

## ***Final Report***

### Evaluation of Collaborative Sustainable Development Planning Project (CSDPP): 2001-2005

Implemented by Namsaling Community Development Centre (NCDC)  
Ilam District, Nepal

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#### Evaluation Team:

Basudha Gurung, Team Leader, ODC Nepal

Tejinder Bhogal Singh, Human Resources Development Expert, India

Dipesh Thapa, Field Coordinator, SBCK Nepal

Sulakshena Tamrakar, Team Member, ODC Nepal

## Executive Summary

**Introduction:** The Collaborative Sustainable Development Planning Project (CSDPP) is implemented by Namsaling Community Development Centre (NCDC) in Ilam district, supported by The Development Fund Norway. The Project period covered by the evaluation is 2001 to 2005 (also referred as the second phase of CSDPP). The main goal of the Project is "to establish sustainable development planning system for better livelihood". The key approaches adopted are support to Sustainable Development Plan (VDC periodic plan) preparation and model implementation of different development activities following SDP.

NCDC and DF Norway decided to evaluate the Project. This evaluation is being succeeded by institutional analysis, and a business plan development of NCDC. A team comprising of ODC Consultants and Mr. Tejinder Singh Bhogal, Institutional and HRD expert from India were responsible to evaluate CSDPP. The team was supported by Mr. Bishnu Gauli, from the Ministry of Local Development.

**Evaluation Objective and Methodology:** The objective of the evaluation was mainly to assess the 5-year Project (2001-2005) results in terms of efficiency, effectiveness, impact, relevance and sustainability with reference to its stated goals, objectives and outputs. The evaluation looked into the management of the Project and institutional aspects of NCDC as a prelude to next phases of institutional analysis and business plan development.

The evaluation exercise has been participatory involving key stakeholders, communities, NCDC board and the Project staff. The evaluation design, data collection instruments and processes, roles of evaluation team and Project staffs, sample respondent groups were discussed and jointly agreed in a workshop with the Project staff and key board members of NCDC. The team interacted with 30 beneficiary groups, different district level stakeholders, NCDC partners and members of DAC and PAC in the process. The evaluation report findings were discussed in a workshop organised in Birtamode, Jhapa and feedback collected along with further actions to address the issues raised by evaluators.

### Major Findings

NCDC is recognised as a dedicated, cooperative and transparent organisation with strong base in the community and therefore its activities are still going on despite adverse working conditions.

**Relevance of Sustainable Development Plan (SDP):** The Project and its activities are in line with the local need and national priority. The larger support of the Project, i.e., SDP is in line with HMGN priority of promoting decentralisation and good governance. The SDP planning process has followed norms, method/process, approaches, and sequencing and prioritising suggested by the NPC guideline for periodic plan preparation. The large scale of involvement of community people, termed as *'the beauty of VDC level planning and implementation'*, orientation and training of community people in the process and empowering through information and development visions are some of the key features of the SDP. Such a process is envisioned to promote ownership, participation, equity, transparency, and accountability which ultimately lead to good governance.

The SDP prepared is an achievement and can be a model for replication in other areas of Nepal. All the activities under model implementation are of common relevance in almost all areas of Nepal.

**Results of SDP component:** In the Project period SDPs for 17 VDCs have been prepared. The Project has been able to promote decentralisation and good governance through preparation of SDP. The SDP development process has increased awareness among community people and VDC bodies and the benefits of the plan have proved its importance among them. The important changes brought by the SDP in VDC are: increased transparency in budget distribution, more accountable VDC representatives, distribution of VDC budget as per Plan, more equity based selection of the annual activities. The SDPs are being used as information base and for identifying the development needs of the VDCs mainly by DDC, and external development agencies (INGOs). An insignificant part of VDCs development projects fall outside of the plan.

The SDP implementation remains a challenge for most VDCs, mainly due to limited resources (financial and technical), limited linkage to DDC and other potential funders and very limited internal revenue generation options. The annual block grant (NRs. 500,000) from central government has in the recent two years greatly reduced due to conflict situation. The VDC's capacity to coordinate with different stakeholders for support to implement the activities, in absence of elected representative body is questionable and therefore also raises the sustainability of SDP system.

**Relevance of activities under Model Implementation:** All the activities under model implementation are of common relevance in almost all areas of Nepal. The areas of activities undertaken – support to local communities for establishing their own saving and credit organisation, support to introduce new cash crops, improved farming techniques, sustainable agricultural practices; health and sanitation; and environmental protection are all areas of common relevance in almost all parts of Nepal. Besides, conscious effort to inclusion of women, marginalised, minorities and dalits as cross cutting in all activities is as per development priority and needs.

**Results of Model Implementation:** Of the different model implementation activities, support to Saving and Credit Organisations (SCOs) and agro-based income generating activities have contributed in income generation of the community in Project intervention localities. The support to SCOs has contributed to credit access with lower interest rates at the local level. The saving of SCOs has been mainly utilised in fulfilling basic and emergency need for credit and mostly for other than income generating activities. Most SCOs are run by women while in others the women are in majority. However, majority of marginalised households of the local community have not been included in the SCOs.

The Project supported agro-based income generating activities have resulted in increased income of agricultural groups through introduction of new cash crops and agricultural practices. The support on health and sanitation has resulted in immediate benefit, e.g., improved cleanliness of school premises and surrounding, increased awareness on sanitation and hygiene and importance of protecting water sources. However, in some cases it was found that the user committees were not functioning effectively.

The issues of environmental protection and considerations though reflected in the SDPs, did not come out as priority. The activities on forestry such as forest nursery, NTFP plantations, and management training to forest user groups have not been able to demonstrate desired results.

The sustainable agricultural practice and waste management activities are considered the most successful interventions of the Project. As part of sustainable agricultural practices organic farming using *NASABIKE* organic fertiliser and organic pesticides and cultivation of "new

products" are remarkable achievement of the Project. These practices are acknowledged by the agricultural groups as reliable solution to reduce soil degradation and underground water pollution problems. The waste management activities (in Ilam municipality) has resulted in increasing awareness among local people and adopting new practices on waste management. This activity is being replicated by many local CBOs in the bazaar area.

The Project has attempted to address gender equity in its activities of SDP preparation, SCO strengthening and sustainable agriculture practice. However the model implementation activities have not reached to the very poor and marginalised groups to the extent desired by the Project. The model implementation activities are insufficient in scale to demonstrate significant impact on poverty alleviation and income generation of the VDC and the district.

**Project Management:** Project management in terms of planning, decision making and implementation is functioning well while monitoring and reporting of activities are the weaker elements. The security and political instability has negatively influenced the Project management, field activities and staff movement. This has meant different adjustments in the processes and activities, however the good reputation of NCDC/CSDPP in Ilam, and its strong base in the community has enabled the Project to continue its operations even in the conflict situation.

The Project has made real effort to address gender equity in its staffing, however this still remains a challenge. Team work and work culture of NCDC /CSDPP is open, cooperative and informal in nature. There is clarity among staff on their roles and responsibilities as well as reporting relations. Job descriptions are provided to staff. Some of the human resources development aspects are ad-hoc, e.g, capacity development, feedback on performance and retention mechanism. This also extends to internal cross sector (unit) communications and sharing. Streamlining these will help focus and strengthen the internal mechanisms and staff capacity. The accounting and financial management of the CSDPP / NCDC has greatly improved in the past two years through addressing the audit recommendations.

**Institutional issues of NCDC:** As an institution NCDC is unique in supporting the VDC to develop SDPs (VDC periodic plan). Its expertise on SDP preparation is a valuable asset, which NCDC should promote to other districts. Regarding growth of NCDC, several options have been proposed which are to be further discussed in the subsequent processes of NCDC's future planning. This involves form of organisation, role and composition of board as well. The Board's relation to the staff and Project management is healthy. The capacity of the Board, however, has to be enhanced in line with the future direction NCDC opts for.

## **Conclusion**

The SDP (VDC periodic plan) preparation, the process followed and outputs given the escalating conflict situation, is in itself an achievement of the Project. The key concern is implementation and sustainability of SDPs, considering resource constraints on part of VDCs and the phase-out of Project support. Of the model implementation the sustainable agricultural practice (organic farming) and protection of water sources are activities that are potential for replication and scaling up. The Project's effort to ensure gender equity in its model implementation activities still remains a concern in terms of reaching and benefiting the very poor and marginalised groups.

## Recommendation

**SDP preparation:** Active participation of women especially dalit and marginalised communities has to be emphasised. The Project should explore approaches to facilitating and supporting the post SDP activities mainly SDP implementation, partnership and participation of stakeholders, local resource mobilisation and search for external assistance. Advocacy of policies, rules and regulations for periodic plan development, its importance and role of local stakeholders should be integrated. Follow-up on coordination at central level (MLD mainly) and PAC has to be strengthened to provide opportunity for policy discussions regarding SDP.

**Model Implementation:** CSDPP should explore expanding the model implementation. The interventions should be focused in specific clusters instead of working with a few groups over a larger area.

**Gender equity – participation and benefit to poor and marginalised:** An effective mechanism to include women, poor, and marginalised groups of the community including dalits should be established. In SDP preparation process a separate meeting of women and marginalised groups should be held as mandatory to bring out issues and needs of women and ensure reflection of these in the plans.

**Strengthening the Collaborative nature of work:** CSDPP/NCDC should build on its collaborative nature of work, its networks and goodwill. SDP preparation process and the community stakeholders need to be linked to DDC, Line Agencies' and development agencies' planning process and resources. The Project needs to strengthen the capacities of CBOs and local NGOs.

**Sustainability of CSDPP:** CSDPP should further work on mainstreaming economic and socio-cultural sustainability issues in its programme. For effective political sustainability of infrastructure interventions, the Project needs to facilitate linking up the UCs with the VDC and DDC. CSDPP should explore in making the SDP preparation process more cost effective which will enable VDC and DDC to finance the process. There is urgency for NCDC / CSDPP to explore alternatives that can support the SDP and other activities.

**Monitoring, reporting and documentation:** CSDPP should establish effective monitoring system (guidelines), develop skills of staff, form and activate monitoring teams (at VDC level as well for follow-up). The documentation skills of staff have to be enhanced.

**Documentation and dissemination:** The Project should develop a strategy to promote the successful practices to the community groups, concerned agencies at district level, and in case of SDP to other districts and to national (MLD) policy makers. The flow of Project related information to the stakeholders has to be made regular and more effective.

**Enhance HRM and HRD of CSDPP:** The existing system for induction needs to be enhanced further. The internal capacity strengthening has to be planned (HRD plan). The performance evaluation system, feedback practice, mentoring and coaching needs to be refined. NCDC (CSDPP) should explore and develop competitive incentive mechanism to attract and retain qualified personnel. NCDC should develop second line leadership and sharing of knowledge and expertise within and outside NCDC.

**Internal Communication and Coordination:** It is suggested that the sectoral teams (units) of CSDPP hold quarterly review and sharing sessions. Furthermore, rotation of job, working in

pairs across sectoral units, and combined field visits are other measures that CSDPP can adopt to strengthen the cross section communication and coordination.

**Financial aspects:** CSDPP/NCDC needs to revisit the audit recommendations made by the auditors to refine its accounting and financial management practices. CSDPP may explore costing of the SDP process (use system of activity based costing), also to assess the level of input required, which if expansion of SDP is planned will be of use.

**Institutional Issues** NCDC should consider Option 5 (expand SDP outside district, a resource centre, offer SDP expertise), as the longer term (20 years) programme strategy and implications to the organisation, though this might be a difficult option. Its implications are to be further addressed in the subsequent exercises on institutional analysis and business plan development.

**Consolidate and phase-out of Project interventions:** For the remainder of the Project period the Project has to consider its comparative relevance of planning support facilitation vis-à-vis model implementation as regards the modality adopted in order to effectively address the community development needs of the local people (implementation of SDP activities). The various sustainability issues considering "phase-out" of the Project support to existing initiatives needs to be planned.

**Conflict sensitivity and security of staff:** NCDC should carry out a scenario planning based on which short-term strategies to work in the current conflict and unstable political situation is developed. The safety and security of staff has to be a prime concern and staff needs to be equipped with skills to manage security and conflict issues.

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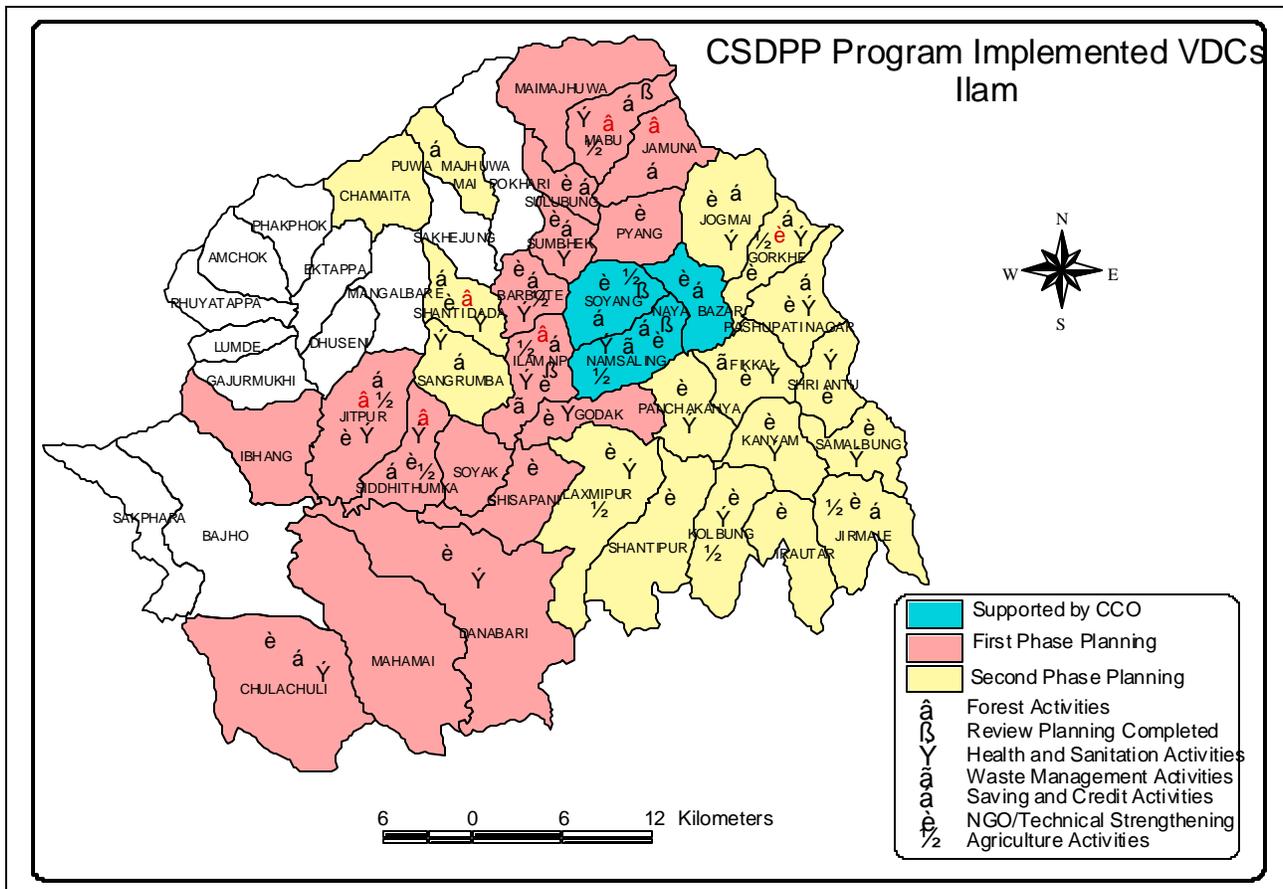
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## Acronyms

AEPC	Alternative Energy Promotion Centre
CBO	Community Based Organisation
CCO	Canadian Cooperation Office
CDO	Chief District Office
CFUG	Community Forest User Groups
CSDPP	Collaborative Sustainable Development Planning Project
DAC	District Advisory Committee
DAG	Disadvantage Groups
DDC	District Development Committee
DF	Development Fund
DFO	District Forest Office
FUG	Forest User Groups
GIS	Geographical Information System
HMG/N	His Majesties Government of Nepal
I/NGOs	International Non-Governmental Organisation
ICIMOD	International Centre for Integrated Mountain Development
IHRD	Institutional and Human Resource Development
LA	Line Agencies
LDO	Local Development Office
LFA	Log Frame Approach
LSGA	Local Self Governance Act
MJS	Mahila Jagaran Sanstha
MLD	Ministry of Local Development
NCDC	Namsaling Community Development Centre
NDEPP	Nepal District Environmental Planning Project
NGO	Non-Governmental Organisation
NTFP	Non-Timber Forestry Product
ODC	Organisation Development Centre
PAC	Project Advisory Committee
PDDP	Participatory District Development Plan
RREC	Regional Renewable Energy Centre
SCOs	Saving and Credit Organisation
SDP	Sustainable Development Plan
SHG	Self Help Groups
TOT	Training of Trainers
UNDP	United Nation Development Programme
USP	Unique Selling Proposition
VDC	Village Development Committee
VPP	Village Development Periodic Plan



## **Report Organisation**

The evaluation findings are organised into eight chapters.

*Chapter 1* describes the evaluation methodology. *Chapter 2* presents background on NCDC, CSDPP in terms of the objective, structure and current activities. The context of CSDPP in terms of political and security aspects and the local self governance level planning is also briefly presented. In *chapter 3* the relevance of Sustainable Development Plan (SDP) – VDC periodic planning and areas of model implementation by the Project is presented.

*Chapter 4* describes CSDPP's achievements, and the findings of Project component objectives (5) and the related outputs, the project design and modality, the match of the Project outputs to objectives and goal and the major challenges. The recommendations on areas to improve are also outlined under the sub sections. *Chapter 5* describes the management aspects of the Project. The effectiveness and efficiency of CSDPP and the impact is discussed in *chapter 6* while *chapter 7* briefly presents the institutional issues which NCDC needs to follow-up on in its future planning steps. Finally, *chapter 8* presents the conclusion and recommendations.

# 1. Evaluation Approach and Methodology

## 1.1 Background to the Evaluation

Namsaling Community Development Centre (NCDC) has been implementing the 2<sup>nd</sup> phase of Collaborative Sustainable Development Planning Project (CSDPP), since 2001. As this phase was due to end in 2005, NCDC, along with its key donor partner, The Development Fund Norway (DF) decided to evaluate this phase of the Project.

In a meeting held in October 2005, NCDC and DF Norway discussed the process of evaluating CSDPP. NCDC's view was that the evaluation should extend to cover NCDC's overall achievements. NCDC felt that the evaluation should keep in mind the 100-year plan that NCDC had developed in its first year of functioning. Finally, NCDC also felt that the evaluation needs to keep in mind the existing fluidity in the present socio-political and development situation in Nepal. These concerns ultimately led to an understanding that the evaluation of CSDPP, while essential, was not adequate by itself and that an institutional analysis be carried out. It was suggested that the institutional analysis would involve an assessment of NCDC's capabilities and potentials. Such an analysis would in turn help NCDC in developing future strategies (in the form of a Business Plan): strategies that would ensure the continuity of growth and relevance of NCDC in facilitating development activities. Hence the parties involved, NCDC and its key stakeholders, agreed that a three part exercise be held, 1) evaluation of CSDPP, 2) institutional analysis and 3) business plan development. The DF Norway would support financially along with other NCDC supporters (NCDF Canada).

The three part exercise would adopt a participatory approach, involving the key stakeholders, communities and NCDC board and staff members.

The evaluation of CSDPP is an independent evaluation carried out by consultants from Organisation Development Centre (ODC) Nepal and Mr. Tejinder Singh Bhogal, Institutional and Human Resource Development expert from India.

## 1.2 Objectives of CSDPP Evaluation

The objective of the evaluation was mainly to assess the 5-year Project (2001-2005) results in terms of efficiency, effectiveness, impact, relevance and sustainability with reference to its stated goals, objectives and outputs. The evaluation specifically aimed at identifying and assessing:

1. Achievements of the Project goals, objectives and outputs with focus on **effectiveness, impact and sustainability** – were the objectives of the Project clear, realistic and appropriate? *Please refer to Project Log Frame for details on objective and outputs in Annex 1.*
2. Integration of issues related to gender, ethnic groups, dalits and poor communities in their programme by the Project
3. **Relevance** of the Project in particular by the various stakeholders – also in current conflict context and for future (e.g., replication or scaling-up)
4. Project's response to external influences (mainly increasing conflict situation and absence of democratic / local governance) and thereof modifications in Project design and activities and the outcomes

5. Effectiveness and appropriateness of the Project management structure and processes (e.g., board, committees, management team and decision making), staffing and staff capacity, infrastructure
6. Quality assurance of the Project (monitoring) and lessons learnt for NCDC to further support community empowerment initiatives for improved livelihood
7. Collaboration and communication (external relations) with key stakeholders in implementing the Project
8. Financial management of the Project: Funding source, budget cycle, financial sustainability and financial reporting
9. Institutional context in which the Project has been implemented – what aspects of the functioning of the institution has helped the Project or impeded the Project?

### 1.3 Framework for Evaluation

As the focus of evaluation is on the results and achievements of the Project, the CSDPP Logical Framework is the framework for evaluation *Please refer to Evaluation Framework in Annex 2*. The goal, intended objectives, outputs and the activities in the Logical Framework were studied in detail and tools for verifying and measuring the intended change by each output were developed.

The evaluation had looked into both qualitative and quantitative aspects of the Project's expected outputs and the activities conducted to achieve the component objectives. Relevant indicators from the Project Logical Framework matrix were identified and other indicators added that would help "measure the change" of the Project interventions.

### 1.4 Data Collection

**Review of Literature:** The Project document including annual Project applications, Project reports, earlier evaluation reports, the prepared SDPs of VDCs (English and Nepali), NCDC policy manuals, audit reports (financial) and other relevant documents provided by NCDC were reviewed.

**Orientation Workshop for building common understanding of the evaluation:** A four days workshop was conducted in the Project office, Ilam, mainly to develop a common understanding on the purpose of evaluation and on different aspects of a Project evaluation. NCDC board members, Project staff and other NCDC staff participated in the workshop. The workshop was facilitated by the evaluation team. *Please refer to workshop programme schedule in Annex 3*.

The Project staff presented in brief the historical development of NCDC and the Project, its key components and implementation modality, which provided valuable insights to the evaluation team.

The evaluation framework was discussed in terms of evaluation objective, expected outcomes, the methodology and process. The key information sources and stakeholders to interview (individuals and organisations) were finalised in discussion with the Project staff. A plan for field level data collection was also developed. *Please refer to field visit itinerary in Annex 4*.

**Sampling:** Sampling for data collection was done, based on selection criteria developed collectively by evaluation team and the Project team. Criteria used for sampling were – objectives and activities of the Project, type of activity intervention, mix of well and less "performing"

activities, old and recent interventions, accessibility to the activity area / beneficiary groups and security issue. The CSDPP staff in small groups discussed and recommended the sample list based on their experiences and perceptions of the Project interventions. *Please refer to the details in Annex 5.* This was presented by the groups and finalised by plenary discussion. *For details please refer to Sampling Overview in Annex 6.*

**Data collection tool and process finalisation:** The tools and processes developed for information collection were discussed in the workshop and further enhanced (also translated into Nepali). The method, process and tools were tested in two different groups of CSDPP in Ilam Municipality. From the testing the tools and some processes were further refined. *Please refer to the questionnaires and checklists in Annex 7.*

**Orientation to field data collection team:** Orientation was given to CSDPP staff supporting the evaluation team in field data collection on the evaluation objective, method, tools and process.

**Interaction with district and central level stakeholders:** Interviews with district and central level stakeholders of CSDPP were held on their perceptions and experiences in working with CSDPP/NCDC on areas such as Project's implication on the district, relevance of the Project on the district and organisation of the Project.

**Field level data collection:** Individual and group interaction using semi-structured questionnaires, records/document review and observation were the key methods employed in collecting field level data. The lead role in data collection was carried out by consultants supported by Project staff in coordination and documentation of the interview outcomes. Following table lists the groups interacted for data collection in different VDCs and municipality of the district. In total 30 groups were interviewed. *Please refer to the details of the interviewees in Annex 8.*

Beneficiary groups interacted for data collection.

SN	Major Activity / Sector and Types of Beneficiary Groups Interacted	Number interacted
1.	VDC Plan	6
2.	Agriculture	4
3.	Health and Sanitation	4
4.	Waste Management	4
5.	Saving and Credit Organisation	3
6.	Partnership	3
7.	NGO Strengthening	3
8.	Forest	3
<b>Total</b>		<b>30</b>

The information and data were collected mainly from community people and other stakeholders at village and district level (staff /representatives of VDC, DDC and different line agencies) that participated or supported in the development of SDPs, the direct participants and beneficiaries of the Project interventions (model implementation), NCDC board members, CSDPP staff and other NCDC staff, other development partners and stakeholders of NCDC (advisors).

**Analysis and Report Write-Up:** The data collected was analysed. The outcomes of the evaluation were shared in the form of a draft report with NCDC (CSDPP staff) and with DF Norway in March 2006.

**Sharing and Feedback Workshop:** During the 3-day workshop held in Birtamode, Jhapa from 19-21 March 2006 CSDPP staff and NCDC board members provided feedback on the evaluation findings. The workshop aimed to discuss the outcomes of the evaluation, collect feedback and develop options to address the issues raised by the evaluation. CSDPP/NCDC members provided feedback and supplemented with additional information on areas unclear and requiring further clarifications or additions. In this regard the external factors effecting CSDPP's functioning and the Project's response was discussed. Also the "five sustainability areas" listed in the original Project Document was discussed. Finally an institutional issue which needs to be considered in the 2<sup>nd</sup> stage of the 3-part exercise in designing NCDC's future was discussed.

This report has been finalised after incorporating feedback and comments from DF Norway and NCDC/CSDPP.

## 1.5 Limitations and Constraints

The key limitations and constraints faced during the evaluation process were as follows:

- Security and mobility situation: Mobility to some VDCs was limited owing to security situation. This affected the design of the evaluation study. Sample groups had to be selected based on the security situation of different areas of the district. Interactions with beneficiary groups were also affected by the security situation as people feared in gathering together and interactions could not be conducted in detail in many areas.
- Activities run by the Project are similar to that of other organisations such as SCO, health and sanitation, etc. The beneficiary groups of the Project are also beneficiaries of other organisations. As such it was difficult to isolate the impact of the Project.
- The days allocated for the orientation and preparatory workshop was inadequate for proper orientation to CSDPP members to support in the data collection process.
- The presence of Project staff during interaction with groups might have affected the responses of the groups interacted with though it was ensured that their involvement was limited to meeting arrangements and taking notes.

## 2. Background to NCDC, CSDPP and Context

### 2.1 NCDC

Namsaling Community Development Centre (NCDC) is a non-profit making, social, apolitical non-governmental organisation based in Ilam District in eastern region of Nepal.

NCDC was established on 1 January 1985, with the aim of developing local capabilities in planning and ensuring sustainable development in the geopolitical region of Namsaling Village Panchayat (now known as “Namsaling Village Development Committee). This was the culmination of a two-week brain-storming session that developed a 100-year plan for Namsaling, the Namsaling Development Plan. NCDC has been providing its service in Ilam district as well as in six other districts of eastern Nepal. It was legally registered in District Administration Office, Ilam in 1987 and has been affiliated with Social Welfare Council (SWC) since 1988.

The head office of NCDC is in Namsaling VDC, ward no. 4 Shukrabare Bazaar. Initially, its services were focused within Namsaling VDC but subsequently expanded its activities in other VDCs of Ilam, i.e., to three other VDCs of Ilam in 1993 (2050 BS) and to seven VDCs of Ilam in 1998 (2054 BS). In 2000 (2057 BS), NCDC further provided its services to seven other districts of Eastern Region, namely Ilam, Panchthar, Taplejung, Dhankuta, Tehrathum, Sankhuwasabha and Bhojpur. NCDC is currently implementing a variety of programmes in Ilam District, and in six other neighbouring districts, as well.

**Vision of NCDC:** Creation of a self-reliant and equitable society

**Mission:** To direct the local community to take initiatives towards an elevated livelihood through equitable and sustainable development

**Objectives:**

- i) To manage the natural and cultural resources effectively.
- ii) To develop an appropriate technology and to handover the skill and the technology to the local community.
- iii) To carry out programmes on community development and reformation.
- iv) To uplift the educational, economic, and mental and physical health of the community.
- v) To develop leadership in the community.
- vi) To establish an equitable society.

**Major activities of NCDC:** NCDC has been implementing various community development activities with the financial, physical and technical assistance from various national and international organisations. NCDC has been facilitating community development activities under planning and environment, community health and sanitation, sustainable agriculture development, community economic development, communication/ technology, transportation education (formal and non-formal), water and renewable energy and gender and disadvantaged groups (DAGs).

The major programmes/ projects undertaken by NCDC are as follows:

- Collaborative Sustainable Development Planning Project (CSDPP), supported by DF-Norway
- Regional Renewable Energy Center (RREC), supported by AEPC/ESAP Volunteer Exchange Programme, supported by Fredskorpset, Norway

- Makotomaki Girls Scholarship Programme, supported by Makotomaki
- Syakhola Integrated Sub Watershed Management Project, supported by Canadian Cooperation Office (CCO)
- Planning for Biological Corridor Development, supported by ICIMOD

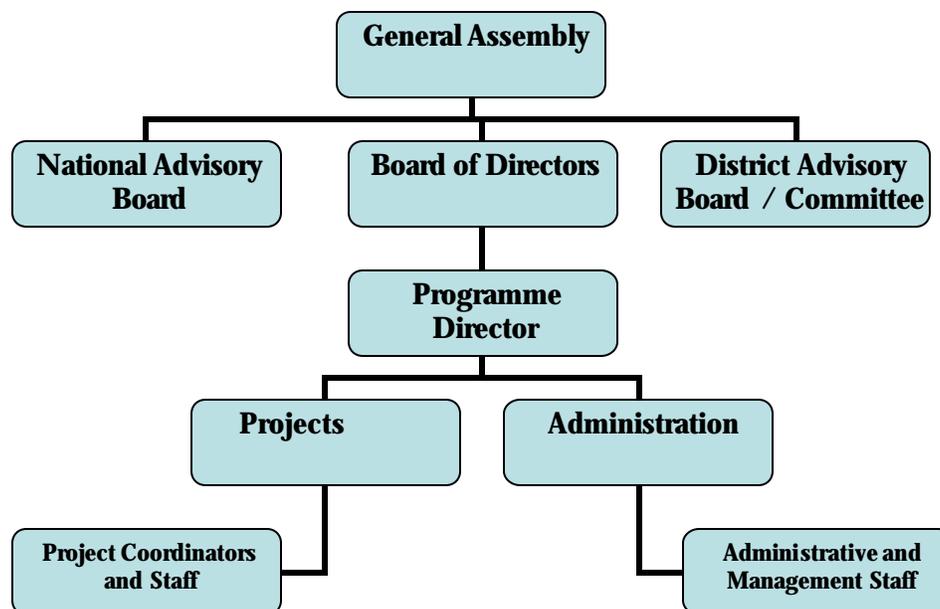
**Structure and Composition:** NCDC currently has 96 members of which 46 are lifelong members and remaining are general members. The executive board consists of 11 members of which 4 are female and 7 are male.

The structure of NCDC consists of Board of Directors, Programme Director and Project and administration staff of various levels. Programme Director is responsible for overseeing the Projects and administration/finances. There are four units, e.g., management unit, social mobilisation and planning unit, administration unit and rural services implementation unit. The Project Coordinators (CSDPP and RREC) report to the Programme Director.

In order to support the functioning of NCDC, it has formed an advisory committee at district and national level, namely District and National Advisory Committees. A varied mix of experts in different field including HMG district and national level, lifetime members, former chairpersons and other national and international organisations' are the members of these committees. The suggestions and recommendations of these committees guide the policy formulation of NCDC and is also supportive for cooperation.

The organisation structure of NCDC is presented below:

#### NCDC Organisational Structure



## 2.2 CSDPP

The Nepal District Environmental Planning Project (NDEPP) supported by DF Norway implemented from 1998-2000 was the forerunner of the CSDPP, which focused on preparation of VDCs village level environment plan and profile and watershed management plan. Environmental plans of 17 VDCs were developed in this phase.

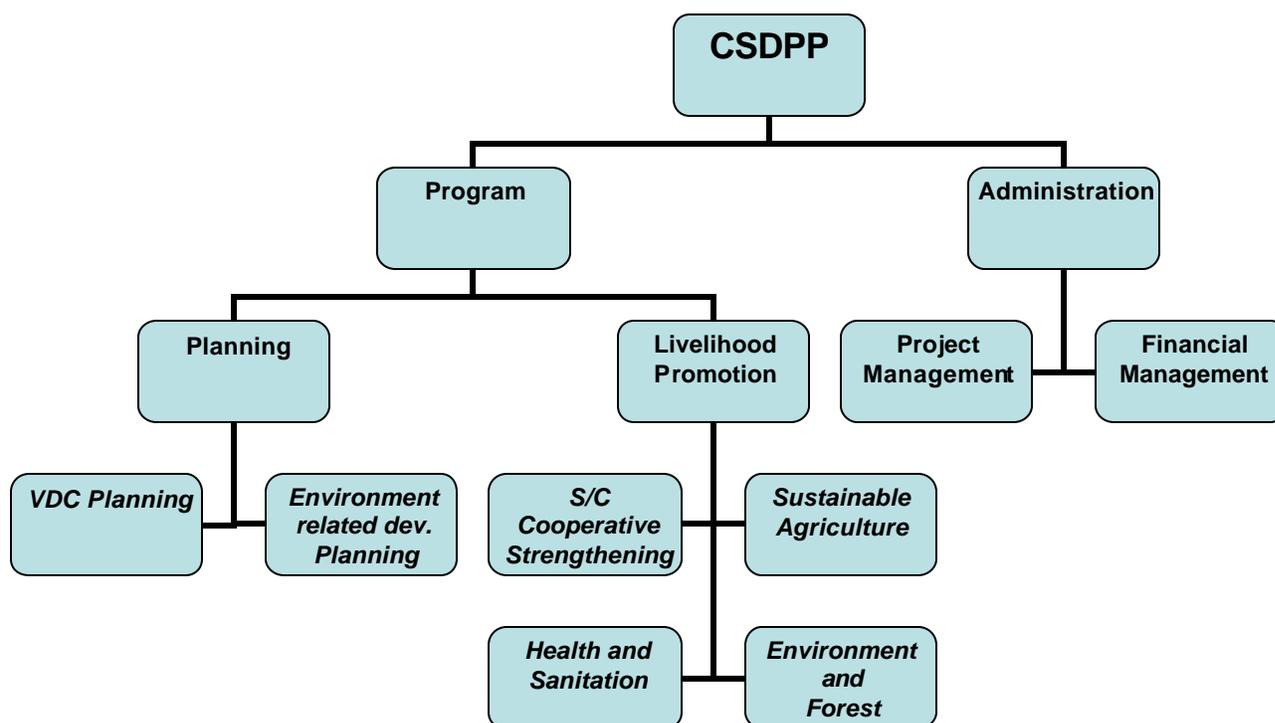
CSDPP is a continuation of NDEPP - it may even be termed as a second phase of NDEPP as it explicitly carries forward the core values of NCDC: involving the local community in planning and implementing the development activities at village and district level, for sustainable development. The focus was aimed towards poverty alleviation, decentralisation, good governance, gender, sustainable plan and environment, also following the district development plan of Ilam.

At present the third phase of CSDPP (2005-2007) is going on which consists of periodic sustainable development planning (SDP) of VDCs and Municipality as major component and other areas such as health and sanitation, sustainable agriculture, drinking water and capacity strengthening Projects.

CSDPP is the largest Project of NCDC involving half of the NCDC staff and representing 60% of NCDC's budget.

**Structure of CSDPP:** For operational purpose CSDPP is structured in sector (theme) units, e.g. health and sanitation; forestry; sustainable agriculture; saving and credit; and training. The organisational structure of CSDPP is presented below.

### CSDPP Organisational Structure



**CSDPP Goal:** The major goal of CSDPP is "to establish sustainable development planning system for better livelihood".

**CSDPP Objectives:** The objectives are as following<sup>1</sup>:

1. Component objective 1: Poverty of target groups alleviated through increased income levels
2. Component objective 2: Decentralisation and good governance established in the VDCs
3. Component objective 3: Gender equity established in VDC & NCDC
4. Component objective 4: Environment protection and consideration enhanced in targeted VDCs
5. Component objective 5: Implemented activities of the Project are publicised.

**Activities of CSDPP:** The major activity of CSDPP is planning component of VDC, i.e., Sustainable Development Plan (SDP) preparation and establishing partnership, coordination and linkages with stakeholders, line agencies and other agencies.

Besides these other activities undertaken by CSDPP to achieve its objectives are:

- strengthening saving and credit groups
- promotion of sustainable agriculture
- community forest management
- health and sanitation waste management.

Further, it has also provided services such as strengthening local NGO/CBOs for programme sustainability, coordinating and developing linkages with district level organisations.

The facilitation of SDP development involves technical and process support as well as financial resources. In general CSDPP holds consultative meetings with the VDCs and the community representatives. After several rounds of discussions and upon commitment from VDC to carry out the SDP, the following process is adopted.

SN	Steps for SDP Development Process
1.	VDC selection meeting with district advisory committee
2.	VDC level meeting
3.	Mass meeting
4.	VDC Planning Assistant Committee (PLAC) Formation
5.	Orientation meeting to Support Committee members
6.	Volunteer selection
7.	Volunteers training/ workshop – on participatory data collection
8.	Socio-economic and Biophysical data collection using PRA tools and techniques
9.	Ward level meeting (for planning)
10.	VDC level Data compilation / analysis including GIS
11.	Goal Setting / LFA workshop
12.	Draft plan preparation
13.	VDC level meeting for finalisation of the plan
14.	VDC council meeting
15.	Final publication and distribution

From mid 2004 the steps of SDP preparation was adjusted, mainly due to absence of elected representatives in VDC and escalating conflict. *For details please refer to Annex 9.*

<sup>1</sup> Revision of the logical framework – addition of objectives and outputs in 2003, 2004 and 2005

Internal preparations prior to the SDP process initiation in terms of coordination with the stakeholders is done by the Project staff.

CSDPP carries out model implementation of projects. Selection of a project is based on the proposal submitted by the community and or CBOs. Approval of proposed project is based on the results of general feasibility study and availability of fund for the initiative. Furthermore, the approval also depends on the implication of the initiative on SDP and the formation of committee for the implementation of the project.

Other activities such as saving and credit, sustainable agriculture promotion, community forest management and health and sanitation, CSDPP primarily emphasises in the formation of committee. The committees are provided technical assistance in the form of orientations, trainings on appropriate technologies in related sector and advice on institutional development. CSDPP also promotes group's activities and organises study tour apart from financial resources.

**Funding:** CSDPP programme is being implemented with funding from the Development Fund Norway. The total amount funded for the Project is US\$ 150,001.75. (NRs. 11,134,630.00) for the period, of which amount programme cost is US\$ 100,519.33 (NRs. 7,461,550.00) and Administration and overhead is US\$ 42,577.995 (NRs. 3,159,080.00). (The exchange rate of 1 US\$ = 74.23 NRs).

## 2.3 Political and VDC Planning Context

The implementation of a project vis-à-vis its planning and design is largely influenced by the changing context; social, political, economical, legal and environmental. The context in which the Project operates has important implications on all aspects of the Project cycle.

In the CSDPP period the political context of Nepal has changed drastically, with escalating insurgencies and armed conflict between government and Maoist forces. One of the direct effects is on the deteriorating security situation and absence of local elected representatives in the local governing bodies implicating all development and other activities in Nepal. This changed context has to be considered while assessing the results and achievements of the Project. The political, security and planning context of Nepal during the Project period is briefly discussed in following sub sections.

### 2.3.1 Political and Security Situation

In the past two decades, particularly after the restoration of multiparty democracy in 1990, Nepal has witnessed incessant turmoil in Nepal's political situation. The restoration of multiparty democracy for some time exhibited promising future; however, this came to an end with recurrent political instability followed by armed rebellion by Maoists since late 1990s. The last one decade, particularly since the emergence of violent conflict, development efforts have been largely curtailed resulting in serious negative implications in Nepal's socio-economic development. CSDPP project activities during this period too have changed quite evidently in order to accommodate the difficult political and security situation. In addition, the change in political context – dissolved parliament, absence of local elected representatives in the local governing bodies – negatively affected the local (DDC and VDC) level planning in Nepal resulting in serious difficulties in planning and implementation of activities at the local level.

The ongoing conflict, even after two rounds of peace talks remain a serious threat to Nepal's development endeavours. While the socio-economic cost of the conflict is almost incalculable,

the ongoing conflict has been able to raise critical issues for national discussion and debates including the social and economic inequalities which have long been recognised as underlying causes of the conflict. The inability of the Government to effectively address these critical issues has proved to be a fertile ground for the conflict. With the escalation of violence, few local and national level non-governmental development organisations have been playing key role in reducing the negative impact of conflict fall upon innocent, poor and deprived communities. However, the efforts of these organisations too have failed to achieve desired results due to growing insecurities and challenges at the field level. As the intensity of conflict is high in rural areas many of the field level offices and activities have been curtailed. Some of the development organisations have shifted partially to emergency and relief activities and some international emergency relief organisations have diagnosed Nepal as needy of their support

### **2.3.2 Local (DDC, VDC, and Municipality) Planning Context**

The evolution of capable and autonomous local governments that are accountable to people and able to manage the emerging developmental challenges at local level (DDC, Municipality, and VDC level) has been the vision of national periodic development plans. The enactment of Local Self Governance Act (LSGA) and series of by-laws in 1999 are the frameworks for promoting decentralised planning and participatory development. *Please refer to main features of LSGA in Annex 10.*

Before promulgation of LSGA, long-term plans were prepared only at national level collecting the demands from the districts. These plans could not reflect the needs of the local people. The promulgation of the Act is the realisation of the government based on experiences that unless the desire and needs of the people at grass root level are met, poverty alleviation is not possible.

The LSGA envisioned "*bottom up planning*" approach; VDC and municipality level plans are developed after which DDC level plans are prepared. Based on the district level plans, national level plans are developed. This process and approach would ensure that needs of the grass root level people are incorporated in the national plan.

The LSGA, with devolution of all local level planning and managing development activities at local level, has rapidly advanced. Different monitoring and supporting bodies have been formed at central and district level. This process has been supported by different international partners. This had remained as a priority of central government. Most of the DDC have prepared their periodic plan while VDC level planning has just started. LSGA has made a mandatory provision that each local authority should prepare its periodic plan with the objective of institutionalising development process.

The need of conducive environment for bottom up planning and implementation as envisaged by LSGA which indicated positive signs in initial years of its enactment has been largely hampered with the escalation of conflict in the recent years. The local bodies, DDCs and VDCs have, in essence been ineffective due to deteriorating security situation and mobility constraints. The absence of regular supervision and backstopping from the centre has been almost non-existent. The environment for local level planning, monitoring and evaluation has been restricted as a result of destruction in physical infrastructure coupled with fear and trauma among local government partners. The absence of elected representatives has also raised serious question on the relevance and ownership of development activities at the local level. As a result, planning and development activities have remained at bare minimum.

### 3. Relevance of CSDPP

CSDPP's relevance in the evaluation context is the relevance of outputs, project purpose (objectives) and overall goal to the priority needs and concerns of the recipient society and the nation.

The project is a response to the needs of the community for greater role in the development processes through enhanced participation and representation. Thus the team finds the overall goal of CSDPP corresponds to the priority needs of the broader community of Ilam district.

CSDPP's relevance can be viewed in the context of ongoing process of decentralisation and local self governance (LSGA), poverty reduction strategies of the national plans and to the district periodic plans. In assessing relevance of CSDPP the context of deteriorating and unstable political situation, increased armed conflict and absence of local government in the district outskirts and limited development activities as well as reduced service delivery from the government apparatus has to be considered. This is more so in the recent three years. Security constraints and mobility difficulties thereof, particularly to remote VDCs of the district need also to be considered. Despite these situations the Project has continued with its activities, and worked consistently to achieve its objectives.

The fact is that Ilam is considered as a district with high development index (11<sup>th</sup> out of 75 according to Nepal District Profile, 2006) and therefore may be considered as well developed economically, especially in contrast to a large number of districts in Nepal. However, the district does have several pocket areas which according to the DDC and NCDC people can be characterised as "*poverty stricken areas*" with limited options for sustaining a livelihood. In this context, some activities of the "*model implementation*" are of district specific relevance while others are of generic relevance in Nepal. The activities undertaken for agriculture such as promotion of organic fertiliser, introduction of cash crops and activities under environment such as forestation, promotion of NTFP are of specific relevance to the district. These activities are priority areas to address the deteriorating soil condition and deforestation problems, especially due to increasing tea farming and extensive use of chemical use on it. Other model implementation activities such as drinking water source protection and supply system, toilet construction for schools, strengthening SCOs are of generic relevance in all areas of Nepal. Relevance of model implementation would also be higher if the gender and ethnic considerations and marginalised groups of community are better approached and benefited by the Project interventions.

The relevance of the Project has to be viewed in the context of limited funding and thus a greater advantage of the collaborative approach of SDP preparation. This includes mobilising and involving the community people to raise their issues on development and take active part in determining the development needs, collecting adequate and useful information of the VDCs, identifying the priority development needs against the resources mobilisation constraints and dissemination of the practices to concerned stakeholders.

Considering the conflict situation which is escalating, and the political instability, the Project can explore alternative approaches for adapting its activities according to changing situation.

## 4. Evaluation Findings - Programme Results

This chapter presents the programme results including the major achievements of the Project.

### 4.1 Achievements

#### **4.1.1 Establishment and Mainstreaming a VDC level Planning System**

NCDC, in the process of implementing CSDPP, has established its credibility as an organisation that can develop Village Plans. Specifically, it has shown that it can develop Village Sustainable Plans (SDP) that incorporates critical VDC level development issues that the local community has identified. Further, this programme is recognised as having contributed to establishing and mainstreaming a VDC level planning system. In the process of SDP development, CSDPP has generated comprehensive information (for baseline survey) of the VDCs of Ilam. The information incorporated in these plans are being referred to frequently by the different actors including district line agencies and other I/NGOs in their own planning of development activities. These plans are being used as information bases, and also for identifying the development needs of the VDCs. DDC, is one of the main actors that has utilised the plans for its planning and monitoring of various activities in the district. Consequently, the developmental activities being taken up by the VDCs only occasionally fall outside of the plan. As such it has been easier for the local level politicians and others to deal with the political pressure often involved in the planning and resource allocation for development activities.

The emphasis on the participatory nature of SDP development has led to increased ownership of the plan at the local level, despite conflict situation that has reduced participation of locals and local political bodies in the entire SDP development process.

#### **4.1.2 Collaboration and Coordination**

NCDC/CSDPP has good networking and coordination with DDC, district line agencies, collaborating partners and other stakeholders at district level. NCDC has maintained a fairly good relationship with all the stakeholder organisations. All the organisational stakeholders interacted in the district appreciated the work of NCDC and their effort in maintaining good collaboration and coordination.

District Advisory Committee (DAC) and Project Advisory Committee (PAC) are the two advisory committees where organisational stakeholders are members and are two key forums where NCDC interacts with its stakeholders. The stakeholder organisations interacted were found to have regularly attended the committee meetings. They find NCDC welcoming their comments and suggestions. NCDC has been able to create an environment where stakeholders can openly criticise and provide suggestions to NCDC about CSDPP and its other activities. NCDC, however, expressed the challenges of frequent transfer of the people that are members of the DAC and hence had to frequently rebuild the relationship again.

The stakeholders at community level value NCDC's coordination; they find NCDC as easily accessible organisation to discuss any issues openly. The community people greatly appreciated the staff's ability to mix with them and understand their practical problems.

Alternative Energy Promotion Centre (AEPC), collaborating partner of NCDC, selected NCDC among different competing NGOs in Ilam based on their local image and portfolio. Likewise Canadian Cooperation Office (CCO) positively commented on NCDC's capability to work effectively with the community. However, the central level collaborating partners (PAC member mainly) suggested that NCDC besides conducting activities on donors' interest should come up

with new and innovative ideas that would utilise local resources and become more independent of donors.

VDCs do not have capacity to fully implement SDPs. They need collaboration and cooperation of other organisation for its implementation. NCDC has supported VDCs in this regard through coordination with other organisation for model implementation. However, after interacting with different stakeholders it is deduced that much needs to be done in this area. There needs to be follow-up support in SDP implementation. This can be done by a cell for implementation support through model implementation (existing) and effective coordination with other stakeholders.

## 4.2 CSDPP Component Objectives and Outputs

### 4.2.1 Component Objective 1: Poverty of the target group alleviated through increase in Income level

Among the three outputs – 1) increased capacity of SCOs, 2) increased agro-based income generating activities, and 3) improved health and sanitation condition; the first two outputs were found to have contributed to increased income of the local community involved in the Project intervention, while the Health and Sanitation components have had indirect effects. The team finds it difficult to assess whether increase in income has actually led to reduction in poverty and to what extent Health and Sanitation component indirectly contributed to increase in income. The activities undertaken under Health and Sanitation component were not directly linked to income increase but cost reduction and in absence of base line it was difficult to segregate the benefits.

#### **Output 1.1: Saving and credit co-operatives capacity increased through their capitals and returns**

Establishment of SCO has contributed in strengthening credit system at community level. Before, the community people used to borrow from local money lenders in high interest rates (above 36%, in some areas such as Ward no. 8 of Gorkhe VDC where Neel Kamal Cooperative Limited was established, it was up to 120%). The interest rate depended upon the need of debtor and local money lender used to take advantage. The Project has resulted in reducing some of the dependence on money lenders. At the moment, though, the quantum of loans given does not seem large enough to meet all the credit needs of the members, still, it is expected that if the groups keep on increasing their income, such a condition may arise in a few years. The interest rate was found at the highest at 18%. The participation of women in SCOs is very encouraging and many SCOs are managed by women; also have women members as majority. However, the SCOs interacted have not been able to include the poor and marginalised sections of the community.

The Project has supported in formulation of saving and credit groups and more so in strengthening already formed groups that were dormant. The key support has been in formalisation of the groups by assisting in preparation of documents such as article of association, facilitation in registration process, coordination with district cooperative office for registration and training. Besides, orientation on the essence and importance of cooperative was found as key to group formation. Continuous guidance and backstopping support to the SCOs and trainings such as account keeping have been important to strengthen these groups.

- **Functioning of SCOs:** The registered SCOs are functioning well through regular saving and provision of credit. Each SCO has its own regulations for saving and lending based on the local capacity and needs. The presence of SCOs in the community has led to easier access to credit at local level. The SCOs provide credit instantly upon fulfillment of criteria, which are specified by the SCO. For example, Seti Devi Multiple Cooperative Ltd., in Ward 8 of Ilam municipality instantly provides a credit of Rs. 2,000 to each member. If the person needs more than Rs. 2,000 the person has to bring consent letter of other members and with each members consent letter the person gets additional Rs. 2,000. This functions as guarantee and the guarantors can take loans for themselves, only after the said individual has returned their loans. *Please refer to Annex 11 A.*
- **Membership pattern in SCOs:** Most SCOs are based on women membership whereas others are mixed. In general the membership varied from 30-60 (Neel Kamal Cooperative had 48 Female + 5 Male members, Seti Devi Women Multi Purpose Cooperative had 45 members). The membership pattern in the SCOs is found to be dependent on the geographical proximity. In some cases it was found that high monthly saving rate has excluded poorer members of the locality from the SCOs membership. For instance, the increase of monthly savings from Rs. 20 to Rs. 40 and later Rs. 50 reduced the members from 74 to 45 in the Seti Devi Multiple Cooperative Ltd. The decision of high monthly savings was made by majority voting.
- **Income Generating Activities led by SCOs:** The reasons for establishing SCOs as specified by the SCOs members was for access to easy and low interest credit in family emergency need and to undertake income generating activities. The records of saving and credit show that the establishment of SCOs has contributed in fulfilling basic and emergency needs for credit and mostly for activities other than income generating. This exhibits that there is need and scope for promoting income generating activities.

#### Neel Kamal C cooperative, Ward 8 of Gorkhe VDC

SN	Name	Total Credit Taken	Total credit availed from SCO	Reason
1.	Dhan Kumar Tamang	2,560+800+4,800	3,200	Seed, Ploughing, Fee
2.	Padam B. Budhathoki	30,000	4,800	House maintenance
3.	Jhukrani Subba		1,600	Fee for children
4.	Man Maya Tamang	8,000	8,000	Daughter's marriage
5.	Dil B Dahal	32,000	4,800	Registration of land
6.	Kamala Rai	not disclosed	1,600	Medicine
7.	Anita Khadka	8,000	4,800	To buy horse
8.	Man Maya Rai	not disclosed	4,800	To buy cow

The above table presents the purpose of credit, amount of total credit required and credit taken by members of Neel Kamal Cooperative, Ward 8 of Gorkhe VDC. The columns *total credit taken from different sources* and *credit taken from the SCO* shows the cooperative not being able to supply credit as per members' total need.

The SCOs interviewed admitted that they have not been able to include all members of the community. The reasons were mainly that some community members do not trust the SCOs whereas some poor members cannot afford to become members due to lack of money.

**Recommendations:**

- An effective mechanism to include the poor and marginalised groups of the local community is needed in order that immediate and micro credit needs of these groups can be addressed. Forming smaller groups that are more homogenous culturally and socio-economically the poorer and marginalised community members would be in better position to run the SCOs on their own terms.
- The Project should promote micro enterprise activities among the groups through trainings for further utilisation of credit on income generating activities.
- The Project should consider handing over the component of supporting SCOs to its partner organisation Mahila Jagaran Sangh (MJS) and link it with the concerned line agencies. Alternatively the Project should develop guidelines and reference materials which will guide the SCOs in their own functioning.

**Output 1.2: Agro-based income generating activities increased**

CSDPP's support to the agricultural groups are training on farming process and fertiliser preparation, supply of seeds and tools, construction of green house, marketing support for agricultural products, educational excursions, preparation of the article of association, and support in registration and management of CBO.

Supported by the Project the groups have introduced new vegetables such as Cauliflower, Broccoli, Cabbages, Tomato, Cucurbit, Asparagus (*Kurilo*) and many members of these groups have benefited from it.

The major achievement of the Project observed is the change in agricultural practice; the gradual increase in use of organic fertiliser – NASABIKE – which NCDC has developed. Organically produced vegetables are gradually getting accepted in the market, as information and reasons for higher price of the products are gradually being disseminated to the locals.

The support to agricultural groups has resulted in transforming the groups into local CBOs. The farmers have realised negative impact of using chemical fertiliser and pesticides on health and environment which is one major outcome of the agriculture support programme. Some farmers' user groups have made profit by growing agro-products in support of CSDPP. In one group visited the members no longer take loans to buy vegetables for consumption, but instead generate income via vegetables selling. A few cases of failure were observed mainly as farmers incurred loss from production of vegetables from this particular agricultural practice (organic fertiliser and pesticides) while neighbouring farmers continued as before. Losing out in the competition these farmers discontinued the practice introduced by the Project.

The people of Ilam district have been over many decades engaged in cash crop production (*ginger, alaichi, amrisho, tea etc*) which has been challenge to the Project and the model implementation activities to link its contribution to increase in income of the target communities. Measuring income benefit to agricultural groups is further more difficult due to the advocacy and promotion of use of organic pesticides and fertiliser which in the short term yields reduced production though may have longer term gains.

The support in this component has a positive impact both in the short-term by addition in income and in the long-term by use of organic fertiliser and pests that are of urgent need to the district to address the alarming problems created by overuse of chemical fertilisers especially in tea farms. However, this component has benefited only few project supported agricultural groups of the district.

**Case:** The members of cooperatives such as Eloie Multi Purpose Cooperative, Anthonium Multi Purpose Cooperative are producing new vegetables collectively and at individual level. Out of 28 members 20 member households are producing the vegetables and majority sell the products in Anthonium Multipurpose Cooperative. According to a rough estimate presented by the members of the agriculture cooperatives a member in an average makes Rs. 10,000 per annum from vegetable and horticulture production. Besides, the fund of saving cooperative is also growing. In case of Eloie Multi Purpose Cooperative, farmers from neighbouring wards have joined the group and are also replicating the practice of vegetable production mainly as they find it conserving the soil even though the yield is lower than using modern chemicals.

**Recommendation:**

- A strategy to promote sustainable agricultural practices, e.g, exchange of best practices among the agricultural groups and concerned agencies and linkage of farmer to the local market for organic products is needed. The Project should consider focusing its interventions in specific clusters instead of working with a few groups over a larger area. Information dissemination on production and marketing of agro-based products has to be made more effective.

**Output 1.3 – Health and sanitation condition improved**

CSDPP has supported in construction of toilets, drinking water supply systems and mainly drinking water source protection. CSDPP has provided partial support in form of materials. It has also facilitated the local community by providing extensive technical support.

This intervention is indirect but supportive to the achievement of component objective, and often an entry point as it addresses the communities' basic need of drinking water/water supply. The intervention has benefited the communities in increased awareness on sanitation and importance of protecting water source. The construction of toilets and drinking water supply are need based, mainly for schools and are tied with drinking water system support. This tied support was found practically effective as water was also used for developing better awareness about health and sanitation for school going children. However, the condition of the toilets and water systems varied. The construction of toilets has drastically improved the cleanliness of school premises and surrounding areas. Prior to the construction of toilets, students as well as teachers used to go to nearby fields for toilet and the girl students used to avoid going to toilets during school time. In case of illness they used to be absent in the class. However, with the toilets getting installed, the above mentioned behaviour of students has greatly reduced.

The team found that the VDCs have included health and sanitation programmes in their VDC periodic plans.

There is an issue of management and maintenance of the water taps and water sources protection, as these are not functioning effectively (e.g, Godak and Kolbung VDCs). In some ongoing Project (with approximately 20 households) the active leadership of the user committee chairperson had mobilised the locals. The schools lack maintenance funds for the toilets constructed. Often it has required frequent monitoring from CSDPP for the Projects to be successful. This raises questions about Project intervention, phase-out and the sustainability of the output once CSDPP phases out.

In some of the Project areas there seems to be a need for purification and proper filtration of water.

**Case of Barbote Drinking Water User Committee:** In Fikkal VDC, a large drinking water system was constructed jointly by NCDC, Rural Reconstruction Nepal and local community with support from DDC upon NCDC's promised contribution. This is a high cost project and users have to pay Rs. 3,200 as deposit for new members and monthly fee as well. In subscribing to this system, people have to pay anywhere between Rs. 6,000 to Rs. 8,000. The team observed that for most poor and needy households this is beyond their financial reach. Consequently, they are still dependent on the natural sources of water which may be as far as fifteen minutes from their houses. All this has created a gap among those who can afford to pay and those who cannot. *Please refer to the details on the case in Annex 11B.*

In case of Siddhithumka VDC, a 12-member water users group had been formed. The users group was dependent on a common water source that emanated from the land of one of these water users. As per NCDC's suggestion (which had played a critical role in forming this water users group), the owner of the land had entered into an agreement with the others to supply water. The person who owned the land sold that land and went off. The new person who came refused to provide water. The group approached NCDC who suggested that the group send their application to the DDC. Unfortunately, the DDC too could not do anything as the group was unregistered. After pressure from the local Maoist group the person has presently consented to solve the problem. *Please refer to the details of the case in Annex 11C.*

**Recommendations:**

- The Project should conduct feasibility study more systematically, with increased involvement of local community. This is to bring awareness in use of the public good created, ownership and sustainability of the public good from the start.
- The Project should facilitate user committees to establish stronger linking to the VDCs.

**4.2.2 Component objective 2: Decentralization and Good Governance Established in VDCs**

One of the key objectives of having periodic plan is to promote decentralisation and good governance at VDC level. The plan preparation process suggested in the 'guideline' of HMGN has attempted to ensure community empowerment through the process itself. The plan formulation process requires involvement of large number of VDC people representing all sections of the community especially women and marginalised groups. It further requires preparation of VDC profile by the VDC people's involvement, collection of need of each community/settlement, prioritisation of need by the local representatives. These are measures towards empowering people and ensuring good governance.

The Project has followed almost all of the steps suggested by the HMGN 'guidelines' on VDC periodic plan preparation. In the earlier SDP preparations, the workshops for women and marginalised / minorities / dalit communities had not been conducted. The Project has introduced Planning Assistance Committee (PLAC); the members are selected from the mass meeting. The PLAC is led by the VDC chairperson and includes community leaders, teachers, CBO/NGO representatives and other groups. The PLAC's main role is to support the SDP process and has been effective in absence of elected representatives of VDC and also to work in conflict situation. However, due to conflict many of the political and government representatives of PLAC were unable to participate actively in the planning process. The VDC secretary (government bureaucracy) has been the acting chairperson of VDC and PLAC, many of whom could not visit their respective VDCs.

SDPs and the process by which these are developed specially in the recent conflict sensitive times are the Project's key outputs. The Project has in this regard contributed to promote decentralisation and good governance at VDC level. The SDP development process has increased awareness among community people and VDC bodies. The important changes brought by the SDP are: increased transparency in budget distribution, more accountable VDC representatives, distribution of VDC budget as per Plan, more equity based selection of annual activities.

As regards implementation of the SDP the team noted that activities mostly implemented in the VDCs after SDP preparation are from the SDP itself. There were, however, a few exceptions. It was reported that larger projects could not be implemented as it required large external support (financial and technical), which the VDC had limited capacity to mobilise and the VDC revenue is also limited. Fikkal VDC, however, has mobilised and has initiated implementation of large scale drinking and irrigation project. The organisations and funding agencies willing to support is limited. The remotely located VDCs have limited access to and network with funding organisations

In VDCs where SDPs were prepared in the initial Project years, the community people have started to lose confidence and enthusiasm, as implementation of development activities in their VDC has been limited. The reason being limited funds at VDC level resulting in only very few projects getting implemented. Also in 2004/2005 the budget release from MLD was delayed and the final release was very nominal.

The issues and concerns specific to women and marginalised communities are inadequately addressed in the SDP documents. In some cases, e.g., Namsaling VDC activities especially for the dalits have been carried out – toilet and drinking water construction and awareness raising for education.

### **Recommendations:**

- The Project has to strengthen the mechanism for effective participation of women and marginalised groups including dalits in the SDP process. Their issues and concerns have to be reflected from the needs identification to prioritisation.
- The implementation of the SDP is crucial, also in the context of conflict and absence of elected representatives in the VDC. The options for effective implementation of SDPs offer a combination of options.
  - The Planning Assistance Committee (PLAC) formed to support the SDP preparation should give continuity in following-up on SDP implementation. The PLAC members should be oriented on networking at district level.
  - Appoint a mobiliser to facilitate post SDP prepared activities – implementation, partnership and participation of stakeholders, local resource mobilisation and search for external assistance. The mobiliser can oversee several adjoining VDCs. The local NGO or CBO or some of the PLAC members can take up this role.
  - Organise quarterly meetings at VDC and half yearly meetings at district level (explore using the DAC forum) with stakeholders for review, implementation and follow-up of SDP.
  - Sharing among VDCs, e.g., VDC that have effectively implemented SDP share learning and experience with other VDCs. Also this platform will help in making SDP more public.
  - Advocate policies, rules and regulations for periodic plan development, and its importance and role of local stakeholders

### **Output 2.1: VDC assisted to make their periodic plan preparation**

The Projects support in VDC periodic plan development has been critical in terms of technical support and facilitation of the process. In the Project period SDP was prepared for 17 VDCs. NCDC/CSDPP's presence and emphasis on the different parts of the process, participation and active engagement, orientation and finally support in documentation / write-up of the VDC plans and distribution has been critical. It takes approximately 6 months to prepare a VDC plan during which the NCDC/ CSDPP team work closely with the Planning Assistance Committee formed at VDC level.

CSDPP's effort in assisting VDC's to prepare a VDC periodic plan has been well appreciated and recognised as effective vis a vis the previous phase planning process. Although many of the actors involved termed it as a lengthy process they very much appreciate the participatory nature of the process and the focus on women involvement.

### **Output 2.2: Active public participation of local communities in sustainable VDC planning increased**

From the field interactions it was verified that active community participation was ensured in the VDC profile and plan preparation. Dissemination and discussion prior to SDP preparation by CSDPP team members with local CBOs supporting the social mobilisation have contributed in high turn-up of community people in the planning process. The guidelines of 30% participation and involvement of women, has been maintained except in few cases where it is slightly lower<sup>2</sup>. The participation of social leaders has been high while VDC representatives have been limited largely to district headquarters. The security situation has been the major concern in visiting the VDCs. However, they see the need to develop SDP for all VDCs and also review current ones.

The VDC secretaries indicated commitment to provide VDC funds for SDP preparations while admitting resource scarcity and lack of technical competency within the VDC.

The local communities have become aware of SDP and its importance. The identified priorities for development activities still tend to be dominated by infrastructure, e.g., roads, drinking water and irrigation. Considering low level of participation and voicing capacity of the poor and marginalised groups the team finds it difficult to ascertain the extent to which the priorities of these groups have been integrated in the SDP preparation.

In terms of ensuring linkage between SDP planning process, the SDP and the district planning process and district periodic plan the team found NCDC to be working as a bridge mainly through the District Advisory Committee (DAC). This forum has been significant to promote and link the VDCs to the concerned HMG/N agencies or other development partners in the district. There are instances of activities being coordinated and supported as result of DAC's decisions. However, more effective mechanism is needed to better integrate the different planning processes at various levels in the district.

Seventeen SDPs (each requiring average of 6 months of CSDPP staff involvement and follow-up) have been developed in the 5-year period. This in itself can be considered as an achievement considering that approximately half of the SDPs are developed under difficult circumstances (absence of local government, insurgency and security problems). In addition, Ilam municipality and Namsaling VDC were in the process of completing second term of their SDP. This, however, appears to have been a push more from NCDC. The concern is regarding the quality

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<sup>2</sup> The reasons are mainly overlap of plan preparation time/period with the agricultural (cash crop) seasonal activities as well as insufficient women of adequate literacy in the time of making the VDC periodic plan.

of process of SDP preparation. Large meetings could not be organised in many VDCs (VDC council meetings). The voices of women and marginalised groups have not been clearly reflected in the prepared SDP documents.

Limited finances and technical competency at local level will require CSDPP's assistance in future too, to bring out a quality SDP. CSDPP has in the recent two years increasingly used local level CBOs to support in the coordination and social mobilisation for SDP preparation, which has been largely supportive.

**Output 2.3: Coordination between NCDC, NGOs, line agencies, VDC and DDC increased**

NCDC has been able to enhance its coordination with VDCs, DDCs, line agencies and various local NGOs, particularly for SDP preparation. The different district level stakeholders expressed good coordination with NCDC. The participation of VDC level stakeholders was ensured in the SDP preparation process at different stages, while participation of district level stakeholders has been limited to meetings and draft plan reviews at district headquarters. This was also due to security situation. The plan finalisation requires involvement and approval by VDC council and DDC. From mid 2004 the VDC council meetings were not held.

The capacity of CBOs have varied and further training / orientation is required. As an example the Golden Valley Youth Club, Jirmale VDC are enthusiastic and have even initiated the implementation of activities of SDP, are unable to coordinate and implement it effectively due to lack of capacity.

The District Advisory Committee of NCDC is a unique forum and NCDC has been instrumental in establishing the DAC. The membership includes representation of all key district line agencies, development partners (international and district level active in the district), the DDC's planning section, LDO as the chair and the CDO. The DAC holds regular meetings and functions as a coordination and policy advice body for NCDC in its development programme policy. Through this forum NCDC has maintained good relationship with its stakeholders and also has promoted the SDP concept as well as funding support to implement SDPs. However, NCDC can extend this aspect further as it already has links established and can proactively make use of those practices and NCDC's expertise to other districts as well.

**Recommendations:**

- There is need to focus on effective coordination with INGOs and DDC to actively refer to the SDPs while implementing their development projects.
- The CBOs selected for developing SDPs has to be further strengthened for effective social mobilisation and programme implementation.
- NCDC should proactively utilise the already strong linkages and networks established to promote its key activities, best practices and expertise on these.

**Output 2.4: Information dissemination, sharing and promotion of good governance of the VDC and local communities increased**

The SDP plan preparation process has promoted information dissemination, sharing and promotion of good governance. The SDP is partly a VDC profile that analyses the problems and needs at settlement level. The SDP is shared with all district level stakeholders before finalisation. As such there are in-built mechanisms in SDP plan preparation process for information dissemination and sharing.

As mentioned earlier, the result of having SDP has increased transparency, more accountable VDC staffs and less influence on budget distribution and project planning by locally influential people. These results are contributing towards good governance at VDC level.

**Recommendation:**

- The SDPs need to further address the issues of women and marginalised communities. The information dissemination to reach these groups has to be strengthened further. The Project should facilitate linking of SDPs of one VDC with the adjoining VDC for development activities of common interest and also require resource sharing, e.g., irrigation and road construction projects that run through several VDCs.

**4.2.3 Component Objective 3: Gender equity is established in NCDC Organisation and VDCs**

The effort made by NCDC to promote gender equity in the Project and NCDC is inadequate. The Project has ensured women participation and involvement of women in the SDP preparation process as facilitators except in a few cases. Even in model implementation such as SCOs strengthening emphasis has been given as majority of members are women. However, this has not been the case in NCDC board and Project staffing. The ratio of female and male staff working in NCDC for CSDPP is very low; only 2 of the 13 are women.

**Output 3.1: Women leadership within NCDC increased**

NCDC has made several attempts to enlist women in their staffing list and has faced different constraints. Currently women do not hold any of the key position in NCDC. This is described more in the management section 5.6.

CSDPP provided capacity enhancement trainings such as Training of Trainers (TOR) on Gender to its women board members. Likewise to its staff members, it provided saving and credit training and an opportunity to attend a seminar on sustainability in India. Further, NCDC has incorporated gender related issues in its operational policies. It has good coordination with Mahila Jagaran Sanstha (MJS) in several of its programmes.

These training and coordination with other organisations have indeed enhanced the competencies of NCDC staff. The team, however, view that further encouragement is required to build confidence on decision making and expressing ideas assertively in order to strengthen leadership among the women staff.

Since the beginning of NCDC, there have been 6 Secretaries, 6 Presidents and 6 Treasurers; of these there is no evidence of women holding any of these key positions. At present, of the 4 women members, one holds the position of vice-secretary while others are general members. In NCDC there are only 2 women staff and none of them hold a key decision making position.

**Recommendation:**

- Besides capacitating members and staff, NCDC has to open its membership to capable women. A priority should be given to women while recruiting staff and offering membership.

**Output 3.2: Active participation of women in sustainable planning increased.**

Women's involvement in ward-level meetings and as volunteers for VDC periodic plan preparation has been effective as it has been able to pursue VDCs for 50% women participation as Volunteers and 30-50% participation in ward level meetings.

Separate meetings for women need to be organised in more VDCs so as to bring out more women related issues in sustainable planning process.

**Recommendation:**

- Effort has to be made for active participation of women especially that of dalit and marginalised communities in the planning process. A separate women's meeting has to be made mandatory for bringing out women's issues and ensuring reflection of these in the plans.

**Output 3.3: Economic empowerment of women promoted through saving and credit organisation.**

The Project support to establish and strengthen SCOs was found to have contributed to economic empowerment of women. The establishment of SCOs has increased access of women to saving and credit. In aggregate women membership was overwhelming compared to male membership in SCOs. Majority of SCOs were formed by women with only women members. However, as indicated earlier work needs to be put into the SCOs in order that a larger percentage of women members – particularly the poor and the marginalised – gain from the credit activity. Thus, at the Seti Devi Mahila Bahu Uddeshiya Sahakari Sanstha only 22 of the 45 members had managed to take loans from the SCO to date. And only 7 of these 22 had taken a loan which could be considered big enough to have resulted in a significant income (all of these 7 had taken loans of Rs. 8,000 or more).

**4.2.4 Component Objective 4: Environment protection and consideration enhanced in targeted VDCs**

All the studied SDPs have incorporated environmental issues. Plantation and forest management activities as part of model implementation were found to have been undertaken in different VDCs. The activities have been able to increase awareness and importance of forestation and environment protection. However, the coverage of forest was not found to have increased significantly in the visited areas as forest user groups appeared less effective.

Waste management activities carried out in the two municipalities were found to have mixed results. In Ilam municipality waste management is found to be functioning well and several neighbouring toles are adopting the practice after seeing positive results. However, sewage management still needs to be addressed as this appears to be a problem in the municipality areas where population density is high.

Fikkal has its own waste management plan but the implementation was not found very effective. The main reason cited is that in bazaar area the residents are mostly from outside (being temporary traders), and are less engaged in the development activities.

**Recommendations:**

- The environmental issues are reflected in the SDP document but are not listed as priority activity. More emphasis has to be given to ensure adequate integration of environmental issues in the SDP preparation process. A suggestion is to present the environmental condition and its future implications before prioritising activities in the plan. The Project should consider merging this component objective as a cross cutting issue or alternatively change the component to Natural Resource Management.
- The Project should consider advocating environment issues in partnership with local level organisations.

#### **Output 4.1: Environmental problems adequately addressed in planning by Project stakeholders**

Although the VDC plans have attempted to include environmental problems such as landslides and soil erosion these appear to be of secondary concern in implementation.

An issue that Ilam residents need to raise is the popular use of pesticides by tea plantations and the larger cash crop producers, which already has created soil degradation and reduced production in the nearby agricultural land. These are yet to be taken up as an issue – also as the voices of the tea plantations are stronger and due to dependency of many locals on the tea plantations for a living, they do not raise the issue.

The VDC secretaries also indicated that if serious environmental problem arise such as landslide, fire or flood then certain amount of the VDC fund is allocated (diverted often) to such cases.

#### **Recommendation:**

- NCDC should consider targeting more affluent sections of the community to take up larger and environmental issues that the district is facing and will face while continuing to promote best practices on environmental protection through use of existing CFUGs or other district level efforts (stronger links with the District Forestry Office).

#### **Output 4.2: Capacity of NCDC's staff to perform bio-analysis enhanced**

NCDC staff have participated in biophysical analysis training. Their capacity on bio-analysis has been enhanced and is effective currently, particularly during VDC periodic plan preparation, which requires baseline survey for bio-analysis data. However, staff suggested that their capacity on bio-physical analysis still needs to be strengthened. The GIS technology has been used in SDP preparation and sharing among staff has further enabled this.

There is a need to enhance competencies of other staff for application of GIS technology, also to avoid dependency on single person.

#### **Output 4.3: Forest degradation reduced**

CSDPP has facilitated forest management trainings in the model implementation Project areas, demonstrated plantation process and provided NTFPs seedlings for plantation to the Community Forest User Groups of the area. In case of Kirate Simle Aagle Paireni Community forest of Santidanda and Birendra Khalde community forest of Ilam municipality, CSDPP provided trainings on forest nursery production for tree seedlings, NTFP seedlings namely Champ, Pipli, Chiraito, Sugandhanal etc.

These supports have generated awareness and also interest among community people towards tree plantation. FUGs have even initiated planting trees in their respective community forest. Further, thinning, pruning and cleaning of community forest area have also taken place as consequences of the forest management training.

However, the nurseries of the selected samples are not properly managed. Lack of proper irrigation is identified as a problem. In case of Birendra Kalde Community Forest of Ilam Municipality, water tank was constructed to facilitate irrigation but was not utilised as it was located in a distance, higher up from the nursery. While in Simle Aagle Paireni Community Forest of Shantidanda VDC, the nursery was still dry even if the water tank was located near by. The team also observed that most of the planted trees have not survived properly.

The FUGs are unable to hire a guard for protecting their forest area as they are unable to pay salary to the guard. Moreover, in case of Birendra Kalde, this was due to absence of FUG management committee chairperson throughout the year. To some extent ad-hoc tree cutting and "smuggling" has been controlled due to CSDPP intervention. It, however, cannot be concluded that forest degradation has been reduced due to Project's interventions.

The role of District Forest Office is crucial for reduction in forest degradation in any area. But it was found that there is no good coordination between the Project and DFO. It was also commented during interactions that DFO was not very active in strengthening forest user groups in the district.

### **Recommendations:**

- A strategy of working with the DFO, CFUGs and also other existing groups in the local area has to be developed. The model implementation on environment protection has to be improved as to have wider effect. As such training, construction of demonstration plots and exposure visits to other FUGs and groups working with environmental concerns can facilitate learning and better application.
- CSDPP /NCDC should consider actively taking up larger environmental issues of the district and work at district level as well. It is also important that NCDC build up a data base with respect to the extent of forests present, and the rates of afforestation and deforestation in the area. This database would help to put the efforts to promote forestry in context and would answer the question: 'What is the appropriate level of effort required to reduce the trends of deforestation?'

### **Output 4.4: Sustainable agriculture practice increased**

The project has introduced various practices to promote sustainable agricultural practice such as soil conservation by terrace farming, organic fertiliser, animal husbandry, crops hand in hand promotion, etc. Among these, introduction and promotion of organic fertiliser is a remarkable one. The Project supported communities and agriculture groups have shifted their practice realising benefits of using organic fertiliser despite lower yields, however, compensated by the higher quality of the produce. They realise the negative effects of using chemical fertilisers/pesticides as it deteriorates the quality of soil, affect on the natural water springs and also on health.

The case cited is of Kolbung. Many people got Jaundice and from medical check up in India, they learnt that one major reason was use of chemical fertiliser/pesticides. According to agricultural groups interacted there is an increasing demand for *Nasabike Ousadhi* and *Nasabike Mal*. Further, some farmers are using *Nasabike Ousadhi* even in their local tea plants.

In addition to agro-forestry practices such as soil conservation and improvement, terrace protection, sale of organic fertiliser and pesticides, particularly *Nasabike Ousadhi* and *Nasabike Mal* has been replicated by neighbouring farmers as well.

Eloe agriculture group has produced *Nasabike Ousadhi* and *Nasabike Mal* and is planning to market it. Further, they are also planning to open a stall for selling organic vegetables. This will serve dual purpose; one it will provide a place for farmers growing organic vegetable to sell their product and second it will promote the purchase of organic vegetables also. This group is recognised by Nepal Television as a successful farmers group for growing organic vegetables and as a result, farmers from Rolpa, Dolpa and Makwanpur have visited them in their excursion visit.

However, they have not totally shifted from chemical fertiliser to organic compost as the former increases productivity, which ultimately increase their income. Farmers from Kolbung expressed that certain vegetables such as tomatoes, ginger and hybrid vegetables require chemical fertilisers. For this reason they are not willing to stop using chemical fertiliser. Some farmers from Kolbung even complain of not being able to practically apply the learning of the training on the preparation of *Nasabike Ousadhi*. This indicates lack of regular mobilisation and facilitation of the groups and follow-up support from the Project.

#### **Recommendations:**

- CSDPP should develop a strategy to further promote the sustainable agricultural practice. As such developing a database on the use of inorganic and organic fertilisers in the district can be helpful. This should include sharing and dissemination of the best practices on sustainable agricultural practices actively by agricultural groups /CBOs and thus facilitate creating a larger debate in the district on environment friendly agricultural practices.
- This component of the Project should have a plan for regular/periodic visit to the groups and follow-up support.

#### **Output 4.5: Waste management activities in the bazaar areas continued**

The waste management activity initiated by the Project support has been a successful intervention. The local people of bazaar areas were found commending this support. This support was also found replicated in other bazaar areas. It was observed that creating awareness and transferring process of waste management to the local people approach has established a system whereby local people themselves are undertaking these activities after the Project support.

The Project has supported Ilam municipality and Fikkal bazaar under this component. Drainage system of Fikkal bazaar has been constructed and waste management effort initiated, however, in Fikkal the latter is not well managed.

In Ilam municipality, the team found local residents of different *toles* (sub-settlements) are taking initiative to deal with the waste management situation and also have been successful. For instance, Malapath area once renowned as the dirtiest area in Ilam municipality is now recognised as the cleanest area. Seeing this example people from nearby toles have started to replicate the practice, e.g., in the toles of Bhanu Chowk, Nabin Chowk and Narayansthan supported by CSDPP.

The residents there have developed the practice of disposing waste in dustbins instead of drains. In order to curb the malpractice of putting up advertisements (i.e., pamphlet, posters) everywhere, some of the *tole* groups have set up separate hoarding boards in different locations thus avoiding wall paintings.

Many households in these *toles* have started recycling waste; producing organic manure by means of vermi-compost techniques and also weaving bags from disposed plastic bags. The woven bags of plastic does not have a market, while organic manure production is done in small scale, for household purpose only. As such the waste management programme in Ilam municipality has been successful compared to Fikkal, where the project could not take off mainly due to the residents not taking sufficient responsibility for it.

The CBOs working with waste management initiatives in Ilam pointed out that the bazaar areas are seriously in need of a proper sewage system for which they are forwarding requests to NCDC to coordinate.

**Recommendations:**

- CSDPP should consider scaling up the waste management activity in other areas of the municipality and bazaar areas in coordination with the already existing clubs and CBOs/groups. The Project should support in advocating the sewage problem of the municipality to the concerned authorities and support organisations.
- The Project should visit the supported toles and encourage for continuance of their activity and should be open to introduce new practices of utilising waste.

**4.2.5 Objective 5: Implemented Activities of the Project are Publicised****Output 5.1 All the activities of the Project are documented and disseminated**

The core of the documentation and dissemination process is the SDP itself. Quality and process of documentation and dissemination are noteworthy compared to other Nepali NGOs<sup>3</sup>. There is a set system for documenting activities at different stages, e.g., staff write field visit reports, feasibility study reports of projects, as well as progress reports for the review sessions. CSDPP/ NCDC hold review meetings and staff meetings and it was reported that much of the qualitative discussion and analysis done during these meetings are undocumented. Also the skills of staff on documentation though improved over the years still require further development for effective documentation practice. This is not only for documenting of SDPs and annual reports but more so to document the lessons learnt and best practices of the Project which can be shared and disseminated to a wider stakeholder groups.

The SDPs of VDCs are taken as asset by different stakeholders. The DDC, line agencies, other development organisation were found referring to the SDPs in planning their activities.

The SDP of Panchkanya VDC, prepared in 2001-02, and SDP of Fikkal VDC (Nepali) prepared in 2003-2004 details out the planning process and outco mes, and are both over 100 pages long.

**Recommendation:**

- CSDPP/ NCDC needs to strengthen its documentation practice and skills of staff. More so CSDPP should document the lessons learnt and best practices of the Project which can be shared and disseminated to a wider stakeholder groups, outside Ilam district.

**4.3 Assessment of Internal Consistency between Goals, Objectives & Outputs**

In assessing the internal consistency between Goals, Objectives and Outputs the Goal of the Project, as indicated in the LFA is: “*Sustainable Development Planning System for a Better Livelihood Established*”, a critical component of a “*Better livelihood*” is “*reduction of poverty through increased income levels*”. Consequently, one can say that the first objective, of reducing poverty, is in line with the spirit of the overall goal. “*Decentralization*” and “*Good Governance*” are seen to be critical elements of institutional sustainability, one of the five forms of sustainability this Project is expected to achieve. “*Gender Equity*” is a key element of Socio-cultural sustainability of the Project. “*Environment Protection and Consideration*” is a key element to the Ecological and technical sustainability of the Project, and consequently, as an objective, is firmly in tune with the overall objective. The last objective, that of publicising the Project activities, however, is not a sustainability issue as such but rather part of the NCDC/CSDPP's institutional functioning.

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<sup>3</sup> This is based on evaluators past experience of working with NGOs in Nepal.

### **4.3.1 Linking Outputs to Objectives and the Goal**

The Project goal is broken down to 5 component objectives and 16 outputs. *Please refer to details of Outputs to Objectives link in Annex 12.*

The component objective 1: "*Poverty of target groups alleviated through increased income levels*" has three outputs. The first two outputs "*SCO strengthening*" and "*increase in agro-based income generating activities*" contribute to the objective especially if interventions reach to the poor and marginalised groups. If the beneficiaries utilise the saving into income generating activities and the agro-based activities are profitable this ensure match with the objective. The third output "*number of health complications owing to water borne diseases reduced*" has indirect output to objective match.

The component objective 2: "*Decentralisation and good governance established in the VDCs*" has four outputs. The first output "*assisting VDCs in periodic plan preparation*" is input for the intended outcome of SDP developed. The second output "*active participation of local communities in plan preparation*" and the third output "*increased coordination of NCDC, NGOs, line agencies, VDC and DDC*" are all in line with the objective. If the fourth output means information dissemination of the plan then it is in line with the objective.

The component objective 3: "*Gender equity is established in VDC and NCDC*" has three outputs. The output "*women leadership in NCDC increased*" contributes to achieving the objective. The second and third outputs "*increased active participation of women in plan preparation*" and "*economic empowerment of women through SCOs*" are both in line with the objectives, however, only in the Project activities.

The component objective 4: "*Environment protection and consideration enhanced in targeted VDCs*" has four outputs. All the outputs except the second output contribute to the objective. The second output "*enhanced capacity of NCDC staff to perform biophysical analysis*" is an indirect match to objective.

The component objective 5: "*Implemented activities of the Project are publicised*" stands on one output "*documentation and dissemination of the Project activities*", and has an indirect match to objective.

#### **Recommendations:**

- The Project needs to further specify the match (link) between the outputs, objective and goal which can facilitate staff and stakeholders to better assess and design activities that can directly contribute to achieving the objectives and thereof goals. Another advantage of ensuring a better link would be to exclude activities that do not actually fall in the ambit of the current objective.
- The Project should revisit the indicators for the different Project elements clearly outlining the monitoring and evaluation indicators.

## **4.4 Design & Modality of the Project**

An important aspect of the Project design is the Logical Framework (LF) and clarity on it by the Project implementation team. The observations are:

- The LF of the Project has undergone three revisions<sup>4</sup> in the course of the Project. The original LF was designed at the beginning of the Project in 2001. In the original LF there

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<sup>4</sup> The revisions are from the Project Application forms for the respective years.

were two objectives and ten outputs: six outputs for the first objective, and four outputs for the second objective.

- The first revision of the LF took place during the 3<sup>rd</sup> year of the Project, i.e., in 2003. In this LF, the number of objectives was increased from two to four. The number of outputs, consequently, increased from ten to fifteen.
- The second revision of the LF took place during the 4<sup>th</sup> year of the Project, i.e., in 2004. The objectives and outputs were renumbered and restructured, while the number of objectives and outputs remained the same.
- The third and last revision of the LF took place during the 5<sup>th</sup> year of the Project, i.e., in 2005. The only change from the previous LF was that the number of outputs was increased to sixteen, and the number of objectives was increased from four to five.

The changes in Project LF have been made to develop specific objectives and to address absence of formal elected representatives at local level. The annual agreement of the Project with the DF, has allowed the Project to incorporate changes in their LF. It was reported that such changes were at times made as advised by donors, e.g., incorporation of the critical issue of gender and women empowerment. The Project leadership, however, maintained that modifications were made to incorporate suggestions from DAC and PAC. Also it was a result of learning from the implementation and also understanding of logical framework in establishing clarity in the actions of the Project in relation to the intended objectives.

Another aspect of Project design is the balance between SDP preparation and model implementation. The focus has been on SDP preparation. The community people see the need for SDP preparation but their need is equally on implementing the SDP, as it has direct impact and hence addresses community peoples' immediate needs. This, however, has been constrained due to limited resources of the Project, the VDC and external agencies.

The team observed that CSDPP has not developed a "phase-out strategy and plan".

#### **Recommendations:**

- The Project should explore increasing its "model implementation component" while planning can be continued in a few VDCs that are less conflict affected.
- The Project needs to develop a "phase-out strategy and plan".

## **4.5 Programmatic Challenges for CSDPP**

The main challenges faced by the Project include external effects that implicate Project implementation and the outcomes, and Project sustainability (economic, social-cultural, political, environmental and institutional).

### **4.5.1 External Effect and Project Response**

CSDPP, like all other development projects, has worked under rapidly changing political context in Nepal. *Please refer to 2.3.1 for brief overview of political context.* The Project had to respond to the political and other external influences. The key external effects and the Project responses are summarised below.

SN	External Effects	Project Responses
1	<p><b>HMGN Policies:</b></p> <p>a) Stop registration of cooperatives for 2 years by government.</p> <p>b) NGO code of conduct enforced by government (after February 1 move in 2005).</p>	<p>a) Merge the new unregistered groups into registered groups, wait for registration opening in some cases, some groups undertaking agricultural activities were registered as agricultural groups in the District Agricultural Office.</p> <p>b) The district NGO forum had and the government line agencies were not cooperating with each other. The Project conducted separate meetings.</p>
2	<p><b>Communities' perception of NCDC</b></p> <p>Varied image of NCDC among various communities - often misunderstanding among community people. Representation of Junior (less authorised) staffs from line agencies in the DAC meetings and frequent transfer of staff</p>	<p>Different activities have been undertaken in this regard:</p> <ul style="list-style-type: none"> <li>• Publication of NCDC leaflet / newsletter</li> <li>• press conference at district level</li> <li>• information dissemination through local paper &amp; FM</li> <li>• discussion in DAC meetings</li> <li>• brochure distribution on different cultural events at the district</li> </ul>
3	<p><b>Different approach of different organisations</b> such as British Welfare, NARMSAP etc. These organisations provide more fund as DSA and labour cost. The communities were more interested in their programmes.</p>	<ul style="list-style-type: none"> <li>• Discussed the problem in DAC and PAC meetings</li> <li>• Waited for completion of others' projects</li> <li>• Communicated/made aware community people on NCDC's approach</li> </ul>
4	<p><b>Absence of local elected bodies</b> – in VDCs and DDCs. This had an effect on SDP preparation.</p>	<ul style="list-style-type: none"> <li>• Formed Planning Assistance Committees in the SDP developed VDCs.</li> <li>• Mobilised local NGOs and CBOs.</li> <li>• Commitment of political parties ensured.</li> </ul>
5	<p><b>Conflict affecting the Projects planned timeframe</b></p> <p>a) Difficult to transfer equipments such as drinking water equipments</p> <p>b) Permission of Maoist required</p> <p>c) Difficulty in mass gatherings and conducting street drama</p>	<p>a) Project staff had to present themselves differently in different situation, took longer time than planned</p> <p>b) Transparency of budget and activities, negotiation, confidence to deal in difficult situations, some staffs were trained in working in conflict situation, mobilisation of local NGOs and CBOs, formation of Planning Assistance Committees.</p> <p>c) Conduct several meetings in small gatherings which took longer time and resources</p>
6	<p><b>Strikes and Bandhs</b> (58 days in FY 2061/62 (2005))</p>	<ul style="list-style-type: none"> <li>• Frequent rescheduling of activities requiring additional communication and coordination effort with concerned stakeholders</li> <li>• Staff walked to the Project sites – requiring more time</li> <li>• Alternatively work within office premises in Ilam (discussions and planning session were held)</li> </ul>

These factors have affected the Project's efficiency and effectiveness and also the outcomes.

#### 4.5.2 Project Sustainability

The developed VDC periodic plans have focused on sustainable development. Sustainable development amidst pervasive poverty is a challenge in itself. Forestation and environment protection are challenging activities for successful implementation as listed in SDP.

In specific terms it means that CSDPP will need to facilitate the VDCs while the Planning Assistance Committees work out ways to ensure that the poorer segments of the population are

not left out from obtaining benefits of development initiatives. The challenge is to ensure that the Self Help Groups redress the balance of benefiting the better off more than the poor. This could be done, partly by redesigning the groups (having group members from a similar socio economic status) and partly by helping the groups form new set of rules.

Of the model implementation, ensuring that infrastructural projects such as the drinking water scheme, e.g., Barbote Khane Paani Upabhokta Samiti, is able to manage the conflicting objectives of economic and political sustainability. At present, the Project seems to be more concerned about economic sustainability and it is critical that CSDPP work out ways to ensure political sustainability too.

The sustainability of the Project is linked to the extent the local community can take over and maintain the development movement and practices initiated through the Projects support. In this regard referring to the original Project proposal different perspectives of Project sustainability was raised. *Please refer to questions on sustainability in Annex 13.* The team found that CSDPP and some NCDC board members to a large extent have a good understanding of and made significant effort to address these issues. Also the DF Norway, DAC and more so the PAC members have been active in emphasising on addressing these issues. The team observed that CSDPP, however, have greater focus on the economic sustainability of the Project.

- **Socio-Cultural Sustainability:** NCDC has included in its article of association a policy to protect and promote socio-cultural aspects of local areas. This, however, has not been made mandatory in the CSDPP Project document. Though the SDP planning process has required the involvement of women in plan formulation, the review of the prepared plans and discussions in field has revealed that the issues of women and marginalised have not been sufficiently addressed. This is specifically the case for dalits and ethnic groups that are in minority and who do not have history of coming forward to discuss/ put forth their issues. The Project realising the need to further focus on gender and ethnicity issues reformulated specific objective, outputs and activities in 2004. In the latter stage of the Project separate activities have also been conducted for marginalised people. This has also been an issue urged by DF Norway. The Project staff are mostly local, the interventions are in general developed in consultation with and demands of the local communities. The socio-cultural practices (hierarchy, dominance by certain castes / groups in specific Project locations) and gender inequity remain as challenges which the Project needs to further address. The potential for indirect benefit to the community and the government system from the Project is high, assuming VDC plans get implemented and the model implementations are replicated.

**Two Examples Related to Equity:**

- Seti Devi Mahila Bahu Uddeshiya Sahakari Sanstha Limited: The 6 Khadga Chhetri members of this Committee, who seem to be among a group of well off people, have taken a disproportionately larger part of loans. In contrast, the 6 Janajatis, who might not be so well off, have got disproportionately lesser access to loans.
- Barbote Khane Pani Upbhokta Samiti: The cost of installing a new meter and connection is expected to be around Rs 8000; a cost that is expected to be unaffordable for a large number of the poor segments of the community. The Committee is insisting that all connections should be paid for at cost. This includes those that could possibly be set up at the Mandir or at the school. All in all, a public good has become privatised in favour of the well off. Given the increasing price tag, it would not be very surprising if one or more individuals, who are at present philanthropically inclined (that is, they allow other, poorer people to drink the water emanating from their land) would start charging for water from the poor who are dependent on it.

- **Economic Sustainability:** The investment from the Project on setting up the base for SDP preparation, the actual process facilitation as well as technical support, and the collaborative nature of the SDP are all intensive inputs considering the Projects total cost. Other funding sources available to the Project are resources and facilities of the stakeholders as well as motivation and specific expertise of these stakeholders. This makes the Projects role less prominent and a gradual phase-out of the Project can take place. However, implementation of the SDP activities is dependent on external resources as VDCs cannot afford it financially and technically. The team's view is that the SCOs appear to be fairly sustainable; however, this cannot be credited to CSDPP's interventions only. The model implementation approach appears sustainable in Project specific areas. However, projects such as toilet construction, drinking water source protection and supply systems, appear less sustainable economically as these involve direct start-up cost. SCO or water user groups are not in the position to pay for the services which at present the Project has funded.

#### **An Example of an Attempt to Achieve Economic Sustainability**

- The Barbote Khane Pani Upphokta Samiti: The committee is insisting that all connections should be paid for at cost. This includes those that could possibly be set up at the temple or at the school. The Rs 3,200 that is being charged is not for the tank – which has already been paid for through public money – but for creating a fund for the repair and maintenance of the pipe and meter system. Assuming that about 80-90 people have paid this amount, it means that the Samiti has a Maintenance fund of approximately Rs 250,000 rupees. The creation of this fund in itself is commendable as it covers the amount required to repair the pipeline. However, as indicated above, the amount itself is very high for many people to pay.

- **Political Sustainability:** The Project has used LSGA as an overall framework for the VDC level planning. This supports the decentralisation of development planning and environmental protection. The Project was implemented only after the official endorsement of the District Development Committee, as well as the respective endorsements of the different Village Development Committees (VDCs) where this Project was expected to be implemented. In addition the discussion and approval of Project activities by DAC – where all key district level stakeholders are members – is an effective method to ensure political sustainability.

The Projects emphasis on large public participation, formation of Planning Assistance Committee, capacitating and mobilising community groups for SDP preparation process has largely contributed to promote political sustainability. The Project has maintained transparent dealings. It has attempted to promote equity, though much more needs to be done at this front in order that the poor and marginalised gain at equal level from the interventions. It can be argued that although many of the marginalised are not directly benefited, awareness on some practices has been raised. In remote VDCs as per the reports the Project has focused on specific groups that are marginalised from several aspects while in VDCs closer to the main roads the reach is more to general population.

The support from politicians and parties to CSDPP is clearly present. There are documentation (letters) that preface each of the VDC SDPs, the letters of promotion from the heads of the village level party committees of the Nepali Congress, the Rastriya Prajatantra Party and the Nepal Communist Party, despite the current political situation which does not allow the local politicians to openly engage in development activities such as the SDP preparation at the local level.

The DAC committee established prior to NDEPP has contributed to political sustainability of CSDPP as well.

- **Ecological and Technical Sustainability.** (named Environment sustainability in the Project outline sketch at Ilam). The Project has conducted EIA in some of the larger infrastructural interventions whereas in smaller interventions some form of feasibility study has been conducted. The feasibility studies, however, do not adequately address ecological and technical feasibility components. For instance, the Drinking Water Source Protection and Supply support at Godak VDC had some technical problems after it was constructed. According to the Project staff, they did not have sufficient fund to carry out technical feasibility assessment. GIS analysis has been carried out by Project staff as part of the SDP preparation process and involves survey and collecting environmental information on implications of the infrastructure projects to the community.
- **Institutional Sustainability.** The Project has the main responsibility for planning and implementation of the activities; however, these are based on demand from the community and involve the local community and local political representation. In the recent three years the local NGOs or CBOs have gradually become mobilised for social mobilisation and coordination of the activities of the SDP preparations while the model implementation part is yet to be "handed over" as the local level capacity still needs to be developed on this. CSDPP has created a niche in facilitating SDP preparation in a collaborative model, and the technical and financial support has been critical in this process.

An eventual discontinuation of the technical and financial support would suggest that the planning process might continue but in far lower speed and quality, to be functional as a mechanism for promoting decentralisation and good governance practices at local level. To some extent the capacity and readiness of the VDC and the DDC stakeholders can be developed also in the current political context, however, they may still not be able to lead the work at the field level unless security condition improves.

## 5. Evaluation Finding - Project Management

This chapter presents the evaluation findings related to Project management. Much of the findings are in a larger NCDC organisational context as the policies, systems and practices of NCDC as an organisation form the basis for Project operations. However, the team has made an attempt to distinguish the Project concerned management issues.

### 5.1 Structure

CSDPP is a Project of NCDC. CSDDP coordinator reports to NCDC programme director, while all other officer level staff (6) report to the Project coordinator. The assistant level staff (field level mainly) report to the officer level staff.

The practical organisation of CSDPP activities is based on sector (theme) teams that are responsible to work in close coordination with the other sector teams and the Project coordinator.

There is clarity among staff on their roles and responsibilities as well as reporting relations. Job descriptions are provided to staff. At times the Programme director and the Project coordinator are overloaded with tasks.

### 5.2 Systems and Processes

#### 5.2.1 Planning and Decision Making

The Project work is based on Component wise work plan that are of a yearly and half yearly duration. There is a well functioning system in place for annual planning /budgeting. The team observed, however, ad-hoc planning taking place often shifting plans, which may reflect the Project's flexibility but with potential to create confusion on implementation. The reason was the current fluid situation due to political instability. There are groups in the Project that view some Project component as inefficient and that CSDPP need not engage in them.

#### 5.2.2 Monitoring, Reporting and Documentation

NCDC has adopted a cross functional team for monitoring its activities. There are seven such committees operating within NCDC. For instance, the Planning & Environment committee members have made monitoring visits to the VDCs where SDP was initiated. Similarly, the drinking water committee (consisting of Board member, Project Coordinator, person from same field and another NCDC member) interacts with the Project at the field. However, the functioning of these committees varies in frequency and quality while records of such visits are often not well maintained. For instance, inadequate follow-up on the model implementation projects and the quality of work being done by SHGs in different sectors are of concern. CSDDP staff feel the need to improve on the implementation of suggestion indicated in the Progress Reports.

Monthly, half yearly and annual review/planning sessions are the major mechanisms to monitor the Project activities. The reporting is monthly, half yearly, and yearly. However, CSDPP /NCDC needs to emphasise on appropriate documentation e.g., lessons learnt for dissemination within NCDC and to other stakeholders. Staff in general report simultaneously to the Project

Coordinator and Programme Director but to the latter on policy, management and financial aspects.

The DDC and LAs and some of NCDC's partners (donors and local NGOs) acknowledge that NCDC/CSDPP's ability to continue field activities and monitoring through Project staff is reduced due to security reasons.

### **Recommendations:**

- Continue, and to some extent expand the system of involving Board Members in monitoring different aspects of NCDC/CSDPP work. The project should however consider increasing the effectiveness of such monitoring by including externals (experts) outside of NCDC, to work along with the Board members/ staff members. This can contribute to increase the quality of monitoring, bringing in newer qualitative perspectives and documentation. It will also provide invaluable learning on the job for the board members.
- To enhance the implementation of suggestions indicated in the progress reports CSDPP should establish effective monitoring system (guidelines), develop skills of staff, form and activate monitoring teams (at VDC level as well for follow-up). CSDPP should consider informing key stakeholders of the issues raised by the evaluation report.
- The Project should strengthen its internal capacities, e.g., facilitating and recording meetings, documentation system and skills of staff, dissemination of exemplary and successes cases, and alternatively seek professional support as required.

## **5.3 Staff Capacity and Other Human Resource Practices**

### **5.3.1 Recruitment and Induction**

There are two categories of staff working in the Project, non-(academic) professionals who have been associated with NCDC for several years and professionals who have been taken subsequently.

The policies and practices for recruitment appear to be well established and transparent. The process also involves the concerned board member overseeing the sector and member of DAC/PAC (e.g. higher officer level positions). Recruitment of professionals has been done through advertisements placed in national level newspapers, e.g., GIS and Agriculture expert.

The open recruitment policy has led to NCDC recruiting professionals from places other than Ilam, e.g., Kathmandu. The Board, however, feels that the open Recruitment & Selection policy has led to recruitment of people from outside Ilam, and who often leave the organisation after a short period and the difficulty of recruiting female staff in particular.

There appears to be system in place (however adhoc) to orient and induct newly appointed staff including handover of responsibilities. Job descriptions are provided to all staff. The programme director views that staff will learn to pick up their responsibilities and should take the initiative for it; hence do not feel the need for thorough orientation and induction.

### **5.3.2 Training and Development**

Decisions on training seem to be taken once a year, at the end of the Appraisal period and discussed in the annual planning session.

There are staff who require job specific training in order to effectively handle the issues and challenges demanded – the learning by doing culture tend to preside as well as staff who are

more pro-active about acquiring training, have managed to participate in different training programmes. The implicit issue raised here is that an independent and acknowledged measure of assessing and carrying out the training and development of staff, and not only leave to individual herself or himself to seek out the options.

**An example of on-the-job training in trying circumstances:** November 2004. It was the 1<sup>st</sup> meeting with the Chamaita VDC and there were a large number of people from the village present in the meeting. Even as the meeting was going on two-three Maoists arrived at the meeting place: it appeared from their behaviour that they wanted to use the opportunity of the villagers gathering to spread their own message. This was a very tense situation for the Project Coordinator but he reacted in a very mature fashion. Instead of panicking, he engaged the Maoists in conversation, even as the rest of the villagers slowly dispersed.

NCDC is part of a South-South exchange programme. Two of the CSDPP staff – Project coordinator and agricultural officer in particular, has, as a part of this programme, spent 14 months each in Sri Lanka. Some staff are critical about this programme; they allege that NCDC staff sent on the exchange invested far more in their host organisation in Sri Lanka, than the Sri Lankan staff who had come in exchange to Nepal. Another staff member, while agreeing with this criticism, however, adds that the Sri Lankan staff may have been ill-served as they did not get adequate field support: specifically a good technical person.

Although there is no formal system of on-the-job training, this appears to be instrumental for staff to learn and be trained. The senior staff have in this regard role modelled excellent behaviour for their juniors to learn from. During review meetings, sharing and learning of programme activities take place; however, focused sharing sessions can support to strengthen the learning culture in CSDPP/NCDC.

### **5.3.3 Performance Appraisal & Feedback**

Till 4-5 years back, NCDC followed a form of 360<sup>0</sup> performance Appraisal system. Each employee was evaluated on 10 categories by everyone – the categorisation being done on a Poor to Excellent scale. The scores were averaged for each category, and this defined the evaluation of the individual's performance. The grading was done for 10 different 'topics', or rather competencies which each had criteria for assessing. However, staff found this system problematic; e.g., the "topics" were all given equal weight, the feedback mechanism on how the individual reached to particular judgement was missing and there were cases of assessment based on personal affiliation rather than competencies and performance.

**An example of Performance Feedback:**

Shantidanda VDC ward level planning meeting, March 2004: In this meeting many Dalits were present, including those belonging to the Kami, Damai & Sarki communities. However, these Dalits were not active. The Project Coordinator, who was present along with a person who had joined CSDPP recently, pointed to this person that the Dalits were the focus of NCDC, whatever the method. To show how things could be handled then the Project Coordinator formed mixed groups and asked this new team member to look at whether the Dalits were participating actively or not. The new team member started observing these groups, but then found that these dalits kept on standing, not doing any work; this he reported back to the Project Coordinator. The Project Coordinator then suggested that separate homogenous groups including only the Dalits should be formed. This was done, and separate tasks were given to them. The Dalits, finally, as a result of this intervention, became active participants.

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<sup>5</sup> This is the Volunteer Exchange Program, sponsored by FK Norway.

At present, the Performance Appraisal is conducted over a 4-5 day period, annually, in January. The process of Appraisal follows a 1) self evaluation where the individuals fill the format and 2) interview of the individual by a committee consisting of Programme director, Project Coordinator, 1 female representative and a board member. This committee also determines which staff is to be sent for training.

In the monthly meetings feedback are generally given. The staff appreciate the quality of feedback provided by the Project Coordinator; however, they feel the need for regular feedback and discussions on their performance as well as on work processes and the technical fields. They feel that supervisors and board members provide feedback grounded on active observation of the work being performed by the individual at the field level as they find it highly effective.

A few staff raised the issue that there is no difference even if a person is rated well through the Appraisal system, as there are no rewards linked to good performance. However, the Management clarified that reward system established is linked with financial reward. There are some staff who also view that Performance Evaluation has been used as instrument to dismiss people.

#### **5.3.4 Reward Systems and Compensation / Benefits**

There is some form of reward system in NCDC (CSDPP) – mainly salary grade increase of 10% every 2-3 years. In RREC, the system followed is guided by the donor partner policy, which is based on bonus system (output based); the staff get paid for work completed under the specified period of timeframe. The perception among staff is that RREC staff get better paid due to the different salary system. The CSDPP management, however, informed that the difference in salary scale is only 15%. This issue and rewarding staff for loyalty and performance are frequently discussed and also raised in the board meeting. The Board, however, views it as the decision of CSDPP to find ways of augmenting their salaries. CSDPP staff have initiated the development of an "output based" salary system (following RREC model) and this will support to promote higher performance.

#### **5.4.5 Staff Retention**

In the past five years of the Project, a total of 20 people have been hired. Of these, 7-8 have left from CSDPP (These include one from GIS, three from Environment, 1 from general administration and one, two previous Project Coordinators). Against a total of 9<sup>6</sup> professionals required in the Project, the Project has been forced to replace 7, making it a turnover of professionals close to 80% in five years: or, a little above 15% turnover per annum.

Staff retention is an issue and the Board members reason it in selecting people from outside Ilam who do not have commitment to the place, and consequently, once they acquire a reasonable competency working at NCDC, they chose to leave for other options.

Retention of the staff with expertise on the core competency of the Project and NCDC remains an important yet challenging issue for NCDC.

#### **5.4.6 Staff Capacities**

CSDPP view its staff and its capacity as major strength; staff have diverse qualifications (academic and different field) than in the earlier phase of the Project. There are professional staff in CSDPP who view that the non-professionals working with CSDPP, (all those who had been working with NCDC before joining CSDPP) do not have adequate competencies to work in

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<sup>6</sup> This number excludes the Program Director and the support staff.

CSDPP, e.g., report / proposal writing and making presentations. A few even think that the non-professionals are not capable of acquiring these new skills. Some of professionals feel they need to cover this capacity gap and see this as additional workload. There is a need for staff to realise the institutional network and memory that non-professional category staff possess. The management and board are aware of the issue; discussions on making best use of existing human resources are ongoing and plan to introduce results based management (output based). The management acknowledged the need to focus on capacity development of staff and address the issue of work load distribution.

NCDC feels the need to attract qualified members through development of membership policy and implementation.

#### **Recommendations:**

- **Enhance the existing system for Induction:** The system should ensure that at the end of the orientation period the new employee is clear on his/her roles, functions and tasks, and how this is to be performed as well as internalise the core values of the organisation. The process and specific activities required to orient the newcomers has to be clearly outlined.
- **Develop plan for training and development of its staff:** This plan should map out the existing competencies of the staff as compared to what is required of them for effective performance. The timeframe and methodology (on the job, exposure programmes, training, coaching, etc.) for developing the competencies of the staff has to be outlined. The resources required, and the method of generating these resources has to be indicated.
- **Strengthen the system of feedback giving and taking:** CSDPP and NCDC should consider strengthening a feedback system. This may involve analysing the activity (e.g. conducting a VDC level planning meeting) in terms of how it is to be conducted (agreed process and guidelines). The skills and practice by staff to provide concise, example based (and possibly written) feedback on the task and performance has to be strengthened. This practice will guide staff members on the appropriate way of accomplishing the tasks.
- **Salary parity:** For future projects, NCDC needs to ensure, in discussion with its funders that there is salary parity across different projects.
- **Retention mechanism:** NCDC (CSDPP) should explore and develop competitive incentive mechanism, e.g., priority to locals, provision of incentives (loyalty bonus, performance rewards), develop long-term business plan securing long-term employment, institutional investment on human resource (education, scholarships and long training).

## 5.4 Communication and Coordination

Given that it is a small team, and the functioning of the team is characterised by informality and friendliness, communication and coordination seem to be generally effective. Different meetings are held to facilitate communication across the unit. Staff, however, appear to be inadequately acquainted with the overall activities of NCDC and this at times has caused difficulties in information flow while at the field. Community people, expect the NCDC staff to have answers on part of NCDC and not only the particular sector. Also as representational role of staff at the field is even more pertinent it is necessary for staff to be well acquainted with the other sector details as well. The team observation from the field visit is that extra caution has to be exercised while communicating at the field mainly due to security reasons and NCDC wishing to maintain transparency at field level.

The lack of knowledge of what is happening in other areas impacts the effectiveness of the team when working with the VDCs. (when staff members visit the village, the village people may not

distinguish between somebody who is a GIS or a Health expert: for the village person, everyone is from NCDC). On the positive side, there have been team members who have worked at making themselves well informed on all the areas of work of the Project, but these have been in a minority.

CSDPP (NCDC) submits reports to MLD, but accepts that follow-up for coordination and collaboration is weak especially for SDP. Similarly, policy level issues are discussed in PAC meetings but with varied response of members. This, NCDC feel has to be improved through effective information and communication.

### **Recommendations:**

- The sectoral teams (units) of CSDPP should hold quarterly review and sharing sessions during which detailed presentation of the units progress and plans are shared to the rest of the group. The selection of demands for model implementation has to be well coordinated among Project staffs, e.g., joint decision making by majority of staffs. Furthermore, rotation of job, working in pairs across sectoral units, and combined field visits are other measures to strengthen the cross section coordination as well as communication (internal and external).
- The flow of Project related information to all stakeholders needs to be made regular and more effective. Local newspapers and electronic communication media (FM radio) are options to be explored to inform communities about the activities run at local level.
- Follow-up on coordination at central level (MLD mainly) and PAC has to be strengthened to provide opportunity for policy discussions regarding SDP.

## **5.5 Leadership and Team Work**

The Project Coordinator and the NCDC Programme Director are both rated very highly by other staff on their professional capacities, personal qualities, including their proclivity to work very hard. They are the two key leadership persons who convey a work philosophy that people will naturally take up responsibilities, and do not require to be looked at over their shoulders; as the NCDC Programme Director says “*responsibility is an important part of the living process. If people cannot take responsibility, then nothing can happen.*”

The work atmosphere of the Project is friendly, flexible and cooperation. The evaluation team observed some underlying interpersonal tensions between some newer professionals (more academically qualified) and the senior non-academic staff. The issue is maintaining a balance in valuing the work experience and knowledge of senior staff and acknowledging the younger generation's technical or professional qualifications.

Non-programmatic issues such as personnel and interpersonal relations are normally not discussed in the staff meetings (7 to 8 meetings are held every year).

**A Culture of Promoting Innovations:** NCDC and the Project welcome creative options. An example is of a staff member developing a board depicting the birdlife in Ilam district as part of the environment programme. A significant case is the development of *Nasabike organic pesticide & Nasabike Compost*. Both products have been developed by NCDC (Agriculture Coordinator) as continuation of the research done on mulberry. The *Nasabike organic pesticide* was launched in 2002 as part of the CSDPP products. All the agricultural groups affiliated to CSDPP learn to manufacture the *Nasabike organic pesticide*. This is prepared using a mix of items such as *Neem*, garlic, chrysanthemum, chilli: a total of 13 elements are being used. The *Nasabike Compost* is made out of soil, rice bran, oilcake of mustard along with cow urine, all composted together for 15 days, in an equal ratio.

**Recommendation:**

- CSDPP team should in a regular basis reflect and reinforce the values, principles, leadership and team performance. Such sessions, apart from solving issues, need to build competencies within the team to identify inter-personal issues and to be able to solve them.

## 5.6 Role of the Board in Project Management

Each project has a Monitoring and evaluation budget, part of which is used to compensate the Board members during field monitoring. Since 2004 a board member has been deputed in NCDC who also supports in monitoring CSDPP activities. The Project monitoring is carried out every four months (in RREC it is done quarterly).

Board members meet the Project Coordinators informally every month, and formally, once every three months during which reporting of progress, issues and challenges are done while proposals are presented and discussed. The board has the ultimate decision on the policy and major decisions of NCDC and the Projects.

An important aspect of the Board's functioning has been to resolve real life problems. For instance, in 2004 Chamaita VDC locals asked NCDC to stop coming. The Planning & Environment committee consisting of two board members and a staff member of CSDPP requested the people at Chamaita to discuss this situation. The entire process of dialogue and negotiations with the community took almost six months, before the issue was solved, and NCDC was allowed to resume its work in Chamaita VDC.

One of the roles of the Board has been to absorb the pressure exerted by the Maoists and negotiations have to take place.

The Board itself finds that it is unable to monitor the Project activities beyond the closest 5-6 VDC as they also are fulltime farmers and/or professionals. As such it was suggested that some of the Board members be enlisted as staff – this issue, however, would clearly raise conflict of interest if Board members hold both the policy and operational positions, as has been one major tension creating reason in majority of the Nepali NGOs.

The Board members are seen to be focusing on present concerns instead of seeing beyond the immediate issues. Some staff indicated that, the Board has very few persons that are conceptually strong and visionary to provide direction and perform the role of policy formulators and monitor the execution of it. Majority of board members seem content to work within Namsaling VDC or Ilam district and focus on community development activities. The NCDC management has been facing criticism on expansion of its operations (current case of RREC) and now with CSDPP. This issue requires constitutional modifications also regarding board composition whether it is to be open to others than Namsaling VDC residents as it currently is. The fear is that NCDC might lose its roots and origin. Exposure to board members in the NCDC and Project activities may help facilitate better understanding among board and staff members.

Most of the Board members are serving their 2<sup>nd</sup> and / or 3<sup>rd</sup> term, implying that the Board has been able to ensure continuity. Viewing it otherwise is lack of new eyes, ideas and perspectives.

**Recommendations:**

- NCDC and CSDPP should revisit the role and involvement of Board in project management (it should be tied to the institutional options detailed out in Chapter 7) as there are implications to consider, e.g., coordination and policy guidance versus a potential risk on conflict of interest due to dual role of board members.
- The Board should consider including some individuals who are considered experts in development sector. Though the number of such members may constitute a minority, their presence would result in on-the-job training of current Board members, and contribute to better qualitative performance of the Board.

## 5.7 Financial Management

This evaluation has not gone into the details on accounting and financial arrangement of the Project. The interviews with account/finance concerned staff, record review of audit reports and operational manual suggest that the Project largely follow the national accounting and financial regulations. The project has been regularly paying taxes as per the rules of the government and project management is glad to claim that it is one of the very few organisations doing this. The NCDC manual have policies and procedures in place for managing the accounts. The account keeping of NCDC activities including CSDPP is taken care of by the NCDC accountant; the Project Coordinator, Programme Director and a member from the Board are the signatories. The proposals for annual plans with budgets are forwarded to the board for discussion and approval. Decisions on accounting and financial operations are also presented to the concerned board members (mainly chairperson and treasurer) for discussion and approval.

Financial reporting to donors follows the donor requirements.

The field team members appear familiar with the budget headlines and ceilings, as they are involved in preparing proposals for annual activities including the budget. It appears that the Programme director uses a considerable amount of his time to check and approve expenses and spending.

The accountant reported that with the auditor's recommendations the financial management aspect is much more streamlined over the past three years.

Financial audit of the Project is conducted annually by a registered auditing company, i.e., BRS Neupane and Company, based in Kathmandu. The audit of 2005 was in progress during the Project evaluation period. This brief analysis is based on the information culled from financial and auditing weaknesses and improvements pointed out by the annual audit reports.

The weaknesses have been presented according to year and an attempt made to measure the improvements over years. The matrix incorporates audit reports for period 2001-2004. The audit report of 2005 is in progress.

A brief analysis of the audit reports shows that the Project has made improvements in making its financial transaction transparent and compliant to rules. The successive audit reports of the Project period demonstrate improvement in most of the areas whereas some areas still need improvement.

The reports reflect that the Project has recognised transparency of financial transaction and hence introduced and established systems and processes such as establishing procurement policy

and introduction of advance requisition form. These, however, have not been effectively implemented. The report points out cases of not filing advance requisition form.

The Project has followed up on the recommendation of audit reports, e.g., it has now insurance for fixed asset as recommended by the auditing in 2001 and 2002. In case of maintaining bank accounts according to programme headings, analysing actual expenses with budget, maintaining periodic back reconciliation statement, proper documentation of expenses, improvements are yet to be made. In addition, there were instances of overwriting, crossing and erasing the amounts posted in ledger.

**Recommendations:**

- CSDPP/NCDC should revisit the audit recommendations made by the auditors and address these for an even effective accounting and financial management practices.
- CSDPP should consider costing of the SDP process (use system of activity based costing) also to assess the level of input required which if expansion of SDP is planned will be useful.

## 6. Effectiveness, Efficiency and Impact of CSDPP

Effectiveness is the extent to which planned results have been achieved. Issues related to effectiveness include the timeliness and quality of outputs, and the likelihood that outputs have contributed to stated outcomes and impact. Efficiency is the relationship between results and the resources used to achieve them.

### 6.1 CSDPP's Effectiveness and Efficiency

CSDPP's effectiveness and efficiency has been hampered mainly due to the external factors – increased conflict and deteriorating political situation. For instance, the component objective 2 "*decentralisation and good governance established in VDCs*" assumes a stable and facilitative political climate with relatively functioning democracy. However, absence of local political representation, difficulties to mobilise people due to curtailments from the insurgents and armed forces and frequent strikes (closures) have resulted in delay of activities, and at times compromising with the process on quality terms as well as its effect on the intended results. In several instances, the VDC periodic planning has taken longer time to get started and to complete. Considering these factors, CSDPP has carry out most of its activities as per the plans.

The Project log frame (refer to 2004 Application) lists indicators – quantitative mostly, to measure the activity level outputs and to some extent outcomes of the Project interventions, however, indicators for impact measurement are not well specified and collected. The Project "results" tend to be focused at activity level. The annual plans of CSDPP have been changed in terms of outputs with additional outputs in the latter part of the Project period. For instance, objective 3 "*Gender equity is established in NCDC Organisation and VDCs*" mainly the latter part is a longer-term process which the team at the most can indicate that gradual efforts are being made. However, the cultural and demographic realities of Ilam and NCDC (history of staff composition) suggests that the result achievement requires a combination of interventions including advocacy, a larger geographic coverage in terms of reaching the target population on model implementation part of the Project's activities.

The Project has been utilising the available resources efficiently to attain the intended results. A review of developed plans shows the comprehensiveness of the plans (sectoral coverage and detailed information on the VDC situation) in comparison to earlier similar VDC planning exercise of UNDP (PDDP), with extensive preparatory studies including GIS and analysis of existing situation. Attention has been given to environment and sustainability of activities.

The collaborative model of working in partnership with district and community level stakeholders has facilitated the Project to utilise the resources more efficiently as these stakeholders (e.g., VDC and local NGOs) contribute and support in the process, despite limited financial resources. Considering the time consuming process of VDC plan preparations the team finds the CSDPP team to be well performing. However, the community people expressed the desire for much more follow-up support from the Project to implement the plans developed.

With regards to employee-related costs CSDPP has salary levels that in general correspond to district level NGOs. The overhead costs are at the lower side. Travel and field allowances constitute a larger share of the expenses, however, controlled to keep it low. Of the DF funded budget, both in 2003 and 2004 the budget unspent was after discussions between the two parties transferred into institutional support to NCDC.

**Recommendation:**

- In view of CSDPP's key supports on SDP and model implementation; the implementation of the SDP becomes crucial to achieve the envisioned "*better livelihood*." CSDPP should consider supporting further initiatives on the model implementation for which support from other district, development agencies and central level stakeholders will be critical.

**6.2 Impact of CSDPP**

Impact concerns the positive and negative changes propagated directly or indirectly, as the result of Project implementation.

The Project envisioned better livelihood through sustainable development planning system. For this, sustainable village level planning has been the major activity and projects have undertaken as model implementation from which local communities are intended to benefit with sustainable and income generating practices and apply (also replicate) these practices.

The Project has been able to establish a practice of participatory planning of development efforts at VDC level. As a result of participatory process community people have realised the importance and benefits of appropriate planning at local level. Women participation has been ensured in planning process. However, marginalised communities mainly dalit are yet to be involved more actively in the planning process.

The VDC plans and VDC resources are being made more accessible as a result of the process adopted for planning. However, VDCs, in general, have almost no local income. The Project has as such contributed to promoting decentralisation and good governance practice at local level.

The Project has conducted various model activities listed in the VDC sustainable plan. The model implementations, in most of the cases were found to have produced favourable results.

- The support to SCOs and agricultural groups has contributed in income generation of local people. However, attention has to be increased for the inclusion of poorest and excluded groups of the community.
- The introduction, promotion and advocacy of organic fertiliser have instigated movement towards organic farming from use of chemicals. The result of over use of chemical fertiliser in the past has started to emerge as a major environmental problem in different areas such as acidic underground water and unnatural tastes of crops. This is important achievement of the Project for environment protection and sustainable development
- The activities of waste management are being started and replicated by many self-help groups mainly in the municipality area where waste management is a chronic problem.

The scale of CSDPP model implementations is not large enough to contribute directly in the livelihood of people of the Project areas, except in the pocket areas where the model implementation took place. The team found evidences of replication of the model implementation e.g, sustainable agricultural practices that has had further impact on the livelihoods of the local community. However, emphasis on replicating the learning from the "model implementation" by the VDCs and local communities has varied on the different sectors.

## 7. NCDC Institutional Issues

This chapter briefly presents the institutional issues of NCDC, which were observed by the evaluation team during the evaluation process. These have been discussed with the NCDC team during the sharing workshop in March 2006.

### 7.1 VDC Periodic Planning as a USP of the Organisation

The term Unique Selling Proposition (USP) referred to by marketing professionals is the distinct advantage an organisation or individual has in a certain market or context, an advantage unique to it. With respect to NCDC, the SDP preparation is the USP due to which the local government and donors would seek partnership while community people would expect facilitation of SDP preparation.

NCDC has to strategically promote and market its core expertise of SDP preparation to central level policy makers – MLD. NCDC should also promote to other DDCs and funding agencies keen to support local governance process. There is a need to re-orient on VDC periodic planning.

### 7.2 Long-term Growth of the Organisation

The long-term growth of NCDC as an organisation has to be strategically planned. Taking into consideration NCDC's organisational competency, various options have been developed for long-term growth. The options, implications and challenges are presented in the table below which highlights the following aspects.

- a. Core Skills required of its staff
- b. Recruitment and Selection
- c. Physical Coverage
- d. Financial Requirements
- e. Composition of Board

Options	Implications of each Option	Challenge for the Organisation:
<p><b>Option 1:</b> Keep on increasing the coverage in terms of developing Sustainable VDC periodic plans. Increase the coverage from present Ilam and Mechi to entire Eastern Nepal, and finally the whole of Nepal</p>	<p><b>a. Core Skills required of its staff:</b></p> <ul style="list-style-type: none"> <li>• To be able to involve the community in discussing and developing village level plans</li> <li>• Draft quality documents with graphs, photos, analysis.</li> </ul> <p><b>b. Recruitment and Selection:</b></p> <ul style="list-style-type: none"> <li>• A very large number of people skilled in developing participatory plans, and in developing computer-based documents. May require as many as 6 people per district: 4 to discuss issues with the community, 2 for developing plans on the computer.</li> </ul> <p><b>c. Physical Coverage:</b></p> <ul style="list-style-type: none"> <li>• All districts of Nepal over a 20-year period. Would need offices in each district, or at least in each region.</li> </ul>	<ul style="list-style-type: none"> <li>• Managing a very large number of professionals (maybe 400 plus) spread over 75 districts.</li> <li>• Also ensuring that there is adequate representation from each district on the Board. (Otherwise implementation in far off districts can be affected.)</li> <li>• As plans may not get implemented over time (as the NCDC would focus</li> </ul>

	<p><b>d. Financial Requirements:</b></p> <ul style="list-style-type: none"> <li>Low in capital investment. Medium running expenditures: limited to travel and salaries.</li> </ul> <p><b>e. Composition of Board:</b></p> <ul style="list-style-type: none"> <li>Representing the communities of all the regions.</li> </ul>	<p>exclusively on Plan Development) people may lose interest in the planning process thus destroying the very need for NCDC's existence.</p>
<p><b>Option 2:</b> Develop as a Resource Centre for developing Village level plans: train other NGOs in developing village level plans.</p>	<p><b>a. Core Skills required of its staff:</b></p> <ul style="list-style-type: none"> <li>Training</li> <li>Documenting</li> </ul> <p><b>b. Recruitment and Selection:</b></p> <ul style="list-style-type: none"> <li>Not a very large number of people: would require a core team of 6-10 people involved in developing model plans in different regions. Would require another 5-6 people who would act as trainers.</li> </ul> <p><b>c. Physical Coverage:</b></p> <ul style="list-style-type: none"> <li>Could perhaps work with three offices: one at Ilam, one at Kathmandu and one in Western Nepal. As most training would be at these centers, the team would not need to move except for developing the occasional model plans in a particular region.</li> </ul> <p><b>d. Financial Requirements:</b></p> <ul style="list-style-type: none"> <li>Relatively low running expenditure. Investment required in training staff</li> </ul> <p><b>e. Composition of Board:</b></p> <ul style="list-style-type: none"> <li>Membership from Government or ex-Government to be able to deal with the larger system.</li> </ul>	<ul style="list-style-type: none"> <li>May not have adequate experience to develop training for the SDP process in other areas of the country.</li> <li>Selling the concept to donors and the Government across the country. (Western Nepal districts' conditions might be totally different, as might be the conditions in many of the Terai districts.)</li> </ul>
<p><b>Option 3:</b> Develop expertise in helping implement already developed village level plans.</p>	<p><b>a. Core Skills required of its staff:</b></p> <ul style="list-style-type: none"> <li>Technical and management skills related to Project Management.</li> <li>Promoting and developing (and being able to work intensively and closely with) village level groups.</li> </ul> <p><b>b. Recruitment and Selection:</b></p> <ul style="list-style-type: none"> <li>Will require to select one person per village for intensive work, as well as 2-3 technical experts in each area at least (Health, Engineering, Credit).</li> <li>To work in a region (Mechi) would require approximately 100-150 people.</li> </ul> <p><b>c. Physical Coverage:</b></p> <ul style="list-style-type: none"> <li>Will have to remain restricted at most to a region as the work requires intensive work.</li> </ul> <p><b>d. Financial Requirements:</b></p> <ul style="list-style-type: none"> <li>Medium capital; medium for running expenditure (salary and travel), but high for capital investments.</li> </ul> <p><b>e. Composition of Board:</b></p> <ul style="list-style-type: none"> <li>Can continue with the present board.</li> </ul>	<ul style="list-style-type: none"> <li>Developing expertise in in-depth implementation work;</li> <li>Dealing with the relatively low pace of work.</li> <li>Accepting a greater possibility of disturbance from insurgents – the current political situation in the area</li> </ul>

<p><b>Option 4:</b> Combine Options 1 and 2.</p>	<ul style="list-style-type: none"> <li>• Combination of Options 1 and 2: More plans and a Resource Centre</li> <li>• The big advantage of combining 1 and 2 would be that even as the organisation develops expertise in actually developing plans in other areas, it concurrently becomes a trainer in the area.</li> </ul>	
<p><b>Option 5:</b> Combine Options 1, 2 and 3.</p>	<ul style="list-style-type: none"> <li>• Combination of Options 1, 2 and 3: More Plans, Resource Centre, and helping in Implementation.</li> <li>• The big advantage of combining all the three option is that the process of implementing plans would help NCDC make the plans more practical over time. This would also ensure that the need for NCDC – to develop and implement these plans – would never disappear.</li> </ul>	

Along with the growth (options) of NCDC, its sustainability as an institution will have to ensure financial, physical, and human resources aspects; finances for programmes/activities, the institution and sustaining staff; infrastructure and equipments and human resources that are professional /technically sound and with effective leadership skills.

**Recommendation:**

- NCDC should give serious consideration for Option 5 as the longer term (20 years) though it is the most difficult option. The advantage is that the process of implementing plans would help NCDC make the plans more practical over time. This would also ensure that the need for NCDC – to develop and implement these plans will remain relevant.

### 7.3 A New Form of an Organisation?

To maintain a healthy organisational growth, whichever option NCDC opts for the issues to consider are 1) size of the organisation (larger number of employees), 2) geographic (physical) spread of the organisation and 3) variety (multiple specialisations) and integration of activities.

NCDC needs to ask itself whether it should continue in its present form, or should it acquire a new shape. An option that envisages huge expansion (all three issues) would suggest NCDC to operate as a Holding Trust. The different organisations under the Holding could have separate Boards, though many board members would be present across different organisations.

### 7.4 Evolving the Board

The Board of NCDC at present is remarkable for its ability to work closely with the organisation, and to take a huge interest in its day-to-day working. This close involvement and tracking is not only very rare in the development sector, it is also something that is being increasingly suggested in current literature.<sup>7</sup> The Board should retain its present mode of functioning while acquiring greater expertise.

<sup>7</sup> See for example, Herzlinger, Regina E's argument in "Effective Oversight: a Guide for Non-Profit Directors", from the Harvard Business School guide on Non-Profits. (1999)

NCDC has worked consistently to improve the expertise of its Board by sending its members on exposure trips and workshops; this approach, however, is inadequate. NCDC could explore adopting another approach: that of including other people as Directors of the Board. This will encourage present Board members to enhance their capabilities through interaction with other members of different backgrounds and expertise.

Increasing the number of Board members can help address the issues of ensuring 1) representation from other parts of Nepal and 2) a diverse Board representing the many different organisations that NCDC initiates.

## 8. Conclusions and Recommendations

### 8.1 Conclusions

The Project has largely achieved its targets in terms of SDP preparation and model implementation activities. It is, however, difficult to ascertain the direct contribution of the Project in achieving the goal of "*better livelihood*" of the communities.

All the 17 VDCs have developed SDPs. The SDP preparation process follows the government's priority of promoting decentralisation and good governance at local level. A participatory approach has been adopted throughout the process, involving the relevant stakeholders at district and local level. Effort has been made by the Project to include all sections and groups of the community in its activities. The establishment of periodic planning system in the VDCs has made the allocation of available resources transparent and as per priority need of VDC. The conflict and security situation of the country, unstable political situation and absence of local elected representatives have negatively affected the Projects process and results. The VDC people (including the VDC secretaries) have realised the benefits of having SDP owing to their active participation in preparation.

The model implementation activities in general have demonstrated positive outcomes but to the target group of the targeted locality. This suggest that the beneficiaries of model implementation activities are limited to specific groups and locations, as such gender equity and reach to the very poor and marginalised groups is still low. Replication of successful interventions such as sustainable agricultural practices, through documentation and sharing has been limited. For the implementation of activities prioritised in the SDPs, the coordination and network/linkages by VDC with DDC, various line agencies and other organisations have been nominal. This combined with resource constraints of the VDC and difficult political and security situation raises the question of continuation and sustainability of the SDPs. The Project has largely achieved its targets despite the escalating conflict and absence of active local elected representatives.

The Project management in general is satisfactory, in terms of planning and implementation. The teamwork and cooperation among staff and management and relation to the Board is healthy. On monitoring (system and practice), documentation and reporting requires strengthening. Staff capacity development is ad-hoc, retention of qualified staff especially female remains a challenge despite efforts, and cross sector (unit) communication and sharing are still issues to be addressed. NCDC /CSDPP have to seriously consider staff security issues.

NCDC has established itself as a credible organisation in Ilam and neighbouring districts with a strong hold at community level and excellent rapport with district level stakeholders – DDC, line agencies, I/NGOs and others. NCDC has through the Project developed in-house expertise on SDP preparation, which it sho uld explore on marketing and or creating a market. With regards to its future growth, the geographic spread, structure of NCDC as an institution and the role and composition of the Board are issues that have to be considered in the institutional analysis phase of NCDC.

## 8.2 Recommendations

- **SDP preparation:** In the SDP preparation active participation of women, especially dalit and marginalised communities has to be emphasised. The Planning Assistance Committee (PLAC) formed to support the SDP preparation should give continuity in following-up on SDP implementation. The PLAC members should be oriented on networking at district level. The Project should explore approaches to facilitating and supporting the post-SDP activities mainly SDP implementation, partnership and participation of stakeholders, local resource mobilisation and search for external assistance. Meetings at VDC and district level should be organised (explore using the DAC forum) with stakeholders for review, implementation and follow-up of SDP. The CBOs selected for developing SDPs has to be further strengthened for effective social mobilisation and programme implementation. Advocacy of policies, rules and regulations for periodic plan development, its importance and role of local stakeholders should be integrated. Follow-up on coordination at central level (MLD mainly) and PAC has to be strengthened to provide opportunity for policy discussions regarding SDP.
- **Model Implementation:** In view of CSDPP's key support on SDP and model implementation; the implementation of the SDP becomes crucial to achieve the envisioned "*better livelihood*". CSDPP should explore expanding the model implementation, for which resources has to be mobilised from district stakeholders, and development agencies. The interventions should be focused in specific clusters instead of working with a few groups over a larger area. It is suggested that the Project consider handing over the component of supporting SCOs to Mahila Jagaran Sangh (MJS), a partner organisation of NCDC and DF Norway. Based on its experiences guidelines and reference materials that will guide the SCOs in their own functioning has to be developed.
- **Gender equity – participation and benefit to poor and marginalised:** An effective mechanism to include women, poor, and marginalised groups of the community including dalits should be established in order that the Project interventions contribute to address the income generation and poverty reduction. In SDP preparation process a separate meeting of women and marginalised groups should be held as mandatory to bring out issues and needs of women and ensure reflection of these in the plans. The Project should explore promoting micro enterprise activities among the different groups through trainings for further utilisation of credit on income generating activities.
- **Strengthening the Collaborative nature of work:** CSDPP/NCDC should build on its collaborative nature of work, its networks and goodwill with the stakeholders in the district and outside that will support follow-up of SDP's implementation. Emphasis has to be put to create linkages and linking the SDP preparation process, and the community stakeholders to DDC, Line Agencies' and development agencies' planning process and resources. The Project needs to continue its principles of working in partnership with CBOs and local NGOs and also strengthen their capacities.
- **Sustainability of CSDPP:** CSDPP should further work on mainstreaming economic and socio-cultural sustainability issues in its programme; this suggests gender equity, reaching to the marginalised groups and interventions that directly benefit them. For effective political sustainability of infrastructure interventions, the Project needs to facilitate linking up the user committees with the VDC and DDC. CSDPP should explore in making the SDP preparation process more cost effective which will enable VDC and DDC to finance the process. The

CSDPP is solely reliant on DF funding; hence there is urgency for NCDC / CSDPP to explore alternatives that can support the SDP and other activities.

- **Monitoring, reporting and documentation:** CSDPP should establish effective monitoring system (guidelines), develop skills of staff, form and activate monitoring teams (at VDC level as well as for follow-up). The system of involving Board Members in monitoring different aspects of NCDC/CSDPP work should be continued. The documentation skills of staff have to be enhanced.
- **Documentation and dissemination:** NCDC should document and disseminate the lessons learnt from CSDPP implementation; in particular the SDP preparation and "sustainable agricultural practices". The Project should develop a strategy to promote the successful practices to the community groups, concerned agencies at district level, and in case of SDP to other districts and to national (MLD) policy makers. NCDC has to proactively utilise its already established linkages and networks to promote its core activities, best practices and expertise. The flow of Project related information to the stakeholders has to be made regular and more effective.
- **Enhance HRM and HRD of CSDPP:** The existing system for induction needs to enhance further in order to ensure clarity by employee on his/her roles and tasks, how these are to be performed and also internalise the core values of the organisation. The internal capacity strengthening has to be planned (HRD plan) with appropriate competency development opportunities to staff and Board members. This also includes refining the performance evaluation system, feedback practice, mentoring and coaching. For future projects, NCDC needs to ensure in discussion with its funders that there is salary parity across different projects. NCDC (CSDPP) should explore and develop competitive incentive mechanism to attract and retain qualified personnel, especially women, e.g., giving priority to locals, provision of incentives including institutional investment on its staff (education scholarships and long-term training) and secure long-term programmes and thus employment opportunities. There is a need for NCDC to further work on developing second line leadership and sharing of knowledge and expertise within and outside NCDC.
- **Internal Communication and Coordination:** It is suggested that the sectoral teams (units) of CSDPP hold quarterly review and sharing sessions during which detailed presentation of the units progress and plans are shared with other staff. Regular reflection and reinforcing of the organisational values, principles and team work/performance will help establish better understanding among staff. Furthermore, rotation of job, working in pairs across sectoral units, and combined field visits are other measures that CSDPP can adopt to strengthen the cross-sectoral communication and coordination.
- **Financial aspects:** CSDPP/NCDC needs to revisit the audit recommendations made by the auditors to refine its accounting and financial management practices. CSDPP may explore costing of the SDP process (use system of activity based costing), also to assess the level of input required, which if expansion of SDP is planned will be of use.
- **Institutional Issues:** NCDC should consider Option 5 (expand SDP outside district, a resource centre, offer SDP expertise), as the longer term (20 years) programme strategy and implications to the organisation, though this might be a difficult option. The role and involvement of Board in Project Management (as tied to the institutional options) has to be revisited. This is mainly in terms of strengthening the Board (include some individuals who are considered experts in development sector) while trying to avoid conflict of interest of

Board members due to dual role. These issues are to be further addressed in the subsequent exercises on institutional analysis and business plan development.

- **Consolidate and phase-out of Project interventions:** For the remainder of the Project period the Project has to consider its comparative relevance of planning support facilitation vis-à-vis model implementation as regards the modality adopted in order to effectively address the community development needs of the local people (implementation of SDP activities). The remaining 12 VDCs for SDP preparation should be continued, while CSDPP also needs to respond to the demand for support in revising some of the earlier SDPs. The latter should be led by the concerned stakeholders, with minimal technical guidance by CSDPP. The various sustainability issues considering "phase-out" of the Project support to existing initiatives needs to be planned.
- **Conflict sensitivity and security of staff:** NCDC should carry out a scenario planning based on which short-term strategies to work in the current conflict and unstable political situation is developed. The safety and security of staff has to be a prime concern and staff needs to be equipped with skills to manage security and conflict issues.

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## Annexes