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**Executive Board  
Second Regular Session**

**Rome, 4–7 November 2013**

## **EVALUATION REPORTS**

**Agenda item 6**

*For consideration*



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## **SUMMARY REPORT OF THE EVALUATION OF THE IMPACT OF FOOD FOR ASSETS ON LIVELIHOOD RESILIENCE IN NEPAL (2002–2010)**



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## NOTE TO THE EXECUTIVE BOARD

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

The Secretariat invites members of the Board who may have questions of a technical nature with regard to this document to contact the WFP staff focal points indicated below, preferably well in advance of the Board's meeting.

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## EXECUTIVE SUMMARY

This evaluation assessed the outcomes and impacts of WFP's food-for-assets programming in Nepal and was part of a series of evaluations on the impact of WFP's cash-for-assets and food-for-assets activities on livelihoods resilience. The evaluation emphasized learning by identifying lessons and changes for enhancing the impacts on resilience and aligning food-for-assets programming with WFP's recently adopted 2011 Food for Assets Guidance Manual and Disaster Risk Reduction Policy.

The evaluation covered the cash-for-assets and food-for-assets components of two WFP programmes in Nepal: country programme 100930 (2002–2007) and protracted relief and recovery operation 106760 (2007–2010). These provided 40 to 70 working days of food rations during the lean season. An average of 107,710 labourers participated each year, and rations reached approximately 603,178 beneficiaries a year.

Nepal has a population of approximately 31 million and ranks 157<sup>th</sup> of 187 countries in the United Nations Development Programme's 2012 Human Development Index. Despite improvements over the last 15 years, poverty, food insecurity and chronic undernutrition are still significant problems, with higher prevalence in the mountains and mid- and far-western hill regions and among certain caste/ethnic groups.

The evaluation found that the country office achieved significant short-term positive impacts through the rapid delivery of food aid to several million food-deficit beneficiaries during the evaluation reference period, which was characterized by conflict and post-conflict conditions and recurring natural disasters. WFP often operated in remote communities that received little alternative support.

The roads and other assets built had a number of positive effects such as helping to increase accessibility, agricultural productivity and access to water for both domestic and agricultural use. About half of the assets surveyed were fully operational, one third were partly operational and 13 percent were not operational. Many assets were not covered by formal maintenance arrangements.

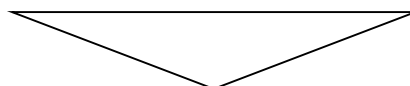
Improvements were seen in food consumption scores and other major indicators. Evidence of improved resilience was observed, with participants having lower Coping Strategy Index scores, relying less on credit to purchase food and migrating less than non-participants. Different types of asset benefited different community members, and some activities targeted the poorest better than others. Public assets made a significant contribution to building economic and social capital during and after conflict, although benefits were not always equitably distributed.

Cash/food for assets was less successful in reducing chronic, structural food insecurity or providing long-term benefits for the poorest. WFP's short-term approach focusing on maximum geographical coverage within the limits of funding available was not conducive to long-term sustainable impact, particularly for the poorest and most excluded groups. The evaluation found insufficient alignment with national systems and partners for ensuring the

technical support, asset maintenance and complementary programming necessary for long-term impact.

The evaluation made recommendations related to funding, strategic design, partnerships and hand-over, targeting, and evidence generation. These are directed mainly to the country office, but also imply engagement of the regional bureau, Headquarters and partners.

## DRAFT DECISION\*



The Board takes note of “Summary Report of the Evaluation of the Impact of Food for Assets on Livelihood Resilience in Nepal (2002–2010)” (WFP/EB.2/2013/6-B/Rev.1) and the management response in WFP/EB.2/2013/6-B/Add.1/Rev.1, and encourages further action on the recommendations, taking into account considerations raised by the Board during its discussion.

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\* This is a draft decision. For the final decision adopted by the Board, please refer to the Decisions and Recommendations document issued at the end of the session.

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## INTRODUCTION

### Evaluation Features

1. This evaluation, conducted by an independent team between January and July 2013, assessed the outcomes and impacts of the food-for-assets (FFA) components of two WFP programmes in Nepal: country programme (CP) 100930 (2002–2007) and protracted relief and recovery operation (PRRO) 106760 (2007–2010).<sup>1</sup> The PRRO included some cash-for-assets (CFA) activities.
2. As one of a series on the impact of FFA, the evaluation's objectives were to assess the outcomes and impacts on livelihood resilience, identify the changes needed to increase these impacts, and generate lessons for improving the alignment of FFA programming with the 2011 FFA Guidance Manual and the Disaster Risk Reduction Policy.<sup>2</sup> The evaluation addressed three core questions:
  - What positive and negative impacts have FFA activities had on individuals within participating households and communities?
  - What factors were critical in affecting outcomes and impacts?
  - How could FFA activities be improved to address the findings from the first two questions?
3. Evaluation methods included document and literature review, analysis of PRRO baseline and final household surveys,<sup>3</sup> stakeholder interviews, and detailed qualitative fieldwork in 15 village development committees (VDCs) in five districts.
4. Limitations included the absence of survey data covering the CP, and the dependence on unreliable recall of CP activities conducted in the past; deficiencies in the recording and classification of assets, including a lack of baselines or comparators for tracking biophysical changes; and the wide ranges of assets created and types and levels of support provided to communities, which limited the feasibility of comparing programme with non-programme areas. These limitations on the quantitative data made the collection of qualitative data especially important in enabling deeper analysis of contributory factors.

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<sup>1</sup> The full evaluation report is available on the WFP website: [www.wfp.org/about/evaluation](http://www.wfp.org/about/evaluation).

<sup>2</sup> The programmes evaluated were designed and implemented prior to the adoption of the guidance and policy, but their goals were similar and the evaluation terms of reference emphasize learning.

<sup>3</sup> The baseline survey covered 943 households in 23 districts in three geographical clusters; the final survey covered 908 programme households and 314 non-programme (comparison) households in the same three clusters.

## CONTEXT

5. Nepal has a population of approximately 31 million and ranks 157<sup>th</sup> of 187 countries in the United Nations Development Programme's 2012 Human Development Index. Recent analysis indicates declines in poverty rates and food insecurity and chronic undernutrition over the last 15 years.<sup>4</sup> However, caste, ethnic, gender and geographical inequalities remain and poverty is more prevalent in the mountains and mid- and far-western hill regions and among certain caste/ethnic groups. According to estimates, more than 3.5 million people are food-insecure, with 1.6 million children – 46 percent – suffering from chronic undernutrition and more than 500,000 from acute undernutrition/wasting.<sup>4</sup>
6. Four contextual features of Nepal are particularly relevant:
  - *Conflict*: Nepal is undergoing a protracted political transition following the 11-year conflict that ended in 2006. Conflict, fragile peace and political instability characterized the evaluation reference period.
  - *Landownership*: Long-term or chronic food insecurity is linked to inadequate landownership, among other factors. Half of households – 2.3 million – have landholdings that are too small to meet their subsistence needs.<sup>5</sup>
  - *Social exclusion*: Economic and social inequalities based on exclusion are prominent and entrenched in Nepalese society. Gender differentials and poverty rates are highest among socially excluded groups. Gender-based and caste-based discrimination are more common in the far and mid-western regions.
  - *Gender*: Women in all social groups face exclusion and discrimination, particularly those in excluded groups, whose constraints are exacerbated by increasing seasonal and long-term out-migration by men.

## PROGRAMME DESCRIPTION

7. WFP has worked in Nepal since the 1960s, implementing FFA since 1995. CP 100930 and PRRO 106760 were multi-component programmes with similar overall objectives: to reduce immediate vulnerability and facilitate sustainable improvements in food security for the most disadvantaged groups in highly food-insecure areas. The specific objectives of the cash/food-for-assets (C/FFA) components were to build or rebuild essential infrastructure and productive assets and to enhance local capacities, employment opportunities and resilience.
8. Both programmes provided 40 to 70 working days of food rations to cover average family requirements during the lean season. As indicated in Table 1, an average of

<sup>4</sup> National Planning Commission of Nepal with WFP and the Nepal Development Research Institute. 2010. *Food Security Atlas of Nepal*; National Planning Commission, Central Bureau of Statistics, WFP, World Bank, Australian Agency for International Development and United Nations Children's Fund. 2013. *Nepal Thematic Report on Food Security and Nutrition*.

<sup>5</sup> L.A. Wily, with D. Chapagain and S. Sharma. 2009. *Land Reform in Nepal. Where Is It Coming From and Where Is It Going?* London, Department for International Development.

107,710 labourers participated each year, with an estimated average of 603,178 beneficiaries a year.<sup>6</sup>

| <b>TABLE 1: PROJECT PARTICIPANTS AND BENEFICIARIES*</b> |                                |                                |
|---|--------------------------------|--------------------------------|
| <b>CP 100930 (2002–2007)</b>                            |                                |                                |
|   | <b>Actual FFA participants</b> | <b>Estimated beneficiaries</b> |
| 2002  | 47 643                         | 266 801                        |
| 2003  | 50 000                         | 280 000                        |
| 2004  | 82 700                         | 463 120                        |
| 2005  | 74 400                         | 416 640                        |
| 2006  | 97 105                         | 543 788                        |
| 2007  | 65 492                         | 366 755                        |
| Average   | 69 557                         | 389 517                        |
| <b>TOTAL</b>  | <b>417 340</b>                 | <b>2 337 104</b>               |
| <b>PRRO 106760 (2007–2010)</b>                          |                                |                                |
| 2007  | 1 273                          | 7 129                          |
| 2008  | 218 075                        | <b>1 221 220</b>               |
| 2009  | 169 000                        | 946 400                        |
| 2010  | 164 979                        | 923 882                        |
| Average   | 138 332                        | 774 658                        |
| <b>TOTAL</b>  | <b>553 327</b>                 | <b>3 098 631</b>               |
| Average (2002–2010)                                     | 107 710                        | 603 178                        |
| <b>TOTAL (2002–2010)</b>                                | <b>969 394</b>                 | <b>5 428 606</b>               |

\* Participant numbers are from WFP standard project reports. Estimated beneficiary numbers are based on an average household size of 5.6 people per participant.

9. The CP focused on road construction in support of the Government's Rural Community Infrastructure Works (RCIW) programme started in 1996 in collaboration with the German Agency for Technical Cooperation<sup>7</sup> and WFP. Some localities also included small-scale natural resource and water management, plantation and agricultural asset projects.
10. The PRRO involved more than 2,000 C/FFA projects, which focused on essential infrastructure in post-conflict communities: roads, bridges, schools, water supplies and agricultural assets, particularly for irrigation. Most of the selected VDCs received between one and three projects over the four years of the CP. An average of 50 percent of households in programme VDCs participated as labourers in C/FFA activities.

<sup>6</sup> WFP Standard Project Reports, 2007. PRRO figures were excluded because PRRO distributions did not begin until November 2007. Participant and beneficiary numbers include double counting of individuals who remained with projects for more than one year.

<sup>7</sup> As of January 2011 incorporated into the German Agency for International Cooperation.

11. WFP's expenditure was US\$66 million under the CP and US\$116 million under the PRRO.<sup>8</sup> Both programmes worked with many partners, including government, non-governmental, multilateral and bilateral organizations.

## PROGRAMME THEORY

12. Assessment of whether expected outcomes were achieved and of the role of associated factors was based on a theory of change, which was derived from WFP programme guidance and validated through dialogue with WFP staff, partners and beneficiaries during evaluation planning. *Short-term impacts* relate to the alleviation of urgent food needs through cash/food distributions, and the immediate effects of the assets created. *Medium-term impacts* relate to increased agricultural productivity and livelihoods options. *Longer-term impacts* relate to sustained improvements in livelihoods resilience.
13. Expected impacts depended on having the following associated factors in place during project planning, implementation and follow-up:
- a supportive external context;
  - accurate risk and livelihood analysis;
  - implementation of FFA activities to required standards;
  - adequate and predictable funding;
  - provision of food and non-food items;
  - availability of technical assistance and other capacity;
  - complementary interventions in project areas, by WFP and other actors; and
  - community and/or government ownership, with adequate arrangements for asset maintenance and operations.

## FINDINGS

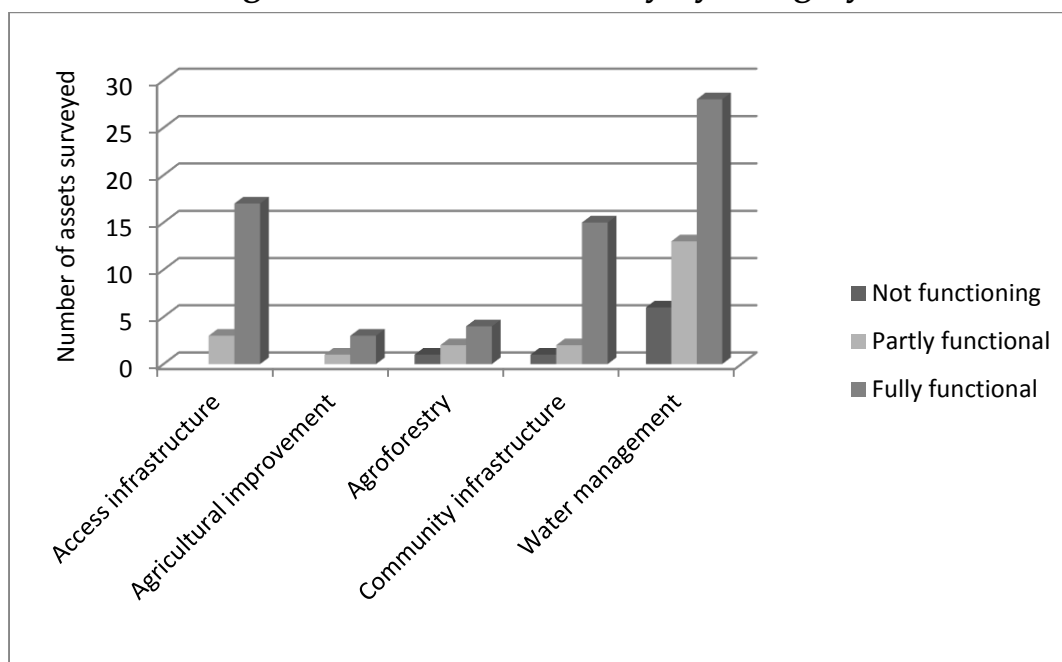
### Asset Functionality

14. Just over half (54 percent) of the 99 assets assessed<sup>9</sup> were fully operational, one-third were partly operational, and 13 percent were not operational. Controlling for age of asset, Figure 1 indicates that functionality was lowest for water management and agroforestry assets. These were among the more complex types of asset, and maintaining them was frequently beyond the capacity of local people without specialized skills and materials, such as concrete. Schools and roads are included in District Master Plans and therefore have maintenance arrangements in place, although this maintenance has not always been adequate.

<sup>8</sup> These totals are for all CP and PRRO components. Under the CP, US\$38 million was spent on C/FFA. The PRRO's financial tracking systems do not allow disaggregation of expenditure by component.

<sup>9</sup> Approximately 7 percent of reported interventions. Initial assumptions that each intervention was equivalent to an asset proved incorrect, as several years of interventions were sometimes required to create a large and complex single asset.



**Figure 1: Asset Functionality by Category**

### Changes in the Biophysical Environment

15. Qualitative data indicated that irrigation, terracing and plantation work resulted in increased agricultural production in some locations. Irrigation led to improvements in land productivity, either at the micro scale from the production of vegetables, or by enabling the reliable cultivation of two or three crops per year. The CP and PRRO led to an increase in the area of improved agricultural land, mostly through irrigation.
16. Where they were functional, community ponds provided important benefits from relatively small investments. Drinking-water systems increased the water supply for households, livestock, and vegetable cultivation. Roads and trails facilitated access to inputs such as seeds, fertilizer and technical advice. Agroforestry increased the number of trees on barren land and introduced new productive tree species, not all of which were effective.
17. However, the WFP interventions were not planned at a watershed level and were of insufficient scale and duration to generate significant biophysical changes. Poor-quality design and construction sometimes resulted in negative environmental consequences such as land slippage. (See paragraphs 29 to 31 for further findings on technical assistance.)

### Effects on Food Security and Livelihoods

18. Between 2002 and 2010, C/FFA met the short-term minimum food requirements of between 47,000 and 218,000 food-insecure households for four months a year. This was a very significant contribution, particularly for the poorest households, which face food shortages, have no land and rely on daily labour.
19. The PRRO survey reported positive effects in the programme areas compared with non-programme areas, as shown in Table 2. These included a small improvement in the food consumption score and a reduced food shortage compared with the previous year. Longer-term impacts on employment, income, living conditions and migration were also evident.

| <b>TABLE 2: PRRO FINAL SURVEY FINDINGS, 2010 (%)</b> |                             |                                 |                   |
|--|-----------------------------|---------------------------------|-------------------|
|  | <b>Programme households</b> | <b>Non-programme households</b> | <b>Difference</b> |
| Improved food consumption score                      | 45                          | 43                              | 2                 |
| Reduced food shortage                                | 39                          | 10                              | 29                |
| Acute malnutrition*                                  | 13                          | 17                              | -4                |
| Improved employment**                                | 25                          | 15                              | 10                |
| Increased income                                     | 36                          | 15                              | 21                |
| Improved living conditions                           | 36                          | 14                              | 22                |
| Reduced out-migration                                | 35                          | 13                              | 22                |

\* Global acute malnutrition rates – measured as mid-upper arm circumference < 12.5 cm – in 2010.

\*\* Employment, income, living conditions and migration reported by survey respondents as having improved in 2010 compared with 2009.

20. According to the evaluation's asset assessment, focus group discussions and road study, increased road access improved product marketing and communities' access to agricultural inputs and other goods. The livelihood gains would have been greater if asset development had been accompanied by support for other parts of the value chain such as post-harvest processing. Roads were reported to have increased people's mobility in emergencies and for seeking employment.
21. Respondents reported that C/FFA generated significant non-economic benefits. Social cohesion was enhanced as communities worked together to rebuild assets such as schools in post-conflict situations. School facilities also potentially increased overall access to education. Participation in user committees was empowering and enhanced capacity. For the poorest households reliant on wage labour, C/FFA work did not displace other work opportunities because it took place during the off-season when other work opportunities were limited.

### **Socio-Economic Distribution of Impacts**

22. Significant socio-economic differences within communities affected the distribution of benefits from the assets constructed. Survey data confirmed that the very poor were still affected by rising food prices and had not recovered from shocks.
23. Table 3 indicates the distribution of benefits across household categories, with the short-term impacts from food or cash distributions being more important for the poorest households. Public assets such as roads and schools could be used by all community members and provided some, albeit unequal, benefits to all. Although the poor realized a short-term benefit from the food or cash payments, longer-term benefits from new roads accrued mainly to landowners and richer households. Long-term impacts from land improvement assets were also more important for less poor households. Households with little or no land received little or no direct benefit from irrigation and drainage assets. Drinking-water assets benefited the very poor by reducing the time spent obtaining water and mitigating caste-based access issues. Higher impacts for severely chronically poor households were achieved where members of the traditionally excluded Dalit caste group were targeted.

| <b>TABLE 3: BENEFITS, BY ASSET TYPE AND CATEGORY OF HOUSEHOLD</b> |                       |                         |                                  |
|---|-----------------------|-------------------------|----------------------------------|
|   | <b>Transient poor</b> | <b>Chronically poor</b> | <b>Severely chronically poor</b> |
| <b>Short-term benefits from cash/food distributions</b>           |                       |                         |                                  |
|   | Low                   | Medium                  | High                             |
| <b>Long-term benefits from assets</b>                             |                       |                         |                                  |
| Schools/community infrastructure                                  | High                  | High                    | High                             |
| Access infrastructure   | High                  | High/medium             | Mixed                            |
| Community ponds   | Medium                | Medium                  | High                             |
| Drinking water  | High                  | High                    | High/medium                      |
| Forestry/agroforestry   | High                  | High                    | Low                              |
| Agriculture/land management                                       | High                  | Medium                  | High/low                         |
| Irrigation/drainage   | High                  | Medium                  | Low                              |

Source: Evaluation team evidence synthesis based on focus group interviews.

### Effects on Women and Girls

24. Between 36 and 50 percent of participants were women, who thus benefited directly. Women's participation is increasingly important given the high rate of men's migration, the increase in households headed by women and the subsequent feminization of agriculture. Households headed by men reported slightly better household incomes, living conditions and self-sufficiency of food production.
25. Road construction, especially of larger or longer roads, presented particular challenges for women. Working away from home raised security and child care issues. For women from landowning households, engagement in C/FFA activities had to be balanced with off-season agricultural work, particularly in households where men had migrated. However, poorer women who lacked land and relied on daily labour welcomed the opportunity for engaging in C/FFA.
26. All the asset focus groups reported that food was preferred to cash because food was more likely to be used within the household to the benefit of women and children. However, in the district where cash was the norm, the provision of direct payments to women helped ensure that cash also benefited women and children.
27. Between 27 and 51 percent of user committee members were women, against WFP's target of 50 percent. Participation in these committees enhanced capacity and empowerment. The evaluation confirmed the importance of linkages to complementary programmes that target women, including non-formal education and savings or credit schemes that increase women's ability to access finance and other inputs and validate women's engagement in community decision-making.

## FACTORS AFFECTING IMPACT

28. Several contextual factors have a major bearing on the impact of C/FFA programmes in Nepal: conflict, fragility and political instability; geographical remoteness; droughts; and food price increases. WFP did well to achieve the impact it has had in these circumstances. Nevertheless, to maximize impacts, the evaluation confirmed the importance of managing factors within the control of WFP, as follows.

### Institutional Alignment and Complementarity

29. The long-term impact of CFA and FFA was higher when combined with the complementary activities of WFP and others. Donor engagement in remote areas and the coordination of development activities were limited during the evaluation reference period by conflict and lack of access roads.
30. Alignment and collaboration with the Government, other donors, districts and VDCs varied. The FFA programme was generally well aligned during the conflict and immediate post-conflict period, although district and VDC plans were not fully developed. Collaboration with other agencies was also better during the CP, when FFA was part of the RCIW, than during the PRRO, when local partners were contracted annually or on even shorter timeframes, resulting in more transient relationships. WFP's programming was not consolidated geographically, although the implementation of several types of activity in some areas created a complementary effect. The recommendation in the 2010 country portfolio evaluation to consolidate activities is being implemented in the new CP.
31. As food insecurity is widespread in Nepal, significant short-term impacts can be achieved even in the absence of strong institutional linkages. However, most food insecurity is chronic, structural and the complex product of social and geographical exclusion, unequal landholding and poverty, so the intended long-term impacts cannot be achieved with new assets alone. Institutional alignment and complementarity are important factors in addressing structural problems and ensuring that benefits flow to the groups that lack social and economic capital.

### Risk/livelihood Analysis

32. Sound planning and attention to design in consultation with beneficiaries – particularly for major assets – are essential to ensuring that expectations are met and that quality standards are maintained. However, C/FFA programming was often found to have been opportunistic in response to short-term needs and resource availability rather than on a well-planned, long-term asset creation and maintenance strategy. This was especially the case during most of the evaluation reference period, when conflict and its aftermath made meeting the immediate food needs of beneficiaries the prime focus, and local government planning systems were not operating effectively.
33. As the PRRO started immediately after the 2006 Comprehensive Peace Agreement, it emphasized the need for a widespread field presence, tangible peace dividends targeting high-risk groups, and initiatives with rapid impacts, while the CP aimed for longer-term development impacts. However, positioning the CP within the national RCIW programme constrained the range of possible assets because of the RCIW's infrastructure focus; community involvement in asset selection for the CP was also limited.
34. For both the CP and the PRRO, site selection, design, and construction to a maintainable quality were very difficult within the four- to six-month project window using labour-intensive methods. Sustainability could have been improved by incorporating

operation and maintenance into project designs, including the use of locally available skills and materials; developing capacity to maintain complex structures with modern materials; and establishing institutional arrangements for long-term maintenance.

35. WFP's geographical/community targeting approach is not sufficiently sensitive in highly differentiated communities. As a result, the groups in greatest need within a community were not always targeted with the most appropriate assets for building their livelihoods resilience.

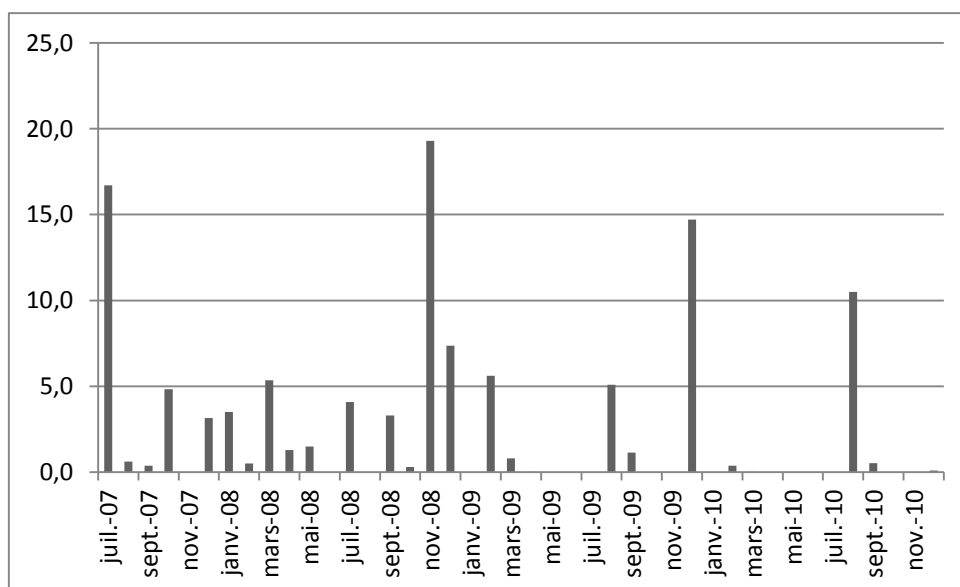
### FFA Coverage

36. Cash/food-for-assets activities were thinly spread, and limited relative to the scale and nature of food insecurity and poverty and the threat from natural hazards. The number of interventions per VDC was highly variable, with a median of 9 and a maximum of 19 in one VDC; 43 percent of VDCs received only one intervention throughout the PRRO.

### Funding

37. Effectiveness and impact were adversely affected by uncertain and intermittent funding, particularly for the PRRO. As illustrated in Figure 2, the PRRO received 49 directed multilateral contributions. Because the CP was part of the national RCIW programme and enjoyed multi-year funding, its longer-term partnerships with the Government, international non-governmental organizations and donors enabled multi-year projects for sustained livelihoods improvement.
38. The lack of long-term funding was related to the perception reported in all donor interviews that WFP does not have a comparative advantage as a development agency, particularly given the increasing emphasis on cash-/market-based approaches.

**Figure 2: PRRO Contributions by Month, 2007–2010 (US\$ million)**



### Input Availability

39. Overall, potential benefits were limited by the lack of locally available skills or materials for more complex infrastructure investments. Short-term annual contracts and limited funding contributed to implementation problems that included insufficient tools or non-food inputs; lack of capacity or resources for capacity development; and inadequate technical

support for design and supervision. This resulted in unfinished schemes in two districts, and schemes that were not viable in the longer term in one district.

40. Sustainable land productivity gains require access to improved seeds and other inputs, and longer-term capacity development. The evaluation found no evidence of formal arrangements for such longer-term links. The infrastructure constructed facilitated farmers' access to markets, but limited attention to the value chain for cash crops, including post-harvest processing, reduced potential gains.

### Technical Assistance

41. WFP had a very strong partner in the German Agency for International Cooperation for the CP, but not for the later PRRO. Quality issues in the PRRO were recognized early, and from 2009 WFP employed an engineering company for quality control of design and construction and to monitor environmental effects.
42. Although this arrangement addresses the immediate need, it does not contribute to developing capacity or establishing strong institutional links with government or other partners. Partners' lack of capacity to implement and manage complex infrastructure is not unique to WFP, and is being addressed in related government/donor joint programmes. The CP approved in 2012 provides an opportunity for developing strong partnerships and institutional linkages.

### Responsibility for Asset Maintenance

43. The level and duration of community engagement in the PRRO were often limited by the lack of reliable and sufficient funding. Insufficient emphasis was placed on asset operation and maintenance at the design and implementation stages, and formal management groups were not established. Even where links were established to the maintenance provisions in district plans, these plans were not fully resourced.

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## CONCLUSIONS AND RECOMMENDATIONS

44. In the face of difficult circumstances, the country office's C/FFA activities achieved significant short-term impacts through the rapid delivery of food assistance to several million food-deficit beneficiaries. This assistance reduced the risk that households would "eat their own assets" or migrate, enabling them to weather crises more successfully. Asset construction, especially of community/public infrastructure such as roads, water supplies and schools, made a significant contribution to enhancing economic and social capital during and after conflict, although the benefits were not always equitably distributed.
45. Cash/food-for-assets activities were less successful in reducing chronic, structural food insecurity; providing long-term benefits for severely chronically poor households; maximizing the benefits to the poorest groups of the private assets created; or ensuring adequate maintenance of public assets.
46. The overall findings suggest that there were positive impacts on resilience in communities where hazards resulting in loss of productive capacity and sometimes lives were reported as part of normal life. Focus groups reported that the assets created helped improve the ability of communities and households to recover from the effects of hazards. Survey evidence indicated that participant households had a lower coping strategy index,<sup>10</sup> relied less on credit

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<sup>10</sup> PRRO End-of-Project Report, 2011. Table 6, p. 10.



to purchase food<sup>11</sup> and migrated less than non-participant households. Households' ability to recover from shocks was also slightly improved.

47. WFP's C/FFA programmes had an impact in the short term rather than in the long term because small short-term projects covering as many people as possible were prioritized. It is difficult to address the chronic, structural problems of social exclusion and food insecurity with short-term projects and partnerships.
48. The evaluation validated several of the factors proposed in the theory of change as likely to affect the achievement of long-term impacts in the face of deep-seated poverty, social and geographical exclusion and unequal landholdings. To overcome these problems, adequate attention must be paid to contributing factors, particularly by targeting the poorest and tracking their progress, providing the technical support and non-food items needed to produce assets of appropriate quality, and ensuring the complementarity and intensity of interventions by WFP and other actors to facilitate community and government ownership for follow-up and maintenance.
49. The Nepal country office is in a difficult position. Donor funding for WFP's perceived core competence – relief and reconstruction in inaccessible areas – is inadequate, uncertain and intermittent. WFP is not the partner of choice for more development-oriented work, which therefore also receives inadequate funding. This situation leads to quick, simple, short-term approaches that cover as many food-insecure people as possible when funding becomes available. However, small, short-term projects based on geographical targeting are not conducive to long-term, sustainable impact, particularly for the poorest and most excluded groups.
50. Striking the correct balance between achieving short-term impacts from C/FFA activities for the maximum number of people, or long-term impacts for fewer people is not straightforward. There are difficult and uncertain trade-offs. The central conclusion of this evaluation is that WFP needs to recognize and respond to this challenge. Different assets and different socio-economic groups require different approaches. WFP needs to reach, and demonstrate impacts on, different categories of households, and this will require a more differentiated approach to targeting, monitoring and evaluation, and longer-term engagement and partnerships.
51. WFP is a respected institution and its future positioning is vital. The country office has already made significant changes, such as increasing attention to the quality of the assets designed/constructed since 2009. To consolidate and intensify project coverage, the new CP will provide a range of interventions to each target group, following the recommendation of the 2012 country portfolio evaluation. The following recommendations address issues that warrant further attention by the country office and WFP more broadly.

## Recommendations

### ⇒ *Funding strategy*

52. **Recommendation 1: In collaboration with Headquarters, the country office should develop a funding strategy for the new CP that ensures a minimum three-year funding commitment from all sources, to deliver the long-term livelihood resilience impacts expected from C/FFA activities.** The subsequent recommendations assume that a shift towards such longer-term planning and financing is possible.

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<sup>11</sup> In Nepal, the short-term gains of borrowing from moneylenders to purchase food is generally seen as leading to longer-term problems, including loss of land.

⇒ *Twin-track programme strategy*

53. **Recommendation 2: The country office should adopt a more flexible programming approach for C/FFA that is better adapted to Nepal's diversity and geography in site-specific operational contexts** by employing the twin tracks of: i) wide coverage and short-term interventions focused, on meeting the immediate food needs of the greatest number of the poorest and most vulnerable groups; and ii) more focused longer-term programming aiming at building the livelihood resilience of vulnerable groups.

⇒ *Theory and evidence of change*

54. **Recommendation 3: With support from the regional bureau and Headquarters, the country office should develop a theory of change that describes the intended results of C/FFA activities on short-term food insecurity and long-term livelihood resilience in varying operational contexts, for different household categories, and for different types of assets.** It should also identify and address the associated factors needed to achieve objectives, including partnerships, non-food items, construction quality and follow-up maintenance. The theory of change should build on advice in the FFA Guidance Manual, while the experience in Nepal should inform the refinement of WFP's corporate FFA theory of change. The country office should draw on support from the regional bureau and Headquarters to develop a comprehensive monitoring and impact evaluation plan based on the theory of change, which identifies data needs for continuous learning, programme adaptation and measurement of results and effectiveness.

⇒ *Targeting*

55. **Recommendation 4: To ensure that the benefits of long-term C/FFA programmes reach the poorest, the country office should target specific households based on local context analysis and household wealth ranking.** WFP should develop more detailed analysis of the needs of individuals and households from different cultural and socio-economic groups, to enable the monitoring of results on households' livelihood resilience in different contexts.

⇒ *Partnership strategy*

56. **Recommendation 5: The country office should undertake a partnership review, then develop and implement a strategy for partnerships that delivers the short- and long-term objectives of C/FFA.** The strategy should include the Government, communities, international and national non-governmental organizations and the private sector, for value chain development; development partners such as the International Fund for Agricultural Development and the Food and Agriculture Organization of the United Nations; and donors. It should build on the theory of change (recommendation 3) to link partnerships to expected impacts, and help position WFP relative to its own and its partners' comparative advantages. The partnership review would also identify key partners for capacity development and hand-over (recommendation 7).

⇒ *Asset maintenance*

57. **Recommendation 6: To ensure that assets are built to maintainable standards and that long-term support is available to maintain them, the country office should identify – at the asset design stage – responsibilities and institutional arrangements at community, district and/or national levels for long-term maintenance.** Maintenance plans should be developed and implemented for each category of asset, including formal agreements where needed, social mobilization, capacity development and resourcing needs.



⇒ *Hand-over*

58. **Recommendation 7: The country office should reach agreement with the Government on the development of a functioning and sustainable government system for responding to food insecurity, to enable the eventual managed hand-over of C/FFA implementation.** This would be similar to the hand-over of responsibility for food security monitoring already in progress. Hand-over planning should take into consideration Nepal's changing aid modalities – such as sector-wide approaches – and successful models from other country offices. Appropriate financial support will be needed to support this work.

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## ACRONYMS USED IN THE DOCUMENT

|       |  |
|-------|--|
| C/FFA | cash/food for assets                     |
| CFA   | cash for assets                          |
| CP    | country programme                        |
| FFA   | food for assets                          |
| PRRO  | protracted relief and recovery operation |
| RCIW  | Rural Community Infrastructure Works     |
| VDC   | village development committee            |