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## EVALUATION REPORTS

### Agenda item 3



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# JOINT GERMAN GOVERNMENT/WFP MID-TERM EVALUATION OF PROJECT NEPAL 5572.00

## Rural community infrastructure works<sup>1</sup>

Total food cost	13,923,289 dollars <sup>2</sup>
Total cost to WFP	20,812,527 dollars
German Government	5,,251,000 DM (three years)
Total cost to Government	16,917,000 dollars
Date approved by EB	26 May 1995
Date of first distribution	14 December 1995
Approved duration of project	Five years <sup>3</sup>
Official termination date	13 December 2000
Date of evaluation	16 September - 5 October 1997 <sup>4</sup>

<sup>1</sup>The full report is available on request, in English only (includes a summary in German).

<sup>2</sup>All monetary values are expressed in United States dollars, unless otherwise stated. One United States dollar equalled 58 Nepali rupees in September/October 1997.

<sup>3</sup>The project was to be implemented in two phases; phase two was to be executed up to the total volume approved only after a mid-term evaluation had judged positive the result achieved.

<sup>4</sup>The joint mission consisted of two coordinators representing the German Ministry for Economic Cooperation (BMZ) and WFP, respectively, and a team of independent consultants: a development economist; a development planner and food security specialist; and a development specialist. As previously agreed, funding of the consultants was shared between BMZ and WFP.

## ABSTRACT

The project has been of great importance in the framework of the Government's national programme for the alleviation of rural poverty through the newly established decentralized structures of local self-government. It has been quite successful in getting strong government support, particularly in terms of funds allocation. Food aid has been useful as a resource to mobilize the participatory capacity of the rural poor for building infrastructures, thus enabling them to raise their income. A major positive factor has been the close partnership between the Government, WFP and the German Technical Cooperation (GTZ) early on and throughout the implementation of the project, particularly when considering that previous WFP assistance to the road sector has suffered from the lack of complementary inputs, including support to management. The project has taken into account these lessons and has demonstrated the benefits of close cooperation: GTZ has provided much needed technical and management support, ensuring more effective use and accountability of the resources. In addition, the substantial inputs provided by the Government and WFP have allowed GTZ to expand significantly the scope and area of intervention; all these factors have produced positive results for RCIW and the groups it targets. Despite the fairly positive experience of the project to date, there have been some concerns: quantitative achievements have been limited for a number of reasons; parallel structures in the project set-up (government structures versus specifically assistance-driven ones) might affect sustainability prospects of the overall rural community works undertaking; management and absorption capacity are still somewhat weak, among others. Some of these shortcomings are understandable. It should be noted that the decentralization of power and resources, and the attempt to increase strong community participation in decision-making and management is a new experience and a process that needs some time for consolidation. In view of this, the mission recommended the project to be consolidated and not to be expanded for the time being beyond the 20 districts currently covered.

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## NOTE TO THE EXECUTIVE BOARD

**This document is submitted for consideration to the Executive Board.**

Pursuant to the decisions taken on the methods of work by the Executive Board at its First Regular Session of 1996, the documentation prepared by the Secretariat for the Board has been kept brief and decision-oriented. The meetings of the Executive Board are to be conducted in a business-like manner, with increased dialogue and exchanges between delegations and the Secretariat. Efforts to promote these guiding principles will continue to be pursued by the Secretariat.

The Secretariat therefore invites members of the Board who may have questions of a technical nature with regard to this document, to contact the WFP staff member(s) listed below, preferably well in advance of the Board's meeting. This procedure is designed to facilitate the Board's consideration of the document in the plenary.

The WFP focal points for this document are:

Director, OEDE:                      A. Wilkinson    tel.: 6513-2029

Senior Evaluation Officer    B. Henze    tel.: 6513-2034

Should you have any questions regarding matters of dispatch of documentation for the Executive Board, please contact the Documentation and Meetings Clerk (tel.: 6513-2641).



## BACKGROUND

1. The Rural Community Infrastructure Works (RCIW) Programme is one of the Government's major poverty alleviation projects in Nepal. It is supported by both WFP, under project No. 5572, and technical assistance from the Federal Republic of Germany through GTZ (on the basis of a bilateral agreement between the Governments of Nepal and Germany. As designed, project No. 5572, in support of the RCIW Programme, was expected to make a substantial contribution to improving the income and food situation of up to 200,000 poor rural households in 45 districts of Nepal. However, the coverage of 45 districts was conditioned on the satisfactory results of an interim evaluation.
2. The originally defined long-term objective, to use food as a resource to mobilize the participatory capacity of the rural poor for building sustainable infrastructures, thus enabling them to raise their incomes, was differentiated during initial planning workshops to reach the objectives of improving:
  - a) the accessibility to food of poor rural families;
  - b) the rural community infrastructure in food-deficit areas; and
  - c) the self-help capacity of rural communities.
3. The major conceptual approach of the RCIW Programme is to support a process which assists the target population in: a) building up their problem solving capacity in a sustainable way; and b) organizing themselves to identify, plan, implement and evaluate community-based infrastructure measures which can effectively contribute to the aims of the RCIW Programme.
4. Apart from technical support, the main instrument used by the Programme to support this process is food for work (FFW). The chief principles guiding the application of FFW are: a) target group orientation, which implies that FFW measures should be driven by the needs and demands of the target population and the resources available to them; b) a self-help concept, to be measured on the basis of the willingness of the target population to voluntarily contribute labour and materials, and to assume responsibility for managing and maintaining the projects; c) transparency, especially in respect to decision-making processes and the use of food and non-food items in the different activities. Moreover, these activities were to be sustainable, productive, and give equal employment opportunities to men and women. The most important types of projects demanded by the rural communities and feasible to be implemented through FFW have been the construction of feeder roads and mule trails, river control measures, small-scale irrigation schemes, erosion control and fish ponds. The FFW projects are implemented during the lean season, when, owing to a lack of other job opportunities, the rural landless and small farmers have insufficient income and food to support their families, are forced to migrate in search of employment and income, or try to earn something through the environmentally hazardous practice of cutting trees and selling wood.
5. The Ministry of Local Development (MLD) acts as chief executing organization at the national level. The District Development Committees (DDCs) and the Village Development Committees (VDCs) are involved at their respective levels in a decentralized way. Their main role is to guide, coordinate and monitor programme activities, channel technical support funds for the payment of skilled and unskilled labour, and construction materials in support of programme measures. The cooperation between WFP and GTZ with



regard to combining food resources with technical assistance was found to deserve special attention during the evaluation.

## PURPOSE AND SCOPE OF THE EVALUATION

6. Owing to a number of concerns (implementation capacity; Government commitment etc.), and considering past experience with this type of projects in Nepal, an evaluation after two years of project implementation was mandated by WFP's governing body at the time of project approval. The German Government (Ministry for Economic Cooperation (BMZ) and WFP decided to do carry out the evaluation jointly, given the interlinkage of their contributions to this large programme.
7. The overall objective of the evaluation has been to analyse the achievements and experiences made so far during programme implementation, as well to assess the present programme concept in the light of the proposed extension of activities and the continuation of external support.
8. The evaluation was to focus specifically on the merits of the cooperation between the partners and the effects it had on the implementation of project No. 5572.

## PERFORMANCE ASSESSMENT

### Concept and rationale of the project

9. The three programme objectives (see paragraph 2) were based on a realistic problem analysis, addressing key issues of poverty alleviation and rural development in Nepal. These objectives are fully in line with explicitly stated development objectives of all three programme partners (Government of Nepal, WFP and BMZ).
10. The planning of the RCIW Programme was based on the perception that the lack of employment and income-earning possibilities, and poor infrastructure, constitute the two major constraints to development in Nepal in general, and in rural Nepal specifically. Under such conditions, it was recognized that public works/FFW programmes aimed at improving rural infrastructure are a suitable answer and approach to tackle both constraints simultaneously. The need for complementary income is especially strong during the lean season, when employment and income opportunities are rare and small farmers and landless people suffer most.
11. Owing to these circumstances, there is a clear need for RCIW-type interventions. Planning of the programme was based on experiences gained in similar projects implemented in the country before, sponsored by WFP, GTZ and other organizations. WFP support to improve rural infrastructure through FFW has a long-term history and has absorbed a major share of WFP resources provided to Nepal. Previously, WFP-assisted projects in the sector were centrally executed (through the Department of Roads). A number of shortcomings were experienced during implementation; these include: a) sub-projects located in food-surplus areas where food rations were not perceived as an adequate incentive; b) area selection - for interventions not based on well defined criteria; employment of non-resident workers; c) execution of works through large outside contractors with questionable methods in labour management and food handling; d)



absence of the stipulated cash component in the workers' remuneration; e) inadequate monitoring and supervision of works undertaken; and, most important, f) poor technical design and weak technical support during implementation as well as lack of maintenance. The involvement of GTZ could help to fill the crucial gaps, and a cooperation between WFP and GTZ appeared to be attractive to both sides. Based on the problems mentioned above on the one hand, and the positive experience in the previous GTZ-supported Churia FFW project on the other, it was realized that GTZ's involvement could strongly complement the resources provided by the Government and WFP to ensure efficient and effective programme implementation, while the substantial inputs provided by the Government and WFP would allow GTZ to extend its scope and area of intervention significantly, compared to what would have been possible within the sole framework of bilateral technical assistance.

12. Under the RCIW Programme, detailed planning procedures were established, aiming at an active involvement of the target groups in project identification and planning, and ensuring appropriate technical design and implementation planning. The related "Guidelines for the Implementation of the RCIW Programme", define:

- a) conditions for RCIW programme support (demand-driven, accessibility of the project area, voluntary contributions by beneficiaries, financial contribution by VDCs to complement food wages, government work norms to be applied);
- b) criteria for project selection (labour-intensive, maximum use of local materials, environmentally sound, within self-managerial capacity of users, participation of women);
- c) procedures for the selection of areas of intervention (food-deficit VDCs and/or food-deficit pockets within VDCs);
- d) procedures for the identification of potential projects;
- e) preparation of project profiles according to a standard format;
- f) procedures for project approval; and
- g) role and responsibilities of the parties involved during the various stages of the planning process.

13. The guidelines provide a suitable basis for effective and efficient project planning. However, some time and further training are required to ensure that the rules and regulations are understood and adhered to by all parties concerned. Other major problems encountered during the planning process are the need to keep project selection and preparation free of political influence and the (still) limited technical capacities at the district and community levels. In order to improve planning efficiency and reduce the impact of frequent attempts to politically influence the planning process, it is planned to introduce "three-year action plans" for each district, determining the projects envisaged for implementation under RCIW in the respective district over a longer period. Approaches to handle the problem of limited technical planning capacities at the district and village levels comprise training programmes being offered for government and the project's District Support Unit (DPSU) staff as well as contracting of local consultants and NGOs for specific planning tasks. Efforts in these areas have already contributed to substantially improve the local planning capacities.

14. An important element of RCIW programme planning is the selection of districts and communities for FFW project implementation. Although there is a demand for the type of RCIW interventions almost everywhere in rural Nepal, there are large geographical



differences as to socio-economic structures, poverty prevalence, food situation and infrastructural development. The programme objectives stipulate that programme activities should be geared towards poor rural families in food-deficit areas. The selection of districts to be covered under the RCIW Programme had to be made on a very weak data basis. However, potential tools to improve selection are being developed. Thus, a study was carried out more recently by the International Centre for Integrated Mountain Development (ICIMOD), ranking the districts of Nepal in the categories: Worst, Intermediate and Best, according to various indicators of development applied, such as poverty and deprivation, infrastructural development, per capita food production, percentage of landless and marginal households, and an overall composite index of development. When applying this system "post-factum" to the 20 districts currently covered by the RCIW Programme, it appears that the programme operates in all categories of districts, although there is a certain concentration on districts falling under the "worst" and "intermediate" categories. There are, of course, also differences within districts, and "pockets" of poverty are found even within the "best" districts. As the RCIW Programme does not cover the entire districts where it operates, the poorest and most deprived communities within the districts should be selected. Surveys were launched during the current implementation phase to identify the most deprived and needy communities and population groups and improve the selection process. The objective of concentrating on "food-deficit areas" needs clarification to avoid conceptual confusion. It should be specified whether this refers to areas with insufficient food production to cover the needs of the population in the area concerned, or to those with large proportions of poor people with insufficient access to food. In view of food security being primarily a problem of poverty and access to food, rather than a problem of production and availability, the latter definition appears to be appropriate. In areas with food surplus production, access to food may be used as a criterion for the selection of beneficiaries. In these cases, a preferable form of remuneration and compensation might be cash for work (CFW).

## Achievements

15. The physical targets and achievements of FFW activities during the first two working seasons are presented in Table A-2 and A-3 in the Annex. The originally planned physical targets in terms of number of interventions started, progress and number of person-days for unskilled labour were not fully achieved. In the first working season, only 168 of the planned 250 FFW projects were initiated, and of these about 60 percent could be completed in the period foreseen. Out of the planned 3,600 tons of rice only 1,600 tons (44 percent) was actually used. In the second period, the rate of achievement was higher, with about 80 percent of the physical targets achieved and 80.81 percent of the allocated food actually used. There are different reasons why the physical targets could not be fully achieved:
  - a) The first working season had to be rapidly planned and implemented, without knowing exactly the absorptive capacity and conditions for implementation, given the experimental character of the undertaking in terms of institutional building and strengthening at various levels as well as community participation. The relative urgency to get the WFP-assisted project started was due to the fact that the Government was keen to initiate the process of addressing rural poverty through a strategy of decentralization and community involvement (mainly at the VDC level) and the RCIW Programme was a major instrument for this. In addition, going slowly would have meant losing some six to seven months as infrastructure works are not





possible during the monsoon period. Moreover, there was a certain momentum as GTZ was available and prepared to provide important complementary inputs.<sup>1</sup> As a consequence of the urgency in getting the project started (which had actually raised some concerns at the project preparation stage), the physical targets were somewhat over-ambitious, and there were many factors delaying actual implementation.

- b) One major factor causing repeated setbacks in project implementation was the delayed provision of MLD funds through the DDCs for necessary material inputs. Also, there were serious delays in the spring of 1997 in WFP's supply of rice, resulting from a slow authorization of rice purchases by WFP headquarters.<sup>2</sup>
  - c) Another factor impeding smooth implementation in the second working season was the general elections, which brought nearly all projects to a standstill for several weeks.
16. In spite of this, overall achievements are impressive, taking into consideration the short duration of the Programme, coupled with the need to set up its management and support structures in such a way that they will facilitate further implementation. An indispensable condition for smooth implementation in future is the timeliness in providing both the funds for the necessary non-food inputs by MLD and the food inputs by WFP.

### **Role and justification of food aid**

17. The type of projects implemented under the RCIW Programme are suitable for labour-intensive technology and, in general, of adequate technical standard, as stipulated in the programme objectives. As to the latter point, marked improvements have been noted, compared to projects implemented under the previous FFW programmes. Still, there are problems under the current programme, mainly because of the limited performance of the technical support services to be provided by the technicians of the DPSU. As the projects are implemented by user groups, represented by user committees, and although the technology applied is relatively simple, there is a need for technical support and supervision during implementation. Owing to a lack of incentives (DPSU staff have only temporary and low-paid jobs) and little practical experience in relevant fields, the inputs provided by DPSU technical staff are largely inadequate. Their role in technical advice, planning and supervision had often to be assumed by the consultants contracted by GTZ, who did not have the formal authority which the MLD-DPSU staff had. This created parallel structures, occasionally with unclear assignments of functions and division of labour, and friction between consultants and DPSU staff. Different approaches have been tried to tackle this problem, such as incentives to government staff for extra work, training programmes and hiring out of service functions. The latter approach, while being an understandable effort on the part of the Government to enlarge the implementation capacity, was viewed by the mission as problematic: it requires a strong control capacity which may not yet exist.
18. The WFP-provided rice is used as a wage in-kind, motivating poor rural people to participate in the construction works. In the areas where the RCIW Programme operates (as in Nepal in general), particularly in the *terai* and hill districts, rice is the major staple food

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<sup>1</sup> GTZ had already carried out a pilot project in a limited geographical area in community food-for-work schemes. This was considered successful and guided the new joint Government/WFP/GTZ programme.

<sup>2</sup> Resource constraints in the WFP budget were reported to be the cause.



commodity and generally well accepted as form of payment by the beneficiaries. Even in mountain districts where other staple food commodities predominate (mainly millet), rice is appreciated because of its relatively high value. The one-commodity food ration helps to reduce logistics requirements. However, there are some doubts as to whether the *Mansoli* fine rice variety procured by WFP and distributed is the best option. On the one hand, workers usually consume coarse rice which provides a more filling and lasting meal. On the other, *Mansoli* rice is particularly appreciated since it has a higher market value; it is sometimes sold by the beneficiaries.

19. The quantity of food input is determined by a combination of prevailing (cash) wage levels and work norms. The workers receive a daily ration of three kilograms of rice, plus a small cash component of three rupees in the *terai* and six rupees in the hill districts. Given the current market price of rice in the districts, the value of the daily food component is between 36 and 45 rupees, and the total daily wage (including the cash component paid by the VDCs) between 39 and 51 rupees. Although this is generally below the average wages for unskilled rural labour (60 to 80 rupees), the workers usually manage to exceed the daily work norm. Achievements of up to three times the daily work norm have been reported, bringing the actual daily wages up to nine kilograms of rice plus 18 rupees cash, or a total value of income of around 150 rupees a day. On average, about one and a half times the daily work norm have been achieved in the projects. There has been an extensive and controversial discussion on the appropriate work norm. It was felt that the governmental work norms, applied in accordance to the plan of operations, are too generous compared to local work norms in the districts, possibly leading to a distortion of the wage levels and of the payment system. Past experience in WFP-assisted FFW projects has shown that over-generous governmental work norms gave some room for corruption, by diverting part of the food to the staff involved in the management of the payment and distribution system. Precisely because the current project introduced (through GTZ assistance) better monitoring and supervision of the distribution system (which contributed to largely reducing such malpractice), it became evident that the actual wages paid are relatively high. Based on such experiences, the work norms of the RCIW Programme have been modified in some districts and adjusted to the local conditions.

### Beneficiaries and benefits

20. Surveys conducted by the RCIW Programme revealed that the majority of unskilled workers involved in the FFW (and CFW) projects belong to the poorest strata of the population, landless and small farmers, who are severely affected by food insecurity for three to eight months a year. It can therefore be concluded that the programme has made substantial achievements with regard to improving the temporary access of poor rural families to food, although the targets set out in the plan of operations (1.2 million workdays in the first year, 2.3 million workdays in the second year) were not fully achieved.
21. The form of payment - food or cash - is another important issue to be considered in regard to improving access to food. Apart from the small cash component added to the food wages (see above), pilot cash for work (CFW) schemes were launched in two districts, financed by a special WFP contribution. The CFW schemes were based on two considerations: a) the high costs of transporting food to remote areas, with landside transport, storage and handling (LTSH) costs reaching or even exceeding the value of the rice, depending on the location and infrastructure; and b) the fact that poor households have to spend between 60 and 80 percent of their cash income on food. As concerns point a) above, it was calculated that, on average, a 20 percent saving (or a 20 percent increase of





the work volume) could be made if CFW instead of FFW schemes were applied. In spite of this economic consideration, it was found that, depending on certain conditions, food payments can have significant advantages over cash payments. These include:

- a) In the case of food, a higher proportion of the wage is taken home and benefits also the other household members; in the case of CFW, a high proportion of the wage is spent otherwise, e.g. on alcohol.
- b) In areas or situations where there is a risk of corruption and malpractice (and this is still widespread in Nepal), food is less easily diverted than cash, more visible and thus easier to control.
- c) The fact that the food rations are provided at the village level saves the FFW participants from the village cost and time required to transport the food, which, depending on the location, can be substantial.

22. Possible arguments in favour of cash payments include:

- a) the substantial costs for procurement, management and distribution, limiting the resource base;
- b) problems with the quality of the rice distributed (this problem can, however, be solved);
- c) the fact that, in some hill and mountain districts, rice is not the main staple food and is partly re-sold by the recipients, causing additional transaction costs and reducing the actual value for the beneficiaries; and
- d) in rice-surplus areas, rice has a lower market price and can be easily bought (if money is at hand), therefore it is a less attractive form of payment than cash.

23. In deciding on the appropriate form of payment, the advantages or disadvantages of either food or cash need to be carefully weighed under the specific conditions in the project areas. Overall, however, rice has proven to be a suitable form of payment to the poor rural population in Nepal; the mission noted that it seems to be preferred to cash.

### **Food supply and management issues**

24. The entire quantity of rice supplied by WFP in the two years of project implementation (2,000 tons in 1996 and 7,373 in 1997) was procured locally. Overall, the experience has been positive: it has been cost-effective, i.e., local purchases were significantly cheaper for WFP than non-local ones and the rice was readily available on the spot. Procurement is done by the WFP country office through restricted tenders, and the rice is delivered directly by the suppliers to the district warehouses where the RCIW Programme operates (extended delivery points). The purchasing procedures applied are considered adequate. Restricted tenders are justified, based on the experience that in the case of public tenders a high number of traders who could not effectively deliver would submit bids. However, owing to the many administrative steps required, the process of procurement planning has to be initiated well ahead of the scheduled time of distribution, and all parties have to act promptly, to ensure that the rice is available on time. Apart from the delays in rice supply mentioned earlier, problems encountered with regard to food logistics and distribution were poor storage conditions and repeated complaints on the low quality of the rice distributed. Although the Programme already took remedying steps (building and upgrading of warehouses, training of storekeepers, record system, quality surveys, etc.), further efforts are required. Overall, the monitoring and supervision system established under the RCIW



Programme has substantially improved the food chain from procurement to distribution, compared to previous experiences with FFW projects in Nepal.

## RECOMMENDATIONS

25. WFP's assistance to the RCIW Programme has gained much insight and experience, particularly on issues of strengthening institutional set-up and the community participation process, during the 20 months of implementation. However, experiences must be consolidated in order for the project's achievements to stand a better chance of becoming sustainable. For this reason, and because of a number of difficulties the project is still facing (such as the still precarious budgetary situation of the VDCs in spite of the Government's efforts and the limited self-management capacity), the project, for the time being, should not be expanded geographically before further consolidation is achieved. In the current districts, emphasis and intensity (e.g., the number of projects implemented) may be switched to those areas where a high rate of poverty is prevalent and where the programme functions relatively well. Decisions on the areas on which to focus and particularly on any project expansion at a later stage should be based on updated information on poverty and food insecurity, and make use of the ICIMOD study (see paragraph 14), which classifies the country's districts according to development indicators. It should also take into account the experience gained in the consolidation process; one important indicator would be the degree to which communities have maintained the assets created with the help of the project.
26. As poverty and insufficient access to food at the household level are the most crucial aspects of the food security problem in Nepal, the concept of food-deficit districts, emphasizing food availability as the main criterion for selecting areas of intervention, should be reconsidered and priority given to those with a high prevalence of poverty, independently of whether these areas and districts produce food surpluses or depend on food imports from other districts. The concept of food-surplus and food-deficit areas could eventually help determine whether CFW or FFW schemes were to be applied in compensation for participation in project activities. Thus, preference could be given to cash rather than food wages in food-surplus areas as well as in very remote areas where the transport costs are prohibitive and/or where food commodities other than rice (e.g. wheat or millet) are the main staple food.
27. There has been a good sense of cooperation of all parties involved at the headquarters and programme levels. Nevertheless, and in spite of its substantial contribution to the programme, the Government seems a somewhat less active partner. Factors such as a tendency to accept other partners' decisions without a critical review of its own institutional and financial ability, and delays in budgetary release, give this impression. The present programme management structure reveals a shortage of professional staff at the Programme Support Unit (PSU) of MLD as a crucial issue to be addressed immediately. Furthermore, in order to clarify the role and responsibilities of the parties involved and "institutionalize" cooperation, a tripartite agreement, complemented by a bilateral one (the latter between WFP and GTZ), should be established to regulate their relationship in the context of the RCIW Programme.
28. Within the scope of the RCIW Programme supported by WFP and GTZ, there is a need to check possible solutions against their contribution to sustainability. This refers to all issues which are relevant to effective and efficient project planning and implementation:



decision-making processes (to what extent the target groups are effectively involved); organization of project planning and implementation (including timely resource allocation); the role and performance of government institutions and staff at the various levels (including reducing frequent staff rotation, training, incentives), improvement of technical and social support services (including contracting of local consultants and NGOs for certain tasks, contracting procedures and supervision of their performance), and ensuring self-help contributions and self-management of the target population (including adequate remuneration of VDC members for tasks performed and the aspect of maintenance of the infrastructures established).

29. As regards specific considerations, it is recommended that:
- a) priority in WFP commodity supply continue to be given to local rice purchases, as the same time ensuring monitoring to avoid market distortion when larger volumes of food are procured at a given time; strict quality control be carried out of the rice delivered at district warehouses, through the services of superintendents;
  - b) timely allocation of funds for the procurement of rice be ensured;
  - c) coarse rice varieties be used instead of the fine *Mansoli* rice, first on a trial basis in one or a few districts, with monitoring on the economics and the acceptance by FFW participants;
  - d) storage conditions be upgraded, where required, and storekeepers be trained in proper record keeping, quality checks and stock treatment.

## LESSONS LEARNED AND POLICY IMPLICATIONS

30. In this type of interventions which combine asset creation with institution-building and community participation, there is frequently a temptation that aid providers directly take over some of the Government's responsibilities at the central and local levels ("donor-managed programmes"). Governments might occasionally exercise pressure, but aid providers are also sometimes interested in quick albeit short-term gains (e.g., creation of infrastructure). This attitude might, however, neglect the need for a sense of ownership (which has also a bearing on prospects for maintenance), the possibility for the government and communities to take over after assistance ceases, i.e., sustainability perspectives, and, ultimately, village-level self-determination. It is therefore necessary to maintain an intense policy dialogue between donor agencies, the recipient government and beneficiary communities, and devote continuous attention to strengthening their structures and institutional set-up in order to build up this sense of ownership.
31. The combination of short-term employment and income generation with participatory approaches to planning and implementing rural infrastructure activities (as applied in the RCIW Programme) offers a suitable concept to address some key issues of rural development and food security. However, in order to improve sustainability prospects beyond the mere creation of the assets, continuous emphasis must be placed on self-help mobilization of rural communities in coordination with other national and district development programmes.
32. The partnership between GTZ and the WFP-assisted project in a joint effort to support the RCIW Programme has well complemented the resources of each partner and proven to be effective in achieving progress towards the overall objectives of the RCIW Programme. All this has ultimately benefited the interests of the target groups. This type of cooperation



can serve as an example for integrating food, non-food and technical assistance which may be replicable under similar conditions in other countries. The potential of such cooperation should be enhanced and institutionalized, wherever possible, by global Memoranda of Understanding between WFP and its partners as well as tripartite project-specific agreements that include the recipient government.

33. The evaluation once more confirms the strength and importance of jointly programming food aid from the very beginning, together with defining and meeting the full requirements for technical support. Close cooperation between partners is essential in defining these requirements as they are frequently under-estimated. Equally important, the evaluation has provided the lesson that meeting such requirements is achievable when a clearly defined goal (in this case the Government's efforts to alleviate rural poverty through infrastructure works) is recognized as important by potential partners and they clearly see the advantages of a partnership (as happened with both WFP and GTZ).
34. There seems to be a certain conflict between the project objectives aiming at temporary employment generation (through FFW) and the objective of achieving longer-lasting empowerment of communities. This is particularly evident in the project's road construction activities (which absorb a considerable number of workers) in the *terai* region where mobile groups of workers are employed. While it is not denied that there are immediate benefits for these workers in terms of the food provided together with some cash for the work done, they are not ultimately benefiting from the assets, i.e., the roads built, as they are not necessarily from the area. On the other hand, people from the area, who will benefit from the roads constructed, are not necessarily involved in the work. The consequence is that the ultimate beneficiaries do not have a sense of ownership, with possible negative implications for the prospects of maintaining of the assets. In addition, the most important purpose of the project, i.e., strengthening of self-help capacity and empowerment of communities, would be difficult to attain.
35. This demonstrates that a clear prioritization of objectives has to be established in case they conflict with each other. In the project under review, the community empowerment aspect should have priority over short-term employment generation. In case the project continues in the *terai* region, priority should be given to directly productive activities, over road construction.



## ANNEX

**TABLE A-1: CATEGORIES OF DISTRICTS OF NEPAL AND RCIW DISTRICTS RANKED ACCORDING TO DIFFERENT INDICATORS OF DEVELOPMENT**

District development indicators	No. and percentage of districts in total Nepal falling under the category:						No. and percentage of the 20 RCIW districts falling under the category:					
	Worst		Intermediate		Best		Worst		Intermediate		Best	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Poverty and deprivation index (Map 3)*	25	33	25	33	25	33	9	45	9	45	2	10
Infrastructural development index (Map 50)*	25	33	25	33	25	33	5	25	8	40	7	35
Per capita food production (Map 14)*	25	33	25	33	25	33	7	35	6	30	7	35
Percentage of landless and marginal households (Map 13)*	25	33	25	33	25	33	8	40	8	40	4	20
Socio-economic infrastructure development index (Map 6)*	25	33	25	33	25	33	7	35	8	40	5	25
Overall composite index of development (Map 2)*	25	33	25	33	25	33	8	40	8	40	4	20

\* Refers to maps in the document cited below.

Source: International Centre for Integrated Mountain Development (ICIMOD), Districts of Nepal - Indicators of Development, Kathmandu, Nepal 1997, and mission calculations.



**TABLE A-2: FINANCIAL RESOURCE ALLOCATION BY RCIW PARTNERS  
(IN THOUSAND RUPEES)\***

Items	MLD	VDC	WFP	GTZ	Total	In % of total
Administration	3 370	–	–	2 160	5 530	2
Staff/consulting firm	6 800	–	–	24 480	31 280	10
Construction tools and storage equipment	–	–	7 312	10 800	18 112	6
Office and survey equipment	100	–	–	3 600	3 700	1
Motorbike/vehicles	–	–	–	7 200	7 200	2
Training	–	–	400	3 000	3 400	1
Food (Rice) for unskilled labour		–	126 360	–	126 760	43
Internal transport & transp. (ITSH)	10 219	–	10 319	–	20 538	7
Cash for skilled labour	17 824	–	–	–	17 824	6
Cash for unskilled labour	–	14 256	7 200	–	21 456	7
Construction materials and buildings	42 332	–	–	1 440	43 772	15
Total	80645	14 256	151 591	52680	299 572	
In % of total	27	5	51	18		100

\* Note: These are estimates for MLD, VDC and WFP contributions for the 5 years programme period, GTZ contribution for 3 years. The amounts do not contain overhead costs of the organisations and the user self-help contribution (planned value: 34 million Rupees).

Source: RCIW Programme, 2<sup>nd</sup> Annual Report.

**TABLE A-3: PLANNED PHYSICAL TARGETS AND RICE REQUIREMENTS\***

Year	No. of districts covered	No. of projects per district	Total no. of projects	No. of work days in '000	Total rice requirements (tons)
1	10	24	240	1 200	3 600
2	20	23	460	2 300	6 900
3	25	20	500	2 500	10 500
4	45	20	900	4 500	13 500
5	45	20	900	4 500	13 500
Total			3 000	15 000	45 000

\*The planned food inputs, to be provided by WFP, were only indicated in terms of volume, not in value terms. WFP carries the full cost for the food supplies up to the district warehouses (so-called "Extended delivery points"), and 50% of the transport cost to the project sites (ITSH). In addition to the provision of rice according to the stated quantities, a sum of up to US\$ 220,000 was allocated for non-food items as well as counterpart training, monitoring and evaluation purposes (see Table A-2).

Source: HMG/WFP, RCIW Programme, Plan of Operations 1995.





**TABLE A-4: FFW-PROJECT TARGETS AND ACHIEVEMENTS  
IN 1995/96 AND 1996/97**

Type of projects implemented in 1995/96	No. of projects	Physical target	Unit	Actual Achievements		
				Physical target	Unit	% of target
Feeder road	52	233	km	121.3	km	52.1
River control	50	23	km	22.5	km	97.8
Mule trails	19	138.9	km	76.9	km	55.4
Small scale irrigation	18	50	km	31.7	km	63.4
Fish ponds	23	61 350	m <sup>3</sup>	53 566	m	88
Agro-forestry	1	8.0	ha	6.4	ha	80
<b>Total 1995/96</b>	<b>163</b>					
Implemented in 1996/97*						
Rural roads	80	308.08	km	235.85	km	78
Mule trails	85	445.05	km	408.39	km	92
River control measures	79	67.73	km	50.60	km	75
Water ponds	59	32.46	ha	12.00	ha	38
Small scale irrigation	52	135.45	km	71.56	km	53
School playgrounds	4	12 460	m <sup>2</sup>	4121	m <sup>2</sup>	33
Agro-forestry	1	8	ha	8.0	ha	100
Cardmom cultivation	1	1.5	ha	4.0	ha	266
<b>Total 1996/97*</b>	<b>361</b>					-

\* including projects started in 1995/96 and continued in 1996/97

Source: RCIW Programme, 1<sup>st</sup> and 2<sup>nd</sup> Annual Report.

**TABLE A-5: RCIW PROGRAMME ACHIEVEMENT IN CREATING TEMPORARY  
EMPLOYMENT AND INCOME OPPORTUNITIES FOR UNSKILLED WORKERS IN THE  
1<sup>ST</sup> AND 2<sup>ND</sup> PROGRAMME YEAR**

Indicators	1 <sup>st</sup> year (1995/96)	2 <sup>nd</sup> year (1996/97)
No. of person days achieved	600 000	2 000 000
No. of unskilled persons involved	24 000	40 000
No. of days worked on average per person	25	50
Kg of rice received on average per person and working season	75	140
Rupees received on average per person and working season	150	315

Source: RCIW Programme, 2<sup>nd</sup> Annual Report.



