this has happened to an optimal extent. Whatever may have happened so far, it is not too late. The social capital is out there in 66 districts, waiting to be used in a broad local governance development process.

5 Conclusion, Lessons Learned and Recommendations

5.1 Conclusion

Major efforts in terms of resource mobilisation, organisation and logistics have been undertaken to plan and implement the Decentralised Local Governance Support Programme. The programme has maintained its focus on Village Development throughout the five-year period of implementation. Conditions for programme implementation have been difficult and often hostile in view of the armed conflict. Despite this, remarkable achievements have been made, although success and results have been uneven.

The district and central level have also been addressed, but inputs have been marginal in view of the needs, and impacts on the weaker district administrations have remained elusive.

The targets set for the programme have been ambitious indeed and there are good reasons for achievements falling short by about 15% of such targets, in terms of VDCs and households reached, despite a programme extension of more than one year and a significant increase of funding.

The major conceptual strength of the programme is the linkage of social mobilisation efforts with sustainable livelihoods support. The combination of the two has been shown to achieve significant results in many instances. Overall massive and even success however, has been hindered by adverse framework conditions. The programme has not had the time and resources to address variable and changing conditions in a differentiated manner. In general, the programme has been too broad to an extent that resources were spread too thin, and in order to address the key concerns of effectively addressing inclusion of the disadvantaged groups and to provide economic opportunities, interventions have not had sufficient depth, where depth relates to a number of qualitative aspects that are found missing in the programme.

The programme design and implementation have not included any element of quality assurance, neither in the expression of programme intentions, nor in the operationalisation and monitoring of the programme. The lack of quality assurance principles and guidelines, and the subsequent lack of attention to quality, is perhaps the one key deficiency of the programme. As a result, value-for-money is often a questionable aspect, and sustainability of many of the outcomes is adversely affected.

The evaluation has attempted to summarise the overall assessment of the programme in Table 11, considering selected outputs and outcomes and the three levels of intervention. The result cannot be entirely satisfactory as it is extremely difficult to reduce a complex and large programme with many results facets to a summary table. Moreover, as there are no objective criteria for most of the aggregate outcomes, any judgement is subjective, and this in itself may be disputable, and stakeholders may or may not agree for their own good reasons.

	Planned Achievement	Assessment					
Goal DLGSP	Enhance effective participation in governance, ensuring improved access of govt. services.	HS	S	MS	MU	U	HU
Outcome Indicators:	Four devolved sectors. Revised guidelines operational. Budget ceiling and planning guidelines timely.					■	
	DDCs capacity enhanced by adopting Minimum Conditions (MC) and Performance Measures (PM).					■	
	VDP focusing on DAGs through positive discrimination			■			
Micro Level Objective 1	Uplift socio-economic status of DAGs through positive discrimination VDP	HS	S	MS	MU	U	HU
Output	Community organisations formed and operational		■				
Outcome	Social capital created			■			
Impact	Accessed services and resources (started to) help improving socio-economic condition.				■		
Meso Level Objective 2	Strengthen the efficiency and capacity of Local Bodies (DDCs, VDCs) to deliver basic services.	HS	S	MS	MU	U	HU
Output Indicators:	Participatory planning process introduced at DDC level			■			
	Accountability and transparency improved. Public Hearing introduced, Expenditure published.					■	
	Skills developed. HRD, info & GIS capacity, social sector, accounting & internal audit functional				■		
Macro Level Objective 3	Support govt. in preparing/implementing necessary acts, policies, and guidelines	HS	S	MS	MU	U	HU
Output and outcome Indicators:	Various guidelines formulated and implemented			■			
	Local Services Act passed and implemented					■	
	Exit strategy implemented and smooth transition to successive programme achieved						■
QIPSI	Provide tangible and immediate livelihood benefits to the poor and excluded communities	HS	S	MS	MU	U	HU
Output and outcome Indicators:	Speed of delivery (money flows within 30 days)		■				
	Targetting DAGs and disadvantaged communities		■				
	Impact on improved livelihood, poverty alleviation			■			

HS = highly satisfactory, S = satisfactory, MS = marginally satisfactory, MU = marginally unsatisfactory, U = unsatisfactory, HU = highly unsatisfactory

Table 13: Summary Evaluation Scores

5.2 Lessons Learned

The evaluation identified the following key lessons learned. These are not presented in any order of priority, but some may be more relevant than others, depending on circumstances. An attempt is made however, to group the lessons loosely under different relevant thematic headings.

5.2.1 Programme Design and Management Lessons

1. The inherent "value" of each intervention is often not at the centre of attention. Some activities are performed seemingly without purpose, and these are missed opportunities.

During the field visits of the evaluation team, many CO members did not remember participating in a public audit meeting, though reportedly this had taken place. Some of them also complained about the way the funds were handled. The quality of work was also questioned. This means that in these examples the activity was completed but the "value" or the purpose was missed. In a women's CO visited by the evaluation team, a woman has been given the task of keeping the accounts and she attended a training on proper account keeping. However, this woman is illiterate and the training she attended was not meant for illiterates. Again, the fact is that accounting training was conducted and a woman from the CO attended the training. However, the "value" is missed altogether. This training did not add to gender balance, transparency, accountability or skill enhancement. This woman could neither learn much from the training nor apply any of the training content in practice. A modestly educated man from the community has been continuing to maintain the books of accounts for this woman's CO. This all attests that it is not enough to have structures, activities and even procedures, for example of public audit. What counts most is the "value" that is added or created, in this case, "accountability." Similarly, the values of equity, unity, social responsibility and service are what makes the gender based approaches and targeted programs worthwhile. The value needs to be explicitly brought to the forefront as the very purpose and justification of the structures, activities and procedures.

2. Development "wisdom" and experience gained in various sectors exists, and its use contributes to efficiency and effectiveness.

Development interventions and experiments have a history of nearly half a century in Nepal. Many valuable lessons have been learned and wisdom gained over this period. From the perspectives of both efficiency and effectiveness, it is more reasonable to make the best use of the wisdom gained over time in different sectors rather than go on repeating the same mistakes, doing experiments on what is already known, and reinventing the wheel in a way. For example, in the case of drinking water schemes, the wisdom gained over many years has been incorporated in the form of guidelines that are widely used by the government agencies and NGOs alike. However, these guidelines got largely overlooked during the design and implementation of drinking water schemes under DLGSP support. Key points of the wisdom missed are: clarification on the multiple usage of the source, ensuring source protection, water quality and equitable distribution of water, technical supervision during construction, and arrangement for the maintenance of the scheme (clarity of responsibility for maintenance, establishing a fund for maintenance from local contribution, and training of more than one person on maintenance during the construction of the scheme. In the case of income generation and micro-enterprise schemes, the "wisdom" in the sector calls for simple business planning (marketability, profitability and feasibility), a package of incremental

support and appropriate linkages, and fall back options in the case of failure, for example the death of the first goat in the goat exchange scheme targeted to raise the income levels of the ultra poor in a Terai hamlet brought the scheme to a premature halt. A balanced approach between enhancing in-house capability and forging linkages with qualified individuals or organizations/agencies could have enabled the program to not miss the valuable "wisdom" earned over many years in each subject of assistance.

3. Supporting good principles has been a success factor in the programme. Good principles remain good while structures may change or vanish. In a situation of continuing uncertainty about the legitimacy, actual condition and observed constraints and shortcomings of local government at the VDC and at the DDC level, pursuing and upholding sound principles of Good Governance appears to be promising while the emphasis on strengthening existing structures remains a challenge.

The VDP has developed a number of good principles of supporting the programme objectives with success. Structures and institutions have also been supported with mixed success because of a difficult and volatile political environment and harsh conditions on the ground. The programme has done its best to adapt to changing situations, but ultimately it has largely been other factors that have determined the functioning of institutions, and how these discharge their duties. On the other hand, good principles remain good principles. Therefore, it is advisable to direct the focus to upholding and supporting such principles, and to be less concerned about institutions, as these are strongly influenced by higher level politics.

4. Reporting of numbers must be done in a disaggregated and concise manner to reflect the key concerns that the programme addresses. Measuring what is relevant is a must in order to improve what does not meet targets.

It is found throughout programme reporting that there is a tendency to "lump together" various groups of beneficiaries in reporting. For example, the poorest and the poor are put together, or Dalits and Janajatis, or Dalits and other disadvantaged groups. This is acceptable as long as none of the specific groups are specifically targeted, but it is inappropriate when a specific focus is to be on one of the groups or categories. Disaggregated reporting makes it possible to monitor the achievements and progress for each group, and to take corrective action individually when needed. In other words: Introducing Results Based Management requires strengthened attention to specific indicators and improved, target group oriented monitoring.

5. Mainstreaming requires a mandate: GESI mainstreaming in DDCs needs to be backed up by clear policy mandates.

Besides focusing on representation of socially excluded groups to fulfil mere head counts, ensuring implementation of an action plan that brings about the changes envisioned is essential.

5.2.2   Contextual Lessons

6. Group homogeneity is sometimes but not always the best policy. Mixed groups have advantages in catalytic roles and facilitation tasks. But often, one group tends to dominate the others in a mixed group. So it all depends. Group formation should consider the specific situation: Make use of potential catalysts, while at the same time, temper dominance of individuals.

In a heterogeneous society, a mixed group having multiple levels of skills, exposure and education provides a relatively easier forum for learning inside the group, reduces dependency on external facilitator for all little things, and serves the purpose of a CO better than the one having not much variation on these matters. Though this may sound simplistic and a controversial statement, it has profound implications during program implementation.

This lesson was observable in all districts visited by the evaluation team though it was explicitly highlighted by the DDC, DLGSP field staff and a partner NGO in Saptari. In one CO, an educated man was helping out a women's group to maintain the records and keep the accounts in proper order. No one in the women's group was able to take up this role for lack of basic education. In a second CO, a high caste and educated man was helping out a group of illiterate Dalit men in record keeping and accounting. In the third CO, the group leader and the teacher of the pre-school children's class were two high-caste women having some basic education. Majority of other members were women from the disadvantaged Mushahar community. On the surface, someone coming from outside on a brief visit may view this phenomenon as an example of "elite capture" of the CO and may recommend to intensify the intervention of an external facilitator to implement corrective measures. On further enquiry, the high level of acceptance of the two women deep down in the group and the catalytic roles they have historically played in the community within the limits of their knowledge and skill could have been deciphered.

The indicators of "empowerment" that are induced through the intensified presence of external facilitator in an isolated community by keeping rest of the society excluded from the process are at best very temporary and heavily costing in terms of social rifts, external dependency and longer-term vulnerability that this process ultimately generates. In both the hills and the Terai, the catalytic and leadership roles played by school teachers in all kinds of COs were vividly evident. There has been a tendency among development agencies to over emphasize the benefits of a homogenous group over a mixed group mainly in terms of ethnicity and gender. Larger and longer-term issues affecting relationships within and beyond the community often get overlooked in this process and the group further gets isolated from the rest of society as a result.

Enhancing the capabilities of the de facto catalysts (e.g., teachers, youths, and educated members) within the COs for facilitation roles deserves added attention in future community based interventions. This will decentralize the facilitation function and bring it closer to the target groups so that the chances of continuity and easy access are enlarged. The local catalysts cross-cut the distinctions of caste, ethnicity and economic status.

7. Delivery of a standard package may not be the best approach in all situations. Tailor made solutions are needed to improve the success rate of assistance to the poorest and disadvantaged, in order to improve inclusion.

A standard relief or assistance package of interventions applied in a blanket approach does not generally address all concerns because conditions vary widely. The result is a low and uneven success-rate of interventions. Genuine specific and individual needs assessment and a tailor made solution to fulfil the needs is required to achieve success of assistance to the most vulnerable groups. Analysis of data suggests that the number of success stories in several types of interventions is low. Also, despite various renewed efforts made, many belonging to the most needy groups are still not reached. This may have many reasons, but

an important one is the fact that support provided has been in disregard of specific conditions, needs, constraints and existing opportunities, or the lack thereof.

8. Inclusion is about changing the *rules of the game*: The needs of disadvantaged men and women cannot be effectively addressed through a blanket approach only. Often more profound changes are necessary.

While many factors of poverty and exclusion are common, the combination of contributing factors to a specific situation of poverty and exclusion is often unique. Tailor made solutions are therefore needed, but all activities should focus on building their capacity to influence critical decisions that affect their lives, and resilience to changes happening.

5.2.3 "Technical" Lessons

9. Strengthen the quality and diversity of support. Better quality & more diversity of support is a sound formula to increase the success rate and increased longer-term benefits. In other words, among the options breadth versus depth, move towards depth.

Improved inclusion of the disadvantaged and a strengthened impact of interventions is achievable by paying heed to quality aspects in all regards, be it the qualifications of staff, the quality of needs assessment, training, instruction and interaction, as well as the quality of works carried out and services provided. Quality would also mean that interventions are more diverse, paying better attention to a large diversity of needs. Also, considering quality aspects is likely to have a positive effect on sustainability.

10. Introducing a system of quality assurance in all interventions is essential to make sure intended quality is achieved and maintained.

When quality is a concern, then a quality assurance system needs to be put in place, without any doubt. Such a system can be developed and implemented gradually in the course of programme implementation.

11. Maintenance of infrastructure is important for sustainability. Maintenance concepts need improvement and should be based on trained user groups.

Reporting of the programme appears not to include any information on the status of infrastructures and maintenance carried out and monitored. Only recently has the subject of the need of a maintenance fund been identified, and such funds have been made a requirement. It is less clear whether users are specifically trained and organised for proper maintenance. During field visits, drinking water schemes for example, were not found to be in good condition, and the evaluation takes this as an indication of a general lack of concern for maintenance.

5.3 Recommendations

From the rich programme experience, the evaluation has drawn some lessons learned. As a general recommendation, these should be reviewed for consideration in future programmes, in particular the LGCDP. In the order of thematic lessons learned, more specific recommendations follow:

On Design and Management of Programmes

- Make explicit the inherent "value" of each intervention. This helps to focus on the intended purpose in each activity.

- Make use of proven approaches and capitalize on the "wisdom" and experience gained in various sectors in previous development interventions.

- It is recommended to support principles of Good Governance by all means. The measures of success of any programme should be related to the success of good principles, rather than structures or institutions, as the latter are influenced and ultimately determined by politics rather than programme objectives.

- Report on numbers in a disaggregated and concise manner to reflect the key concerns that the programme addresses.

- It is recommended to equip social change objectives and tasks (e.g. gender mainstreaming, positive discrimination of DAGs, inclusion of Dalits) with a firm and clear mandate for action.

On the Context

- Activities and initiatives of group formation should take into consideration specific constellations that may prevail, making use of potential catalysts while avoiding dominance of sub-groups or individuals. In this context, attention to what type of group is being formed is crucial for its future development and equitable functioning.

- In order to improve inclusion of and benefits for DAGs, it is recommended to improve needs analysis in the specific context, and to relate specific approaches and assistance measures better to such analysis. This means taking a hard look at blanket approaches and the provision of standard packages for all, and to question assumed efficiency and effectiveness.

On technicalities of Implementation

- It is recommended to pay attention to the quality and diversity of support. Better quality & more diversity of support is a sound formula for increasing the success rate and improved longer-term benefits.

- In support of quality aspects, it is recommended to introduce a system of quality assurance in all interventions. This should be pragmatic and aiming at effectiveness.

- Maintenance concepts need improvement and should be based on trained user groups.

Annex A - Terms of Reference

End Evaluation of

The Decentralised Local Governance Support Programme (DLGSP)

In Nepal

Introduction

Since 2004, UNDP and the Government of Norway have jointly supported the Ministry of Local Development through the Decentralised Local Governance Support Programme (DLGSP), to enhance effective participation of people in the local governance process and ensuring improved access to socio-economic services by the rural poor, particularly women, Dalits and other disadvantaged groups. The programme was designed to contribute to three outcomes:

a) Decentralized governance with enhanced capacity of local government to plan, finance and implement development programmes in an accountable and transparent manner;

b) Conflict transformation initiatives, support to conflict affected groups and areas, and restoration of livelihoods;

c) Capacities created for an expanded response to the HIV/AIDS epidemic including integration into poverty reduction strategies.

To help achieve the above outcomes, the programme set out three objectives:

1. to uplift the socio-economic status of the rural poor particularly women, Dalits, and disadvantaged groups through the social mobilization-based Village Development Programme, incorporating positive discrimination;

2. to strengthen the efficiency and capacity of local bodies (DDCs, VDCs) to deliver basic services through decentralized governance, as envisaged in the Local Self Governance Act,(LSGA);

3. to support the Government of Nepal in preparing and implementing necessary acts, policies and guidelines on decentralized governance and poverty alleviation.

The programme document proposed a 3-pronged strategy. At the community level (micro level), it implemented the social-mobilisation based "Village Development Programme," (VDP), which is the main focus of the DLGSP. At the district level (meso level), the programme supported capacity development of local bodies to improve service delivery, particularly in the devolved sectors. At the central level (macro level) it assisted the Ministry of Local Development and the National Planning Commission in strengthening intuitional mechanisms for policy and monitoring functions.

In 2007, UNDP initiated the "Quick Impact and Peace Support Initiatives", (QIPSI), in 10 Terai districts, the community infrastructure component of which was implemented through DLGSP. In 2008, the QIPSI community infrastructure approach was expanded to an additional 10 districts.

A Mid-Term Review (MTR) of DLGSP was carried out in June 2006. The review pointed out that the strength of DLGSP was its focus on the grass-roots level. The MTR recommended that to ensure a successful exit, DLGSP should spend the remaining period in consolidating

progress rather than taking on new tasks. The review team also recommended that the community empowerment endeavour and lessons learnt from the programme should continue through a successor programme after the phasing out of DLGSP.

An independent impact assessment of the Village Development Programme carried out in 2007 found that the VDP had made a significant impact on people's livelihoods, even during the time of heightened conflict and noted that a majority of the community organizations were able to function and engage in community development activities at grass-roots level.

The programme was originally scheduled to close in July 2008, but was extended to June 2009 in order to support the Ministry of Local Development to launch the new national Local Governance and Community Development Programme, (LGCDP), and to gradually phase out DLGSP activities.

Context for the Evaluation

DLGSP has been implemented during turbulent times in Nepal. At the time when the programme started, a violent conflict was on-going. In 2006, a Comprehensive Peace Accord was signed between the conflicting parties. The Interim Constitution of Nepal embodies a commitment to a federal system of government. The major political parties have also accepted to enter into a federal system of government. Federalism is being seriously discussed in the Constituent Assembly, within political parties and by civil society, to come to agreed criteria to operationalise it. The debate on the implication of federalism on decentralization and local governance has also started.

At the same time, with the support from various bilateral and multilateral donors, Government of Nepal has started implementing the LGCDP since July 2008. The programme is a national program framework for achieving improvements in the system of local governance and community development. The underlying intention of the LGCDP is to move the local governance and community development sector towards a sector wide approach (SWAP) for decentralization. It is therefore important to take the evolving context into account when assessing DLGSP's results.

Purpose of the Evaluation

The purpose of the evaluation is to:

4. identify DLGSP's concrete achievements (outputs) in line with the programme's objectives and the programme results framework, and assess the relevance and sustainability of these outputs;
5. analyze the effectiveness of DLGSP's exit strategy and contributions to the inception phase of LGCDP;
6. identify lessons learned and best practices that can inform future governance or livelihoods initiatives.

Scope of the Evaluation

The evaluation will review the entire programme, however, with greater focus given to the period after the Mid-Term Review, including an assessment of the implementation of the recommendations of the MTR, and the additional elements of support provided during the extension period. The evaluation will focus on the objectives of the programme, with reference to the first two programme outcomes mentioned above (governance and livelihoods). The activities related to HIV/AIDS, which were discontinued following the

recommendations of the MTR will not be covered in this evaluation. The evaluation will also cover quick livelihood support provided through the QIPSI component in selected districts. This will, however, be separated from DLGSP's regular livelihood initiatives, which were part of its core functions since its establishment.

Evaluation Criteria

The programme should be evaluated against the following criteria:

Relevance: the Evaluation team should assess the degree to which DLGSP was, and through its adaptations, remained relevant during the rapidly evolving context, into which it was implemented.

Efficiency/management: the Evaluation team should assess the outputs realized in relation to the inputs provided, looking for example at whether the management structures were appropriate. During the conflict, and even in the post-Peace Accord environment, traditional standards of efficiency may not be applicable. The evaluation team may, where appropriate, examine the *quality of processes* that DLGSP applied to ensure the programme was implemented in a conflict-sensitive manner.

Effectiveness: the Evaluation team should assess the extent to which the programme objectives were achieved, taking into account the evolving context.

Impact and sustainability: the Evaluation team should assess the sustainability of changes brought about by the programme, at the community, district and national level.

Gender and social inclusion sensitivity: the Evaluation team should assess to what degree DLGSP was sensitive to gender and social inclusion, from the community to district to central level.

Key Evaluation Questions

The following main questions should be answered as thoroughly as time and resources allow:

- What were the major lessons learned from DLGSP, which points beyond the implementation of the programme in itself?
- Did programme management incorporate lessons learned and recommendations from the Mid-Term Review and other assessments?
- Was DLGSP able to adapt and maintain its relevance at all three levels of intervention (community, district, central) throughout the programme period?
- Did DLGSP make the best use of its limited resources? Did it find the right balance between reaching out to more people and making a real difference in people's lives? (breadth versus depth)
- To what extent have the poor people been able to participate in the planning, programming and decision making process of local bodies? To what extent do these people feel that local governments have become more accountable? To what extent has the basic service delivery system of local bodies been enhanced? What factors have contributed to or hindered improving the service delivery system of local bodies?
- To what extent did the socio-economic status of the rural poor, particularly women, Dalits and disadvantaged groups improve? What factors have facilitated and hindered improving the socio-economic condition of rural poor?

- To what extent has the social mobilization-based "Village Development Programme" contributed to build social capital and to eliminate discriminatory practices against women and girls and other excluded groups? (e.g. untouchability)
- To what extent did the Quick Impact and Peace Support Initiatives contribute to enhance the livelihood of beneficiaries? To what extent did it promote social cohesion and increased confidence in the peace process?
- To what extent has gender and social inclusion been mainstreamed in district development planning, programming, implementation and monitoring?
- Examine the extent to which the programme has successfully built partnerships (district level line agencies, VDCs, other development partners) to improve livelihoods and/or strengthen local governance
- Analyze the extent to which the capacity building support at DDC level has been institutionalised and is likely to continue after the programme ends
- Did DLGSP have an effective exit strategy?
- Has DLGSP effectively contributed to the inception phase of the LGCDP?

The Evaluation team should make an independent assessment based on the ToR and the information collected on other possible issues or aspects that deserves being highlighted in the evaluation and include an assessment of these as far as time and resources allows.

Methodology

The Evaluation team shall:

a) review relevant background documents including various evaluation and review reports (a list of key documents is enclosed in annex 1);
b) obtain initial briefings from UNDP, MLD and the Norwegian Embassy on the objectives and scope of evaluation and clarify any issues as required. Modify ToR based on mutual agreement, if needed;
c) visit selected districts (representing at least two developments regions and covering hills and Terai districts), DDCs, VDCs, and community organisations. In order to assess changes in VDP VDCs/communities, as opposed to VDCs that have not benefited from VDP, the team should visit some non-VDP QIPSI VDCs, and aside from the QIPSI benefits, compare these communities (social cohesion, gender, social inclusion, participation in governance processes, etc.) to VDP communities;
d) consult various development partners, GON officials (MLD, NPC governance unit/division), Unicef, NGOs, CBOs, ADDCN, NAVIN etc;
e) collect relevant information through meetings, consultative sessions, field visits, etc. Obtain other contextual information as required;
f) draft the report and make a short presentation of findings and recommendations;
g) finalise the report with comments and inputs from various stakeholders and development partners.

Organizing of the Evaluation

The Evaluation team will consist of the following professionals:

1. Team Leader: International expert in governance and decentralization with extensive experience in conducting evaluations
2. Expert on community development/livelihoods and gender issues and social inclusion (national consultant)

3. Institutional Development Expert with experience in decentralization and local governance issues (national consultant).

The Team leader will be responsible for finalising the report addressing the key issues of the ToR. The other experts will provide their inputs, through collection and analysis of relevant data to the Team leader. The team leader and the experts will review the ToR and discuss their individual detailed areas of responsibilities.

An Information expert will be recruited to work together with the Evaluation team, to collect and present articles and pictures for a web-based presentation of the programme for a wider audience situated in Nepal and in Norway, communicating the findings of the Evaluation and the results of the programme.

To facilitate the implementation of the evaluation, MLD will appoint a person functioning as a focal point for the Team, providing background information and support. The Norwegian Embassy will also provide a coordinator backstopping the team in their field work. Finally, UNDP will provide necessary logistic and practical support needed for the team to carry out the assignment.

Work Plan and Implementation Arrangements

The evaluation will take place over a period of approximately 6 weeks with 21 working days. A tentative schedule is as follows:

S.No.	Tasks	No. days
1	Desk review	2
2	Evaluation team meeting and discussion on TOR and preparation of detail work plan	1
3	Meetings with UNDP	1
4	Meetings with other stakeholders	2
5	Field visits (4 days each in 2 areas 4 VDCs each including meetings with DDCs and other district level stakeholders)	8
6	Draft report, follow up meetings and debriefing	4
8	Report finalization	3
Total		**21**

The Norwegian Embassy will bear the cost of three international consultants (Team leader, Information expert and Coordinator), whereas UNDP will bear the cost of two national consultants. A detailed work plan with exact dates will be prepared by the Evaluation team in consultation with UNDP.

The Evaluation team will present a preliminary summary of findings and recommendations to UNDP, MLD and the Norwegian Embassy at a debriefing meeting. Based on comments received, the team will finalise the report.

The report will be submitted in English. The copyright of all documents prepared by the Evaluation team stays with UNDP and the Norwegian Embassy and may freely be used by

UNDP and the Norwegian Embassy without payment of any form. However, the Evaluation team may use the document, as reference etc. in other work carried out by themselves.

Products and Reporting

- The Evaluation report should include the following elements:
  - o Executive Summary
  - o Introduction (including context, scope, methodology etc.)
  - o Findings and Conclusions
  - o Recommendations (corrective actions for new, ongoing or future work in this area of intervention)
  - o Lessons learned (main lessons learned from the evaluation that may have generic application)
  - o Summary evaluation matrix of programme achievement by objectives and outputs (sample in Annex 2).

The Evaluation team will start its work in Nepal early June, the exact date being decided in agreement with UNDP and the Norwegian Embassy. The final report shall be submitted to the UNDP and the Norwegian Embassy in three copies each, at latest the 15th of July 2009.

Kathmandu, 07 May, 2009

On behalf of the Royal Norwegian Embassy   On behalf of the UNDP

Sign.   Sign.

Annex B - List of Documents

#	Document title
1	Reformulation Strategy
2	Mid-term review 2006
3	Progr Report 2008
4	Progr Report 2007
5	Progr Report 2006
6	Progr Report 2005
7	Nepal Human Development Report 2004
8	Technical Report 2004
9	VDP Impact assessment 2007
10	Synthesis of eval knowledge UNDP
11	UNDP Review presentation 2005
12	Micro Credit Strategy mission 2006
13	Graph-Contribution to Micro credit goals
14	Micro Credit review report 2005
15	Social mobilisation study,
16	Reaching the disadvantaged
17	Demand driven governance 2009
18	Project Document DLGSP, UNDP 2004
19	Quick Impact based on social mobilisation report
20	DLGSP framework, UNDP 2004
21	LGCDP Programme Document, GON, Ministry of Local Development, June 2008
22	PRSP / 10. Plan, HMG Nepal
23	NPL 2943 – Good Governance, Appropriation Document, Addendum -13.3.2007, Norwegian Embassy Kathmandu
24	NPL 2943 – Good Governance, Appropriation Document, Addendum 2 -14.3.2008, Norwegian Embassy Kathmandu
25	NPL 2943 – Good Governance, Appropriation Document, Addendum 3 -28.10.2008, Norwegian Embassy Kathmandu
26	Citizen Mobilisation in Nepal (LGCDP Outcome 1), HURDEC May 2009
27	Strategy note: Six months transition for DLGSP to LGCDP, 26 June 2008
28	Common Strategy for Implementing Quick Impact and Peace Support Initiatives (QIPSI)
29	Report from RNE of the visit to DLGSP Far-Western region 23-26 Nov 2007
30	Bevilningsdokument NPL 2943 – Good Governance, DLGSP 2004-2006
31	Desk Appraisal NPL-2943 DLGSP, 28.04.2004
32	Agreed Minutes Joint Annual Review Meeting DLGSP, 7-8 December 2004
33	Agreed Minutes Joint Annual Review Meeting DLGSP,16 December 2005
34	Agreed Minutes Joint Annual Review Meeting DLGSP, 13 December 2006
35	Presentation materials of Kailali, Dadeldhura, Baitadi, Saptari and Sunsari Districts

Annex C - Persons Contacted

#	Name	Affiliation
1	Ms. Camilla Røssaak	Counsellor, Royal Norwegian Embassy, RNE
2	Ms. Anne-Isabelle Degryse-Blateau	Country Director UNDP
3	Ms. Anjali S. Pradhan	UNICEF-DACAW In-charge
5	Ms. Heather Bryant	M&E Analyst, UNDP
6	Dharma Swarnakar	M& E Analyst, UNDP
7	Mr. Einar Rystad	Minister Counsellor, RNE
8	Mr. Som Lal Subedi	Joint Secretary, Ministry of Local Development, MLD, National Programme Director
9	Mr. Gopi Krishna Khanal	Under Secretary, MLD, Programme Manager
10	Mr. Raghu Shrestha	DLGSP Programme Manager
11	Mr. Sharad Neupane	Assistant Resident Representative UNDP
12	Mr. Rafeeque Siddiqui	Programme Officer UNDP
13	Mr. Arun Kumar Kayastha	DLGSP ASTO Manager Biratnagar
14	Mr. Krishna Bahadur Bhandari	DLGSP ASTO Manager Nepalgunj
15	Mr. Bhagirath Bhatta	UNDP QIPSI Manager Baitadi
16	Mr. Hem Raj Lamichhane	Exec. Secretary General Association of District Development Committees of Nepal
17	Mr. Ramesh Shrestha	Programme Coordinator GTZ
18	Mr. Dhruba Bandu Aryal	Under Secretary National Planning Commission
19	Mr. Nanda Raj Gyanwali	Section Officer National Planning Commission
20	Mr. Ram Krishna Pokharel	DLGSP National Programme Director (previous)
21	Mr. Lornts Finanger	Senior Advisor Norad, Oslo
23	Mr. Ganga Dutta Awasthi	Joint Secretary MLD (retired)
DDC Dadeldhura meeting 7 June 2009		
24	Mr. Ram Prasad Pandey	DDC Acting LDO
25	Mr. Mohan Kumar Shakya	DTO/DDC Engineer
26	Mr. Nanda Ram Khatri	LDF/DDC Executive Secretary
27	Mr. Yagya Raj Bhatta	DDC Program Officer
28	Mr. Man Singh Bhal	District Committee member United Maoist Party
29	Mr. Bharat Dhanuk (Pukar)	District In-charge United Maoist Party
30	Mr. Gajendra Bahadur Shahi	District Committee member, UML party
31	Mr. Lok Ram Bhatta	NCCI Chairman
32	Mr. Ram Bahadur Air	ADB/N Acting Manager
33	Dr. Pan Singh Thagunna	DLSO Vet Doctor
34	Mr. Lekhnath Adhikari	-

#	Name	Affiliation
35	Ms. Krishna Devi Joshi	DDC Program Officer
36	Mr. Siddha Raj Bhatta	LDF Chief account assistant
37	Mr. Padam Nath	LDF Social Mobilizer
38	Mr. Kalu Singh Pal	LDF Assistant Overseer
39	Mr. Yadav Singh Bhat	LDF Social Mobilizer
	DDC Baitadi meeting 8 June 2009	
40	Mr. Karunakar Bhatta	LDF Social Mobilizer
41	Mr. Ram Kumar Shrestha	DDC Acting LDO
42	Mr. Khem Raj Bista	DDC Planning Officer
43	Mr. Raj Bahadur Chand	NC Party member
44	Mr. Narendra Singh Bista	NC Party President
45	Mr. Dhan Bahadur Bohara	CP Maoist party member
46	Mr. Keshab Bahadur Chand	-
47	Mr. Bahadur Chand	UMP party, Ex-President, DDC
48	Mr. Jaya Prakash Pant	Rastriya Janata party President
49	Ms. Rashmi Shrestha	Women's Development Officer
50	Mr. Aditya	CP Maoist
51	Mr. R. Utsuk	CP Maoist
52	Mr. Nara Bahadur Chand	Nepal Chamber of Commerce President
53	Mr. Paramananda Bhatta	Ex-President, DDC
54	Mr. Bhim Bahadur Chand	NC party Mahasamiti member
55	Mr. Rana Bahadur Chand	RatriyaJana Morcha party member
56	Mr. Damodar Bhandari	UML Member, party District Committee
57	Mr. Dev Singh Mahara	Rastriya Jana Morcha President
58	Mr. Krishna Bahadur Chand	ADB/N
59	Mr. Narayan Ram Sarki	RDN
60	Mr. Arjun Singh Kunwar	Teacher Manilekh High School
61	Mr. Sanjit K. Gahatraj	DDC
62	Mr. Bikram Bahadur Chand	DDC Program Officer
63	Mr. Amar Singh Karki	DDC Kharidar
64	Mr. Rajesh Singh Khatri	DDC Kharidar
65	Mr. Dambar Singh Mauli	DDC Account Officer
66	Mr. Krishna Bahadur Chand	Citizen
67	Mr. Bhim Chand Thakuri	DDOB President
68	Mr. Madhab Bhatta	LDF ASE
69	Mr. Khem Raj Bhatta	LDF Executive Secretary

#	Name	Affiliation
70	Mr. Pramal Singh Mahara	DDC Office Assistant
71	Mr. Ganesh Datta Awasti	DDC Accountant
72	Mr. Keshab Datta Bhatta	DDC Office helper
	DDC Kailali meeting 10 June 2009	
73	Mr. Gokarna Prasad Sharma	DDC, LDO
74	Mr. Yagam Kalel	LDF Executive Secretary
75	Mr. Bimal Kumar Ojha	LDF Savings and Credit Mobilizer
76	Mr. Mukunda Bhatta	DDc Administration and Accounts Assistant
77	Mr. Jaya Ram Bhandari	DDc Assistant Sub-Engineer
78	Mr. Himalaya Kumar Upadhyaya	LDF Social Mobilizer
79	**DDC Saptari meeting 14 June 2009**	
80	Mr. Durga Prasad Yadav	Acting, Local Development Officer
81	Mr. Arun Kayastha	Regional Coordinator, DLGSP
82	Mr. Devendra Prasad Yadav	District Facilitator, DLGSP
83	Mr. Navaraj Khadka	Executive Secretary, Local Development Fund
84	Mr. Gangaram Mandal	Accountant, DDC
85	Mr. Khusendra Ikaram	Sub- engineer, DDC
86	Mr. Harila Chaudhari	Non-gazetted Officer DDC
87	Mr. Kamaleswar Biraji	Non-gazetted Officer DDC
88	Mr. Gangaram Shah	Non-gazetted Officer DDC
89	Ms. Nira Pariyar	Non-gazetted Officer DDC
90	Mr. Shyam Kanta Chaudhari	Mhauli Community Development Center
	DDC Sunsari meeting 15 June 2009	
91	Mr. Guru Prasad Subedi	DDC, LDO
92	Mr. Arun Mehata	DDC Information Coordinator
93	Mr. Krishna Kafle	UNDP Coordinator, Koshi flood rehabilitation
94	Ms. Maya Rai	DDC Social Development Officer
95	Mr. Binaya Pariyar	LDF Executive Secretary
96	Mr. Sunil Mishra	DLGSP District Facilitator

Annex D - Work Programme of the Evaluation Team

Time	Visiting Persons and Organizations	Venue	Remarks
Thursday, 4 June			
1030 hrs	• Meeting with UNDP: • Ms. Sangita Khadka, Development Communication Officer	SK's office	**Confirmed**
1245 hrs	• Mr. Ulrich Meier arrives by TG 319 and check-in in Summit Hotel, Tel. 5521810		
1500 hrs	• Meeting with UNDP: • Mr. Sharad Neupane, Asst. Res. Rep., Govern-ance Unit • Ms. Heather Bryant, Programme Analyst, Moni-toring & Evaluation Unit • Mr. Dharma Swarnakar, Analyst, Monitoring & Evaluation Unit	UNDP meeting room	**Confirmed**
Friday, 5 June			
09:30 hrs	Meeting with UNDP: ▪ Ms. Anne-Isabelle Degryse-Blateau, Country Director ▪ Mr. Jorn Sorensen, Deputy Country Director	CD's office	**Confirmed**
11:00 hrs	Meeting with Ministry of Local Development: ▪ Mr. Som Lal Subedi, Joint Secretary, Ph. 5524280	MLD	**Confirmed**
1400 hrs	Briefing by DLGSP Project Officer Raghu Shrestha	PCU, MLD	**Confirmed**
Saturday, 6 June (Field visit in Dhangadhi, Dadeldhura and Baitadi from 6 – 10 June)			
1230 hrs	Departure for Dhangadi by Buddha Air BHA 251 (Please refer attached programme for field visit)		
Saturday, 13 June (Field visit in Biratnagar from 13 – 15 June)			
1610 hrs	Departure for Biratnagar by Buddha Air BHA 751 (Please refer attached programme for field visit)		
Tuesday, 16 June – 21 June			
	• International discussions • Report writing		
Wednesday, 17 June			
1200 hrs	Meeting with GTZ: • Mr. Ramesh Shrestha, KSK Building, Opposite UN House, Tel. 5010220	KSK Building	
1300 hrs	Lunch meeting with Mr. Ram Krishna Pokharel Mobile: 9841217975	Bakery Café, Opposite UN House	
1500hrs	Meeting with NPC: Mr. Dhruba Bandu Aryal, Under Secretary, Tel. 4211151	NPC	
Thursday, 18 June			
0900 hrs	Meeting with UNICEF-DACAW: Ms. Anjali Pradhan, Basic Services Specialist	KSK Building	

Time	Visiting Persons and Organizations	Venue	Remarks
1400 hrs	Meeting with Ministry of Local Development: Mr. Gopi Krishna Khanal, Programme Manager LGCDP, Tel. 5532556	MLD	
1530 hrs	Meeting with ADDCN: Mr. Hem Raj Lamichhane, Executive Secretary General, Tel. 5554081, 5529202	ADDCN	
Monday, 22 June			
1400 hrs	Debriefing with Norwegian Embassy and UNDP: Ms. Anne-Isabelle Degryse-Blateau, Country Director Mr. Jorn Sorensen, Deputy Country Director Ms. Camilla Rossaak, Counsellor Mr. Sharad Neupane, Asst. Res. Rep.	UNDP meeting room	
Tuesday, 23 June			
1300 hrs	Lunch meeting with Ms. Camilla Rossaak	La Soon Restaurant	
1600 hrs	Debriefing with MLD staff	Summit hotel, TV room	
Wednesday, 24 June			
1100 hrs	Departure U. Meier		