



Evaluation Unit (EVAL)

- **Project Title:** Employment Creation and Peace Building based on Local Economic Development
- **TC/SYMBOL:** NEP/06/51M/NET
- **Type of Evaluation :** Internal Final evaluation
- **Country :** Nepal
- **Date of the evaluation:** March-April 2010 (Final report on 7 June 2010)
- **Evaluation Manager:** Oktavianto Pasaribu
- **Administrative Office:** ILO Nepal
- **Technical Backstopping Office:** Job Creation and Enterprise Development Department
- **Evaluators:** Roel Hakemulder, Govind Mallik
- **Date project ends:** 30 April 2010
- **Donor: country (budget US\$):** Netherlands, US\$ 2,918,564
- **Key Words:** Local Economic Development, Private sector development
- **Evaluation Budget:** US 19,975

Executive Summary: Employment Creation and Peace Building based on Local Economic Development

Background & Context

Summary of the project purpose, logic and structure

The project Employment Creation and Peace Building through Local Economic Development (EmPLED) aims at contributing to employment intensive and inclusive economic growth in two poor districts in Nepal, Dhanusha (in the plains) and Ramechhap (in the hills). The ILO implements the project with the Ministry of Local Development and district level stakeholders. The budget is US\$ 2,918,564, from the Netherlands' Government, the duration 36 months (from 1 May 2007 to 30 April 2010).

The project's immediate objectives are that:

- 1) Local stakeholders implement Local Economic Development strategies aimed at job creation more effectively and contribute to LED policy making
- 2) District residents have better access to productive assets and (new) jobs
- 3) Private enterprises are more competitive, create more jobs and local income

In accordance with the first objective, the project takes a Local Economic Development (LED) approach, which in the project document is defined as a strategically planned, locally driven partnership approach to the creation of decent work at the local level. Better coordination among stakeholders and mutually reinforcing interventions (integration) are key to this approach. The main entry point was the formation of LED Forums. These are inclusive social dialogue forums which design the LED strategy of their district and guide and facilitate its implementation. The project has funded activities that supported the strategies. In line with objectives 1 and 2, these included interventions in enterprise development and employment intensive investment projects (EIIP).

Over its first 18 months the project team developed a concept and strategy that centred on the upgrading of value chains in the food and tourism sectors. This did away with the separation of a productive assets and competitive enterprise "components", which in the original project design were not integrated convincingly. LED strategies were to aim at upgrading value chains which was to result in poverty reduction and decent work.

The project team is placed in two offices in the district capitals, with a national project manager stationed in Dhanusha. An international Chief Technical Adviser was in charge during the project's first two years.

Present situation of project

At the time of the evaluation the project had still one month to go. Many activities were still ongoing, due in part to a slow start. Efforts to identify funds for an extension or second phase had been unsuccessful, and the project team was therefore preparing to close the project. At the time of writing the project had closed.

Purpose, scope and clients of the evaluation

The evaluation aimed to assess:

- Whether the project achieved its immediate objectives
- Whether it is contributing to relevant Nepal Decent Work Country Programme outcomes and national development strategies
- The emerging impact of the interventions
- The sustainability of the project's benefits and the local partners' strategy and capacity to sustain them
- Strengths and weaknesses, opportunities and challenges and any external factors that have affected the project's effectiveness
- The extent to which the project has responded to the recommendations of the Independent Mid-Term Evaluation (MTE)

The evaluation took into account the full scope of interventions and geographical coverage, and the entire project period. It revisited the project design, examined the planning process and agreed LED strategies in each district and the adjustments made, and the institutional arrangements and partnerships.

The principal clients for the evaluation are project management, ILO constituents in Nepal, ILO Kathmandu, New Delhi, and Bangkok, ILO technical units (Employment Sector), the ILO's technical cooperation and evaluation departments, and the project donor.

Methodology of evaluation

Fieldwork was conducted between 15 March and 1 April 2010. The Evaluation Team (ET):

- Reviewed documents
- Interviewed stakeholders at the national level (Ministry of Local Development, Ministry of Irrigation, Nepal Tourism Board, UNDP, ILO)
- Visited both districts to:
 - Have discussions with LED Forums
 - Interview implementing partners
 - Have discussions and interviews with groups of and individual beneficiaries
 - Visit locations of project supported interventions
 - Have discussions with the EmPLED team and individual staff members

The ET developed and used unstructured interview schedules and standardized discussion points for the different groups of respondents. This ensured that all important issues were covered and provided a measure of comparability. In practice many further questions were asked in response to points made by the interviewees. The ET's programme was prepared by the project team. As had been requested, the interviews, discussions and site visits covered successful as well as not so successful interventions. Everything necessary was done to ensure that the evaluation complied with the UN Evaluation Norms and Standards and OECD/DAC Evaluation Quality Standards.

The conceptual starting point of the evaluation was EmPLED as a project that takes an integrated approach to private sector development at the local level. This is in line with the project document, the logical framework as it was revised by the project team, and the evaluation's TOR. The indicators in the logical framework were used to assess project achievements, but the ET found that these were not

adequate to analyse the project's approach as they did not adequately reflect its integrated nature. The ET has used the market system concept to address this. This concept is used widely in the context of programmes that aim at developing markets for the poor. It is being used in the ILO as well.

Since most interventions had been completed only recently or were still ongoing, insufficient time had passed for much impact to have been realized or assessed. This part of the evaluation therefore was limited to identification of some early signs of impact.

Sustainability was a major focus of the evaluation, in terms of the institutional capacities that have been built as well as with regard to impact achieved at the beneficiary level, including the infrastructure developed. In relation to sustainability as well as outreach, the ET considered the extent to which the achieved changes were systemic, i.e. changes in the way local economies operate rather than one-off benefits for specific groups.

Main Findings & Conclusions

The ET's overall assessment of EmPLED is positive. The project has largely and in substance achieved its immediate objectives and outputs. Stakeholders and beneficiaries are overall positive about the project and its approach. However, the three year duration was too short to achieve sustainability of the LED process in an environment where several of the assumptions specified in the project document were not met. Many of the project's weaknesses should be seen in this context. It is likely that with two more years and appropriate strategic guidance they could have been resolved.

Effectiveness and efficiency

The project's most important achievement is that it has succeeded at developing and supporting the implementation of integrated, mutually reinforcing interventions in several value chains in the food and tourism sectors. Some of the examples of success are the establishment of two new trekking trails, upgrading of quality and productivity and improving access to markets for junar (sweet orange) producers, and various interventions around the Kamala Irrigation Project. In some cases the project facilitated changes in the market system around value chains that could eventually benefit large numbers of people. This was made possible by the evolution in the project concept and strategy towards private sector and value chain development. This positioned the project well to design integrated interventions based on a plausible model of change. The original project document provided the flexibility to facilitate this evolution.

However, interventions were not always *planned* to be integrated. The pieces were often assembled in a cumulative manner, when placing one or two showed there was a need for a third or a fourth. In addition, some interventions showed few signs of integration. This is rooted in the LED methodologies the project used. The project made creative use of a number of LED assessment and planning tools, in particular Integrated Rural Accessibility Planning (IRAP) and adapted forms of Local Competitive Advantage (LOCA)¹. The partners' capacity was built to apply these tools. However, in spite of the project focusing on value chain development, it has not sufficiently and systematically made use of approaches that were actually designed for that purpose. Overall its use of LED planning tools also

¹ LOCA is a product of the consultancy firm Mesopartner, and is known as PACA (Participatory Appraisal of Competitive Advantage) in most other countries. See www.mesopartner.com.

lacked thoroughness. Finally, due in part to a slow start significant funds remained unallocated 6 months before the project's end, more ad hoc interventions were funded in response to pressure to spend and requests from stakeholders.

The slow start was partly the result of a high level of social unrest and insecurity during the project's first 12 months. In addition, the LED process was sequenced in a manner that saw significant results for beneficiaries only in the second half of the project. The project made a lot of up-front investments in general LED capacity building, research and strategy development, where it would have benefitted from early capacity building on and use of LOCA, IRAP and value chain development tools leading to quick and concrete results.

The project worked with and through local partners, as a facilitator, rather than taking on partners' functions and replacing them. Partners included the employers and workers' organizations, private sector service providers, NGOs and government agencies. Most benefitted from capacity building on LED and LED planning methodologies, as well as the experience gained by implementing project funded interventions. District Chambers of Commerce and Industry played a particularly active role, while trade unions (present in Dhanusha) benefitted less directly.

EmPLED's main partners have been the LED Forums, which it initiated and which have played a key role in planning project funded interventions. Through a process of awareness raising, training, information gathering and analysis, and planning, the Forums developed LED strategies which were implemented with project support. Local stakeholders and beneficiaries generally contributed some 10 to 20% of the required funds (in kind in the case of beneficiaries).

The LED Forums were intended to develop into social dialogue bodies for LED that would advise the District Development Committees (DDCs) on LED issues. This has not happened. The Forums remain largely project-bound committees whose *raison d'être* is to decide how project funds will be used. Likewise, the LED strategies have remained strategies to be implemented with project support rather than strategies for the districts generally that could be funded by the DDC, donors, or other agencies. Although members are positive, their sense of ownership over the Forums is weak. The Forums' credibility has been affected by the lack of concrete results early in the project. As there are many other committees that facilitate dialogue, it is not clear whether the Forums address an essential need.

More successful because it affected government rather than just project planning has been the support to planning at the Village Development Committee level. Its value has been demonstrated by replication well beyond what was foreseen.

The Mid-Term Evaluation has been important in facilitating the project's reorientation towards private sector and value chain development, and several of its other recommendations have also been followed up. The recommendation (presumably to the ILO) to conduct a review of the administrative and financial procedures for the project was an exception. These proved to be inappropriate to an LED project and resulted in inefficiencies and unacceptable delays, including in payments to poor EIIP workers.

There was little collaboration with ILO or other projects, although this would have been beneficial.

Impact

By working on value chains and attempting to facilitate systemic change, the actual and potential outreach of the project is considerable. Some 8,500 households have benefitted directly, while in the long term an estimated 250,000 to 500,000 people may benefit indirectly (though not necessarily by increasing their income). Replication of some of the successful interventions has contributed to this.

Overall, the interventions have been too recent for much impact to have been realized or assessed. However, early signs of impact on the operation of value chains, incomes and work are encouraging. The extent to which the work created by enterprises is or will be decent cannot be assessed at this stage, but some efforts were made to promote better Occupational Safety and Health (OSH). The short-term effect of EIIP on work and incomes has been immediate and beneficial, though temporary. Decency of this work was promoted through OSH training and other measures. For all project interventions much effort has gone into targeting, and this has paid off. The beneficiaries are largely those intended, i.e. the poor, women, Indigenous People, and Dalits.

Sustainability

The project's sustainability strategy came late and was inadequate. It should have identified all project outputs or results that the project planned to be sustainable and concrete steps to achieve this. That this was not done adequately has affected the sustainability especially of the Forums, of the capacity to use LOCA and value chain development, and of productive assets (roads mainly).

The sustainability of the Forums is questionable, since with project completion there will be no funds for them to decide on. As a broader LED function was not realized, and the Forums do not have a plan for developing this function, there is little reason for them to continue. Given the key role of the Forums in the LED planning process the project has promoted, this is also not likely to be sustained. An exception may be the planning at the VDC level. This will depend on the extent to which the national government will continue to require good quality VDC plans. However, there is insufficient local capacity to conduct especially LOCAs and value chain development independently, and this poses a threat.

Some of the services that were developed or introduced, such as the Village Animal Health Workers, LED radio and EIIP, are likely to be sustainable. This would constitute systemic change in the market system with long-term benefits for many. Others, however, such as the Experienced Lead Farmers or Work Improvement through Neighbourhood Development (WIND), and the Janakpur Chambers' business information centre are less likely to survive, given the lack of funds to continue them and their low commercial viability.

Much of the impact at the beneficiary level shows good promise to be sustainable. Interventions were based on participatory assessments and priorities that were largely set by stakeholders and beneficiaries in the value chains. This has ensured a good degree of relevance and ownership. Interventions have also shown benefits and those benefitting have therefore good reasons to sustain them. However, in a number of cases sustainability is under threat because of the lack of maintenance plans and funds for the roads that are often a critical element in the project's integrated interventions. The project's attempts to address this issue came only at the very end and are unlikely to be effective in a context where political and financial incentives are not in favour of maintenance.

Relevance

The project was and remains very relevant in a situation characterized by high levels of poverty, wealth and gender inequality and marginalization of Indigenous People and Dalits. It has demonstrated that it can have an impact on these. It was and remains relevant as well to the need for peace building. There are indications that the LED approach has reduced conflict and tensions over allocation of resources, in addition to addressing the roots of conflict (poverty, marginalization). This and the current national, UN and ILO development strategies provide a framework that fully justifies EmPLED in concept and practice. Nepal needs projects like EmPLED.

Recommendations & Lessons Learned

Recommendations

Recommendation 1: It is recommended that steps be undertaken immediately, by the Government of Nepal and the ILO, to identify funds for a second phase of the project, with duration of two years. This is urgently required to consolidate and ensure the sustainability of some of the key project achievements. The full report provides guidance on what should be done during a second phase. Strategic planning by the LED Forums to assess whether they are essential, and what their role should be, and capacity building on value chain development, should be key elements.

Recommendation 2: The ET also recommends to the ILO and the Government of Nepal that the project be expanded, to cover up to four more districts. The districts should neighbour Dhanusha and Ramechhap, to reduce logistical problems. Preferably, an expansion should start following completion of the strategic planning process with the LED Forums. However, most important is that the expansion be aligned with the DDC and VDC planning cycles, so that whether the project is well placed to affect local planning. The report provides guidance on changes in the approach that should be considered for an expansion.

Recommendation 3: It is recommended that the ILO urgently reviews the manner it provides management, administrative and finance support to projects. The inefficiencies and delays, including in payments to very poor people, that result from current procedures are unacceptable for an organization that should be a model for others and that promotes decent work. It is recommended specifically to the ILO Nepal office and to the Evaluation Department of ILO Geneva that the argument for change be put to the Governing Body, as forcefully as possible. We also recommend to Constituents of the ILO in Nepal that they support these arguments and follow up on how the ILO deals with this recommendation.

Recommendation 4: It is recommended to the relevant technical departments in the ILO that they consider ways in which IRAP, LOCA, value chain development and other possible tools can be combined or integrated into a more holistic LED assessment and planning tool. Quality may be compromised when it is left to often inexperienced implementers to make ad hoc combinations.

Recommendation 5: It is recommended to the Ministry of Local Development that it takes a stronger leadership role in the sharing of LED experience among districts in Nepal and among the different

projects that support it, as well as in coordination among such projects. This is not likely to happen by itself, and much is to be gained from it in terms of more effective local governance and development.

Recommendation 6: Given that it was too early to adequately assess the project's impact, it is recommended that the ILO and the Ministry of Local Development conduct a thorough impact assessment in the two districts in two years time. This would contribute to further learning about the effectiveness of the ILO's integrated approach to LED and so help to improve it.

Good practices and lessons learned

The following are good practices demonstrated by EmPLED.

- The project document provided a good deal of flexibility, including in the provision that the logical framework could be revised. This gave the project team and stakeholders the freedom to respond to identified needs and opportunities.
- By working through local partners, as a facilitator, rather than providing services and support directly, itself, the project has avoided replacing local service providers and so changing the market system in a short-term, unsustainable manner. Instead, it has helped strengthening stakeholders and enhanced their capacity.
- Related to this, the project has taken identified needs and opportunities as its starting point for LED, rather than promoting standard ILO tools. Since it did not insist on ILO products being used, it was able to make use and strengthen existing capacity.
- The project has sought to develop and support integrated, mutually reinforcing interventions by considering constraints and opportunities in specific value chains, and so introduce systemic change. It has joined the growing number of programmes that use this approach to enhance access to markets for the poor.

Further lessons learned, which are not new but merit repeating are the following.

- Three years is too short for a project that aims to introduce LED approaches for the first time and achieve sustainable change at the institutional level. This is especially, but not only, true in a difficult post-conflict situation.
- The ILO's "six-step approach to LED" is meant to be flexible but in practice project teams apparently find it difficult to use it in a flexible manner. This can result in reduced effectiveness and efficiency. Project documents should therefore propose a process that is likely to be appropriate in the specific situation. Project backstops should provide intensive guidance in the project's start-up phase to ensure that an appropriate process is being followed.
- Charging a number of subject specialists to design an integrated project together is not necessarily a recipe for success. It is more likely to result in sectoral analyses, a design based on these, and a search for "linkages" or "synergies" between "components". The starting point of an integrated LED project should be an integrated concept.
- Well-intentioned declarations about collaboration with other projects and agencies are not sufficient to make it happen. There need to be good reasons for staff to make collaboration effective. Embedding collaboration in the logframe, better coordination at the country management level and allocating funds to joint work can create such reasons

Table of contents

Page	Chapter	Section	Title
2			Executive Summary
11			List of acronyms
13	1		Introduction
13		1.1	Brief introduction to the project
13		1.2	Evaluation purpose, scope and methodology
16		1.3	Report structure
17	2		Project design
		2.1	Project formulation and original design
18		2.2	The project's starting situation
19		2.3	The inception phase
20		2.4	Revised project strategy and logical framework
25	3		Project effectiveness
		3.1	LED Forums and strategies
29		3.2	LED planning tools
30		3.3	LED implementation tools and services
33		3.4	Partnerships
34		3.5	Integration
37		3.6	Inclusiveness
39		3.7	Achievement of objectives and outputs
40	4		Efficiency
		4.1	Project management and administrative support
41		4.2	Technical support
		4.3	Governance and links to the national level
42		4.4	Independent Mid-Term Evaluation
44		4.5	Use of consultants
45		4.6	Use of resources
		4.7	Sequencing
47	5		Impact
		5.1	Impact assessment methodology
		5.2	Impact and outreach
51	6		Sustainability
		6.1	Sustainability strategy
52		6.2	The LED Forums
54		6.3	The use of LED tools – LOCA, value chain development and IRAP
		6.4	VDC planning
55		6.5	Services
56		6.6	Productive assets
58		6.7	Impact on value chains
60	7		Project relevance and strategic fit
		7.1	Relevance
61		7.2	Strategic fit
62		7.3	Links

64	8	Conclusions, recommendations, good practice and lessons learnt
	8.1	Project strengths, weaknesses, opportunities and threats
67	8.2	Recommendations
71	8.3	Good practices and lessons learnt
73	Annex 1	Progress towards process and effectiveness indicators
82	Annex 2	Progress on impact indicators
85	Annex 3	Fit with DWCP, UNDAF and National Development Strategy
88	Annex 4	Evaluation Terms of Reference
97	Annex 5	People met by the evaluation team
100	Annex 6	References
101	Annex 7	Data collection formats

Diagrams and boxes

21	Diagram 1	EmPLED causal chain
22	Diagram 2	The market system
23	Diagram 3	Final project concept
35	Diagram 4	Junar value chain
36	Diagram 5	Numbur tourism value chain
53	Box 1	Why do people participate in LED Forums?

List of acronyms

CBO	Community Based Organisation
CTA	Chief Technical Advisor
DC	District Council
DDC	District Development Committee
D-MEGA	District Micro-Enterprise Group Association
DOLIDAR	Department of Local Infrastructure Development and Agricultural Roads (MoLD)
DWCP	Decent Work Country Programme
EIIP	Employment Intensive Investment Programme (or projects)
ELF	Experienced Lead Farmer
EmPLED	Employment Creation and Peace Building based on Local Economic Development
ET	Evaluation Team
FNCCI	Federation of Nepalese Chambers of Commerce and Industry
GoN	Government of Nepal
GTZ	German Technical Cooperation
ILO	International Labour Organisation
IPEC	International Programme on the Eradication of Child Labour
IRAP	Integrated Rural Accessibility Planning
ITC	International Training Centre (Turin)
LDO	Local Development Officer
LED	Local Economic Development
LOCA	Local Competitive Advantage (also Participatory Appraisal of Competitive Advantage, PACA)
MEDEP	Micro Enterprise Development Programme
MoLD	Ministry of Local Development
MTE	(Independent) Mid-Term Evaluation
NGO	Non Governmental Organisation
SIYB	Start and Improve Your Business
SNV	Netherlands Development Organisation
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
VAHW	Village Animal Health Worker
VDC	Village Development Centre
WIND	Work Improvement through Neighbourhood Development

1. Introduction

1.1 Brief introduction to the project

The project Employment Creation and Peace Building through Local Economic Development (EmPLED) aims at making a contribution to employment intensive and inclusive economic growth in two poor districts in Nepal, Dhanusha (in the plains) and Ramechhap (in the hills). The ILO implements the project with the Ministry of Local Development and district level stakeholders. The budget is US\$ 2,918,564, from the Netherlands' Government, the duration 36 months (from 1 May 2007 to 30 April 2010).

Though both districts are in the Central Development Region, they are not contiguous. The economy of both is predominantly agricultural, but more so in Ramechhap. Dhanusha, with a population of 670,000, has a significant share of landless people, and labour migration is strong. The population of Ramechhap (around 215,000) is made up largely of marginalised (ethnic or caste) groups. Scores on Human Development Indicators are low for both districts, with for instance chronic child malnourishment rates of 73 and 55%, mean years of schooling of 1.71 and 2.14 years, and per capita incomes of US\$ 185 and 182 in Ramechhap and Dhanusha respectively (2005 figures).

The project's immediate objectives are that:

- 1) Local stakeholders implement Local Economic Development strategies aimed at job creation more effectively and contribute to LED policy making
- 2) District residents have better access to productive assets and (new) jobs
- 3) Private enterprises are more competitive, create more jobs and local income

As indicated by the first objective, the project takes a Local Economic Development (LED) approach, which in the project document is defined as a strategically planned, locally driven partnership approach to the creation of decent work at the local level. Better coordination among stakeholders and mutually reinforcing interventions (integration) are key to this approach. The project does not provide direct support to target groups, but works with and through local or national organisations, in principle strengthening their capacity if required.

The main entry point was the sensitisation of stakeholders on LED followed by the formation of Local Economic Development Forums. In essence these are inclusive social dialogue forums which design the district's local economic development strategy and guide and facilitate its implementation. Forums are currently functioning in each of the two districts. Strategies were developed and the project has funded activities that supported these. In line with immediate objectives 2 and 3, these have included interventions to enhance enterprise competitiveness and employment intensive investment projects (EIIP). The focus has been on tourism and food value chains seen as a priority by the LED Forums.

The project is placed in two offices in the district capitals, with a national project manager stationed in Dhanusha. An international Chief Technical Adviser was in charge during the project's first two years.

1.2 Evaluation purpose, scope and methodology

ILO policy required a final project evaluation. The evaluation aimed to assess:

- Whether the project achieved its immediate objectives

- Whether it is contributing to relevant Nepal Decent Work Country Programme outcomes and national development strategies
- The emerging impact of the interventions (either positive or negative)
- The sustainability of the project's benefits and the local partners' strategy and capacity to sustain them
- Strengths and weaknesses, opportunities and challenges and any external factors that have affected the achievement of the immediate objectives and the delivery of the outputs
- The extent to which the project has responded to the recommendations of the Independent Mid-Term Evaluation (MTE)

The evaluation took into account the full scope of interventions geographical coverage, and the entire project period. It revisited the project design, examined the planning process and agreed LED strategies in each district and the adjustments made, and the institutional arrangements and partnerships.

The principal clients for the evaluation are project management, ILO constituents in Nepal, ILO Kathmandu, New Delhi, and the Regional Office in Bangkok, ILO technical units (Employment Sector), the ILO's technical cooperation and evaluation departments, and the project donor.

The evaluation team (ET) comprised two consultants in private sector development/LED and infrastructure and livelihoods, Roel Hakemulder and Govind Mallik. The evaluation manager was Oktavianto Pasaribu (ILO Bangkok). Fieldwork was conducted between 15 March and 1 April 2010. This included 10 days in the target districts. The ET:

- Reviewed documents
- Interviewed stakeholders at the national level (Ministry of Local Development, Ministry of Irrigation, Nepal Tourism Board, UNDP, ILO)
- Visited both districts to:
 - Have discussions with LED Forums
 - Interview implementing partners
 - Have discussions and interviews with groups of and individual beneficiaries
 - Visit locations of project supported interventions
 - Have discussions with the EmPLED team and individual staff members

The ET developed and used unstructured interview schedules and standardized discussion points for the different groups of respondents. This ensured that all important issues were covered and provided a measure of comparability. In practice many further questions were asked in response to points made by the interviewees.

The ET's programme was prepared by the project team. As had been requested, the interviews, discussions and site visits covered successful as well as not so successful interventions. The ET verified this on the basis of the available documentation. The ET conducted fieldwork without the presence of responsible project staff. Beneficiaries and other interviewees voiced criticism freely. The ET believes it was able to form a balanced and unbiased picture of the project's strengths and weaknesses and that everything necessary was done to ensure that the evaluation complied with the UN Evaluation Norms and Standards and OECD/DAC Evaluation Quality Standards. The list of people met is attached as Annex 5.

The conceptual starting point of the evaluation was EmPLED as a project that takes an integrated approach to private sector development at the local level. This is in line with the

project document, the logical framework as it was revised by the project team, and the evaluation's TOR. The indicators in the logical framework were used to assess project achievements, but the ET found that these were not adequate to analyse the project's approach as they did not adequately reflect its integrated nature. The ET has used the market system concept (see 2.4) to address this. This concept is used widely in the context of programmes that aim at developing markets for the poor. It is being used in the ILO as well.

The ET made an effort to extract information regarding the three basic indicators included in the Donor Committee on Enterprise Development²:

- Scale: number of enterprises (and other beneficiaries) reached
- Net income gain in target enterprises
- Net job creation.

However, we found that since most interventions had been completed only recently or were still ongoing, insufficient time had passed for much impact to have been realized or assessed. Nevertheless, some early signs of impact at this level could be identified. The ET also asked the project team to develop an estimate of how many people could eventually be affected (in any way) by project interventions (see 5.2). Although this is of course far from ideal, it does provide a rough idea of possible outreach.

Sustainability was a major focus of the evaluation, in terms of the institutional capacities that have been built as well as with regard to impact achieved at the beneficiary level and the infrastructure developed. With regard to the beneficiary level, we considered the extent to which gains in job creation and income are likely to remain and continue after project completion. Where such gains were not yet noticeable, we looked at whether the results that were meant to lead to them (e.g. a mango tree plantation, improved irrigation) were likely to last beyond project completion. With regard to sustainability at the institutional (LED Forums and service provider) level the ET considered whether stakeholders:

- Indicated they planned to continue the approach
- Had adequate incentives (good reasons) to continue
- Had adequate capacity to continue
- Had access to funds to continue

In relation to sustainability as well as outreach, the ET considered the extent to which the achieved changes were systemic, i.e. changes in the way local economies operate rather than one-off benefits for specific groups.

Preliminary findings were presented at a meeting of the National Steering Committee, on 1 April. The meeting was attended by additional representatives from the District LED Forums. This replaced a separate district stakeholder workshop foreseen in the TOR, which proved not to be feasible due to logistical constraints.

The ET would like to acknowledge the excellent support from the project and the willingness of its staff to consider its approach and achievements critically. This has been of key importance. Appreciation is also due to the Forums, other stakeholders and beneficiaries who have invested time and effort in the evaluation, as well as ILO officials who provided information, support and constructive comments on the first draft of this report.

² See www.enterprise-development.org/page/measuring-and-reporting-results

1.3 Report structure

The report largely follows the structure of the analytical framework proposed in the TOR. That is, it will consider:

- Is the project design valid and how has its approach evolved?
- Effectiveness – to what extent were objectives and outputs achieved?
- Efficiency – to what extent were the achievements realized efficiently?
- Impact – what is the emerging evidence that the project has or will have an impact on the local economy, jobs and incomes?
- Sustainability – are project achievements likely to be sustained following its completion?
- Relevance and strategic fit – was and is the project relevant to actual needs and to what extent does it support Government, ILO and UNDAF objectives and strategies?
- Overall conclusion and recommendations, lessons learnt and good practices identified

The chapters open with the main issues to be considered. The full list of questions put to the ET is in the TOR, which can be found in Annex 4.

2. Project design

The ET considered the following main issues with respect to the project's design:

- What and how adequate was the original project design and how did it evolve?
- Is the resulting intervention logic coherent and realistic?
- To what extent was the project's starting situation different from what had been foreseen?
- How useful was the inception phase?
- How appropriate and useful are the evolving rolling indicators of the logical framework in assessing the project's progress?

2.1 Project formulation and original design

The project was designed over a period of 4 months in late 2006, on the basis of a concept paper that had been approved by the donor. The process included preparation of background studies, comprehensive consultations with stakeholders, a participatory logical framework workshop, and district visits. A number of ILO specialists were directly involved, including in EIIP, enterprise development, LED and skills training.

This unusually thorough exercise is reflected in good but separate analyses of the situation in the districts with respect to these areas of specialization. It included consideration of issues related to exclusion of Indigenous People and Dalits, as well as gender.

The project strategy described the ILO' 6-step LED methodology (reflected in a fairly detailed flow chart), how the poor and excluded would be targeted and what general principles (such as decent work) would be applied. It is not particularly concrete or specific, but LED projects are meant to be flexible in their design to enable them to respond to opportunities as they emerge. This was therefore good practice. The project strategy also stated, correctly in the ET's view, that the "fundamental challenge of the project will be to identify sectors and sub-sectors with economic growth potential and to ensure that interventions in these sectors benefit the poor". Here, however, the document could have provided more guidance on what approaches could be used to identify such sub-sectors and how to design strategies and interventions to develop them. In the ET's view a reference to "appropriate tools and instruments" and annexing a list of such tools did not provide sufficient direction to the project team.

The document includes a draft logical framework only, largely developed with the stakeholders. It was to be revised following an inception phase. Again, this is good practice, which should be more common in the ILO. It ensured the flexibility the project team and stakeholders needed.

Since the original logical framework was revised substantially, we will not consider it in detail here. It does merit discussion, though, since this was the project team's starting point. Overall, the ET found the framework to be relatively weak, and inconsistent in structure. It inadequately reflects the necessarily integrated nature of LED interventions. At the output level it largely reflects the areas of specialisation of those involved in project formulation, i.e. EIIP, skills and enterprise development. This compartmentalised thinking is rooted in the way the problem analysis was conducted and is presented, i.e. separating infrastructure from enterprise and skills development rather than considering it as an element of the environment in which the private sector develops. It is reflected in the project strategy flow chart, which makes an attempt to specify the "linkages Infra, MSE and Skills to LED" in the implementation phase rather than the analysis and planning stage, where integration needs to start.

Some other key weaknesses are:

- Objective 2 (women and men ... engaged in decent and productive employment) would be more appropriate as an indicator for the development objective (contribution to ... poverty reduction and employment creation) than as an objective.
- Outputs are not clearly linked to specific objectives (they are all grouped together).
- Some outputs largely coincide with objectives (e.g. Objective 1, local stakeholders are planning and implementing LED strategies, and Output 1, LED Forums in the two districts are effectively developing, planning, coordinating and managing pro-poor LED policies, strategies and interventions).
- Enterprise development is reflected in an output on effective market linkages only (many other issues were identified in the problem analysis).
- It is unclear why social protection schemes were included as a separate output.
- Indicators are largely neither measurable nor verifiable (e.g. economic benefits for women and men from marketing of skills and products materialize as foreseen – foreseen by whom, when, for how many?; increased employability among women and men – for how many and how does one assess this?).

The document and logical framework did correctly identify the main risks and assumptions relevant to the project's implementation. These referred to political stability, security, effective implementation of the Government's decentralised and pro-poor LED policies, strategies and plans, and the absence of natural disasters. As we will see, the first three have proven relevant.

Overall the ET does not think the original logframe was much help to the project team in understanding and operationalising the project concept, in particular because it inadequately articulated what should have been an integrated design. It is fortunate the team was allowed to change it and that it had the LED methodology to guide it in starting up the activities.

With respect to the question whether the original project design was realistic, the ET finds a no is justified. This is not due to unrealistic expectations per se but to the short project time frame. In the ET's experience 3 years is too short under the best of circumstances when an LED approach is introduced for the first time. In the Nepalese post-conflict situation, characterised by a high degree of political uncertainty and insecurity, it was not realistic to expect 3 years would be sufficient for the project to fully achieve the objectives foreseen, especially with regard to their sustainability. We will see this confirmed by the assessment of effectiveness and sustainability.

2.2 The project's starting situation

The project's starting situation is described in some detail in the project document and there is no need to repeat this here. The main issues include a high incidence of poverty and unemployment, a lack of economic opportunity, exclusion from decision making and economic growth of large groups of people (women, Indigenous People, Dalits), and insufficient capacity for effective pro-poor LED. On the positive side is the Government's decentralisation policy and legislation, which provide an enabling framework for LED.

However, some aspects of the starting situation need to be emphasised as they relate to the assumptions and risks specified in the logical framework and affected project implementation:

- A high degree of insecurity during at least the first year of the project's operation, characterised by strikes, blockades and risks to movement in the field
- A continued high degree of political instability at the national level
- Continuation of temporary, ad hoc governance arrangements put in place pending a new constitution
- Absence of elected members in local government bodies (District and Village Development Committees and Councils), which reduced their accountability to the local population (voters)

In other words, apart from the absence of natural disasters and the Government's commitment to decentralisation, the risks identified in the project document were high. Especially the last three factors were not conducive to establishing new structures (LED Forums) and ways of working (LED strategies). The first strongly affected the mobility of the project team and stakeholders and caused significant delays.

In addition, the formulation process had not sufficiently taken into account the existence of a large number of different committees under the DDC, some set up in accordance with the legal framework, others established at the behest of donors or projects. The Local Self Government Act has a provision that allows a DDCs to set up, "as per necessity" sub-committees to "render assistance in its function" which "may consist of the representative of the consumers' group, the representative of non-governmental organisations, women, backward class, intellectuals, social worker and experts" (article 190). The ET was informed that in the two project districts these sub-committees include an economic development committee with private sector and NGO representation. The most relevant donor-inspired committee is the District Enterprise Development Committee, set up by UNDP's Micro Enterprise Development Programme (MEDEP), which also has private sector and NGO representation. The existence of the District Enterprise Development Committees was noted in the project document, but as service providers rather than as possible competitors or alternatives to LED Forums.

In other words, the project found itself in a situation where there was not a complete absence of the public-private dialogue the LED Forums were meant to facilitate, which posed a potential threat to the project strategy. Though the LED Forums were much more inclusive than existing committees, they may not have been seen to address a crucial need and could be seen as just another project-inspired and project serving body.

It can be concluded that the project starting situation was overall rather less conducive than had been foreseen.

2.3 The inception phase

The "6-step LED methodology" foresaw a 3 to 6 months inception phase. During this period the project would carry out:

- "Preparatory activities"
- Consensus building among public and private stakeholders
- Territorial diagnosis and institutional mapping
- Sector and sub-sector analysis and value chain analysis

The logical framework was to be revised at the end of this phase. Sensitisation of stakeholders on LED and formation of an LED Forum were the next two steps, which the document said “are overlapping and often implemented in parallel”.

Although the project started in May 2007, key team members were in place by August only, and several others much later. As mentioned above, their effectiveness was affected by the high level of insecurity. Consensus building and sensitisation started in September, when the LED Forums were set up as well, one in each District. As we will see, the project used a variety of approaches to collect and analyse information on the local economy. Much of this information was brought together in “District Growth and Employment Profiles” (which replaced the Territorial diagnosis and institutional mapping documents) were still in draft form at the time of the evaluation. A separate in-depth study was done on Indigenous People. Each of these documents is of good quality and the information presented has helped the development of LED strategies and project targeting. The inception phase therefore laid a sound basis for the project, but took longer than expected.

During the last quarter of 2007 and the first four months of 2008 the project provided LED training to the Forums and supported them in developing strategies, which is step 4 in the LED process. The project team correctly judged that reformulating the logical framework could be done on the basis of these strategies only. This was therefore delayed to December 2008, following the independent Mid-Term Evaluation, well beyond the originally foreseen inception phase.

2.4 Revised project strategy and logical framework

The revised logical framework is an important improvement, reflecting a much better understanding of how the project was going to give meaning to LED in the two districts. At the development objective level, however, the change was not for the better. The new goal, “Employment intensive and inclusive economic growth is sustained”, was a rather significant shift from the original “Contribution to national peace building and poverty reduction and employment creation, through local economic development”. Although the new goal was an improvement by not being composite, the loss of the peace building dimension is significant in a context where this is a national priority and the project could make a difference. “Poverty reduction and employment creation” also seem more specific and unambiguous than “economic growth sustained” (meaning there was growth and it continued, rather than increased?).

The three new immediate objectives on the other hand, are a clear improvement in terms of conceptualisation of the project strategy, since they better reflect the project’s means of action. They read as follows:

- 1) Local stakeholders implement LED strategies aimed at job creation more effectively and contribute to LED policy making
- 2) District residents have better access to productive assets and (new) jobs
- 3) Private enterprises are more competitive, create more jobs and local income

Under Objective 1, outputs and activities refer to developing an LED capacity, including in the shape of LED Forums, developing LED strategies, and laying the foundation for an expansion of LED at the district and national level. Under Objective 2, they refer to strengthening EIIP capacities and the provision of infrastructure and services. For Objective 3, outputs and

activities refer to upgrading tourism and food value chains (including through better services), improving enterprise culture and better informed labour migrants³.

The causal chain that is implicit in this design is pictured in the diagram below (Diagram 1). The development of an LED capacity and LED strategies is expected to result in interventions that improve access to productive assets and more competitive enterprise, which should result in employment intensive and inclusive economic growth. This growth should manifest itself in more decent work and less poverty. These were part of the original development objective and it is confusing that in the revised logical framework jobs and income have instead been included in the immediate objectives, which therefore fail to differentiate between cause and effect.

EmPLED's causal chain

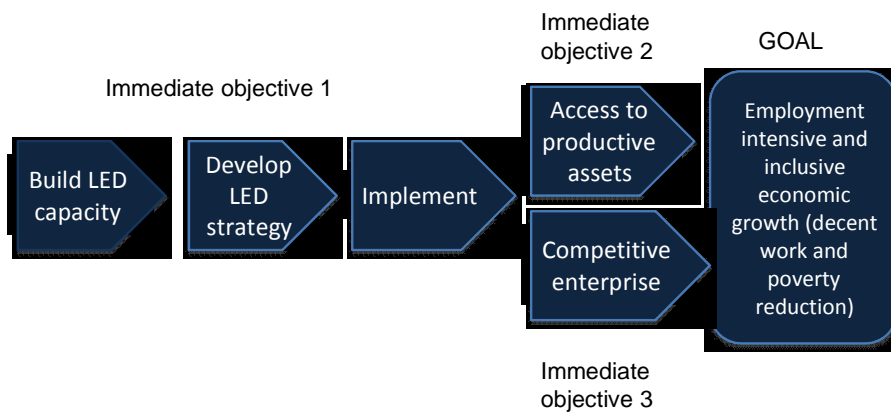
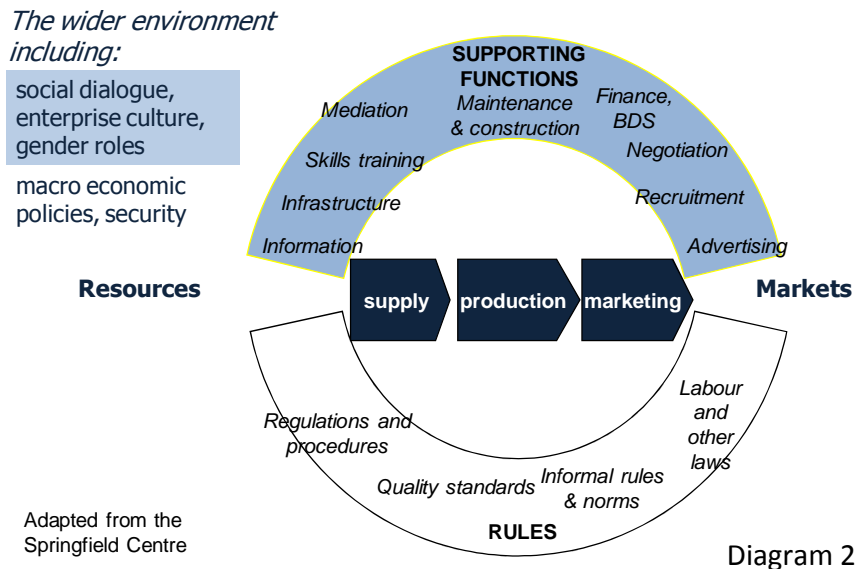


Diagram 1

The ET considers this a plausible model of change, which is in line with current thinking and practice in private sector development. It aims to improve the functioning of the market system especially for the poor and otherwise excluded, and so to facilitate growth that creates more jobs and better incomes for these groups. The diagram below represents the market system, with at the core specific value chains (usually in the private sector) that bring products or services to markets. Their immediate environment is made up of rules and regulations, largely the domain of government, and of supporting functions, such as infrastructure, finance, and business services, provided by government, the private sector and NGOs. The wider environment of values, norms, mechanisms for social dialogue, macro-economic and other conditions (such as security) affect value chains more indirectly but not less profoundly. The areas in which EmPLED was designed to and did in the event intervene, have been coloured light and dark blue.

³ Annex 1 and 2 include all outputs.

The market system



Given this strategy to affect key issues in the market system, a positive impact on economic growth could be expected. The absence of an intention to also deal with constraints imposed by government rules and regulations is in principle a weakness in the design, but is understandable where the main such constraint was a high degree of lawlessness (e.g. gangs operating extortion rackets). This was probably too large an issue to be tackled so early in the establishment of the LED process. Also, the project was not completely absent from this aspect of the market system, given its training on labour standards in relation to EIIP and the high standards of accountability it set there.

The revised project design was therefore a significant improvement. However, the extent to which was realistic rather than just plausible for a 3-year project is, in the ET's opinion, still questionable. In particular the intention to develop sustainable LED Forums and LED capacities more generally in such a short time frame was over-ambitious.

The revision of the logical framework was not the end point of the project team's thinking about its strategy. Significantly, the team currently presents its strategy as comprising three key elements:

- Building a capacity for LED
- Upgrading of food value chains
- Upgrading of tourism value chains

This reflects even more clearly the way the project intervened in the market system, and does away with the separation of a productive assets and a competitive enterprise "component", which in the original project design were not integrated convincingly. The final causal chain, reflecting a fully integrated approach, was therefore as in the diagram below.

Final project concept

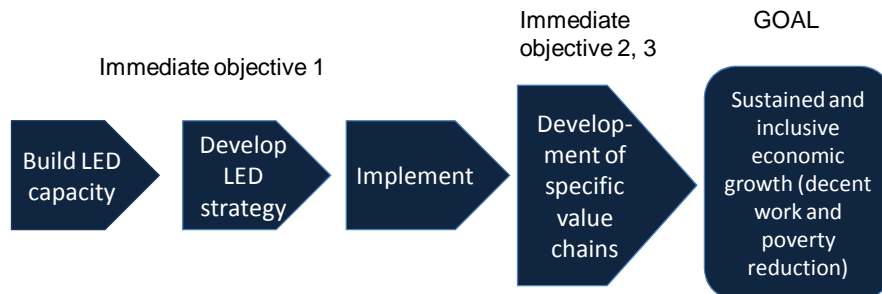


Diagram 3

9

Inclusivity and a focus on poverty reduction were expected to be achieved by:

- Including the poor and excluded in social dialogue (the Forums) that would decide on how to intervene in the market system
- Including the poor and excluded in participatory approaches that would shape the project's interventions
- Direct targeting of the poor and excluded – through selection of localities, value chains and beneficiaries

Although there is much discussion of the benefits of direct targeting of the poor, as the results in terms of overall growth are often small, this approach is largely in line with current good practice of poverty reduction programmes⁴. Especially the inclusion of powerless groups in decision making result in benefits for the poor as well as a broader impact on market systems and growth. As mentioned above, project research, including on Indigenous People, contributed to this targeting strategy.

While the project therefore developed sound foundations for its strategy, this happened relatively late, after the Mid-Term Evaluation (November 2008). It was facilitated by this evaluation as well as guidance from ILO backstops and staff training on value chain development. The ET believes that this could have happened earlier if the original project logframe and strategy had been stronger and an earlier investment had been made in staff development. The result would have been, as we will see later, the planning of more coherent and integrated interventions.

The revised logical framework included a large number of indicators, and some were added later when further interventions (e.g. training, a road) were decided on. The ET agrees with the principle that indicators should be used in a flexible manner in an LED project, given that it has to be responsive to emerging opportunities and stakeholder priorities. However, this does not

⁴ See for instance *"Rethinking poverty; Report on the World Social Situation 2010"*

necessarily mean that for every activity an indicator needs to be set. The project would have been better served by a smaller number of indicators that reflected the integrated nature of its approach. For instance, instead of having indicators for each bit of infrastructure, specifying the number of kilometres or hectares, there could have been one on the level of “5 infrastructure projects completed that enhance the competitiveness of local value chains”. The first provides a too limited view of what the project was actually trying to do.

Other weaknesses of the indicators are:

- Many do not provide a target and are therefore difficult to assess.
- Some are hard to research and to link to project interventions (e.g. number of new and existing businesses started/expanded as a result of LED radio programmes, estimated “business and employment multiplier impact” of EIIP).
- Several are difficult to achieve and hard to assess in a short project with a focus on food and tourism value chains, where impact takes time to show (e.g. number of new/improved jobs under decent work conditions).
- There are indicators at the immediate objective level which would have been more appropriate for the development objective (e.g. number of new/improved jobs under decent work conditions created by existing/new competitive enterprises).
- There are no gender or inclusion related indicators or targets.

Taken together, these weaknesses do not much facilitate an assessment of the extent to which the project has progressed towards its immediate objectives, though it can be assessed whether a planned fish pond was actually constructed and a training programme was completed by the planned number of people.

The means of verification foreseen are largely appropriate, but have weaknesses that relate to those of the indicators. That is, it is difficult to identify reliable means of verification for indicators that are difficult to assess.

3. Project effectiveness

In this chapter we will consider:

- The extent to which the project has achieved its objectives and outputs
- The role and capacity of the LED Forums
- Tools and approaches that were developed and/or used (for planning and implementation) and related stakeholder capacity
- Appropriateness and effectiveness of partnerships (including with the social partners)
- The extent to which an integrated approach was achieved and whether this offered any benefits

For the assessment of project progress the ET has made use of the indicators in the revised logical framework. This does not, however, provide a clear picture either of the way the project has worked or of its distinctive achievements. As explained in the previous chapter, the logical framework separates the EIIP from the enterprise work, while the project's intention was to integrate these. The project team "discovered" value chain development as a tool to achieve such integration and conceptualized its approach as upgrading food and tourism value chains through a variety of interventions, including skills and business training, business service development, finance, market linkages, and productive assets (infrastructure). The indicators do not reflect this.

In this chapter we therefore focus on the project's approach as it was actually implemented, and how it resulted in sometimes more and sometimes less integrated interventions, i.e. the four issues mentioned last. For the objectives and outputs we provide the overall conclusion, at the end of the chapter. A detailed indicator by indicator account can be found in Annex 1. This considers only indicators of process and effectiveness, while those that more correctly relate to impact are considered in the relevant chapter and Annex 2. Figures on people trained, employed, etc. are available there, disaggregated by sex to the extent possible.

3.1 LED Forums and strategies

In the ET's view the two cornerstones of the project's approach as it was implemented are:

- The LED Forums
- Two LED planning methodologies. LOCA (for Local Competitive Advantage) and IRAP (for Integrated Rural Accessibility Planning)⁵.

The LED Forums, one in Dhanusha and one in Ramechhap, were foreseen in the project document. They were meant to be forums for social dialogue on local economic development issues, which would, among other things:

- Develop LED strategies that would partly be funded by EmPLED while for the remainder other funds would be mobilised, with the assistance of the project
- Coordinate and manage the strategies and interventions
- Advise the District Development Committee (DDC) regarding policies, strategies, workplans and procurement plans for LED

⁵ LOCA is a product of the consultancy firm Mesopartner, and is known as PACA (Participatory Appraisal of Competitive Advantage) in most other countries. See www.mesopartner.com.

The Forums were set up in September 2007. They now comprise 29 members in Dhanusha and 23 in Ramechhap. They are chaired by the Local Development Officers (LDOs). As chairpersons of the DDCs, the LDOs are the highest ranking government officials in the districts. Their involvement has been important to the effectiveness of the Forums because of their convening power and the official backing they provided to the decisions taken. The chief of the District Small and Cottage Industries Office functions as Secretary and the Planning Officer functions as focal point from the DDC.

The Forums meet on average every two months. They are dominated by the public sector, but include the Chambers of Commerce and Industry among their key members, as well as, in Dhanusha, the trade unions (not present in Ramechhap). Banks and other private or NGO sector service providers are represented as well. The Forums are inclusive in the sense of having representation of Indigenous People, Dalit and women's organisations. The number of women is small (about 10 %). This is unfortunately inevitable in a situation where men occupy most of the leadership and management positions. The Ramechhap Forum has invited representatives from the main political parties as observers, as it was felt that their involvement would increase the Forum's effectiveness. Members are not paid a "sitting allowance". The project should be commended for this departure from normal practice, which undermines sustainability and does not attract the right membership.

Through a series of workshops and trainings, and informed by data collected and analysed by the project and its stakeholders, the Forums' capacity was built to perform the above functions, and they developed strategies for their districts. These were reflected in brief, informal documents that identified:

- A number of priority value chains to be upgraded
- Priority interventions to be supported under these value chains
- Infrastructure to be maintained, upgraded or constructed
- In total 25 Village Development Committees where LED planning would be supported

A rough budget was included. The strategies were limited to what could for the greatest part be funded by EmPLED, apart from a 10 to 20% contribution of stakeholders or communities (in the form of labour).

The strategies were finalised in April 2008. They were not published, as originally foreseen, and were not made widely available to stakeholders beyond the Forum. They were the basis for a detailed project workplan that was approved by the National Steering Committee, in May 2008. Subsequently, further interventions were added, in response to requests from stakeholders, and following further data collection and analysis. These were also all approved by the LED Forums. Interventions were approved as well by the respective DDCs, to which the Forums submitted their plans.

The Forums have therefore played an essential role in the planning and implementation of the project, including the use of some matching funds. Their role has been recognised by the DDCs, which has given them a measure of official status and legitimacy. Members are positive about the Forums and say they have been useful and are important to the districts. Their understanding of LED has been enhanced significantly and the ET considers them in principle capable of operating the Forums. This is an important achievement.

As indicated above, the LED strategies included support to development of VDC level strategies and plans. This aimed at "extending the outreach of the LED process to District sub-territories".

It was the main intervention by which the project expected to directly affect local Government spending (the development fund of US\$ 1.5-3 million per VDC). Significant partner capacity was built among NGO and private sector partners to support the planning. For the VDCs this was welcome support as the central government releases VDC funds only on the basis of proper plans. The project and its partners supported the planning in 25 VDCs in Dhanusha and Ramechhap. Most of these were in areas the project had worked or planned to work in, so that there was scope for synergies. Following success in these VDCs, the Dhanusha DDC decided to fund the development of plans in the district's 87 remaining VDCs, using the same methodology. It also funded the development of additional capacity to support this process. Feedback from those involved and the project's Activity Brief indicate that:

- The transparent planning process reduced the level of conflict among different groups and individuals in the communities.
- Inclusion of pro-poor activities was enhanced.
- There was some more emphasis on economic development activities (rather than services and infrastructure) than otherwise would have been expected.
- The overall quality of the plans was improved.

This intervention was therefore a considerable success, and, given the local capacity built, may have longer-term benefits.

Issues

Some weaknesses should be noted, though. The Forums have not sufficiently developed into bodies that consider and coordinate LED strategies more broadly, i.e. beyond what the project could fund. To a large extent, the District LED strategies are strategies to be financed and implemented by the project and its partners. No funds were mobilised for interventions that were not funded by the project. Although there have been instances of stakeholders replicating a project intervention, or undertaking a complementary activity, this was not done under the auspices or guidance of the Forums. An advisory function on LED to the DDC has not become a reality, in spite of the Forums having proved effective in the project framework and having received a measure of official recognition.

The feeling of ownership over the Forums is weak among most members, though they do feel strongly about the specific interventions they have been involved in. Most members appear to view the Forums as an advisory or decision making body for the EmPLED project rather than for the DDC or public and private stakeholders in the district in general. This has affected the Forums' effectiveness – beyond the project this is very limited. It will also affect their sustainability, as we will see later.

The MTE already indicated most of these issues. As it had recommended, a separate study was done on how to address them and make the Forums more viable social dialogue bodies. The study took as a starting point that "It is a foregone conclusion that LED Forum is a viable public-private partnership mechanism for fostering enterprise development and economic growth". The ET believes this was perhaps a too complacent assumption, not justified by the development of the Forums up to the time of the study (June 2009). A more critical stance would have been more helpful. The main recommendation that the Forums "should function as an advisory body to DDC and the Private Sector (Chamber of Commerce and Industry) and remain outside of the administrative domain of the DDC" was, the ET believes, appropriate, but no specific strategy was proposed to achieve this. The Forums therefore remained as they were.

Many factors have contributed to this lack of adequate progress towards a broader role for the Forums is difficult to say. The project and stakeholders have indicated that the Forums' large size reduced their effectiveness, and the MTE pointed to the dominance of the public sector. This may have played a role, but it does seem clear that coordination of LED requires the involvement of many agencies. Most members did in fact represent important interests or authorities. A project that aims to be inclusive also benefits from participation of groups such as Indigenous People. The LDOs chairing the Forums meant a high level of credibility and should have facilitated progress towards a broader role. However, it could be argued that starting with smaller, more focussed Forums that could gain legitimacy soon by showing early results, and then expanding membership, would have been more effective. Such legitimacy could have been the basis for broadening the Forums' role beyond the scope of the project.

Other factors the ET believes have played a role are:

- The existence of other project-focused committees and the resulting perception that this would be just another one.
- Insufficient efforts (from the DDC, the Forums, the project) to try to build a consensus to create a common committee for economic development that would merge several others.
- A long process of capacity building and strategy formulation that did little to quickly establish the Forums' credibility.
- The project's own focus on planning its interventions and spending its funds. It did little to move discussion in the Forums beyond this. Possible interventions it could not fund were not brought to the Forums' attention. The project may so unwittingly have reinforced the Forums' narrow focus.
- The lack of a compelling rationale for the Forums beyond deciding on project interventions. The DDC and its sub-committees deal with DDC funds, and sub-committees provide opportunities for public-private dialogue.
- Insufficient analysis by the project of the reasons stakeholders might (and might not) want to participate in the Forums and support a broader role. Such analysis could have helped the project to respond to these.
- Insufficient efforts of the project and the Forums to communicate their role and importance to beneficiaries, stakeholders and Government bodies. Not enough was done to have the Forums take credit for interventions undertaken under their auspices (most people the ET spoke to beyond the project's immediate stakeholders were not aware of the Forum).
- The lack, as indicated above, of a detailed project strategy and plan for developing the Forums to take on broader functions. This would have had to include working with the DDC and a wide circle of stakeholders in the districts. It would have had to be a strategy developed with and owned by the Forums themselves.

It is important to note that the project's impact on LED strategies and plans may in fact have been greater at the VDC than at the DDC level. The ET is not in a position to assess to what extent the VDC profiles and plans that were and are being produced are more LED oriented than would have been the case without project support. However, in principle the project and its partners have affected local level planning in all of Dhanusha and some of Ramechhap. This success may throw some further light on why this did not happen at the DDC level. In the case of the VDCs:

- The project did not set up a separate structure (like a Forum, though this was actually suggested in the project document) but supported existing mechanisms.

- The planning process did not concern project but VDC funds, and the role of the project partners who supported it was therefore one of facilitation and advice from the start.
- The VDCs had a clear incentive to work with the project. They had little or no capacity to develop appropriate plans, but had to do so in order to receive funds.

Paradoxically, perhaps, the fact that the project actually *did* have funds to plan and decide about may have undermined the Forums' advisory function. At the VDC level that function was the starting point.

3.2 LED planning tools

The project's other cornerstone are the LED tools it has used to identify constraints and opportunities in the value chains that were prioritised in the initial LED strategies or added later. They include rapid market assessments, the "LED cafe", discussion groups, various studies by consultants, and, most importantly, IRAP and LOCA.

LOCA (for Local Competitive Advantage) involves local communities, businesses, Government, public and NGO service providers in identifying and analysing competitive value chains in a geographical area (e.g. a VDC or VDC cluster). This is followed by the development and prioritising of proposals to address constraints and opportunities, which are then adopted for implementation by different actors, in the public or private sector. The ultimate aim is to make the local private sector more competitive.

Usually a LOCA exercise takes around 4 weeks up to adoption of the proposals. The project has run, instead, what may be called mini-LOCAs: one or a few days of workshops with stakeholders and beneficiaries using LOCA concepts and participatory approaches. The exercises were usually restricted to one value chain. The proposals for interventions that resulted were fed into the LED Forum planning and eventually approved for EmPLED funding. The project trained local stakeholders to enable them to use LOCA, but this came relatively late (April 2009), and they have not been able to practice it sufficiently. One-day orientations on value chain development came only in 2010.

IRAP (for Integrated Rural Accessibility Planning) is also a participatory planning tool, but its main aim is to improve access to services. It is being used in particular in the context of EIIP. It has played a less important role in the identification of project-funded interventions than LOCA. Instead, its main use has been in the project's support to Village Development Committee profiling and planning, described above. Partner capacity was built on using IRAP through a 3-week training in September 2008. Some broader LED and LOCA training was provided as well. As we have seen support to VDC planning was a considerable success, and partners expressed appreciation for the tools used.

The use of a variety of approaches and the adaptations to the LOCA methodology seem to some extent appropriate to the circumstances the project was working under. In the mountainous terrain with few roads, where many communities live in what are called "pockets", the scale of analysis often needs to be small. A village in one "pocket" may face quite different constraints than in another. Also, the logistics of bringing people from a large area together may be forbidding. Brief participatory exercises, complemented by other forms of research, are appropriate under these conditions. Overall, the ET feels that the project has made creative use of tools it had knowledge of.

Issues

As we have seen, the project came to view value chain development as its key strategy. The main tool it has been using, though, is LOCA, which has been developed for the analysis of competitiveness of *localities* rather than value chains. Value chain development uses different concepts, for instance considering collaboration between actors throughout the chain as key to upgrading competitiveness. It also emphasizes much more than LOCA the need to look well beyond a locality, e.g. at processors, traders, wholesalers and retailers, and national and international markets. This is not to say that the project has not considered these factors (markets in particular). The ET believes, though, that with a more systematic and thorough use of a tool designed for value chain development specifically, the project could have been more effective and achieved greater impact and outreach, and that interventions could have been more integrated (mutually reinforcing).

As it happened, the focus often remained on the producer level. Although, as we will see, a good deal of integration was achieved, this was not always the result of integrated *planning*. Rather, sometimes one intervention would follow another when the need for it became clear or communities and stakeholders made a request (some examples are in the section on Integration).

Development of a local capacity to apply LOCA and value chain development came too late to affect the development of initial LED strategies. The project team as well as stakeholders would have benefitted from an early and thorough training on LOCA and a practical value chain development methodology, i.e. in late 2007. The ET believes this was more urgent and would have led to earlier concrete results than the generic training on LED concepts and approaches that was actually provided.

Although LOCA training was provided to partners contracted for the support to VDC planning, at least for some this came after their work had been completed. The use of appropriate economic planning tools in VDC planning has therefore not been consistent.

3.3 LED implementation tools and services

The project very rightly took the outcomes of the planning tools and emerging demand from communities as the starting point for service delivery to beneficiaries. It has also made use as much as possible of existing services and service providers, whether from the districts themselves, or from Kathmandu. It has so avoided pushing ILO tools or developing new ones unnecessarily. It has not, for instance, assumed that Start and Improve Your Business, Get Ahead or Know About Business were necessary to improve the competitiveness of enterprises and promote entrepreneurship, and then built a capacity to provide them. Instead, it has funded service providers to give a lot of skills training, largely in agriculture, management training geared towards specific needs (e.g. homestay management), and group formation and strengthening (including association and cooperative building). It has, indeed, also supported SIYB training, making use of the capacity built under MEDEP, but care was taken to adapt it to the specific needs of the trainee groups (e.g. Village Animal Health Workers and Experienced Lead Farmers).

One tool that was a given was the ILO's approach to EIIP. Although the choice of infrastructure to work on was largely left in the hands of stakeholders and communities, the way to do the work was set, and the project and its partners have largely applied it faithfully. The results have

been good to excellent in terms of the infrastructure produced. Those involved were also positive about:

- The degree of accountability forced on all involved by the entire process of contracting, remuneration, accounting and payment
- The resulting transparency, including on the part of Government service providers – communities report that they usually expect officials to take a percentage, which did not happen in this case
- A reduction in the conflicts between beneficiary groups that are usually expected
- Measures taken to ensure occupational safety and health

Positive was also the capacity building among partners, CBOs and workers on the approach, management of workers and occupational safety and health. On the other hand, little has been done on capacity building for routine maintenance or on putting into place maintenance plans. As we will see in the sustainability chapter, this could have significant repercussions.

Strengthening or developing associations or cooperatives has been an aspect of several project interventions. The project has made use as much as possible of existing capacity to deliver this service. It has attempted to improve it by providing service providers with the ILO's association building manual. The ET was unable to assess the effect, but as the manual did not come with a training of facilitators, it may have been relatively weak.

The ILO's Work Improvement through Neighbourhood Development (WIND) was introduced in the context of improving safety and health in agriculture. The manual was translated and trainers were trained in November 2009⁶. The training was delivered three times in 2010, to some 65 farmers (including 15 women). Feedback from the trainers was positive, and the project reports that they are "trying to apply WIND ... in their regular training activities" (Activity Brief on WIND). Experienced Lead Farmers (ELFs) trained by the project are also disseminating OSH practices. The introduction of WIND seems a positive initiative, and the ET is sympathetic to the project's effort to broaden its impact on the decency of work. It is also in line with the intention stated in the project document to address OSH and Conditions of Work issues. However, the ET was not able to find this in the LED strategies developed by the Forums, and there may in this case have been a departure from being "demand-driven" to being "perceived need-driven". Ideally, more awareness raising among stakeholders could have resulted in OSH issues being prioritised at a later stage (in a project extension or second phase). WIND would then have been more owned by stakeholders, which would have enhanced its effectiveness and sustainability. Awareness raising could have benefitted from more information on OSH and Conditions of Work. A small survey had actually been planned but was not carried out.

Village Animal Health Workers (VAHWs) and Experienced Lead Farmers were trained to provide livestock and agriculture training and extension services on a private sector basis, and certified by the National Skill Testing Board. This addresses the gap left by insufficient public services. Although this is not a new approach, the project building this capacity in relation to development of specific food value chains (e.g. junar) was innovative.

In the context of Nepal innovative tool developed by the project are the LED radio programmes. This builds on the ILO's experience with TV and radio targeted at small enterprise especially in

⁶ This was funded from ILO Bangkok's Regular Budget for Technical Cooperation, for the "Pilot Project on Improving Occupational Safety, Health and Working Conditions in Micro, Small and Medium-sized Enterprises, Construction and Agriculture in Selected South Asian Countries".

Africa. Two local community FM stations were contracted to develop and broadcast weekly half-hour programmes relevant to local economic development. In Dhanusha the programmes started in September 2008, in Ramechhap, where initially no station could be found, in October 2009. Technical support was provided to develop an attractive format that combines news and information with a business/farmer success story, drama, discussion and brief on-site interviews (“vox-pops”). Topics have included farming of junar and other fruit and vegetables, livestock related issues, tourism, handloom, cooperative management and many others.

Some 200 listener groups have been formed that promote and discuss the programmes as well as providing the stations with information. Audience feedback has been positive, and the stations report their reputation has been enhanced. The production teams report the project has helped improve their skills, and they are able and committed to continuing the broadcasts. Although synergies with other project interventions cannot be demonstrated, there is significant scope given that the project has ensured that relevant topics were covered.

Issues

Overall the project’s approach has been appropriate and in line with good practice. However, a main challenge has been the absence of a semblance of a functioning market where clients pay at least part of the cost of services they receive. The project has generally not been able to break through the “free service” culture. Even the services provided so far on the project’s behalf by the VAHWs and the ELFs have been fully paid for by the project. User contributions to other training have been small or none. It is understandable that one project is not in a position to change a practice that is well-entrenched and does not seem to be questioned. However, perhaps at least some steps in the direction of fee-based services could have been taken, especially where services were meant to become commercially viable, such as the VAHWs and ELFs. That this is not completely unthinkable is actually demonstrated by the VAHWs, many of whom are now delivering services against a fee and are earning good incomes.

The ET also questions whether at least for some services the project should not have made a greater effort to build local capacity. Providing an association building manual, for instance, is unlikely to suffice to improve a service. Investing in developing this service could have had immediate as well as longer-term benefits.

The project has made some efforts to ensure that the services and tools it used promoted the decency of work. This is particularly true for EIIP, where occupational safety and health training was provided and practices were monitored. Here, of course, the project was in a good position to ensure decent work, although, as we will see in the chapter on efficiency, it was not able to ensure timely payment to workers.

Ensuring decency of work created as a result of interventions in the market system is of course a different matter. For one, the outreach of such interventions can be large, and it is not practicable to monitor decency of work on this scale. Secondly, entrepreneurs, mostly self-employed, are under no obligation to the ILO to ensure decency of their or other’s work created as a result of for instance the development of new market linkages. A systemic intervention that itself enhances the decency of work (e.g. setting up micro-insurance schemes) can in this context have the desired impact of course, but if target groups and stakeholders do not prioritise such an intervention it is counterproductive for a project to force it onto them – the intervention will fail. The documents the ET has reviewed, including the LED strategies, reflect that improving the decency of work has not, in the case of EmPLED, been a priority of partners and target groups. The ET believes the project has done well by addressing local priorities rather

than imposing the ILO's. It has also done well by continuing to include decent work considerations in its LED awareness raising and training. If it had been given more time, this could have led to decency of work focussed interventions being included in LED strategies.

This issue will be further considered in our discussion of the Mid-Term Evaluation's recommendations. Here there are two additional comments we wish to make. Firstly, as noted above, the introduction of WIND does not seem to have been locally driven, and as such it was not in agreement with the overall project approach. Since the results seem to have been positive (according to the activity report) the ET believes that the project could have made more use of this experience to show stakeholders that decency of work can indeed be a priority and that simple measures can make a difference. If it had done so, the intervention would have been meaningful in terms of awareness raising and would have been more in line with the project's strategy.

Secondly, as we will see in the section on collaboration with other projects, EmPLED and IPEC did not develop joint activities, in spite of both being present in Dhanusha (and actually sharing an office). The ET has observed child labour in the areas in which EmPLED works, and it also believes that the project's tools could have been useful to IPEC. Where there is such an obvious need, and a clear opportunity, to promote application of a core labour standard there is a strong argument for bringing this to the attention of stakeholders in a forceful manner. In fact, based on experience elsewhere, the ET believes that including IPEC on the LED Forum and allowing IPEC staff to contribute to LOCAs and value chain exercises would have ensured prioritisation of some interventions to reduce child labour.

3.4 Partnerships

When discussing the project's "exit strategy" with the ET, one of the project staff exclaimed "But we have never entered!" As will be clear from the preceding paragraphs, this is true to some extent. The project has worked with and through local and national partners and has refrained from replacing them by doing what they were able to do. In other words, it has not taken an interventionist approach but been a facilitator among stakeholders in the local economy. This is part of the LED philosophy and approach, and the project has done well at translating it into practice.

The project's main partners have of course been the LED Forums. As discussed above, these have been instrumental in identifying and deciding where the project would intervene. Partners who implemented activities have included Forum members as well as other government, private sector and NGO stakeholders. Although most were Forum members, the project has done well at involving other agencies, so broadening the LED network and accessing capacities that were not available in the Forums. Selection of partners has generally taken place following predetermined procedures and on the basis of proposals. As we have seen earlier, partners were generally provided with appropriate capacity building, especially on the LED planning tools. The capacity of CBOs was enhanced by advice on management and record keeping. Some of the partners indicated they could have benefitted from more technical training in the field for which they were engaged. The ET believes, though, that the project's strategy to work with those best qualified to provide a service and to keep technical training to a minimum was appropriate. Its core function was to enhance capacities in LED. Given, in addition, the good results of most of the interventions, the ET believes that the partnerships were appropriate and successful.

With respect to the social partners, the ET found that especially the District Chambers of Commerce and Industry have benefitted significantly from the project. The project has supported them in a number of areas, such as establishment of an information centre and development of a business directory (Dhanusha) and development of tourism, Experienced Lead Farmers and conducting junar fairs (Ramechhap). Chambers mentioned the following benefits of their work with the project:

- Influence on the allocation of project funds (such as to the activities mentioned above)
- Improved capacity to work with other organisations
- Improved capacity to manage projects
- Increase in knowledge, exposure to other ways of doing things, including LOCA, value chain development
- Greater recognition in the District
- An increase in membership (not quantified)

These are significant achievements, and it can be concluded that overall the Chambers have played a useful role in the project. More dialogue with the authorities was not specifically mentioned as a benefit, though. Chamber representatives noted that they would address the LDO or relevant departments directly if necessary, rather than going through the LED Forums. The project could have worked with the Chambers to change this and so give more meaning to the Forums' dialogue function. As one of the partners in social dialogue, the Chambers could have played a strategic role in this respect.

The trade unions are present in Dhanusha only. They have benefitted in a general way from the project's capacity building in LED, have actively participated in Forum meetings and strategy development. They have also contributed to OSH training and monitoring wages. However, the ET saw no evidence of their having influenced Forum decisions that might not have been taken without them. Given the project's focus on the self-employed and micro enterprise, which are largely un-organised, this is not surprising. For the unions there may have been little of direct interest in the project. Like for the Chambers, the project also did not make use of the unions to promote the Forums at *the* mechanism for dialogue in the district.

Overall, the district level social partners can be said to have played a useful role and to have benefitted from EmPLED (the Chambers in particular), but the project could have made more use of them to try to broaden the function of the Forums.

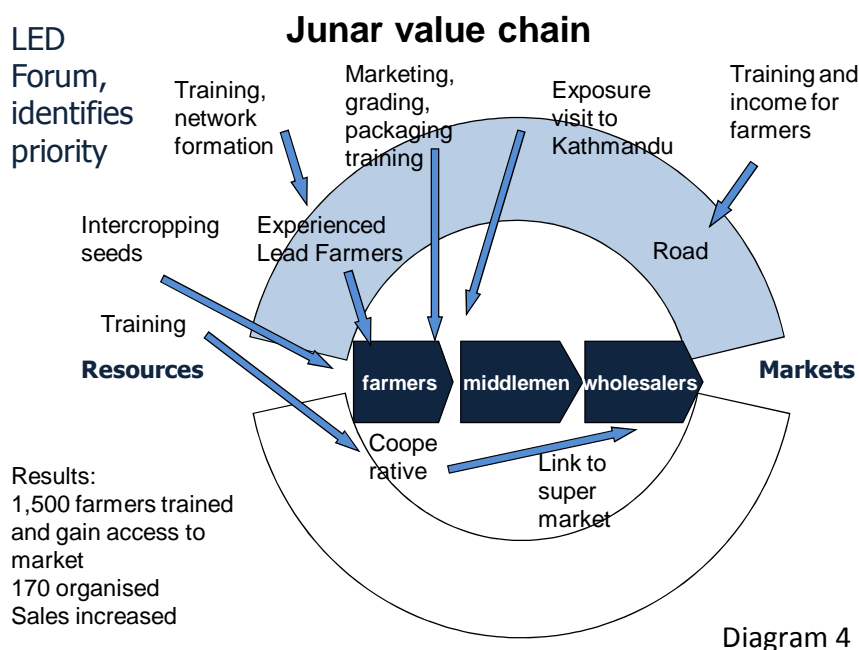
3.5 Integration

We will now consider to what extent the project's approach resulted in integrated, mutually reinforcing interventions in value chains that show strong potential for jobs and income creation. We will use the market system diagram introduced earlier to consider two examples of success (see the diagrams below).

The first concerns the project's work on the junar (sweet orange) value chain. This was identified as a priority in the LED Strategy for Ramechhap, where an estimated 20,000 farmers grow junar. Using a mix of approaches (including LOCA-based), inconsistent quality, post-harvest losses and access to markets were found to be the key constraints. Demand in Kathmandu is strong but mostly met by Indian junar. Through its partners, the project addressed these constraints by providing farmers with packaging and grading training. Experienced Lead Farmers were trained to provide extension services that would increase productivity and quality. They also provided seeds and training on intercropping, for more intensive use of the orchards.

A cooperative was set up and linked to a Kathmandu supermarket. Grading as well as the cooperative increased the farmers' bargaining power. Farmers on an exposure visit established contacts with wholesalers in Kathmandu. Farmers upgraded an access road (earning an income from their labour as well as contributing some) which enabled small trucks to collect the junar. The results are increases in sales for some 1,500 farmers (mostly men), with some reporting a tripling.

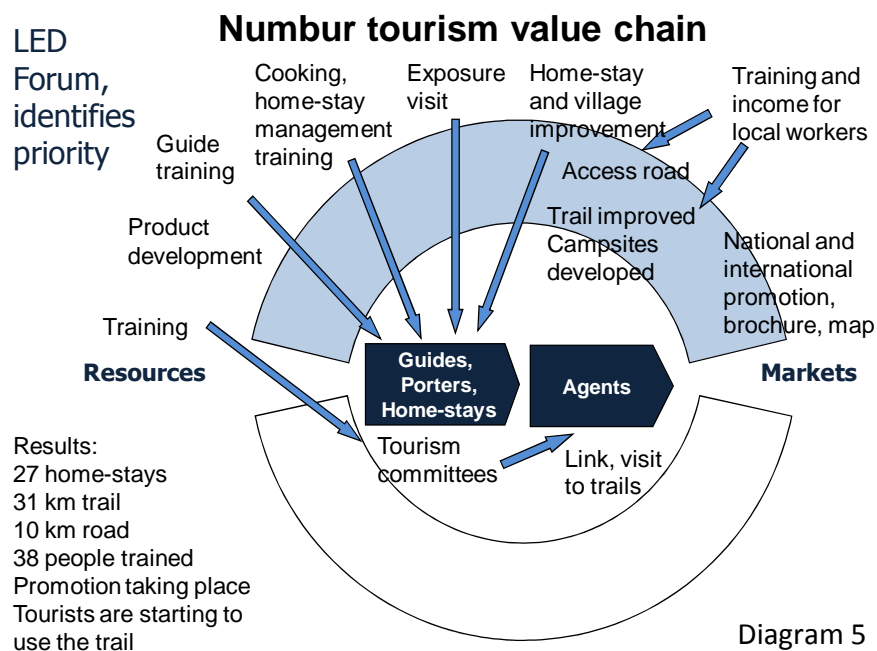
This intervention successfully integrated support in enterprise development (including skills training) and EIIP. The benefits of this integration are obvious. Training farmers to provide more consistent quality and enhance productivity is ineffective if they are not linked to the market, physically and in terms of networks.



Also in Ramechhap, the LED Forum identified tourism as an undeveloped sector with strong potential. The project and its partners (including the Chambers of Commerce and Industry and NGOs) developed two new tourism products, of which the Numbur Cheese Circuit (for trekking) is one. Key in this process was the establishment of an area and village tourism committees that took charge of the development of the circuit. An exposure visit to a well-functioning trail demonstrated what needed to be done. A route was decided on and physical facilities were upgraded, including a trail and campsites. Residents earned a temporary income by working on these. Villages were cleaned up and beautified, signs were put up along the trail and homestays were improved (with a project grant). Homestay owners were trained on management and cooking. Local trekking guides (all women) were trained as well. A key road was upgraded to make the area more accessible from the main road from Kathmandu, and the tourism committee was linked to national bodies such as the Nepal Tourism Board and the Trekking Agencies Association of Nepal, who visited the trail. To further support the promotion of the trail, a map and brochures were developed. The Nepal Tourism Board adopted the trail as one of its

new destinations. Tourists have started to take the circuit, but it is expected to take some 5 years before the new trail establishes itself.

Again, this intervention successfully integrated enterprise development (including skills training) and EIIP, and the benefits of the mutually reinforcing activities are clear. Development of infrastructure, capacity and market linkages combined to establish a new value chain that offers income earning opportunities in poor communities. Furthermore, if the trail proves to be a success more opportunities could be created in connected local value chains in which the project has done some work as well: for hand-made paper products and potatoes.



These are not the only examples that could be given of the project's success in implementing integrated interventions that help specific value chains become more competitive or that establish new chains. The new Indigenous People Trail was developed in a way similar to the Numbur Cheese Circuit. Interventions in food value chains around the Kamala Irrigation Project, where two minor canals were made operational, show a similar degree of integration and similar benefits. The LED radio programmes provided information and messages relevant to the value chains the project was working in. Less comprehensive, but still significantly integrated interventions were carried out for instance in a local floriculture value chain, the Khimthi irrigation area, and the potato value chain.

This is not to say, though, that all interventions came together this well. For instance, funding the Women Development Centre in Janakpur to put up Mithila paintings in public places is said to have increased their sales, but this seems a rather ad hoc intervention in response to a specific request. The introduction of asparagus to a community in Dhanusha, also in response to a request, does not show significant integration either, and given that it will take three years for an income to be realised it may not be the most appropriate crop to promote among the very poor. The ET is also not convinced that the interventions in incense stick production, or solid waste collection in Janakpur, were priorities. In fact, most of these less integrated interventions

in value chains of which the potential is less clear seem to have come towards the end of the project, when savings were found to have been made and the pressure to deliver was strong. This appears to have led to less well-considered interventions that responded to specific ad hoc requests and that did not have a place in the LED strategy.

Overall, though, the ET finds that the project has achieved remarkable success in delivering integrated, mutually reinforcing interventions in value chains with a potential for growth. This has been, we think, the project's main strength.

Issues

As mentioned above, some interventions did not make the best use of the project's potential for integrated interventions in value chains that were or could be key economic drivers. Furthermore, although many of the interventions eventually came together in an integrated manner, they were not always planned as such. That is, the pieces were often planned and assembled in a cumulative manner, when placing one or two showed there was a need for a third or a fourth. For instance, some training on grading and packaging was provided to junar farmers already in December 2007, long before other interventions had been planned. The access road was upgraded from August 2008, although a detailed market assessment had not yet been conducted at the time. Involving the Nepal Tourism Board in promoting the new trekking trails came at the very end of that intervention, while the Board could have played a useful role in product development. In another example a solar water pump was provided for a new fish pond when it became clear there was not enough water to keep it functioning around the year.

These may seem quibbles, especially given the overall success achieved. The ET believes, though, that the project could have been more effective if it had done more thorough value chain analysis and more integrated planning ahead of implementation. The ET also believes that the project not sufficiently doing so is at least partly the consequence of it not using and not having the capacity to use an appropriate tool for value chain analysis and development, as already discussed under the LED planning tools heading. Use of such a tool would have resulted in more interventions that had the potential to change the way the market system works, i.e. systemic interventions which have greater outreach and sustainability.

3.6 Inclusiveness

The logical framework does not include indicators in relation to gender, the inclusion of Indigenous People and Dalits and targeting of the very poor. The objectives and outputs do refer to this, though, and the project has collected relevant data. Some have been included in Annex 1 and 2.

The ET found that the project has made much effort to be gender balanced and inclusive, and that it has been remarkably successful. IRAP has been particularly useful for targeting women and minorities as workers in EIIP. This is an important achievement. In aggregate:

- 34% of workers in EIIP were women, 42% Indigenous People, 21% Dalit
- 37% of the total number of beneficiaries of training (any training) were women, 35% Indigenous Peoples, 10% Dalits
- Value chains and localities the project has worked in are characterized by a high presence of very poor people, minorities, and to a lesser extent women.

As already mentioned in the section on the LED Forums, these were made up largely of men (about 90%), which is unfortunately in line with the dominance of men at the top management levels. The interests of women and ethnic minorities were represented by member-based organisations of these groups.

The above figures do not, of course, reflect the extent to which participation of women and minorities has resulted in their empowerment. It is difficult to comment on this, since project reports do not include much relevant information, and a one or two hour discussion with beneficiaries can be misleading. It is the ET's impression that there is much variation in the extent to which inclusion may have contributed to empowerment. For instance, ethnic minority women engaged in fish breeding (Ramechhap), those assisted through a small watershed management project (Dhanusha), and those engaged in the Indigenous People Trail (Ramechhap) were vocal in expressing their interests and have taken independent initiatives. On the other hand, those engaged in asparagus growing (Dhanusha), incense stick production (Dhanusha)⁷, and a rustic (potato) store (Ramechhap) did not show such signs, and seemed dependent on a few leaders and further assistance.

This leads to a question not included in the TOR but raised several times by project partners in the field: Should the project have done more to support empowerment, in particular should it have done more "social mobilisation" work? This is apparently a contentious issue, since social mobilisation has been a mainstay of development strategies in Nepal for decades. Perhaps unsurprisingly, therefore, many project partners were of the opinion that EmPLED should have done more of it.

The ET understands EmPLED's strategy to be facilitation of private sector development, which creates economic opportunities and can result in decent work. It is largely up to the target groups to make use of such opportunities and to so empower themselves, and no measures are taken specifically to ensure that they do so. This is not to say that much of the project's work has not been potentially empowering, for instance by enabling target groups to participate in LOCA and IRAP exercises, providing training to EIIP workers, and facilitating the establishment of associations and cooperatives. This was, however, part of the project's methodology and its private sector development assistance, and not aimed in the first place at social mobilisation.

There are many arguments to be made in favour or against including social mobilisation in a private sector development project. It is a partly political and philosophical debate the ET cannot attempt to deal with here. We will only state the following in support of the project's strategy:

- Is it in line with current good practice in private sector development, i.e. PSD projects do not usually include social mobilisation interventions
- It is difficult to combine social mobilisation with an approach that is based on facilitation and expects stakeholders and beneficiaries to take initiative; it detracts from a non-interventionist approach and may perpetuate dependency
- As one interviewee stated, the results of many years of emphasis on social mobilisation have been disappointing in terms of poverty reduction and it may be time to try alternatives

⁷ The ET did not visit the incense stick makers but reviewed the available report. The opinion that little empowerment was achieved is based on information provided by an ILO staff member who did visit the group.

3.7 Achievement of objectives and outputs

On the basis of the above analysis, as well as the progress towards the indicators presented in Annex 1, the ET concludes that the project has largely and in substance achieved its immediate objectives and delivered its outputs. The quality of the outputs (training, other services, infrastructure) is overall good to excellent. The main concerns are:

- The LED Forums are functioning, but not as the LED advisory bodies that had been foreseen
- Local capacity in LOCA and value chain development is not strong enough to apply these approaches independently in a thorough and systematic manner

As we will see in the chapter on sustainability, both these concerns have significant implications for the likely longer-term impact of the project.

4. Efficiency

The key questions considered here are:

- Has the project been managed and supported efficiently?
- Have funds been spent efficiently?
- Could changes in the approach have realised the same results but over a shorter period of time or with fewer funds?

4.1 Project management and administrative support

In the short time available, the ET could not do a detailed assessment of project management and support procedures. The complexity of doing so was recognised by the MTE, which was not in a position to do so either and instead recommended that, “as a matter of priority” a management review of the project be undertaken to assess and address the following points:

- Delegation of authority from (the ILO) Country Office to CTA and onward to Program Managers and below on areas such as program funding approval, travel approval, leave approval, petty cash handling, etc.
- The capacity of its local partners and team
- Staff training
- Internal communication (within the project and upward with the Country Office)
- Excessive delays in processing of payments

The ET believes that it was the ILO Nepal Office’s task to conduct such a review and that it is unfortunate that the recommendation was not taken up.

This is not to say that some of these issues were not addressed. Internal communication and communication with the Country Office is reported to have improved. Team meetings are held more regularly, though perhaps not frequently enough (every 2 months on average). There has been some investment in staff training, especially with regard to value chain development, impact measurement, LED approaches more generally. This has been very important to enhancing the project’s effectiveness, although, as pointed out above, some of this came rather late. The same is true for training of partners.

The ET also found that, with regard to project management, appropriate planning, budgeting and administrative systems seem to be in place. Progress reporting is on schedule. Management and team members are capable, committed and hard working. Staff understand their various functions and have a good understanding of the overall project approach. The relatively small team efficiently supported a large number of interventions, especially in the second half of the project. The departure of the CTA a year before project completion does not appear to have affected the project’s performance, which is a tribute to the way he and the team prepared for this change as well as to the new manager.

The project has a staff member assigned to monitoring and evaluation, which has clearly been beneficial. He has developed an excellent database to track progress of project activities and information is up to date. Gender and ethnic group specific information data is included on workers on EIIP, training programmes and workshops. This is a good practice which should be more common than it unfortunately is.

However, in the absence of the recommended management review, several of the issues noted by the MTE were not addressed. Procedures continued to be unnecessarily centralised in

Kathmandu or even Geneva and Bangkok, with for instance the project manager not being able to approve staff travel and local purchases, and approval of TORs by specialists in Geneva and Bangkok being required before contracts could be processed. Payments to workers and partners on EIIP went through the ILO office in Kathmandu, and the ET spoke with numerous extremely poor workers who had had to wait up to three months for their final payments. Partner organisations in a few cases narrowly avoided problems with their auditors because they had advanced funds.

The ET also feels that better expenditure tracking and forecasting should have avoided an unexpected windfall of funds in the project's last six months, which it found hard to handle especially since the ILO Office would not consider proposals to spend until January 2010, due to the annual closing of accounts.

The ET does not doubt that all of these issues can be explained by "ILO financial rules", and that there was much goodwill and effort from all concerned to try to address them. However, it does not seem to have been enough, and if ILO financial rules lead to poor people not being paid on time and inefficiencies in project operations, they need to be changed, as a matter of priority.

4.2 Technical support

The project has been backstopped technically from Geneva (LED, enterprise development, gender), Bangkok (EIIP), and New Delhi (skills development, EIIP, gender, OSH). On the basis of feedback from the project team the ET believes backstopping has been effective and of high quality. Surprisingly, given the many people involved and their locations, coordination seems to have been good. The ET found no instances of specialists providing contradictory advice or pulling the team in different directions. This is very positive.

The ET does find, though, that earlier, more forthright *strategic guidance* of the project team by the backstops could have helped the project to re-conceptualise and operationalise itself as in essence a private sector and value chain development project earlier. An early insistence of backstops that the project had to develop its own and partners' capacity to apply LOCA or value chain development tools more thoroughly and systematically could also have enhanced effectiveness. More guidance on a sustainability strategy could have made an important difference as well.

4.3 Governance and links to national level stakeholders

The National Steering Committee has met regularly, although at times it has been difficult to convene meetings due to the members' many other responsibilities. It has played a useful role. It has monitored progress and considered and approved project workplans. It has shown considerable interest in the project. Though it is not, of course, a technical committee, the ET believes that it could also have provided stronger strategic guidance, e.g. by insisting that an adequate sustainability strategy be produced at an earlier date.

The Ministry of Local Development has been important in monitoring project progress and maintaining relations with other relevant Government bodies, such as the National Planning Commission. The project has made considerable investment in enhancing the Ministry's staff understanding of LED, but its focus on and presence in the districts has not always enabled it to maintain a close relationship. The project could have been more effective at profiling itself in the Ministry. Vice versa the Ministry could have made greater efforts to gain first-hand knowledge of

project activities and facilitate knowledge sharing with other districts and partners. That this was not done sufficiently is likely to affect the project's long-term impact. Given its mandate, the Ministry is the obvious partner for an LED project and the ET believes it should play an active role in promoting and applying LED tools and lessons learnt from EmPLED.

The same can be said of the social partners represented on the National Steering Committee, i.e. the Federation of Nepalese Chambers of Commerce and Industry, the Nepal Trade Union Congress, the All Nepal Trade Union Federation, and the General Federation of Nepalese Trade Unions (who represented the unions in rotation). Although these played a useful role as Steering Committee members they have not been active as a vehicle for experience sharing with other districts. In ILO projects in both Vietnam and Sri Lanka for instance, the national Chambers played a crucial role in this respect.

4.4 Independent Mid-Term Evaluation

The ET found the report of the independent Mid-Term Evaluation to be excellent, and would underwrite most of its recommendations. The MTE has played a positive role in the project's evolution and has given an early warning with regard to some of the risks it faced, for instance in the way the LED Forums functioned. The ET also believes, though, that given that this was a Mid-Term Evaluation when changes of course could still make a real difference, the MTE could in some respects have provided more concrete guidance. This concerns in particular the evolution of the LED Forums, where good recommendations were provided on what the Forums should be like but a step-by-step plan to achieve this would have been helpful. The same is true for the "exit strategy" the project was to develop. More specific indications on what analysis had to go into such a strategy and what its components should be could have resulted in better follow up. Finally, the MTE should have noted that the 3-year duration of the project was unrealistic, and should have recommended immediate action on an extension or second phase.

The project did take action on the recommendations to a significant extent. We will briefly review this for the main recommendations.

- *Adjust the Logical Framework so that the outputs are strategically linked to achieve the project objectives assigning activities (and indicators) that reinforce ILO's core values such as decent work, social protection and gender.*

The logical framework was revised and improved considerably, as noted in the project design chapter. The revised framework gave better expression to the project's means of action and the causal chain that was implicit in the project strategy. Core ILO values were not reinforced, though. For instance, no indicators were included relating to gender or Indigenous People.

- *Ensure that the infrastructure works are part of the value chain in support of market/product development as against stand-alone projects.*

This was a key recommendation. It was related to a set of further recommendations that encouraged the project to view and present itself as a private sector development programme, reduce the emphasis on infrastructure, and pursue systemic change. The project has shown good progress in this direction. As we have seen in the project effectiveness chapter, many of the project's interventions have been well integrated overall. Its eventual focus on value chains is in line with emerging good practice in private sector development. We will see in the chapter on sustainability that several of the project's interventions have led to systemic change. It should also be noted, though, that by the time of the MTE much of the project budget had been

allocated. Much of the expenditure continued to be on infrastructure. To some extent this was unavoidable given its capital intensive nature.

- *Commission an expert study on how the LED Forums ought to evolve in future in terms of structure, scope of work and management.*

This was also a key recommendation. Actually, the MTE report itself includes several recommendations on how the Forums should evolve. Legitimacy was to be enhanced by having the Forums approved by the DDCs. This was done. The planned Territorial Diagnosis and Institutional Mapping documents were to be converted into District Growth and Employment Strategies, which the Forums should support the DDCs to develop. The project did develop Growth *Profiles*, but these were not developed by the Forums and DDCs and were not adopted as strategies for the Districts. This recommendation was meant to support another one that the LED Forums should develop into advisory bodies to the DDCs. As we have seen, this did not happen. The expert study was done. It provided further justification for and reiterated these recommendations, but did not bring the process any further.

- *Cooperation with other ILO national/regional/headquarters programmes and backstopping units should be enhanced towards gradually introducing additional components of the decent work agenda in response to available resources and local priorities.*

The introduction of WIND is in line with this recommendation. With only 17 months left to the project after the MTE, and given the high pressure to implement planned interventions, it was unrealistic to expect more. The thoughtful way the recommendation has been phrased indicates that the MTE team was well aware of the constraints. In the first place, it stipulates the project should introduce additional elements of the decent work *in response to local priorities*. As we have explained in the section on LED implementation tools and services, such additional aspects of decent work were apparently not among the first priorities of local partners and target groups. With further awareness raising this could have changed in the longer term, but such a longer term was not available to the project. Secondly, the recommendation states additional elements should be introduced *gradually*. This also implies the need for an extended period of time and is in agreement with an approach that aims at awareness raising rather than imposing ILO's priorities.

The ET believes that overall the project has followed the right approach with regard to introducing “components of the decent work agenda”, for which the ILO has developed some 30 indicators. It is unrealistic to expect any project to address a significant share of these at the same time, especially over a lifespan of just 3 years. This leads to “overload” of the project as well as stakeholders, and detracts from local ownership if it leads to imposing ILO priorities. A realistic approach is to:

- Use LED planning tools (LOCA, value chain development) that include consideration of the decency of work
 - Address local priorities as target groups and stakeholders identify them
 - Build credibility by doing so in an effective manner, achieving impact and outreach
 - Raise local awareness on aspects of decent work that are considered national priorities – the credibility built will increase the chance that stakeholders pay attention
 - Now decency of work related issues are more likely to emerge as priorities and stakeholders such as trade unions are in a better position to argue in their favour
- *Develop a specific responsive exit strategy including related stakeholder capacity building.*

A sustainability/exit strategy was designed, which included stakeholder capacity building. We will consider it later.

- *Ensure that the funds are available for action programs that have already been programmed and earmarked: the project's resources should be at least maintained at the existing funding level.*

This recommendation was a response to ILO Geneva wanting to reduce the project budget when the delivery rate proved to be low compared to projects elsewhere (whose budgets would then have been increased). Fortunately, the project managed to demonstrate that it would be able to spend the funds and there was no decrease until a relatively minor one much later.

- *Extend CTA's contract for an additional six months during which time he will focus on capacity building of national project staff and concurrently transfer project management responsibilities to them.*

The CTA started in July 2007, and was budgeted for 12 months. He left in March 2009, 4 months after the MTE. Project management responsibilities were effectively transferred to national staff.

- *Undertake a management review of the Project, as a matter of priority, to assess and address the points made in paragraph 10 of the Conclusion section (these are the points quoted in 4.1).*

As we have seen above, this was not done. It was not the project's but the ILO office's responsibility.

- *The Project should outsource certain project activities (such as surveys and designs, conducting trainings, etc.). This not only relieves staff members to concentrate on quality assurance but also builds capacities of private sector service providers/professional organizations.*

The project has increasingly outsourced project activities. Significant capacities have been built among partners, but we have indicated already that more could have been done.

- *Engage competent staff/firms to develop and operationalize a "communication strategy".*

This was done. However, the communication strategy came too late to be adequately implemented. It would be very useful to a follow up project.

4.5 Use of consultants

The project has made good use of national and international expertise. The outputs the ET has seen, such as the gender strategy, reports on enterprise development, and the institutional analysis for the LED forums, are all of high quality. The contribution of the international media specialist has been key to the success of the radio programmes.

We have said earlier already that some of these outputs came too late to make a significant difference, although they could be of use to a follow up project. The ET also believes that the

project may have been too conservative in its use of international expertise. The little use that has been made of international LED expertise may have contributed to some of the project's weaknesses (e.g. no clear strategies for the Forums and sustainability overall). Making use of international LOCA or value chain development expertise to train partners (and staff) in-country could also have made a difference.

4.6 Use of resources

To the extent the ET could judge, the project has taken appropriate measures to ensure that its funds were spent in the most efficient manner feasible. When possible, competing proposals and interventions were sought and assessed against set criteria. Cost estimates for EIIP were checked and usually brought down. Here it should be noted that in some cases the reductions in budgets for roads were questionable, as important items were left out and some sections not done. Contributions of EIIP beneficiaries were sought and provided. Sharing an office, vehicle and driver with the IPEC project in Dhanusha reduced overheads there. Overall, the project has done very well in this respect.

Transferring management from an international CTA to a national project manager, as had originally been foreseen, was also an efficient use of resources, although the ET believes such transfers had better be decided on in the course of a project. It is difficult to predict whether sufficient national capacity can be built in a short period of time, especially when a new approach such as LED or value chain development is being introduced. EmPLED's experience confirms this. The ET agrees with the MTE that the original 12 months budgeted for the CTA were not at all sufficient.

There appears to have been some uncertainty about the extent to which resources were meant to be allocated to EIIP as opposed to other interventions. This has contributed to some planning inefficiencies, where towards the end of the project funds had to be spent under pressure and were not always allocated optimally. It is difficult to see how this could have been avoided, though, in a project that was meant to allocate funds as needs and opportunities were identified. As we will see in the sustainability chapter, there would have been advantages, though, to allocating funds to maintenance of work already undertaken rather than responding to various demands for more upgrading or construction.

At the time of the evaluation about 4% of the budget remained uncommitted. Project management assured the ET that most of this would still be spent. Even if only half would be spent, an overall delivery of 98% would be very good.

Overall, the cost of the project seems low, given that the LED approach was introduced with no prior capacity in the districts and taking into account the significant investment made in infrastructure (about \$610,000, some 20%). Since the project might not have been able to spend more it would not seem justified to argue that it should have had more funds. However, as mentioned above, it would probably have paid off in the long run if the project had been able to make more use of international expertise.

4.7 Sequencing

Finally, the ET would like to comment on the sequencing of project activities. The project document stipulated the 6-step LED methodology, and the project followed this quite faithfully. The approach provided the main guidance it had for planning and implementing the project, and this was very positive. However, due to a variety of external factors (such as insecurity) as well

as the inherent slowness of the process, it took half the project duration to come to a point when interventions could be implemented.

Much time and effort went into LED capacity building of the Forums and developing LED strategies. This is important for initiating sustainable LED processes. However, this was a 3-year project in a post-conflict situation in very poor districts, when people want to see results soon. The ET believes that in future LED projects in similar situations, the emphasis should be on the early training of partners to conduct LOCA or value chain development exercises and supporting such exercises and the interventions that come out of them. This can be done at the same time as the broader LED sensitisation, training and developing strategies, and can in fact feed into that process. A post-conflict LED project in Lebanon for instance, started with LOCA/value chain exercises in priority sectors stakeholders could agree on, and built forums in the process, by involving stakeholders in the exercises and facilitating their coming together to guide and support implementation of the interventions that resulted. We believe that an approach like this is more efficient and eventually more effective as well.

5. Impact

In this chapter we will look at:

- The way the project has tried to assess its impact.
- Signs of impact achieved and likely outreach.

5.1 Impact assessment methodology

An “Impact Monitoring Strategy” was drafted in June 2009, following participation by project staff in a workshop on the Donor Committee on Enterprise Development’s guidelines. To some extent it reflected what the project had already been practising. For this strategy a “model of change” and “impact logic models” were developed which were useful to the team in clarifying the project’s approach. The strategy describes the use of baseline surveys, to be combined in an “aggregate baseline”, and impact surveys, similarly to be combined. The data collection focus for these surveys is on the communities involved in EIIP and the use of IRAP. Since in theory the same communities were targeted by other project interventions, the survey findings were expected to be relevant to those as well. Further baseline data were collected through LOCAs and other exercises and research. “Qualitative focus studies” that used these data were to complement the surveys.

In principle this is a viable approach, although it may be questioned whether food self-sufficiency, the main economic indicator used in IRAP, is a good indicator for impact on enterprise competitiveness. On the other hand, the data collected through other means should make comparison on more relevant indicators possible, at least in a qualitative manner. The quality of the baseline surveys, largely conducted by project staff, appears to be good. Data collection for the impact surveys was ongoing at the time of the evaluation. As recommended by the MTE, this was outsourced. The ET cannot comment on the quality of this work. However, it did have at its disposal a number of “activity reports” on specific interventions, which had been prepared over the past few months. Useful guidance on format and procedure was provided by ILO Geneva. Data collection was outsourced, though staff is involved in the write-ups. The reports are useful in that they provide a good account of why and how an intervention was planned and implemented, what signs of impact can be demonstrated and what lessons were learnt.

Surprisingly, though, some (not all) of the reports still apply the separation between the “productive assets” and “competitive enterprise” objectives. I.e. there are reports on “green road upgrading and repair” and “irrigation field canals and agricultural roads” on the one hand and “training, certification and mobilisation of experienced lead farmers” on the other. This does not support the presentation of the project as an integrated private sector development initiative. It also does not facilitate the assessment of the effects of integration, i.e. interventions that are assumed to mutually reinforce each other.

5.2 Impact and outreach

The ET believes it is too early to adequately assess the project’s impact, although some early signs of impact may be identifiable. Implementation of interventions that could have an effect on local economies started only 18 months ago, and many are still ongoing. Moreover, the economic activities the project has intervened in are unlikely to show an impact soon. Work on food as well as tourism value chains takes time to show an effect. E.g. mango trees planted in a

watershed area take at least 3 years to start bearing fruit; asparagus plants take several years to mature as well; increased productivity as a result of better irrigation will be demonstrable only in the next rainy season; higher quality marigolds for the Kathmandu market are only now maturing; new trekking trails usually take 5 years to establish themselves.

However, there is one area in which impact has been immediate. This is the generation of employment through EIIP. Project records show that more than 100,000 workdays were generated, for more than 3,500 workers, of whom 34% were women, 43% Indigenous People. This has provided temporary income to very poor people. The ET's discussions with workers indicated that this has been spent largely on food and other consumption items, school fees and medical care. Some short-term impact on the sales of local businesses is likely.

With regard to impact at the enterprise level, the ET has found some signs of early impact in activity reports or through discussions with beneficiaries. They include:

- Tripling of sales in junar due to reduced post harvest losses and market access to Kathmandu
- Sales generated from tourists on the two new trails
- Better quality potato seeds, with sales increased due to new markets
- More vegetables grown in Kamala irrigation area
- More vegetables grown in Khimti irrigation area
- First sales made from a fish pond
- Village Animal Health Workers earning Rs 1,000 to 5,000

There are also signs of more enterprises joining competitive value chains, also known as "crowding in". This was found to be taking place in the junar as well as the marigold value chains. The project's interventions have apparently made these economic activities more viable and attractive, and a broader impact is therefore likely.

This impact, and what can be expected to be realized over the coming years, is likely to contribute to better incomes, given the plausibility of the model of change on which the project is founded. Some beneficiaries confirmed that their incomes have increased. More work is likely to have been and be generated as well. At this stage, and without further information, it is impossible to say how many more jobs (or time spent on productive work) this will amount to and whether the work will be decent.

The project's impact monitoring strategy states that negative as well as positive effects will be assessed. The activity reports make no mention of negative effects. The ET has not been able to identify such effects either, although some are likely, for instance when porters lose income due to upgrading of a road. Some of those interviewed by the ET reported a temporary increase in tensions in communities where some did and others did not benefit from project interventions. It is difficult to see how more could have been done to avoid this, given the project's efforts at transparency.

This leads to the question to what extent an impact on peace building can be demonstrated or expected. This has not been assessed by the project and of course the ET was not in a position to do so itself. However, in discussions with stakeholders and beneficiaries, the following indications were found that a contribution to peace building may be being made:

- The inclusive approach and economic impact among the poorest and marginalized is likely to have a positive effect on the roots of the conflict.
- The project worked in strongly conflict-affected areas.
- The LED approach appears to have reduced conflict over allocation of resources.

- In VDC planning specifically less conflict was noted than stakeholders had expected, due to the transparent and “scientific” nature of the process.

The ET believes these are positive and important benefits of the project’s approach, which should be given wider recognition.

The ET has asked the project team to review all its information on the interventions it has supported and the value chains it has worked in to provide an estimate of the number of households it has affected directly, and the number it is likely to have affected indirectly, or will affect indirectly over the coming years. The team was asked to estimate the number of households:

- Likely to be affected by the project’s work in value chains, based on information on the total number of households active in these chains and the likely penetration of project-supported interventions based on the penetration rate so far; this included information on numbers of households whose access to roads and irrigation has been improved.
- Likely to be affected by improved VDC planning (all of Dhanusha and 12 VDCs in Ramechhap), taking into account a level of implementation that can be considered realistic on the basis of previous planning cycles.
- Likely to be part of the audience of the LED radio broadcasts, based on estimates from the radio stations.
- Likely to be affected by already replication of project interventions already taking place.

Examples of indirect impact could be, for instance, more livestock farmers benefitting over time from the services of Village Animal Health Workers; district residents benefitting from the implementation of the District Transportation Master Plan that was developed with project support; residents benefitting from the implementation of the plans developed with VDCs. Indirect impact also partly depends on the effect of what the project calls “demonstration projects”. That is, the direct outreach of a rustic store to better preserve potatoes may be 30 households, but if its success inspires replication a much greater outreach may be achieved.

The estimated direct outreach of the project is 8,500 households in the different value chains of which development was supported, including through infrastructure. The project estimates its combined direct and longer-term, indirect outreach at half a million people, i.e. more than half the population of the two districts. The ET has reviewed these estimates. Some of the assumptions are perhaps over-optimistic, e.g. with respect to the implementation rate of plans and the extent to which households in a specific value chain will benefit from relatively minor interventions to upgrade it. This is difficult to assess at present. The demonstration effect of some of the interventions can to some extent be verified already, though. The ET found the following positive indications that “demonstration” is working:

- Replication has taken place of:
 - Rustic potato store and training (once)
 - Solar irrigation pump (once)
 - Improved fodder grass (several areas)
 - Asparagus cultivation (4 villages)
 - Radio programmes (4 stations have developed similar programmes)
- Watershed management – funding is being sought and will probably be identified from the Indian Government for replication
- Irrigation – funding for replication of the approach is likely in the Kamala Irrigation Project area and is being sought for other districts. This reflects an improved understanding of the EIIP approach at the district and national levels which may have wide-ranging implications

- VDC planning – replication is taking place in all VDCs in Dhanusha as well as in some other Districts

This is very positive, especially given the short time that has elapsed since some of the interventions were completed (e.g. the rustic stores and asparagus cultivation).

Overall, the project's estimate seems not completely unrealistic and even if only half those expected to be affected would eventually benefit, this would still be a significant achievement. It should be noted, though, that this does not specify the nature of the benefits that may be enjoyed. That is, obviously not all those affected will increase their incomes or have more work. For many the benefits are more likely to be in the order of being able to take the bus to go shopping, access to clean drinking water, or protection from flooding rivers.

Annex 2 presents the evidence for emerging impact against the indicators included in the revised logical framework. This confirms the conclusion that the project is likely to have achieved significant impact and outreach, and that more is likely to be realized over the coming years.

6. Sustainability

In this chapter we will consider the sustainability of the main project achievements and how the project has prepared for it. Project achievements can be considered sustainable if they remain following project completion. Sustainability is likely:

- When there is sufficient capacity
- When there are sufficient funds
- When there are incentives, reasons (to continue)
- When an achievement is “systemic”, i.e. constitutes a change in the way the market system operates

We will consider sustainability of:

- The institutional innovations the project introduced, in particular the LED Forums
- The use of LED tools, LOCA, IRAP and value chain development
- The services the project developed
- The infrastructure put in place
- The impact on value chains

6.1 Sustainability strategy

The project document includes a section on sustainability which states, in summary, that sustainability will be ensured by applying the fundamental principles of participation, local ownership and commitment to the local economic development process. These principles had been applied already in the project formulation process. The involvement of the Ministry of Local Development is also said to be likely to lead to sustainability, given its mandate to translate the concept of decentralisation into practice that supports local economic development. The LED Forums are said to be “the principal platforms for sustainability”.

These are indeed good reasons to consider sustainability of the LED process and interventions likely. However, how the sustainability of the Forums was to be achieved was not indicated. The concrete implications of their role as platforms for sustainability are not clarified. The practical constraints on sustainability of possible project outputs, such as roads, are also not sufficiently recognised.

The document did state that the project should develop a sustainability strategy, and this was reiterated by the MTE. This was first done in December 2008, in the context of an ILO ITC course in Turin. The strategy was further detailed in a workplan, in April 2009. It correctly recognises the key importance of the sustainability of the Forums, and foresees further capacity building for members. Most of this has been carried out. The issue of the structure and status of the Forums was left to be decided after the study recommended by the MTE. No steps were planned to fully transfer ownership to the Forum members. This is understandable given the absence of a clear vision for the Forums at that stage. Given, though, that the report on the structure of the Forums came on 30 June 2009 only and a decision was planned to be taken in September, this left very little time to actually reshape the Forums and make them independent from the project. The study did not provide a clear plan for doing so either. In other words, the strategy came too late, especially given the short project duration. It left too many things to the project’s last 9 months.

The sustainability strategy also correctly identified capacity on value chain development and LOCA as an issue to be addressed. The training it foresaw was largely implemented as

planned. However, this, value chain development training in particular, was too little too late, in the ET's view, given that little time was left to practice the approaches. Thorough training on value chain development was provided only to project staff.

Activities for the development of new LED interventions were well planned and have also been executed, which is, as we have seen before, where the main strength of the project lies. The same is true for capacity building on Monitoring and Evaluation, the development of case studies and other knowledge sharing. As part of the strategy, the project also developed a gender strategy and an LED training manual adapted to Nepal. These are well done and would be useful to a follow-up project. However, sustainability with regard to some of the project's concrete outputs, such as infrastructure or new services (Experienced Lead Farmers and Village Animal Health Workers), is not addressed.

Overall, the ET finds that the project's sustainability strategy shows some strengths but considerable weaknesses as well, in addition to coming late in the context of a very short project. The strategy should have identified what project outputs or results were intended to be sustainable and how sustainability would be achieved. This was not done adequately. More guidance from the ILO backstops to develop a satisfactory strategy earlier on would have been useful.

6.2 The LED Forums

The limitations of the Forums have been sufficiently analysed in the chapter on effectiveness. The Forums are functioning well, but mainly as a local steering committee for EmPLED rather than a broader LED and social dialogue mechanism. In the ET's view, the following factors favour the sustainability of the Forums:

- They have been provided with an adequate capacity in LED to continue to function (the project has done well here).
- The secretariats have been taken over by Forum members.
- Funding (to hold meetings etc.) is not a significant constraint (according to the Forums themselves).
- Members are not paid "sitting allowances".
- Some members, including the LDOs, show considerable interest in continuing them.

However, the ET considers the chance of their proving sustainable slim, for the following reasons:

- Following EmPLED's completion there will be no further funds for the Forums to decide on. The *raison d'être* for the Forums as an (informal) institution will have gone.
- For individual members, there will also be few reasons to continue the Forums. Membership does not provide benefits which cannot be obtained otherwise, e.g. through other committees.
- The high turnover of government staff, which erodes the capacity that has been built.
- The absence of an elected DDC and District Council, which reduces the demand for accountability from voters.
- Not all local actors benefit from the transparency the Forums bring to planning and implementation

Box 1 Why do people participate in LED Forums?

A comment on the ET's draft report asked the team what "appropriate incentives" could induce members to continue the Forums. The ET assumes this did not refer to "sitting allowances" or other material gain, but to good reasons why members would want to be in a Forum. To this question there will be different answers in different contexts, and the ET believes it should be considered by the Forums and the project themselves in the process recommended in Chapter 8. However, generally speaking good reasons for people to participate in Forums include:

- They have to. This is the case especially for government staff, when Forums are official bodies, with an officially stipulated membership. It could also be the case with informal bodies, if superiors (like an LDO) tell staff they have to participate. The latter seems to have been the case in the EmPLED LED Forums. Turning the Forums into official bodies would be an option to ensure continuation at least by government members.
- They can contribute to decision making and allocation of funds in such a way that it enhances their own effectiveness or makes their work easier. This was also the case with the LED Forums so far, but will not continue to be so. Generating further funds for the Forums to decide about would be an option to encourage continuation.
- They can affect government policies and plans in line with their own interests or the interests of people they represent. This is especially the case with Chambers, unions, other representative organizations and politicians. This is the "broader function" that has not developed for the LED Forums. The private sector as well as others has alternative channels to influence policies and plans. Giving the Forums official status as advisory bodies to the DDC could encourage continuation of non-government membership, but only if the Forums prove more effective than other channels.
- They can be associated with success, receive public recognition and gain in status. When a Forum scores successes and this is made widely known among the general public, members' peers and at higher levels, many members feel well rewarded for their efforts, even though the benefit is intangible. This is a source of satisfaction the project has not at all well exploited.
- They learn new concepts and skills. Most people enjoy this and think it is in their interest. A Forum without a project to support it would therefore benefit from having an explicit HR development strategy, i.e. a strategy to access funds for training from government, NGO and donor sources.
- They widen and strengthen their social and professional networks. Inviting guests and observers, organizing public meetings, conducting meetings in different locations, organizing social events, can all contribute to this.
- They want to contribute to LED. This is more often the case than most people would imagine. The force of this "incentive" is especially strong in people from a locality itself, but even officials who get transferred frequently may still care. This reason to participate is best made use of in informal forums, when members can decide themselves whether to join or not, stay or leave. One may then have a group of enthusiasts who are committed to making the Forums work.

The conditions for sustainable change are therefore not optimal, and although in principle the Forums could constitute a systemic change that could affect the market system in a lasting manner, in practice this is unlikely to be achieved without further assistance.

This is not to say that there will not be some further Forum meetings, but in the medium term they are unlikely to continue if their function is not broadened. To do so they are likely to require

assistance. This could have been provided if the project had not had an unrealistically short duration. Such assistance could still be provided under a project extension or new phase. An alternative option is another project “adopting” the Forums. There may be some chance of this happening if the GTZ LED project expands into Dhanusha, which is being considered.

6.3 The use of LED tools – LOCA, value chain development and IRAP

We have seen that the project has used a variety of LED planning tools. Factors in favour of their continued use are:

- Considerable local capacity to use them has been built.
- They have demonstrated their effectiveness, and stakeholders appreciate them.
- They, IRAP in particular, have been taken up for replication, in the context of VDC planning.

Threats to continued use are:

- Training on the tools came relatively late in the project, so that especially LOCA and value chain development have not been sufficiently practiced.
- The quality of the training may (according to the project team) have been inadequate.
- There has been no opportunity for refresher training and reflection on the experience gained.
- The “momentum” achieved may be insufficient, i.e. the tools may not have gained the wide recognition and legitimacy needed for them to be taken up independently or for a demand for them to have been created.
- Funding may therefore be hard to access.

Based on this analysis and discussions with stakeholders and the project team, the ET considers it unlikely that LOCA and value chain development will continue to be applied in the systematic way they are best used in. More work would have to be done to achieve this, and the project duration does not allow this. However, the ET does expect stakeholders may continue to apply some of the tools’ main principles and techniques, such as an emphasis on market assessment and the use of empowering facilitation techniques. This is an important achievement, and could make a lasting (systemic) contribution to more effective development initiatives.

6.4 VDC planning

On IRAP more thorough training has been provided and it has been practiced widely in the context of the support to VDC planning. Some elements of LOCA, which have been used in combination with IRAP, may be continued as well in this context. Much will depend on:

- The extent to which the VDC plans will actually be implemented – the process will lose credibility if they are not
- The awareness built at central Government level of the usefulness of the process
- The continued insistence of the central Government that VDCs produce high quality plans before funds are made available

To safeguard the capacity that has been built, it would also seem important that

- Practitioners are provided with the full IRAP manuals in Nepali
- Refresher training is given to enable practitioners to reflect and build on their experience

Given that it has been largely left to partners to try to use IRAP and elements of LOCA in one planning exercise, it would also be useful to consider how a more comprehensive and integrated tool could be developed.

The change the project has brought to VDC planning is one of its main successes and one of the areas in which it is likely to have contributed to systemic change, i.e. a lasting change in the way the market system operates (in this case with reference to the government's role). It will be clear from the above that some further work needs to be done to ensure this, and it would be particularly important to monitor and follow up on the implementation of the plans.

6.5 Services

The project has supported the development of five new services: Experienced Lead Farmers (ELFs), Village Animal Health Workers (VAHW), WIND, LED radio broadcasts and EIIP. In favour of the viability of the first two are the following:

- Skills training was reportedly of high quality.
- The providers have been officially certified by the National Skills Certification Board.
- Business training has been, or will be, provided, which should enable the providers to develop their service on a commercial basis.
- Development of the services was done in a context of other interventions, which should increase demand.
- First indications are that demand for the services is good.
- The providers have formed associations that may strengthen their bargaining position and enhance experience sharing.
- Government Agricultural and Livestock Development Officers have been involved from the start and are supportive.

Threats to sustainability are:

- Farmers are used to free services, and the project has reinforced this by contracting the ELFs and VAHWs to provide free training and advice.
- While VAHWs have concrete services to "sell" (e.g. vaccination, castration), ELFs can only offer advice.
- In spite of business training, the providers often do not have a clear plan for commercialising their services.

The ET found that VAHWs have in fact been able to earn an income as service providers. For some it has become their only or main source of income, while for others it is a significant though secondary source. The future for this service looks good, and the ET believes that the project has facilitated a sustainable change in the market system. Livestock extension services have become much more accessible and are being paid for.

The ELFs, on the other hand, have not been successful at making an income from their services, though farmers have provided them with free meals and other in-kind support. The main constraint is that advice is not a sufficiently concrete service. The ELFs are likely to be viable only if they develop services they can *do* for farmers.

Continued use of Work Improvement through Neighbourhood Development (WIND) is unlikely due to funding and capacity constraints. The service may also not be sufficiently demand-driven. However, as reported in the effectiveness chapter, continued use of some aspects of WIND does seem possible.

With regard to the radio broadcasts, the two FM stations appear committed to continue them. Their agreements with the project in fact state they will do so for a period of 5 years. As the project's subsidy is reported not to cover the full cost, the stations have already shown a willingness to contribute. However, they do not seem to have plans in place to find other sponsors, for instance in the private sector, and seem unsure how to go about this. The stations need marketing advice and support to develop a marketing plan. Even though they may continue the broadcasts without these, programme quality and therefore effectiveness will be reduced when costs have to be cut.

The ET found that the capacity to implement EIIP is strong among a number of partners (government and NGO), and that there is interest to continue to use it. A good instance of this is the high-level support for replication the project has generated at the Ministry of Irrigation, which is seeking the required funds. There is therefore a good chance that the approach will continue to be used in a number of contexts. However, beneficiaries as well as stakeholders indicated that the financial transparency the approach brings goes against the entrenched system of "leakage" that reportedly provides officials with extra income. As long as there is no effective political will to change this, that aspect of EIIP's approach will remain the exception rather than the rule.

Also in services, the project has facilitated the provision of existing services (e.g. training) to beneficiaries. It has done so by identifying need or demand (e.g. through LOCAs) and contracting providers. The extent to which this will have a lasting effect on service provision is likely to be limited, given that beneficiaries did not pay and the market for such services is fully subsidized. Further service provision depends on further funding. The project's main contribution here was to ensure that the right services were provided within the project framework.

6.6 Productive assets

With regard to productive assets, or infrastructure, sustainability refers to whether the assets are likely to be maintained so they will continue to provide benefits. It is useful to make a distinction between roads on the one hand and irrigation, fish ponds, rustic (potato) stores and homestays on the other. Factors in favour of the sustainability of the latter group are:

- There is a strong sense of ownership and responsibility among the beneficiaries, rooted in the direct benefits that the assets offer, and in some cases cooperative or individual ownership (e.g. the homestays).
- Partly as a result, users appear willing to contribute significantly to maintenance, through labour.
- Systems of user groups that are responsible for operating and maintaining the assets appear to be well established and functioning.
- Funds for maintenance seem relatively accessible or have in some cases been set aside by the users (e.g. in the case of a demonstration fish pond).

Threats may be that some user groups (e.g. rustic stores) have not yet set up a maintenance system and access to funds may prove to be less secure than it now appears. However, overall the ET believes the level of sustainability of these assets is high, and they will continue to provide benefits over the years to come. Given that some are of key importance to the functioning of value chains (e.g. the homestays for tourism) they have brought a systemic change.

The maintenance of rural roads is a major problem in Nepal. The ET has been able to see for itself how many roads are dug out of mountainsides without any engineering support, or consideration of maintenance and damage to the environment. Even well-planned and constructed roads are often hardly usable after one or two monsoons due to heavy use and lack of maintenance.

Many donors have assisted the MoLD/DOLIDAR in formulation of rural infrastructure maintenance policies and plans, and the ILO has contributed to this. The Nepal Rural Roads Maintenance Plan provides details of proportionate budget allocations to be made for maintenance. Experience shows that this is poorly implemented in practice. This is not the place to analyse the causes, but the sustainability of roads and tracks upgraded under EmPLED should be seen in this context. Factors in favour of sustainability are:

- Based on the ET's own observation and reports from others, the ET found that construction/upgrading is generally (but not always) of good to excellent quality and based on sound engineering.
- The roads are of high economic importance to the districts or VDCs they serve and there should therefore be good reasons to maintain them.

Threats are:

- Due to budget limitations, some stretches of road that required rehabilitation were not covered – rapid degradation there is causing damage to adjoining sections.
- The sense of ownership among those who benefit from roads generally is weak (and of course many users are just “passing through”).
- Users are therefore less willing to contribute significantly to maintenance.
- User groups do not function well.
- Traffic is in some cases heavier than foreseen, and user groups are unable to stop or regulate use in the rainy season.
- No routine maintenance is being done, and there is no management of water seepage which is part of routine maintenance.
- There are no maintenance plans apart from “we will ask funds from the VDC or DDC”.
- Funds for maintenance from the VDC and DDC are in fact scarce.

The ET has seen the results on the Jiri-Dharapani road, which was partly upgraded with EmPLED support. After one monsoon season and heavy use, some of the work has been undone. After another monsoon it may have returned to its original state. No maintenance plans are in place. The road is important for access to the Numbur Cheese Circuit and for the marketing of potatoes (one of the value chains the project has worked in). If nothing is done some of the gains in income realised will be lost.

It is in principle positive that the ILO made a Regular Budget Supplementary Allocation (RBSA) of US\$ 250,000 which was partly allocated to road maintenance in the two EmPLED Districts⁸. It was also used to develop a “Conceptual Guide” on team-based road maintenance aimed at DDC staff and contractors, and an “Implementation Manual” aimed at maintenance workers. However, the roads selected were not those EmPLED had worked on, which needed funds for

⁸ The ET has received conflicting (and changing) reports on whether the LED Forums played a role in the decision making on the use of these funds. The written reports the ET has reviewed mentioned the LDOs and the DDCs, but not the LED Forums. If the funds did not pass through the LED planning process EmPLED was promoting this would be a missed opportunity to reinforce the Forum's role.

maintenance. The guide and manual were finalised (in English) in late 2009, and could therefore not be used or promoted by EmPLED. There is no doubt the RBSA project did useful work on maintaining roads. There is also a possibility the manuals will in the long term make a contribution to developing a road maintenance culture in the districts and Nepal, although they may just as well share the fate of the already existing maintenance policies and plans. The fact is that there are powerful incentives (political and financial) for spending money on new roads rather than maintenance. More to the point for EmPLED, the RBSA project has not contributed directly to the sustainability of the roads it has upgraded or constructed.

It is also positive in principle that the project is undertaking, in its final month, sustainability workshops with relevant partners to discuss road maintenance issues. However, the ET believes the effect will be limited, given that the investments have already been made, decisions cannot be backed up with project funds and the project will not be able to provide other follow-up support. The project's sustainability strategy should have addressed these issues. Elements of such a strategy could have been:

- Work with partners (including LED Forums) and with user committees to ensure road maintenance plans and budget allocations were in place *before* any work was undertaken.
- Build capacity to enable stakeholders to develop and implement such plans.
- Apply the government's rural road maintenance policies and plans.
- Instead of undertaking new EIIPs, allocate project funds to maintenance of roads already upgraded.
- Allocate the additional ILO RBSA funds to maintenance of project supported infrastructure.
- Explore opportunities for collaboration with rural roads projects and other donors. E.g. efforts should have been made to involve the SDC District Roads Support Programme for the Jiri-Dharapani road.

6.7 Impact on value chains

The ET finds that overall the project's achievements at the level of value chains are likely to be sustainable. The basis for this assessment is that:

- Interventions were based on participatory assessments and priorities that were largely set by stakeholders and beneficiaries in the value chains – this should ensure a good degree of relevance and ownership.
- Interventions have shown benefits and those benefitting have therefore good reasons to sustain them.
- Apart from the interventions in infrastructure the cost of keeping changes in place is generally small.
- Some of the interventions resulted in changes in the way the value chains work, e.g. the establishment of cooperatives and associations, tourism development committees, forging of linkages to new markets (e.g. in junar) and to national level agencies (Nepal Tourism Board).

The threats to sustainability are specific to value chains:

- In tourism:
 - National and international promotion of the two new trails is essential. Much will therefore depend on the maintenance and strengthening of ties between local tourism committees and national agencies like the Nepal Tourism Board. At present these are still fragile.

- Recent construction has turned part of the Indigenous People trail into a road. Alternative trails will have to be found.
 - Signage on the trails needs to be improved.
- The work on integrated fish farming has only just started and may not have advanced sufficiently to show a sustainable impact.
- The asparagus nursery and plantation was in poor condition and will need further support to be sustainable.
- The work on floriculture has started only recently, and although it is promising it will need further technical advice, assistance to develop market linkages and encouragement of investment by the beneficiaries themselves.

7. Project relevance and strategic fit

In this chapter we will consider the following main questions:

- Does the programme continue to address a relevant need and decent work deficit? Have new and/or more relevant needs emerged that the project should address?
- How does the programme align with and support the Decent Work Country Programme and UNDAF?
- How well does the project support the Government's development strategy?
- How well does the programme complement and link with other ILO, UN and non-UN programmes?

7.1 Relevance⁹

We have seen that employment intensive and inclusive growth in the districts is what EmPLED aimed at. It is too early to judge its contribution to this goal, but since the outputs and immediate objectives have been largely achieved, and the underlying model of change is realistic, it can be assumed that a contribution has been and will be made. Some early signs of impact in terms of jobs and incomes have already been demonstrated.

Although poverty levels have reduced overall in Nepal, to what the Government estimates to be 25% at present, it remains high, and Nepal continues to be among the poorest countries in the world. The 2009 Human Development Report ranks its GDP per capita 165 out of 182 countries, and the ADB in fact estimated that 55.1% of the population still lives below the \$1.25 per capita per day poverty line. While the overall Human Development Index has been rising, the rate of improvement has been comparable to some of the other poorest countries in the world. The 2009 HDI for Nepal is 0.553, which gives the country a rank of 144th out of 182. Unemployment estimates range between 40 and 46 % in spite of a high labour migration rate. Access to infrastructure remains a constraint on rural development. Clearly the project was and remains relevant.

While poverty reduced, inequality increased, from a Gini coefficient of .34 in 1997 to more than .47 (estimated) currently. Poverty is higher in rural areas. Low castes and ethnic minorities have benefitted least from growth. On the Human Poverty Index, which measures Human Development for the most deprived, Nepal ranks 99th among 135 countries. Nepal ranks similarly low on the Gender Development Index and the Gender Empowerment Measure (which measures whether women take an active part in economic and political life). It can be concluded that the project's focus on rural areas and the poorest and its aim to contribute to *inclusive* growth and to involve excluded groups in decision making process was and continues to be highly relevant.

The Local Self Governance Act was enacted in 1999. It aims to strengthen decentralisation and a number of measures have since been taken to devolve authorities and responsibilities. This process is still ongoing and has not been perfect, especially given the political and security context. However, the Government has expressed commitment to continued decentralisation. A project that supports effective and inclusive planning and implementation at the DDC and VDC levels therefore remains highly relevant.

⁹ This section makes use of the Human Development Report 2009, the National Development Strategy Paper, World Bank and Asian Development Bank figures and the indexmundi website (www.indexmundi.com)

As we have seen, a contribution to peace building was dropped from the project's development goal. However, we have argued that by facilitating inclusive growth, transparent decision making and local accountability, the project is addressing some of the roots of the conflict from which the country has recently emerged. Given the continued political instability, this remains very relevant.

Insecurity due to organised criminal activity has become an increasingly important issue over the project period, especially in Dhanusha. Extortion rackets are among the main reasons for many businesses closing down. As the cause of the high level of criminality is said to be unemployment, especially among youth, the project may be considered to be relevant to this issue. Since the level of business affected directly (small and medium size, non-agricultural) has generally not been the focus of project interventions, the issue has perhaps not come up directly, and the project itself has obviously not been in a position to address it. However, if the project were to continue the ET suggests that the LED Forums and the DDCs could start to consider ways to address it. More broadly, the project and its partners could start considering issues that relate to the rules and regulations part of the market system, i.e. the business enabling environment, as part of their scope of work. On the Doing Business index, Nepal ranks 123 out of 183 economies (2010 figures). On a number of indicators, such as starting a business and getting credit, Nepal's ranking has become worse recently. On the employing workers indicator the country ranks particularly low (148). Although Doing Business concerns limited liability companies in a country's major urban centre, and therefore reflects a situation not directly relevant to the type of enterprises EmPLED targeted, this does indicate there may be serious constraints in the business enabling environment. A follow up or similar project should systematically include such constraints in its analysis and the interventions it facilitates.

7.2 Strategic fit

Project progress reports and the MTE's report extensively consider the way the project supports the Decent Work Country Programme and UNDAF. It has clearly been a priority to ensure strategic fit in this respect. The ET has reviewed this and has concluded that the project fully supports the achievement of DWCP and UNDAF objectives. The relevant sections of the project's latest progress report are attached in Annex 3. Given that the DWCP and UNDAF will be extended in duration, this high degree of strategic fit would be maintained if there were a follow up project or extension.

The same holds true for the extent to which the project supports national development priorities. The Annex provides a comparison with the Government's 2007-2010 strategy. The 2009 National Development Strategy paper is in many ways similar. Some of the strategies included read nearly like the project's objectives, e.g.:

- Employment-oriented and broad-based economic growth
- Investment in infrastructural development using an employment intensive approach
- Inclusive development (with reference to women, Indigenous People, Dalits) and targeted programmes
- Sustainable peace building

There is much emphasis on strengthening decentralisation and devolution, participatory approaches, and including women, Dalits and ethnic minorities. The ET feels justified to conclude that the operationalisation of this strategy requires approaches such as those promoted and introduced by EmPLED.

7.3 Links

To the extent the ET has been able to assess, EmPLED has not duplicated the efforts of other ILO projects, agencies or donors. It has introduced a relatively new, integrated approach to private sector development at the local level, which has the potential to increase the effectiveness of less comprehensive approaches. In other words, in a general way the project has complemented other efforts. This is positive.

Actual operational linkages have been relatively few, though. Although the LED Forums offer an obvious opportunity for better coordination and collaboration, other donors or agencies have not joined them. The project's proposal to merge the Dhanusha LED Forum with the District Enterprise Development Committee (DEDC), established by the UNDP's Micro Enterprise Development Programme (MEDEP), was rejected. The ET considers this a missed opportunity. Although LED is obviously broader than enterprise development, there is a lot of overlap and the DEDC would have benefitted from the broader approach to private sector development EmPLED stands for.

The project did partner with the district level enterprise development associations (D-MEGAs) that were also established by MEDEP. It contracted them for several assignments, and provided training. This again demonstrated its willingness to work with and through other donors. Contacts and sharing with other programmes have remained informal. In April 2010 the project is organising an LED knowledge sharing event with GTZ and SNV, the two other main players in LED-like approaches. This is a good step forward.

Coordination and collaboration with infrastructure programmes has been insufficient. The project could have benefitted from this, especially to ensure better maintenance of the roads it has upgraded.

Within the ILO, sharing of experience and expertise has taken place with the Jobs for Peace project, which is applying some LED tools and principles. Although the ILO implements a project to promote the rights of indigenous peoples, the ET is not aware of sharing of experience with EmPLED, although this could have been useful.

The IPEC project is perhaps too narrowly focussed on bonded child labour to have been able to provide support to EmPLED systematically. However, "close collaboration" between EmPLED and IPEC is foreseen in the project document (page 39). Given that the IPEC project was present in Dhanusha and the prevalence of child labour in value chains the project worked in, there was potential for mutual support. Options could have been:

- Including IPEC in the LED Forum
- IPEC advising EmPLED on strategies to reduce child labour in the value chains it was active in
- Using a value chain development methodology in sectors where parents of children in bonded labour were economically active

The presence of ILO projects at the FNCCI and the major trade unions offered opportunities for experience sharing, as both projects also aimed at strengthening social dialogue. However, as they focussed on the national level the benefits of collaboration may not have been immediately apparent, and none was established.

Further potential for collaboration seems limited as other projects took a fundamentally different approach (e.g. the Skills Enhancement for Employment Project which targets individuals rather than value chains) or addressed quite different issues.

It can be concluded that collaboration with other agencies and projects has been limited and opportunities for sharing and joint work have been missed. This happened despite the project demonstrating openness and a positive approach to other projects and agencies. This is obviously not unusual. Unfortunately, a lack of collaboration is the rule rather than the exception. The main reasons are the following.

- Collaboration is usually not reflected in the logical framework's outputs, indicators or targets. There is therefore little to assess it by, it remains marginal to the project design, and incentives to invest in it are few.
- Strong pressure to "deliver", as was the case with EmPLED, further reduces willingness to invest in relationship building and collaboration.
- Staff is not assessed on their success at establishing collaboration.
- Staff at all levels in agencies and projects usually hold entrenched proprietary attitudes to "their" projects, area, target groups, tools etc. There is no culture of sharing and critical analysis, and one's own project or tool is always "the best" and is seen in competition with others for the favours of donors, governments and stakeholders. This is reflected in and reinforced by the use of business management language (e.g. "our comparative advantage") when describing relations between agencies, by copyrighting, and by the reality of competition for funds.
- Management support (e.g. from the ILO or UNDP office) for collaboration is usually inadequate.

Some suggestions to address these factors are included among the lessons learned.

8. Conclusions, recommendations, good practice and lessons learnt

This chapter presents the evaluation's main findings as strengths, weaknesses, opportunities and threats. This is followed by the recommendations.

8.1 Project's strengths, weaknesses, opportunities and threats

The ET's overall assessment of EmPLED is positive. The project has largely and in substance achieved its immediate objectives and outputs under circumstances that were not always conducive. It has been successful at developing and implementing integrated interventions, which are likely to have significant impact and outreach. The outlook for sustainability is generally good at the beneficiary level. These are important achievements. Stakeholders and beneficiaries are largely positive about the project and its approach. However, there are some notable weaknesses as well. The following are the main findings.

Strengths

The project's main strengths are the following:

- It has succeeded at developing and supporting the implementation of integrated, mutually reinforcing interventions in several value chains.
- It has so managed to achieve considerable outreach (direct: 8,500 households; indirect and in the long term: 250,000 to 500,000 people). Replication of successful interventions has contributed to this.
- Early signs of impact on the operation of value chains, incomes and work are encouraging. The short-term impact of EIIP on incomes has been immediate and beneficial.
- Much of the impact is likely to be sustainable, and some systemic changes were achieved in the way value chains operate.
- The beneficiaries are those intended, i.e. the poor, women, Indigenous People, Dalits.
- The project has achieved this by working with and through local partners, as a facilitator, rather than by replacing them.
- Support to Village Development Committee planning has the potential to have a major impact on local government planning and spending and is being replicated well beyond what had been foreseen.

Other strengths include:

- A capable and committed project team that has built up considerable experience and expertise over the project period.
- The project has evolved towards a concept (private sector, value chain development) that positioned it well to design integrated interventions and that was based on a plausible model of change. The original project document provided the flexibility needed to facilitate this evolution.
- The project has made creative use and generally appropriate use of a number of LED assessment and planning tools, IRAP and adapted forms of LOCA in particular.
- Local capacity has been built in applying these tools.
- Social partners have played a useful role in the project, and benefitted from it.
- Measures were taken to promote decency of work, in particular for the EIIP workers.

- The project has taken identified needs and opportunities as its starting point for LED, rather than promoting standard ILO products and services.
- LED Forums are operational and have played a key role in developing LED strategies that were implemented with project support.
- Some of the services that were developed or introduced (Village Animal Health Workers, LED radio, EIIP) are likely to be sustainable. This would constitute systemic change in the market system with long-term benefits for many.

Weaknesses

The project's main weaknesses are:

- The LED Forums have not sufficiently evolved towards a broad LED function, and remain largely project-bound committees. Their sustainability is therefore limited.
- Likewise, the LED strategies have remained strategies to be implemented with project support rather than strategies for the districts generally that could be funded by the DDC, donors, other agencies.
- The steps of introducing the LED approach were sequenced in a manner that saw significant results for beneficiaries only in the second half of the project. This has affected effectiveness, efficiency and the credibility of the LED Forums.
- Overall, the sustainability strategy was inadequate and came late in the project. This has affected the sustainability especially of the Forums, of the capacity to use LOCA and value chain development, and of productive assets (roads in particular).
- A three year duration was too short for a project with ambitious objectives in a difficult environment, especially with regard to the sustainability of the Forums and LED process. Many of the project's weaknesses should be seen in this context. It is likely that with two more years and appropriate strategic guidance they could have been resolved.

Other weaknesses include:

- The project has not sufficiently and systematically made use of approaches to value chain development that were actually designed for that purpose, and overall its use of LED planning tools lacked thoroughness.
- This is linked to the capacity building on these approaches coming late in the project and being insufficient. Sustainability of the use of these tools is therefore limited.
- Under pressure to spend and partly as a result of the above two factors, a number of relatively ad hoc interventions were supported whose effectiveness and sustainability is limited.
- The project's original design did not present an adequately articulated and integrated concept and strategy. It reflected to a large extent the concerns of the ILO departments involved.

Opportunities

The key opportunities for the project were or are:

- The project was and remains highly relevant in a situation characterized by high levels of poverty, wealth and gender inequality and marginalization of Indigenous People and Dalits. It has demonstrated that it can have an impact on these.

- It was and remains relevant to the need for peace building as well. There are indications that the LED approach has reduced conflict and tensions over allocation of resources, in addition to addressing the roots of conflict (poverty, marginalization).
- The project is fully in concert with the Government of Nepal's development strategy, the Decent Work Country Programme and UNDAF.
- The Local Governance Act provides the legal framework for decentralization and the Government of Nepal remains committed to its implementation.

The ET wants to emphasize that this framework fully justifies and supports EmPLED in concept and practice. In other words, Nepal needs projects like EmPLED.

Other opportunities were or are:

- A variety of Government, NGO and private sector partners is present in the districts for the project to work with. They have given a largely positive reception to the project's LED approach and some have contributed funding to the interventions.
- Donor funded projects in relevant sectors (e.g. infrastructure, livelihoods) are also present in the districts and there was potential for collaboration. EmPLED and these projects have however not been able to exploit this potential. Even collaboration with other UN or ILO projects has been weak to non-existent.
- Good technical backstopping from the ILO, although stronger strategic guidance, especially in the start-up phase, would have been useful. This could have contributed to better development of the LED Forums, earlier capacity building on and use of LOCA and value chain development, and an earlier and more appropriate sustainability strategy.

Threats

The project has been significantly affected by negative external factors. They were/are:

- Insecurity, especially in the first 12 months, and in Dhanusha continuously. This has limited mobility of project staff and stakeholders and created an atmosphere inconducive to long-term and sustainable change. Serious delays were incurred as a result.
- The continuation of temporary local governance arrangements pending a new constitution, including the absence of elected local government bodies. This has also been inconducive to establishing new bodies (Forums) and processes (LED) on a sustainable basis.

Other significant threats were/are:

- Continued political instability at the national level. This reinforced the above two factors.
- A fully "for free" service "market", which affects the effectiveness and sustainability of services. Where "beneficiaries" can count on free services the scope for systemic and sustainable change is limited.
- The existence of many donor-inspired or Government mandated committees with functions that partly coincided with those of the LED Forums. This reduced the real need for the Forums and made it possible to see them as just another project related committee.
- Administrative and financial ILO procedures that are inappropriate to an LED project. This included a lack of delegation of authority to the CTA/project manager and an

inappropriate level of centralization to the ILO Nepal office and even ILO Geneva and Bangkok. It resulted in inefficiencies and unacceptable delays.

8.2 Recommendations

Recommendation 1

Unfortunately, this evaluation came just one month before project completion, and little can be done now to address some of the issues identified above, unless there is a project extension or new phase. At the time of writing the project has already closed and an extension is no longer an option. The ET therefore recommends that steps be undertaken immediately, by the Government of Nepal and the ILO, to identify funds for a second phase of the project, with a duration of two years. This is urgently required to consolidate and ensure the sustainability of some of the key project achievements. The following should be done during a second phase:

- Design a detailed, concrete strategy to develop the LED Forums into advisory bodies on LED for the DDCs as well as VDCs, or, alternatively, to dissolve the Forums and support LED and social dialogue through other mechanisms such as the various committees that exist under the DDC. The Local Governance Act provides an adequate framework for such committees to be built up into inclusive mechanisms for social dialogue. Developing the strategy does not require further research or study, but a process facilitated by the project that should include:
 - A workshop with the Forums (jointly, for sharing of experience) to agree on the purpose of and to plan the process of developing a strategy for the Forums. Sub-committees should be charged with implementing the process.
 - A series of meetings between the sub-committees and DDC representatives who are not on the Forums, leading local politicians, existing committees, donors and development agencies working in the districts, other agencies promoting LED-like approaches, and the Ministry of Local Development, to discuss issues related to the need for and function of the Forums, reasons why people might want to participate, and how the Forums can be developed into the required direction.
 - Frequent briefings by the sub-committees of the Forums.
 - A strategic planning workshop of the Forums in which the findings of the sub-committees are analysed and considered, a goal for the Forums' strategy is decided on, as well as steps to achieve this goal, allocation of roles and responsibilities, budget requirements.
 - Development of more detailed workplans by the sub-committees.
 - Implementation of the workplans, frequently monitored by the Forums themselves as well as the DDCs.
- As is clear from the above, the ET believes that if the Forums are to remain, they should indeed take on an advisory role, since this is the best chance of making LED part of the way local government plans and operates. This is in line with the MTE findings and the study on this issue. The advisory role would concern the regular planning of funds allocated to the districts, the use of LED assessment and planning tools, and the activities of donors, projects, and NGOs. However, if the Forums themselves and the DDCs come to another conclusion with regard to the Forums' role, they should be supported in implementing this if feasible. Furthermore, the option of working through one or more of the existing committees should be given serious consideration.

- We mention advice to VDCs intentionally. The project has demonstrated the scope for support to LED planning at the VDC level, and the Forums would be very well placed to continue to facilitate such support. This could be one of their most important roles.
- The project should support implementation of the strategy for the Forums, or for developing mechanisms through existing committees, with funding and technical advice, but it should ensure that it only facilitates and does not take the lead. If the Forums do not adequately take the lead themselves, there is apparently no pressing need for them. If after one year the Forums have still not managed to gain legitimacy as LED advisory bodies, the project should develop and implement an alternative strategy with Forum members and existing committees.
- The project and the Forums should develop and implement a sound sustainability strategy for other project outputs, including the capacity to apply LOCA , value chain development and IRAP; infrastructure, roads in particular; services of which sustainability could be strengthened (Experienced Lead Farmers, LED radio broadcasts); and work in value chains that has not been completed adequately (see section 6.7 for details).
- Funds should be provided to the project to facilitate the development of the Forums and the implementation of an overall sustainability strategy, but not to actually sustain project outputs. In other words, the project should not provide funds to maintain roads or other infrastructure, or to support Experienced Lead Farmers in the delivery of services. This would continue dependency and not be a solution to the weaknesses we have identified. It should fund capacity building, development of marketing plans (e.g. for radio broadcasts) and other interventions that contribute to systemic change.
- Funds should also be provided to support processes that facilitate LED, such as value chain and LOCA exercises, since insufficient momentum has so far been achieved for local actors to take these up independently. These should start to consider business enabling environment issues (i.e. rules and regulations). Here too, the project should as much as possible have local stakeholders take the lead and itself provide a supportive and facilitative role.
- The project should not have further funds to actually provide services, upgrade roads, etc. It has sufficiently demonstrated that the LED approach works at the ground level, and this type of assistance should now be left to the DDC and the many stakeholders in the districts. The ET does not want to pre-empt the strategic planning process with the Forums, but at this stage it believes that they should not have at their disposal, or decide about, funds for this kind of support either. The project's experience indicates that this is difficult to combine with an advisory role.
- The project team should be kept in place (or re-assembled) to implement the second phase, although the full staff complement may not be required after the first year if there is no expansion (see recommendation 2). The ET considers it a great loss to the ILO and the districts that after having built a capable and experienced team, it has now dispersed.

Recommendation 2

The ET also recommends that *the project be expanded, to cover up to four more districts*. The districts should neighbour Dhanusha and Ramechhap, to reduce logistical problems. There is little to be gained from dispersing the project all over the country. Preferably, an expansion should start following completion of the strategic planning process with the LED Forums, when there is more clarity on the extent to which they are a key element of the approach. However, most important is that the expansion be aligned with the DDC and VDC planning cycles, so that whether the project works with Forums or existing committees it is well placed to affect local planning. This is not to say an expansion should await the start of a planning cycle. Preferably, it should begin at least a year earlier, so that the credibility of the LED process and the necessary capacity can be established first. The ET also recommends some changes in approach, which should comprise the following main steps:

- Start by mapping stakeholders and “sensitizing” them on the approach (as was done under EmPLED). During sensitization sessions discuss which economic drivers (value chains of key importance to LED) or localities could be prioritized immediately for LED analysis and action.
- Constitute a small and informal LED Forum (or work with an existing committee). Facilitate a decision on which priority value chains or localities to address immediately. Submit the advice to the DDC for approval.
- *At the same time*, select and provide thorough training to relevant and interested stakeholders, on LOCA, value chain development and IRAP. This should be followed up regularly by refresher and further training.
- Start conducting LED (LOCA, value chain development, IRAP) exercises with trained stakeholders, one in each district, under the auspices and guidance of the Forums.
- *At the same time*, start the process of training stakeholders, including LED Forum members and those most likely to be interested in joining the Forum at a later stage, but also key political leaders, on the overall LED approach.
- *At the same time*, start the process of collecting information that would support the development of District LED Strategies to be included in the DDC plans.
- As a result of the process of LED training, data collection and support to LED exercises, decide on broadening the Forums’ membership.
- Support the Forums (or existing committees) in working together with the DDCs to develop District LED strategies for funding by the DDCs, projects, donors, other stakeholders. Submit to the DDC for inclusion in the District Development plan, and promote it widely among stakeholders, donors and other agencies.
- Provide similar support at the VDC level, making use of the capacity built among stakeholders.
- *At the same time*, keep conducting LED exercises.

- Start developing a sustainability strategy for the process and outputs at most one year after project start. Do so with the Forums and other relevant stakeholders.

This approach builds on EmPLED's experience, and aims at:

- Building sustainability of a long-term LED process that becomes part of the way local government operates.
- Building capacity in LED tools that will affect the way development is planned and supported.
- Achieving early results on the ground, which enhances the legitimacy of the LED process as well as providing benefits to the poor and marginalized.

The expanded project should have funds to facilitate and support the above process. It should also be able to finance selected interventions following LED (LOCA, IRAP, value chain development) exercises to demonstrate that the approach works and so build the credibility of the process. This could include infrastructure as part of an integrated approach to enhance the market system for the benefit of the poor and marginalized, but not otherwise.

Recommendation 3

We have seen that the MTE's recommendation that a management review of the project be undertaken was not taken up. The ET reiterates this recommendation, in a less ambiguous manner. We recommend that *the ILO urgently reviews the manner it provides management, administrative and finance support to projects.* Current procedures result in inefficiencies and delays, including in payments to very poor people. The ET has seen this in other countries as well, and believes it is unacceptable for an organization that should be a model for others and that promotes decent work. That it does not have to be like this is demonstrated, ironically, by what the ET has seen of projects in countries where there is no ILO office and much greater authorities have been delegated to project management.

The ET was informed that financial rules can only be changed by the ILO Governing Body and that this has proven difficult in practice. We recommend to the ILO Nepal office and to the Evaluation Department of ILO Geneva that the argument for changes nevertheless be put to the Governing Body, as forcefully as possible. We also *recommend to Constituents of the ILO in Nepal (the Government, employers and workers) that they support these arguments and follow up on how the ILO deals with this recommendation.*

Recommendation 4

It is recommended to the relevant *technical departments in the ILO that they consider ways in which IRAP, LOCA, value chain development and other possible tools can be combined or integrated into a more holistic LED assessment and planning tool.* For the VDC planning EmPLED has used IRAP in combination with elements of LOCA. The ET has seen similar combinations in other countries. It is not convinced that this is the most effective way LED can be supported, since the starting point is two or more different tools rather than an integrated

approach. Quality may be compromised when it is left to often inexperienced implementers to make ad hoc combinations.

Recommendation 5

It is recommended to the Ministry of Local Development that it takes a stronger leadership role in the sharing of LED experience among districts in Nepal and among the different projects that support it, as well as in coordination among such projects. This is not likely to happen by itself, and much is to be gained from it in terms of more effective local governance and development. The Ministry is very well placed to provide this leadership.

Recommendation 6

The ET concluded that it was too early to adequately assess the project's impact. It is therefore recommended that the ILO and the Ministry of Local Development conduct a thorough impact assessment in the two districts in two years time. This would contribute to further learning about the effectiveness of the ILO's integrated approach to LED and so help to improve it.

8.3 Good practice and lessons learnt

Several of the project's strengths constitute good practice in Local Economic Development. We would like to mention the following:

- The project document provided a good deal of flexibility, including in the provision that the logical framework could be revised. This gave the project team and stakeholders the freedom to respond to identified needs and opportunities.
- The project has as much as possible worked with and through local partners, as a facilitator, rather than providing services and support directly, itself. It has avoided replacing local service providers and so changing the market system in a short-term unsustainable manner. Instead, it has helped strengthening stakeholders and enhanced their capacity.
- Related to this, the project has taken identified needs and opportunities as its starting point for LED, rather than promoting standard ILO tools. Since it did not insist on ILO products being used, it was able to make use and strengthen existing capacity.
- The project has sought to develop and support integrated, mutually reinforcing interventions by considering constraints and opportunities in specific value chains, and so introduce systemic change. It has joined the small but growing number of programmes that use this approach to enhance access to markets for the poor.

The above good practices reinforce lessons learnt from other projects. Further lessons, which the ET believes are also not new but merit repeating are the following. They all refer to project design.

- Three years is too short for a project that aims to introduce LED approaches for the first time and achieve sustainable change at the institutional level. This is especially, but not only, true in a difficult post-conflict situation. The ET believes that 5 year should be the

minimum duration of a project like EmPLED. If for some reason (e.g. the donor's preferences) this is not possible, the ILO should start sourcing funds for an extension at least 18 months in advance.

- The ILO's "six-step approach to LED" is meant to be flexible but in practice project teams apparently find it difficult to use it in a flexible manner. Following the six steps can result in reduced effectiveness and efficiency, depending on the situation. Project documents should therefore propose a process that is most likely to be appropriate in the specific situation rather than stipulating six steps, while continuing to provide flexibility. In addition, project backstops should provide intensive guidance in the project's start-up phase to ensure that an appropriate process is being followed.
- Charging a number of subject specialists to design an integrated project together is not necessarily a recipe for success. It may result in sectoral analyses, a design based on these, and a search for "linkages" or "synergies" between "components". The starting point of an integrated LED project should be an integrated concept, such as how to intervene in the market system to make it work better for the poor and marginalized, and so create decent work and reduce poverty.
- Well-intentioned declarations about collaboration with other projects and agencies are not sufficient to make it happen. For collaboration to be effective, there need to be good reasons for staff to do so. The ET believe this could be at least partly addressed by:
 - Embedding collaboration in the logframe. E.g. if there is a need for close collaboration with IPEC, include an output and an indicator that state this explicitly. Collaboration then becomes more than an extra: it will be part of what needs to be delivered and projects and staff can be assessed on it.
 - Those managing a programme, like the ILO or UNDP Nepal offices, need to place collaboration at the core of their responsibilities. Having UNDAF is important, but collaboration also needs to happen on the ground, and agency managers need to take a more active role in facilitating this. This should include discouraging proprietary and competitive attitudes and facilitating more personal interaction, as well as allocating funds to joint work.

Annex 1 – Progress towards process and effectiveness indicators

Development objective – Employment intensive and inclusive economic growth is sustained

In line with current practice, the logical framework does not include indicators at this level, and indeed it would have been difficult to establish whether a contribution was made to this goal within the brief project period. Some indicators which are relevant at this level have, however, been included for objectives and outputs. They are considered in Annex 2.

Immediate objective 1 – Local stakeholders implement LED strategies aimed at job creation more effectively and contribute to LED policy making

Indicator	Achievement
<ul style="list-style-type: none"> Entry point LED strategies and activities investing EmPLED and other resources are implemented on time and within budget 	<p><u>Achieved</u>. The project supported LED Forums in selecting priority value chains and localities for intervention and in deciding on the main activities to be undertaken in each. It developed its workplan on that basis. At the time of the evaluation 95% of the activities had been implemented, within budget as far as the mission could judge. District stakeholders and communities contributed on average 10 to 20% of the budgets, including in labour. Delays were largely due to administrative procedures.</p>
<ul style="list-style-type: none"> New/expanded LED strategies and activities designed/under implementation and value of new LED investment resources mobilized 	<p><u>Achieved</u>. Following the initial development of LED strategies and interventions, the project proposed additional activities to the LED Forums. These were implemented. There is also evidence of replication of some interventions, which can be considered allocation of additional funds towards the original LED strategies, although these cannot be said to have been mobilised by the Forums or the project. No information is available on their value. The strategies themselves cannot be said to have been added to or expanded, rather the expansion was at the level of new activities under the same strategies, generally at the request of stakeholders or communities.</p>

Output 1.1 – Functional, inclusive LED Forums designing and implementing initial LED strategies for employment intensive economic growth

Indicator	Achievement
<ul style="list-style-type: none"> 2 functional and institutionalized District LED Forums with refined terms of reference 	<p><u>Largely achieved</u>. LED Forums are functioning in Dhanusha and Ramechhap within the framework of the EmPLED project. They are chaired by the Local Development Officer. The chief of the District Small and Cottage Industries Office functions as Secretary . They</p>

	have been endorsed by the District Development Committees and can therefore be said to be institutionalized to some extent. However, they do not have statutes or an official legal status. Their TOR has remained the same.
<ul style="list-style-type: none"> Initial LED strategy and activities workplans and action programme documentation developed and published, and workplans implemented 	<u>Largely achieved</u> . Strategies and workplans have been developed, but they have not been published and are not in publishable form. Stakeholders or development partners beyond the project therefore do not have easy access. Project workplans and those developed by implementing partners for specific interventions have been implemented.
<ul style="list-style-type: none"> Monitoring and evaluation plans developed and activated 	<u>Largely achieved</u> . The project has developed an Impact Monitoring Strategy and is implementing it. The strategy is strongest on EIIP activities, less so with regard to LED capacity and enterprise competitiveness (objectives 1 and 3). It is a strategy for the project rather than for stakeholders. The project is maintaining a comprehensive database on the basis of the strategy.
<ul style="list-style-type: none"> 55 LED stakeholders trained locally in LED sensitization including LED strategy making 	<u>Largely achieved</u> . 48 were sensitized on the ILO LED approach. This included 4 women. Most (40) were LED Forum members.
<ul style="list-style-type: none"> 10 LED stakeholders trained in strategies for LED at ILO ITC 	<u>Achieved</u> . 10, including 1 woman, were trained. Trainees have commented positively.
<ul style="list-style-type: none"> 1 Nepali LED sensitization trainer available 	<u>Achieved</u> . 5 have been developed, which includes 4 project staff (no women).
<ul style="list-style-type: none"> ILO LED sensitization modules available in Nepali 	<u>Partly achieved</u> . This material is available in the form of PowerPoint slides.

Output 1.2 – Foundations laid for LED expansion at the district level

The ET has moved five indicators from this output to the next, where they more properly belong. In the version of the logical framework provided by the project output 1.3 did not have indicators.

Indicator	Achievement
<ul style="list-style-type: none"> New/enhanced LED strategies and action programmes available 	This indicator overlaps with the second one under the immediate objective.
<ul style="list-style-type: none"> 6 LED stakeholders trained in local development management 	<u>Largely achieved</u> . 3 stakeholders were trained and 3 project staff (who cannot properly be considered

	stakeholders). 3 were women. The training comprised distance learning courses on Local Economic Development and Value Chain Development from the ILO ITC.
<ul style="list-style-type: none"> 42 LED stakeholders trained in value chains and service markets 	<u>Likely to be achieved</u> . 21 were trained by project staff (14% women), 22 will still be trained. This took place in 2010.
<ul style="list-style-type: none"> 12 trained LED promoters available in the target districts 	<u>Achieved</u> . 12 were trained (5 women) from different stakeholder organisations that supported the VDC planning. This included training on IRAP and LOCA.
<ul style="list-style-type: none"> 24 trained LOCA facilitators available in target districts 	<u>Largely achieved</u> . LOCA training was provided to 19 (5 women), including LED promoters, stakeholders and project staff (2). However, the ET found indications that the training was of insufficient duration and quality, and there was insufficient opportunity for the trainees to gain experience, for them to be able to practice LOCA independently.
<ul style="list-style-type: none"> 49 LED Forum members with new and enhanced skills 	<u>Achieved</u> . 51 (4 women) were provided training on the ILO's LED approach, using the ILO LED training materials. The training was of good quality but the level was generally considered too high for District stakeholders completely new to LED concepts.
<ul style="list-style-type: none"> District growth and employment profiles elaborated. 	<u>Likely to be achieved</u> . The profiles (originally called Territorial Diagnosis and Institutional Mapping) are near completion. Much effort has gone into data collection and analysis and they are likely to be useful to the stakeholders and development partners. The logframe also mentions several other studies under this indicator, including 4 VDC cluster and 25 VDC profiles, and a Skills Assessment Report. All have been completed or are near finalization.

Output 1.3 – Foundations laid for inclusive LED expansion at the national level

Indicator	Achievement
<ul style="list-style-type: none"> Nepal LED manual and training materials available 	<u>Likely to be achieved</u> . An English version is nearly finalized. The draft is of good quality and much has been done to make it relevant to Nepal. It also reflects the EmPLED experience. The level may, however, be too high (although more appropriate than its ILO model), and (like the ILO model) it may not be sufficiently practical

	(providing tools). A translation into Nepali will be required to make the manual useful.
<ul style="list-style-type: none"> 100 national local development stakeholders sensitized on LED 	<u>More than achieved.</u> 146 stakeholders (16% women) were sensitized in other parts of the country, in preparation for a possible expansion of the project.
<ul style="list-style-type: none"> Nepal LED website published and linked with global LED website 	<u>Likely to be achieved.</u> The website has been designed but has not yet been published due to domain name and ILO communication policies related issues.
<ul style="list-style-type: none"> Annual Nepali LED reader incorporating EmPLED and other case studies published 	<u>Partly achieved.</u> The project has developed a number of activity reports and case studies, but they have not been brought together in an annual reader and there are no case studies from other sources. They have not been published.
<ul style="list-style-type: none"> Final EmPLED knowledge sharing workshop 	<u>Likely to be achieved.</u> This is planned for April, preparations are in progress. It will be a joint event with GTZ and SNV.

Immediate objective 2 – District residents have better access to productive assets and (new) jobs

Indicators under this objective concern impact and outreach and will be considered in the impact chapter.

Output 2.1 – Actual productive infrastructure and services provided improving access and living conditions for District residents

Indicator	Achievement
<ul style="list-style-type: none"> 36 km agricultural roads constructed, upgraded and repaired 	<u>Largely achieved.</u> 30 km on 4 roads were constructed, upgraded or repaired. The quality of the work is good to excellent, although some deterioration has already taken place in one case, due to heavy use in the rainy season.
<ul style="list-style-type: none"> Number of km canals rehabilitated/constructed irrigating 320 ha 	<u>Likely to be achieved</u> (though no target was set for the length of the canals). 13 km have been done, with more work ongoing, in three areas. The number of ha irrigated is 210, with a further 110 to be finalised before project end. The Kamala Irrigation project was the most important. The quality of the work the ET has seen is excellent
<ul style="list-style-type: none"> 16 square km watershed restored 	<u>Achieved.</u> This was done on one site in Dhanusha,

	through a combination of river training and agro forestry.
<ul style="list-style-type: none"> • 2 intermediate technology 5 metric ton potato stores constructed 	<u>Achieved</u> . Stores were built by local community groups, in two sites in Ramechhap.
<ul style="list-style-type: none"> • Number of ha fish ponds constructed 	<u>Significant achievement</u> (no target was set). Two fish ponds were constructed/upgraded, measuring a total of 0.29 ha.
<ul style="list-style-type: none"> • Operation and maintenance plans for the above available 	<u>Not yet achieved</u> . None of the assets created or upgraded have maintenance “plans”. However, maintenance prospects seem to be good for non-road assets, since systems of user groups and incentives to maintain appear to be strong, and access to funds seems likely. This is not the case for the roads, though. The project is organizing two road maintenance workshops with stakeholders. This is a good initiative but may come too late to make a significant difference. This is discussed further in the sustainability chapter.
<ul style="list-style-type: none"> • 1 urban solid waste management enterprise scheme operational 	<u>Achieved</u> . One has recently been set up in a ward in Janakpur, at the request of stakeholders. It is operational, with project funding.
<ul style="list-style-type: none"> • Number of homestay facilities and community lodges upgraded 	<u>Significant achievement</u> (no target set). 27 were upgraded on two new trekking trails, with project funds as well as investment by homestay owners themselves.
<ul style="list-style-type: none"> • 5 eco friendly community campsites available 	<u>Achieved</u> . 5 were established along the Numbur Cheese Circuit, one of the two new trekking products developed.
<ul style="list-style-type: none"> • Number and type of trekking trail structural improvements available 	<u>Achieved</u> – though no target was set, the work has made two trails functional for trekking, which was the objective. At least 32 km of trail were constructed/improved, on the Numbur Cheese Circuit and the Indigenous Peoples Trail.

Output 2.2 – EIPP capacities strengthened supporting improved EIPP policy, investments and implementation.

Indicator	Achievement
<ul style="list-style-type: none"> • Number of different recipient stakeholders and beneficiaries trained in good labour practices, project management, on-the-job technical skills, operations and maintenance and other 	<u>Achieved</u> – though no target was set, the training has made the development of the productive assets possible. 321 people were trained (33% women) in 10 trainings on good labour practices and policies in EIPP. This included members of user committees as well as technical staff.

<ul style="list-style-type: none"> 70 stakeholders trained in the Nepali Green Road concept 	<u>Partly achieved</u> . 46 (6.5% women) from Government and Non-Government partners were trained.
<ul style="list-style-type: none"> Number of local stakeholders and beneficiaries trained in use and application of IRAP 	<u>Achieved</u> – though no target was set, this training made it possible to support planning in an increased number of VDCs when the Dhanusha DDC decided to fund this. 49 were trained (45% women).
<ul style="list-style-type: none"> Dhanusha District Transport Masterplan available 	<u>Likely to be achieved</u> . This plan is being prepared at the request of the DDC. It is near finalization.
<ul style="list-style-type: none"> Standard “Project Book” available for infrastructure accounting 	<u>Achieved</u> . This is available and operational in the EIP interventions. It has contributed to financial transparency and therefore the credibility of the project and stakeholders involved in EIP.

Immediate objective 3 – Private enterprises are more competitive, create more jobs and local income

Indicator	Achievement
<ul style="list-style-type: none"> Number and type of functional value chain networks (including number of tourism bed nights created), number and type of actors connected and functional market linkages arising from investment of (a) EmPLED resources, and (b) new resources which the ILO has assisted LED Forums to mobilise 	<u>Significant achievement</u> . This is a very complex and difficult to assess indicator, or rather set of indicators. No target was set. In the ETs view, two new tourism value chains have been created in Ramechhap, around the new trekking trails. The junar value chain has been significantly upgraded in a number of ways, including through new market linkages. Smaller scale improvements were also achieved in the potato, fish, and flower value chains. Apart from the on average 10 to 20% contributions of partners and communities, the LED Forums appear to have mobilized no additional resources.

Output 3.1 – Target food products and tourism value chain actors enjoy functional and fruitful business relationships

Several indicators under this output relate to impact and outreach and are discussed under the relevant chapter.

Indicator	Achievement
<ul style="list-style-type: none"> Number and type of functional value chain networks 	This indicator is included in the first one under the objective. No target was set.
<ul style="list-style-type: none"> Number and type of actors connected 	<u>Significant achievement</u> (no target set). This could be interpreted as the number of actors in the value chains the project has effectively worked with and has affected directly. The project estimates that this is about 4,000 in

	the food value chains. In the new tourism value chains this may be about 1,000. The type of actors include farmers, collectors, transporters, buyers, wholesalers, retailers, homestay owners, guides, villagers performing in cultural shows, trekking agencies, etc.
<ul style="list-style-type: none"> Number of new and improved products available 	<u>Significant achievement</u> (no target set). Two new tourism products were developed (Numbur Cheese Circuit and the Indigenous Peoples Trail), asparagus, watermelon and improved vegetable seeds were introduced in new areas, quality of junar was improved through grading and better packing, the quality of seed potatoes was improved through better storage.

Output 3.2 – Value chain upgrading business services enabled and facilitated for target value chain actors

Indicator	Achievement
<ul style="list-style-type: none"> 30 trained and certified Lead Farmers delivering private farm extension services including OSH in sweet orange (junar) to a number of producers through part-subsidized farmer-to-farmer exchanges 	<u>Largely achieved</u> . 21 Experienced Lead Farmers were trained and certified to provide services to junar farmers. The project paid them to train 1,220 farmers (47% women). The Lead Farmers as well as the farmers have appreciated the service, which was, however, fully subsidized.
<ul style="list-style-type: none"> 40 trained and certified Lead Farmers delivering private farm extension services including OSH in other high value cash crops to a number of producers through farmer-to-farmer exchanges 	<u>Largely achieved</u> . 34 Experienced Lead Farmers (30% women) were trained and certified to provide services in other value chains than junar (this includes the Lead Farmers who were trained for the junar value chain). The project paid them to provide services to 2,700 farmers (30% women). The services were not paid for.
<ul style="list-style-type: none"> Number of high value crop seed varieties successfully tested with lead farmers for subsequent replication 	<u>Significant achievement</u> (no target set). The project introduced 9 new seed varieties.
<ul style="list-style-type: none"> 70 farmers trained in improved potato cultivation and storage 	<u>Achieved</u> . 72 were trained (69% women).
<ul style="list-style-type: none"> 60 trained and certified community livestock assistance delivering animal health services including OSH to local farmers 	<u>Likely to be achieved</u> . 44 Village Animal Health Workers have been trained and certified (20% women), training of a further 25 (10% women) is ongoing. The project has funded their advising and training of farmers (no number available since these were largely provided on an individual basis). About 75% are also providing their services successfully against a fee.

<ul style="list-style-type: none"> Number of trained lead farmers and forest user groups delivering nutritional livestock grassing and fodder services including OSH to local farmers 	This is included in the above.
<ul style="list-style-type: none"> Services and provider capacities available for and delivered on a pilot basis to a number of forest user group members in forest resource propagation, sustainable harvesting and processing 	<u>Significant achievement</u> (no target set). Key persons in forest user groups were trained by the project to advise and train group members. 180 members have been reached.
<ul style="list-style-type: none"> Extension services including OSH and provider capacities available for and delivered on a pilot basis to a number of farmers in integrated fish pond farming production and management 	<u>Significant achievement</u> (no target set). Extension services were provided to 62 fish farmers (21% women).
<ul style="list-style-type: none"> Business cooperative/group/association building services and tools available for and delivered on a pilot basis to a number of producer groups 	<u>Significant achievement</u> (no target set). 184 producer groups (12 to 20 members each) were provided with this service, which was available from local organisations. The project provided ILO training materials in an effort to improve the service. Although the ET was not in a position to assess the quality of the training, only providing materials is generally not sufficient – it is likely the facilitators would have benefited from training.
<ul style="list-style-type: none"> 5 women trained as trekking guides gaining employment 	<u>Partly achieved</u> . 5 women were trained, but have not yet been engaged
<ul style="list-style-type: none"> Number of Village Tourism Committees and beneficiaries applying tourism operational skills for profitable enterprise 	<u>Achieved</u> – though no target was set, this can be considered achieved since the new trekking trails are operational. 9 village committees are functioning, in addition to 2 in charge of overall coordination of the two trails, and cultural committees that are in charge of performances in several villages. They seem to be functioning well but are still being supported by project partners (NGOs). The beneficiaries include the 27 homestay owners, and those in cultural shows. To the extent the ET could judge they are applying their skills.
<ul style="list-style-type: none"> Number of national value chain and service markets experts rostered for possible future inputs contracting 	Three have been rostered.

Output 3.3 – Entrepreneurship and enterprise culture improved through business radio programming

The indicator under this output is considered in the impact chapter.

Output 3.4 – Safe and informed foreign labour migration promoted through radio

Indicator	Achievement
<ul style="list-style-type: none">• Radio campaigns completed resulting in more informed choices for existing and would-be foreign migrant workers	<u>Partly achieved</u> . A few episodes of the radio programmes have addressed migration issues. One cannot speak of campaigns having been conducted, and nothing can be said at this point about more informed choices.

Annex 2 – Progress on impact indicators

From the indicators for Immediate objective 2 – District residents have better access to productive assets and (new) jobs

Indicator	Achievement
<ul style="list-style-type: none"> Number of residents (households) benefitting and type of benefits accruing from access to new/improved productive assets as a result of investment of: (a) EmPLED resources, (b) new resources which ILO has assisted LED Forums to mobilise 	<p><u>Significant achievement</u> (there is no target). Overall the project estimates that a total of about 8,500 households benefitted directly. This includes 3,500 workers (34% women, 43% indigenous people, 21% Dalit) who have benefitted directly from income earned from work on EIIP; 4,000 farmers in the different value chains the project worked on; businesses elsewhere in those value chains; 27 who benefitted from upgrading of homestays; 5 trekking guides; businesses elsewhere in the tourism value chains; businesses that developed around new or upgraded infrastructure. New resources mobilised by the Forums are insignificant, apart from the 10 to 20% partners and communities contributed to project-funded interventions.</p>
<ul style="list-style-type: none"> Number of workdays (EmPLED) created through EIIPs from resources provided from: (a) EmPLED (target 75,000) and (b) new resources which ILO has assisted LED Forums to mobilize. 	<p><u>More than achieved.</u> 100,982 workdays (30% women, 56% indigenous people) have so far been created, through project resources and complementary contributions from partners or communities, which amounted to 10 to 20% of total cost. Some EIIP work is still ongoing. There was no target for the new resources the Forums were to mobilize. The ILO allocated US\$ 250,000 from its own funds. It was excellent that this allocation went to the two project Districts, but the funds cannot be said to have been “mobilised” by the Forums.</p>
<ul style="list-style-type: none"> Estimated business and employment multiplier impact of injection of EIIP wages and procurement cash into local economies 	<p>The ET assumes that “business and employment multiplier impact” would be measured in terms of new businesses and jobs created, or improvements in business performance. This would be difficult to assess, and the project has not attempted it. The project estimates that some Rs. 5 million, 20% of wages earned, was spent in local economies, but based on discussions with workers the ET believes this may in fact be more. Most of the wages seem to have been spent on food and other locally available consumption items.</p>

From the indicators for Immediate objective 3 – Private enterprises are more competitive, create more jobs and local income

Indicator	Achievement
<ul style="list-style-type: none"> Number of new and existing businesses started/expanded (especially by women and youth) as a result of business radio programming promoting entrepreneurship as well as other inputs arising from investment of (a) EmPLED resources, and (b) new resources which ILO has assisted the LED Forums to mobilise 	<p><u>Too early to assess.</u> No target was set and this is a difficult to assess indicator. It is not clear what “other inputs” are meant. The project has taken the indicator to refer to the impact of two LED radio programmes it has supported two local FM stations to establish. It reports that an assessment of their impact on business is in progress, but the ET believes that under the best of circumstances the findings are unlikely to be reliable or conclusive. It also believes it is over-optimistic to think that programmes that have run for about 6 months could have a significant, measurable impact on business start-up and expansion.</p> <p>If the “other inputs” refer to other support to value chains, the project’s intervention reports and the ET’s findings provide some indications of more businesses starting up in competitive value chains (e.g. junar, flowers, tourism) as well as of increases in sales (e.g. junar, potatoes, tourism). The ET believes that more could not be expected given that most of the interventions have been completed only recently or are still ongoing, and that some will take years to show an impact (mango trees, asparagus). There is little evidence in relation to the scale of impact, apart from the estimate that 8,500 households are likely to have been affected directly. This will be further considered in the impact chapter.</p> <p>Apart from the on average 10 to 20% contributions of partners and communities, the LED Forums appear to have mobilized no additional resources.</p>
<ul style="list-style-type: none"> Number of new/improved jobs under decent working conditions (such as agricultural labour, industrial labour, service markets and other) created by the above existing/new competitive enterprises available as a result of investment of (a) EmPLED resources, and (b) new resources which ILO has assisted LED Forums to mobilise 	<p><u>Too early to assess.</u> No target was set. What was said for the above indicator holds true for this one too. A further complication is that it is difficult to see how the project could have adequately assessed the decency of work.</p>

From the indicators for Output 3.3 – Entrepreneurship and enterprise culture improved through business radio programming

Indicator	Achievement
<ul style="list-style-type: none"> Number of new and existing businesses started/expanded (especially by women and youth) as a result of dedicated radio programming incorporating business idea (GYB) tools, producer tips and knowledge sharing and entrepreneurship promotion schemes 	<p>This indicator largely duplicates one under the immediate objective.</p>

Annex 3 – Fit with Decent Work Country Programme, UNDAF and National Development Strategy (from Progress report March 2010)

The Decent Work Country Programme priority relevant to the EmPLED project is priority 3, “increased availability of productive employment opportunities for needy groups in targeted areas” and specifically the following:

- Milestone 3.1: Increased capacities of key stakeholders to design, implement and monitor pro-poor LED strategies and activities.
 - Output 3.1.1: Inclusive LED Fora established and operationalized in targeted areas
 - Output 3.1.2: Local development action plans designed, agreed and implemented by inclusive LED Fora
- Milestone 3.2: Action programmes designed, piloted and awareness raised among key stakeholders and policy makers for replication of good practices.
 - Output 3.2.1: Productive infrastructure created and maintained, optimizing the use of labour based technologies.
 - Output 3.2.2: Capacity of potential and existing entrepreneurs enhanced to start and expand viable enterprises

Although not specifically targeted in the project document, the project contributed to realizing the outcomes of other priorities above as follows:

- Priority 1, Improved policy coherence supporting increased availability of decent jobs opportunities.
 - *Output 1.2.2: Knowledge and skills increased among key stakeholders to analyze and address youth employment challenges.* Youth unemployment and its links to violent crime and extortion of businesses are an acknowledged constraint to creating a business enabling environment in Dhanusha District. During the first half of 2009, the project assisted LED Forum stakeholders (especially employer and worker organizations) and youth organizations to identify and mobilize resources for youth employment action programmes as part of District LED programme expansion.
 - *Output 1.2.3: Innovative action programmes on youth employment designed and piloted.*
- Priority 5, Strengthened institutional capacity of employers’ organizations.
 - *Milestone 5.2: FNCCI capable of providing new and better services to its members.* This is partly related to the project’s 2009 inputs for 1.2.2 above, and specifically, development of new and improved services that FNCCI in Janakpur (Dhanusha District) could deliver for youth employment creation as well as supporting improved territorial competitiveness.
- Priority 6, Strengthened institutional capacity of workers’ groups.
 - *Output 6.1.6: Organizing programmes developed by unions to campaign for decent work in the informal economy.* This is directly related to the project’s 2009 inputs for 1.2.2 above and the roles that local unions can play and development of new/improved services for same as relevant.

How the project supports the GoN three-year interim plan 2007-10 and UNDAF is summarized in the table below:

RELEVANT GoN 3-YR INTERIM PLAN	RELEVANT UNDAF FRAMEWORK 2007-10	RELEVANT EmPLED PROJECT
<p>Inclusive development process and carry out targeted programs (with emphasis on supporting development through the inclusion of communities, regions and gender excluded from all processes of development).</p>	<p>UNDAF National Priority/Goal 4: Social Justice and Social Inclusion</p> <ul style="list-style-type: none"> • <u>UNDAF Outcome:</u> Respect, promotion and protection of human rights strengthened for all, especially women and the socially excluded, for sustained peace and inclusive development. 	<p><u>IMMEDIATE OBJECTIVE 1:</u></p> <p>Local stakeholders contribute to policy-making and implement LED strategies effectively</p> <ul style="list-style-type: none"> • <u>Output 1.1:</u> Functional, inclusive LED Forums designing and implementing initial LED strategies for employment-intensive economic growth • <u>Output 1.2/3:</u> Foundations laid for inclusive LED expansion at the district/national level"
<p>Increase investment in physical infrastructure (particularly development of physical infrastructure, using new concepts as well as regular maintenance and quality improvement)</p>	<p>UNDAF National Priority/Goal 2: Quality Basic Services</p> <ul style="list-style-type: none"> • <u>UNDAF Outcome:</u> Socially excluded and economically marginalized groups have increased access to improved quality basic services • <u>CP Output B.2.4:</u> Local bodies with enhanced skills to establish Public Private Partnerships..... • <u>CP Output B.2.5:</u> Local bodies have the knowledge and skills and increased resources for participatory and inclusive planning, implementation, transparent budgeting.....and effective monitoring 	<p><u>IMM. OBJECTIVE 1 & Output 1.1/2/3:</u> As above</p> <p><u>IMMEDIATE OBJECTIVE 2:</u> District residents have better access to productive assets and (new) jobs</p> <ul style="list-style-type: none"> • <u>Output 2.1:</u> Actual productive infrastructure and services provided improving access and living conditions for District residents • <u>Output 2.2:</u> EIIP capacities strengthened supporting improved EIIP policy, investments and implementation
<p>Achieving employment-oriented, pro-poor and broad-based economic growth [with special</p>	<p>UNDAF National Priority/Goal 3: Sustainable Livelihoods</p> <ul style="list-style-type: none"> • <u>National Priority or Goal:</u> (1) New and decent employment and income opportunities; (2) infrastructure, especially rural 	<p><u>IMM. OBJECTIVE 2 & Output 1.1/2:</u> As above</p> <p><u>IMMEDIATE OBJECTIVE 3:</u> Private enterprises are more competitive, create more jobs</p>

<p>emphasis on agriculture and big projects with capacity to generate jobs especially projects providing more employment to women, Dalit, indigenous (Adibasi) Janajati, youth and Madhes: for economic prosperity, strategies will be adopted to make the role of the private sector and cooperatives effective]</p>	<p>infrastructures.</p> <ul style="list-style-type: none"> • <u>UNDAF Outcome:</u> By 2010, sustainable livelihood opportunities expanded, especially for socially excluded groups in conflict-affected areas • <u>CP Outcome C.1:</u> Policies, programmes and institutions improved for poverty reduction, better economic opportunities and protection of workers • <u>CP Outcome C.1.1:</u> Employment and income opportunities under safe conditions and access to financial services enhanced and diversified, especially for youth and excluded groups 	<p>and local income</p> <ul style="list-style-type: none"> • <u>Output 3.1:</u> Target business services for value chain upgrading and connectivity enabled and facilitated for target value chain actors • <u>Output 3.2:</u> Entrepreneurship and enterprise culture encouraged and promoted through business radio programming
---	--	---

Annex 4 – Evaluation Terms of Reference



TERMS OF REFERENCE

Independent Final- Evaluation of the “Employment Creation and Peace Building through Local Economic Development” (NET/06/51/NEP – EmPLED) Project

Locations: Kathmandu, and Dhanusha and Ramechhap Districts, Nepal.

Period: 10 March -11April 2010.

1. Introduction & Rational for Evaluation

The International Labour Organization (ILO) Office in Nepal is assisting the Ministry of Local Development (MLD) and local partners to implement the above project in Dhanusha and Ramechhap Districts of Nepal. The project is based on ILO’s approach to Local Economic Development (LED) as an integrating framework for bringing the global employment agenda to the local level. The project implementation period is May 2007 to April 2010. LED is also an important component of ILO’s Decent Country Work Programme (DWCP) contributing to the DWCP outcome of increasing the availability of productive employment opportunities for needy groups in targeted areas.

Since the project is ending in April 2010, the final evaluation is required and according to the ILO policy on project evaluations, there is a need for one independent evaluation to be conducted for a project with budget of USD 500,000 or more. The independent final evaluation of EmPLED is therefore proposed. The midterm self-evaluation was done in November 2008 of which several key recommendations were proposed.

The final evaluation should focus on to what extent the project has responded to those recommendations of the midterm evaluation. The final evaluation will also assess the emerging impact of the interventions and to what extent the project has achieved its immediate objectives.

An external independent evaluator will lead this final independent evaluation and be responsible for drafting and finalizing the evaluation report. The evaluation will be a consultative and participatory process as it will involve the tripartite constituents and key stakeholders in all evaluation processes from TOR development to the finalization of evaluation report and to the following up of evaluation’s recommendations.

The evaluation will comply with the UN Evaluation Norms and Standards and OECD/DAC Evaluation Quality Standard.

These Terms of Reference serve as a guide for all those involved in the final evaluation. They also describe the tasks to be undertaken by the independent external consultants engaged by the ILO for the purpose of the evaluation. A list of Annexes is included with more details on specific components of the project and the evaluation.

Background on projects and context

2.1 Brief Project Progress Summary:

Following 31 month implementation phase completed phase during an extended period of difficult local and national operating conditions, two LED Forums are established and operational in each District consisting of representatives of key public, private and civil society organizations. Having identified consensus initial LED strategies, the District LED Forums are now implementing a range of LED action programmes in support of their strategies mainly using mostly local implementing partners. At the national level, guidance is provided by a Project Advisory Committee (PAC). LED is also an important component of ILO's Decent Country Work Programme (DWCP) contributing to the DWCP outcome of increasing the availability of productive employment opportunities for needy groups in targeted areas (see 2.2 below). The LED Forums meet regularly (monthly), while the PAC has met thrice since the project commenced. The operating conditions for development assistance programming have improved significantly since the April 2008 Constituent Assembly elections.

2.2 Key Project Characteristics:

Project code: NEP/06/51M/NET

Donor: Netherlands

Projects' budget: USD 2,918,800

Project duration: 36 months May 2007 – April 2010:

(Start-Up Phase: July 2007 – May 2008 (included introductory events, studies, LED sensitization training and LED strategy-making for LED Forums and PAC).

Action Programme Design & Implementation Phase: From May 2008 executed jointly by LED Forums and ILO)

Project formulation: Jointly by local stakeholders and ILO 2006-07.

Implementing Agency: International Labour Organization (ILO)

Geographical coverage: Dhanusha (plain lands – 'Tarai') and Ramechhap (hills) Districts of Nepal

Evaluation date & duration: 10 March- 11 April 2010.

TORs Preparation date: **January 2010**

2.3 Decent Country Work Programme:

The EmPLED project contributes to Outcome #3 of the Nepal DWCP "Increased availability of productive employment opportunities for needy groups in targeted areas" as follows:

Output 3.1.1: Inclusive LED Fora established and operationalized in targeted areas.

Output 3.1.2: Local development action plans designed, agreed and implemented by inclusive LED Fora

Output 3.2.1: Productive infrastructure created and maintained, optimizing the use of labour based technologies.

Output 3.2.2: Labour market responsive skill training demonstrated, leading to increased employability (possibly).

Output 3.2.3: Capacity of potential and existing entrepreneurs enhanced to start and expand viable enterprises.

2.4 District LED Goals, Strategies, Objective & Action Programmes:

The Dhanusha and Ramechhap District LED goals and strategies are similar and are summarized as follows:

GOALS	STRATEGIES
<p>GOAL #1: “Local stakeholders are planning and implementing pro-poor and inclusive LED strategies”</p> <p>GOAL #2: “Women and men in the targeted communities effectively engaged in, and benefiting from, decent and productive local employment and economic development opportunities”</p>	<p>STRATEGY #1: “Strengthen LED capacities and outreach for inclusive and pro-poor planning and implementation of LED action programmes and activities”</p> <p>STRATEGY #2: “Demonstrate integrated LED for the creation of pro-poor and inclusive productive employment and economic opportunities”</p>

2.5 The Development Objective of the project:

Employment-intensive and Inclusive Economic Growth is sustained

2.6 The immediate objectives of the project:

- 2.6.1 District residents have better access to productive assets and (new) jobs
- 2.6.2 Private enterprises are more competitive, create more jobs and local income
- 2.6.3 Local stakeholders implement LED strategies aimed at job creation more effectively and
Contribute to LED policy making

The current priority Action Programme portfolio 2007-10 of the LED Forums in support of the above strategies (also the current project work plan) is included in the list of documentation in Annex I.

2.7 Project management arrangement:

- 1 # International Chief Technical Advisor (start date 1.7.07; end date 30.04.09).
- 2# District Program Managers (effective start dates 1.9.07), 1 # Program Manager working as National Program Manager after CTA left in 30.04.09.
- 2# Employment Intensive Infrastructure Development Technical Officers – 1# in each District (effective starting dates 1.6.08).
- 1# Enterprise Development Technical Officer (effective starting dates 1.11.07).
- 1# Skills Development Officer (Effective starting date 2.1.09)
- 1# Database and Monitoring Officer (effective start date 1.6.08).
- 2# Project Assistants – one each in Kathmandu and Janakpur (effective start dates 1.11.07)
- 2# Drivers (effective start dates 1.7.07).
- Two field offices in Janakpur (Dhanusha) and Manthali (Ramechhap).

A detailed report covering start-up and progress with relevant benchmarks is included in the list of documentation in Annex I.

3. Purpose, Scope and Clients of the evaluation

3.1 Purposes:

The evaluation will assess whether the project has achieved its immediate objectives. It will include consideration of whether the means of action have made contributions toward achieving relevant Nepal DWCP outcomes and national development strategies. The focus should also be on assessing the emerging impact of the interventions (either positive or negative) and the sustainability of the project's benefit and the local partners' strategy and capacity to sustain them. It will also look at strengths and weaknesses, opportunities and challenges and any external factors that have affected the achievement of the immediate objectives and the delivery of the outputs. The final evaluation will also assess the extent to which the project has responded to the recommendations of the midterm.

3.2 Scope:

The final evaluation takes into account all interventions, geographical coverage, and the whole period of the project (1 May 2007 up to the present date). The final evaluation will have to take into consideration the following benchmarks:

Project mid-term evaluation's recommendations

Nepal DWCP

Relevant, current country priorities and strategies to address poverty reduction.

The evaluation will revisit the programme design, examine the planning process and agreed implementation strategies in each District and the adjustments made, the institutional arrangements and partnerships, sustainability - all this with due account of the constantly and rapidly changing national and local situations.

3.1 Clients:

The principal clients for this evaluation are the project management, ILO constituents in Nepal, ILO Katmandu, ILO New Delhi, ILO RO Bangkok, ILO technical units (Employment Sector), CODEV, EVAL and the project donor.

4. Suggested analytical Framework (Issues to be addressed)

The evaluation should address the overall ILO evaluation criteria such as **relevance and strategic fit of the project, validity of project design, project progress** and **effectiveness, efficiency** of resource use, effectiveness of management arrangement and **impact orientation** and **sustainability** as defined in the *ILO Guidelines for Planning and Managing Project Evaluations 2006*. The evaluation shall adhere to the UN Evaluation Norms and Standards and OECD/DAC quality standards.

The evaluator should make conclusions, recommendations, and identify lessons learnt and good practices based on the below specific questions. Any other information and questions that the evaluator may wish to address may be included as the evaluator see fit.

The evaluation is guided by the ILO's Technical Cooperation Manual and the policies and procedures established therein (see Chapter 7 of the manual - included in list of documentation in Annex 1, including – see Section starting Page 17 for key guiding questions). Based on development objectives,

outputs and activities specified in the EmPLED project document, the mid term evaluation will include, but not be limited to, the following issues:

I. Relevance and strategic fit

1. Does the programme continue to address a relevant need and decent work deficit? Have new and/or more relevant needs emerged that the project should address?
2. To what extent have the recipient stakeholders taken ownership of the project concept and approach since the inception phase?
3. How does the project align with and support national and district development plans (relevant documents listed in Annex I)?
4. How does the programme align with and support ILO's strategies embedded in the DWCP (relevant documents listed in Annex I)?
5. How well does the programme complement and fit with other ILO programmes in the country?
6. How well does the programme complement and link to activities of UN and non-UN donors at local level?
7. How well does the project compliment the UNDAF (relevant documents listed in Annex I)?

II. Validity of design

1. What was the starting point of the programme at the beginning of the inception phase? How and how effective was the program phase carried out? Was a gender analysis included? To what extent were the interests and needs of Indigenous Peoples (IPs) addressed?
2. Are the planned programme objectives and outcomes relevant and realistic to the situation on the ground? Whether the program adapted to specific (local, sectoral etc.) needs or conditions?
3. Is the intervention logic coherent and realistic?
4. Do outputs causally link to the intended outcomes (immediate objectives) that link to broader impact (development objective)? How plausible are the underlying causal hypothesis?
5. What are the main strategic components of the programme? How do they contribute and logically link to the planned objectives? How well do they link to each other?
6. Who are the partners of the programme? How strategic are partners in terms of mandate, influence, capacities and commitment? How do organizations of IPs and marginalized participate and benefit from the programme?
7. What are the main means of action? Are they appropriate and effective to achieve the planned objectives? To what extent have gender-specific means of action been included? To what extent has social dialogue been included as a means of action?
8. On which risks and assumptions does the programme logic build? How crucial are they for the success of the programme? How realistic is it that they do or not take place? How far can the programme control them?
9. How appropriate and useful are the evolving rolling indicators of the logical framework in assessing the project's progress? Are the targeted indicator values realistic and can they be tracked? If necessary, how should they be modified to be more useful? Are indicators gender-sensitive? Are the means of verification for the indicators appropriate?

III. Effectiveness

As relevant to project progress to date:

1. Technical supports and capacity building undertaken at national, district level.
2. Level and quality of realized/targeted project outputs
3. What kind of the tools have been developed to help achieve the Project's targets

4. What type of products and new approaches has been developed, partnerships and networks have been established and maintained, and to what extent have Inter-linkages been established with other donor-funded projects.
5. To what extent is the project reaching the target group, in particular women, youth and ethnic minorities
6. To what extent have LED Forum, the social partners and other stakeholders increased their understanding and capacities for employment-intensive infrastructure development and MSE promotion for poverty reduction.
7. How has a more “integrated approach” been used to create synergies between the immediate objectives and link different interventions by the project.
8. What are signs of emerging impact of the implemented activities on poverty reduction.
9. What outputs have not been implemented and the implementation progress.
10. What products and approaches do not show (yet) signs of early impact
11. Are there any additional achievements of the project over and above what was foreseen in the project document? If so, do these achievements reflect the strategic areas of the project, or the strategic partnerships?

IV. Efficiency

As relevant to project progress to date:

1. What is the project's *efficiency* in terms of management and capacity building
2. How efficient has the project budget been used on outputs and activities in comparison with what has been laid out in the project document
3. How efficient has the project been managed, in terms of project information, communication, cooperation, coordination and financial arrangements within the project and with the national and district stakeholders, communication between the stakeholders of the project
4. To what extent have international and national consultants contributed to the technical support of the project, including the technical support for mainstreaming gender?
5. How has the project acted on the responsibility for implementation and project ownership to date?
6. Has the project created or used opportunities for more programme-based approaches and for harmonized management principles within other development partners?
7. Should the project seek additional resources for expansion as per potential opportunities available, and if so, what approach should be followed?
8. Should there be any major change in focus, approach, partnerships or implementation strategy? Is the approach building on the comparative advantages of ILO and MLD?

V. Impact and Sustainability

1. How has the project started preparing for handover to legalized/operational LED Forums?
2. What crucial issues from the project document remain to be addressed and what plans are in place for this?
3. Is further capacity building of national and district stakeholders, incl. the social partners, required, and if so, what are the priorities to be addressed?
4. What should be the role of ILO for the expansion and extension of the project and LED approach including contributions to the DWCP outputs and outcomes?

5. Main Outputs of the Evaluation

The main outputs of the evaluation are: -

- Preliminary findings to be presented at the stakeholders workshop at the end of evaluation mission
- First Draft of evaluation report
- Final draft of evaluation report incorporating comments received
- Evaluation summary (according to ILO standard template)

The "Evaluation Report" should contain the following contents: -

- Cover page with key project data (project title, project number, donor, project start and completion dates, budget , technical area, managing ILO unit, geographical coverage); and evaluation data (type of evaluation, managing ILO unit, start and completion dates of the evaluation mission, name(s) of evaluator(s), date of submission of evaluation report).
- Executive Summary
- Brief background on the project and its logic
- Purpose, scope and clients of evaluation
- Methodology
- Review of implementation
- Presentation of findings
- Conclusions
- Recommendations (including to whom they are addressed)
- Lessons Learnt
- Possible future directions
- Annexes

Quality of the report will be determined by conformance with the quality checklist for evaluation report.

Methodology

ILO is engaging a team of two external consultants, one national and one international, to undertake Final evaluation. The consultants will work under the overall management and responsibility of the ILO Director in Kathmandu . The evaluation is an independent evaluation and the final methodology and evaluation questions will be determined by the evaluation team in consultation with the evaluation manager, and will receive technical guidance from the EmPLED National Program Manager, assisted by ILO technical specialists and national and local partners. The review will be completed during the period 10 March- 11 April 2010.

The review will be carried out by examining key documents, and interviewing project staff and stakeholders in the field and in Kathmandu. The evaluation will review the key issues listed above in Section 3.2. Furthermore, the review will make use of the ILO Evaluation Guidance document of April 2006 and address any other relevant questions contained therein. The evaluation methods include but are not limited to the following methods.

The draft TOR will be shared with relevant stakeholders and the final TOR incorporates their inputs and suggestions.

- The consultant will be recruited to travel to Nepal to meet with the project team and relevant staff of ILO Kathmandu, SRO Delhi, ILO ROAP and ILO technical Unit in Geneva.
- The consultant will review relevant documentations;
- The consultant will travel to project sites and conduct interview/ focus group discussions with stakeholders
- Stakeholder workshop to present the preliminary findings at the end of evaluation mission to all relevant and key project stakeholders. This allows the key findings and key recommendations to be verified by the key stakeholders
- The consultant should propose the methods for data analysis. All data should be sex-disaggregated and different needs of women and men and those marginalized groups should be considered throughout evaluation process
- Draft evaluation report will be shared with stakeholders for their comments and inputs

Source of Information: Sources of information and documentation that can be identified at this point:

- Project documents
- Project midterm evaluation report
- All progress reports
- Relevant DWCP documents
- Relevant national strategies
- etc

The evaluator will have access to all relevant materials. To the extent possible, key documentations will be sent to the evaluator in advance.

Management Arrangements, Work Plan and Time Frame

7.1 Management arrangements: Evaluation Manager is responsible for the overall coordination, management and follow up of this evaluation. The manager of this evaluation is Mr. Oktavianto Pasaribu, of ROAP whom the evaluator reports to. Evaluation Officer in RO-Bangkok will provide support and oversee the evaluation process and quality control of the report.

7.2 Evaluator's tasks: The evaluation will be conducted by an external independent evaluator and an external national consultant responsible for conducting a participatory and inclusive evaluation process. The external evaluator will deliver the above evaluation outputs using a combination of methods mentioned above.

7.3 Stakeholders' role: All stakeholders in Nepal particularly the project teams, ILO Kathmandu, SRO Delhi, ILO HQ, and donor will be consulted and will have opportunities to provided inputs to the TOR.

7.4 The tasks of the Projects: The project managements provide logistic and administrative support to the evaluation throughout the process.

Ensuring project documentations are up to date and easily accessible;
Provide support to the evaluator during the evaluation mission.

7.5 A work plan and timeframe:

Task	Responsible person	Time frame
Preparation of the TOR	Evaluation Manager/ Project manager	Jan 2010
Sharing the TOR with all concerned for comments/inputs	Evaluation Manager	Jan 15, 2010
Finalization of the TOR	Evaluation Manager	End of Jan 2010

Task	Responsible person	Time frame
Approval of the TOR	ROAP	End of Jan 2010
Selection of consultant and finalisation	Evaluation Manager/ ROAP	Feb, 2010
Draft mission itinerary for the evaluator and the list of key stakeholders to be interviewed	Project manager	End of Jan 2010
Ex-col contract based on the TOR prepared/signed	Project manager / ILO Director	Feb. 2010
Brief evaluators on ILO evaluation policy	Evaluation Manager	Feb 2010
Evaluation Mission	Evaluator	12-24 March 2010
Stakeholders consultation workshop	Evaluator/ project manager	25 March 2010
Drafting of evaluation report and submitting it to the EM	Evaluator	27 March 2010
Sharing the draft report to all concerned for comments	Evaluation Manager	27-31 March 2010
Consolidated comments on the draft report, send to the evaluator	Evaluation Manager	5 April 2010
Finalisation of the report	Evaluator	7 April 2010
Review of the final report	ROAP evaluation officer	9 April 2010
Submission of the final report to EVAL	Evaluation manager	11 April 2010
Approval of the final evaluation report	EVAL	15 April 2010
Follow up on recommendations	Evaluation manager/ ILO Director	15 April 2010 onward

8 Resources Required:

The following resources are required from the projects.

Cost of hiring external evaluator

Fee

Travelling cost and DSA

Description	Unit cost	Sub total
Fee		
Travel		
DSA		
	Total	

Travel schedules, means of transport are subject to prior arrangement with ILO

List of Annexes

Annex I. Key Documentation List

Annex II. Suggested organizations and persons to meet

Annex III. Proposed working schedule

Annex IV. List of other key reference materials and websites

Annex 5 – People met by the evaluation team

Kathmandu

Mr. Shenji Li, Director ILO Nepal
Ms. Nita Neupane, Programme Officer ILO Nepal
Mr. Robert Piper, UN Resident Coordinator
Ms. Lazimja Onta-Bhatta, Gender and social inclusion specialist, UNDP
Mr. Babu Ram Gautam, Under Secretary and EmPLED Focal Person, Ministry of Local Development
Mr. Bharat Bahadur Karki and Ms Kabita Phuyal Section Officers, Ministry of Local Development
Mr. Prachanda Man Shrestha, CEO, Nepal Tourism Board
Mr. Uma Kant Jha, Secretary, Ministry of Irrigation
Mr. Mahendra Bahadur Gurung, Joint Secretary, Ministry of Irrigation
Ms. Chhaya Jha Gender and social inclusion strategy consultant
Mr. Shailendra Jha, Project Manager, EmPLED
Mr. G. McCarthy, Ex-CTA EmPLED, ILO consultant

Dhanusha

Project:

Mr. Shailendra Jha, Project Manager, EmPLED
Mr. Ravindra Kumar Yadav, EIIP Officer, EmPLED, Dhanusha
Mr. Kaji Ratna Awaley, Database and Monitoring Officer, EmPLED
Mr. Nabin Kumar Karna, Enterprise Development Officer, EmPLED

Government:

Mr. Bindu Prasda Guragain, LDO and Chairperson LED Forum Dhanusha
Mr. Sunil Kumar Jha, Planning Officer, DDC and District Focal Person for EmPLED
Mr. Shiva Chandra Lal Karna, Engineer, Kamala Irrigation Improvement Project
Mr. Gautam Thakur, Engineer, Kamala Irrigation Improvement Project.
Mr. Bashudev Manadal, District Livestock Officer, Dhanusha
Mr. Hari Narayan Yadav, District Livestock Officer, Dhanusha
Mr. Rajendra Prasad Yadav, Chief of District Soil Conservation Office, Dhanusha
Mr. Anil Kumar Sinha, District Soil Conservation Office

Non-government:

Mr. Sanjay Kumar Sah, Community Improvement Centre
Mr. Nirmal Kumar Cather, Janakpur Chamber of Commerce and Industry
Mr. Shyam Prasad Shah, Janakpur Chamber of Commerce and Industry
Mr. Rajesh Karna, Janakpur FM Radio
Mr. Ram Ashis Yadav, Janakpur FM Radio.
Ms. Manju Thakur, Friends of Dhanusha

LED Forum

Beneficiaries:

Fish farmers group at Nanupatti

Kamala Irrigation users group and users committee at Barmajhiya
Road users group at Kamala
Experienced Lead Farmers at Barmajhiya
River Training and Agro-forestry Group at Charnath
Asparagus farmer group at Naktajhij
Floriculture group, Rupaitha
Managers and members of Janakpur Women Development Centre
Village Animal Health Workers in Janakpur

Ramechhap

Project:

Mr. Prem Raj Neupane, Manager EmPLED Ramechhap
Mr. Raju Shrestha, EIIP Officer Ramechhap
Mr. Chhabi Poudel, Skill Development Officer

Government:

Mr. Nirmal Darshan Acharya, Chief District Engineer, District Technical Office
Mr. Aash Man Tamang, Planning Officer, DDC
Mr. Chhabi Ghimire, Agricultural Development Officer, District Agricultural Development Office
Mr. Chhabi Ghimire, Plant Protection Officer, District Agricultural Development Office
Mr. Baikuntha Dahal, Chief, Cottage and Small Industries Development Board
Mr. Naryan Shrestha, Chief, District Livestock Office
Mr. Ram Hari Khanal, Principal, Jiri Technical School
Mr. Parshu Ram Khanal, Co-ordinator (Agriculture), Jiri Technical School

Non-government:

Mr. Pasupati Khadka, Chairperson, Ramechhap Chamber of Commerce and Industry
Mr. J N Dahal, Vice president, Ramechhap Chamber of Commerce and Industry
Mr. Nabin KC, Executive Officer, Ramechhap Chamber of Commerce and Industry
Mr. Ramesh K. Ghimire, Chairperson, Enterprise Development Service Society
Mr. Gunja Bdr. Karki, Chairperson, District Micro-Entrepreneurs Group Association
Mr. HarisChandra Ghimire, District Micro-Entrepreneurs Group Association
Mr. Gyan Bahadur Khadka, Chairperson, FNSCI
Mr. Komal Shanker Ghimire, Chairperson, Association of District Cooperatives
Mr. Milan Kumar Ghising, Chairperson, Centre for Development Studies
Mr. Gambhir BK, Centre for Development Studies
Ms. Ganga Karki, Centre for Development Studies
Mr. Himal Gyapak, Chairperson, Experienced Lead Farmers Network
Mr. Reshan Babu Shrestha, Vice Chairperson, Village Animal Health Workers
Mr. Shanti Poudel, and Mr Prem Tamang, United Marxist Leninist Party
Mr. Hom Pathak, Radio Sailung Station Manager
Ms. Chirinjibi Maskey, Radio Sailung Director
Ms. Yamuna Ghimire, EmPLED Consultant at Radio Sailung, and many other Radio Sailung staff members
Mr. Kumar Kandel, Chairperson, Janbhawana Youth Club
Mr. Daba Sherpa, Field Staff, Janbhawana Youth Club
Mr. Chandra Bdr Shrestha, Chairperson, Sunpati Samudyak Sanstha Ghaledanda
Mr. Upendra Ghimire, Chairperson, Nepal Social Service Association
Mr. Rokat Bdr Basnet, Coordinator, Nepal Social Service Association

LED Forum

Beneficiaries:

Road users group and users committee at Okhreni
Junar farmers group and cooperative members at Okhreni
Majhi community and integrated fish farmers near Manthali
Village Animal Health Workers at Manthali
Irrigation/fodder users group and cooperative members at Khimti
Indigenous People trail main committee and village committee members at Doramba
Tourist Home-stay managers, Doramba
Road and potato rustic store users group at Kholakhark
Community lodge management group at Kholakhark
Jiri-Dharapani Road Committee members at Dharapani
Village Animal Health Worker trainees at Jiri Technical School
Community organization members and potato store users at Rasnalu
Numbur Cheese Circuit tourist trail management committee members at Shivalaya

Annex 6 – References

Websites:

www.adb.org

www.indexmundi.com

www.mesopartner.com

Publications

Government of Nepal, *Local Self-Governance Act 2055 (1999)*, Kathmandu 1999

Government of Nepal, *National Development Strategy Paper*, Kathmandu, 2009

UNDP Nepal, *Nepal Human Development Report 2009; State Transformation and Human Development*, Kathmandu 2009

United Nations Division for Social Policy and Development, *Rethinking poverty; Report on the World Social Situation 2010*, New York 2010

World Bank, IFC, *Doing Business in Nepal 2010*, Washington DC 2009

Annex 7 – Data collection formats

Focus group questions beneficiary groups

Issues to be covered:

- How was the activity decided on, selected?
- How have you been involved with the project?
- How were you selected?
- What was done well?
- What could have been better?
- Which changes has the project brought in the way you make a living? Probe for impact on income and work.
- Do you expect that these changes will last or will become more? Why?

Focus group questions road and water workers/user groups

Issues to be covered:

- How was the scheme selected?
- How was the group identified and formed?
- What capacity building was done, and was it effective?
- How were the workers managed?
- How were funds distributed and accounts kept?
- Have group members inspected the project book, and how effective was the public audit?
- Were there conflicts or problems during the work, how were they solved?
- What are the positive and negative effects of the scheme?
- How do they plan to operate and maintain it?
- Do you have suggestions to better manage activities like these in the future?

Unstructured interviews with Partners

Issues to be covered:

- Background of the organisation (mandate, relevant experience, capacity)
- What did the organisation do for the project?
- How were they selected?
- How were the beneficiaries of the activity selected?
- Is there any way in which more women or minority groups could have been involved?
- What were the challenges in implementing the activity?
- How was the relationship with the project? To what extent was the project involved in implementation? To what extent did it monitor?
- Did the project build relevant capacity of the organisation? How?
- Did the organisation use this?
- Did they participate in LOCA workshops? What did they think of it?
- Did the organisation develop new relationships with other organizations as a result of working with the project?
- Does the organisation have plans for further involvement in the same value chain or

- area of work?
- Would they consider using the LOCA methodology themselves, for their own work?

Unstructured discussions with Forums

Issues to be covered:

- How did they get to be on the Forum?
- Why is the Forum important?
- Why are they on it?
- How has the Forum been involved in the project?
- Who runs the Forum?
- Who is the secretariat?
- Does the Forum coordinate anything else than project activities?
- What will happen to the Forum after the project closes? Why?
- Would they have enough capacity to run the Forum?
- What would happen without the Forum?
- Enough funding?
- Access to funding for interventions?
- How does the Forum relate to the DCC? VDCs? (do they affect planning?)
- What was done well in establishing and supporting the Forums?
- What should be done better?