



## Federal Democratic Republic of Nepal - Country Strategy and programme Evaluation (2013 – 2019)

Evaluation National Workshop, Kathmandu, 19 December 2019

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# Background information

<b>IFAD in Nepal</b>	<b>1978-2019</b>	<b>2013-2019</b>
Number of approved projects	17	8
IFAD loans (US\$ m)	284	206.7
Government contribution (US\$ m)	84.7	56.7
Cofinanciers (e.g., WB, SDC; US\$ m)	270.2	217

Third country-level evaluation in Nepal. Previous in 1999 and 2013

Coverage of this evaluation: 2013-2019

Analysis: Portfolio of loans; Non-lending activities; Strategy

# Country context elements

- **Fall in poverty:**
  - Poverty headcount from 42% in 1995 to 22% in 2015.
  - Child stunting from 49.2% in 2006 to 36% in 2016
- **Agriculture is 27% of GDP (2017).** Average landholding is low: 0.7ha / hh (52% of agric household operate less than 0.5ha)
- Loss of **forest cover** 1960s-1990s. Recovery from late 1990s
- **Emigration:** remittance ~ 25% of GDP
- **Armed conflict** mid-1990s to mid-2000s
- 2015 Earthquakes
- 2017 Federalization





# Portfolio of projects

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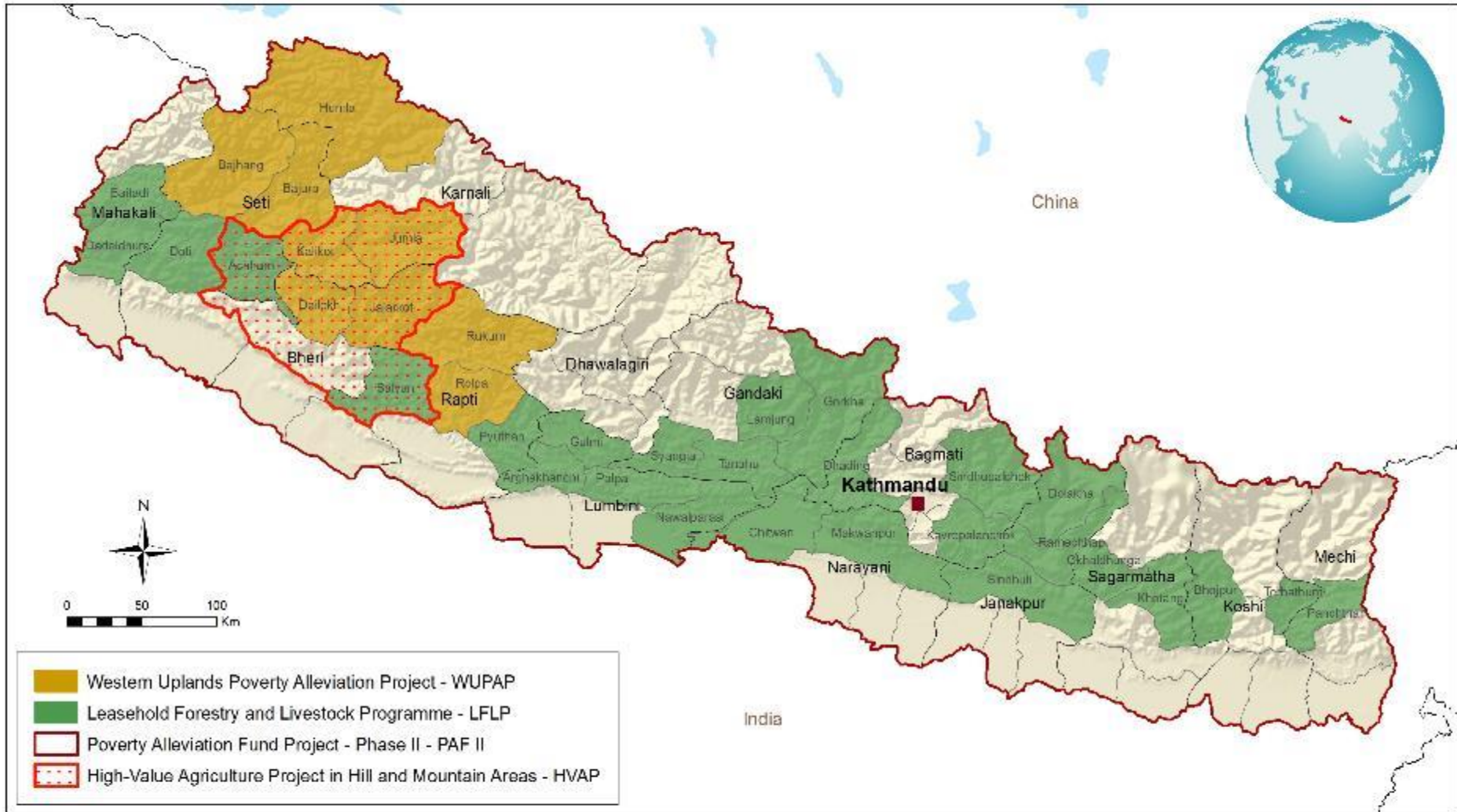
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# Federal Democratic Republic of Nepal

IFAD-funded closed operations

Country strategy and programme evaluation

## 4 closed projects reviewed



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Map compiled by IFAD | 05-09-2019

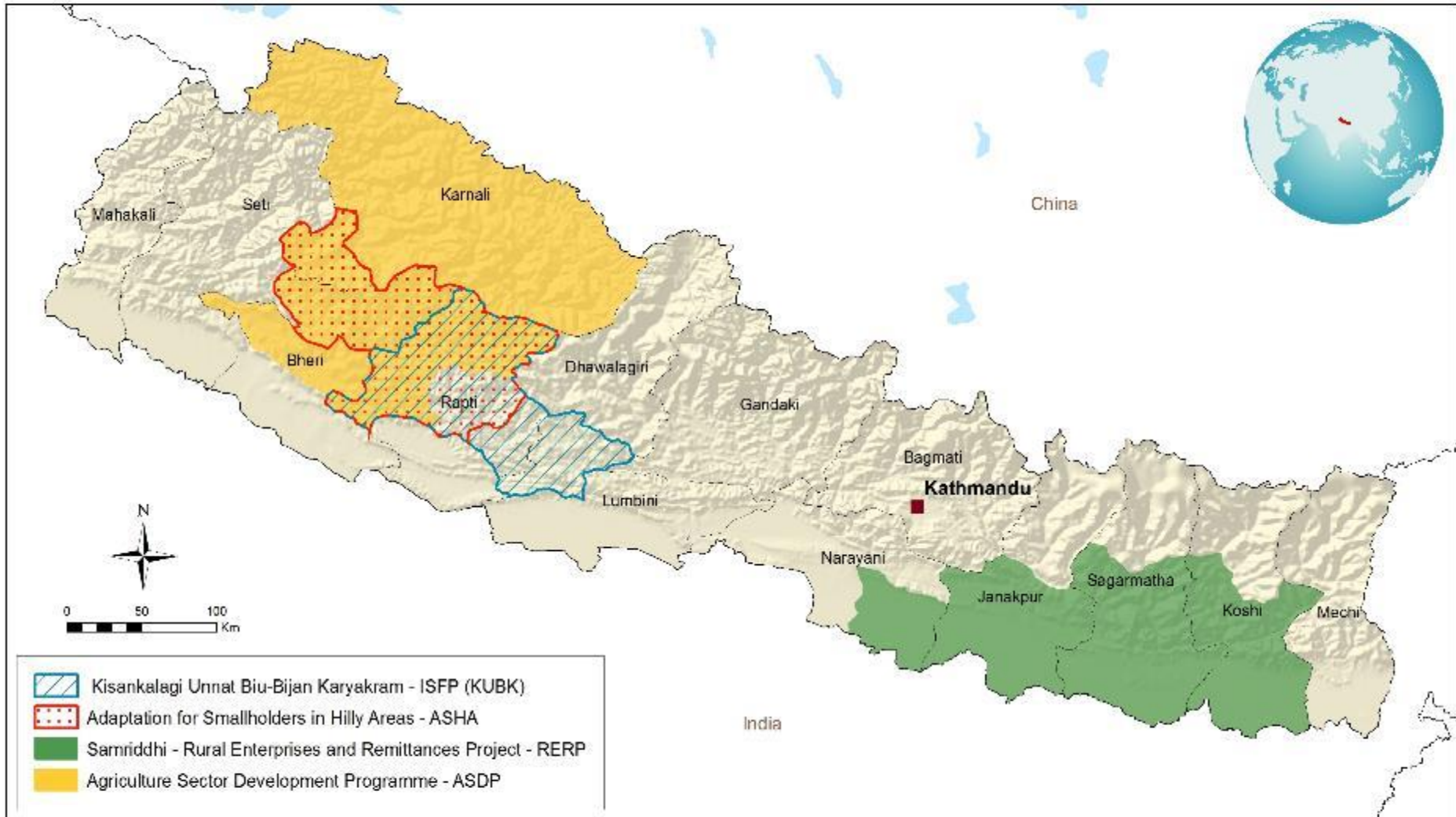


# Federal Democratic Republic of Nepal

IFAD-funded ongoing operations

Country strategy and programme evaluation

## 4 on-going projects reviewed



# Portfolio-level analysis -1

## **Choice of project topics component relevant to poverty context and to national priorities**

- Higher-value crops and livestock to boost small farm profitability
- Linkage to market and value chains essential to increase value of output
- Leasehold forestry → natural resource regeneration and income generation for very poor groups
- Community-based development and basic infrastructure in remote areas

## **But complex project design, under-estimation of field staff requirements**

- Time consuming redesign, responsible for slow implementation (in addition external factors: 2015 earthquake, federalization)

# Portfolio-level analysis – 2

## Effectiveness - Overall project targets were achieved

- ❑ Generally successful **outreach to poor and very poor groups**
  - But pre-financing requirements (KUBK, ASHAP) can constrain poverty outreach
- ❑ Successful introduction of **producer-buyer agreements** for high-value crops and seeds (better farm-gate prices; trust)
- ❑ Successful introduction of **community breeding of improved goats**. But now avoiding inbreeding is a top priority
- ❑ **Community infrastructure** was **broadly useful** but with some **issues** in ensuring **quality of construction** (irrigation)



# Portfolio-level analysis – 3

## **Sizeable impacts on household and community welfare**

- Overall income increase (revenues from high-value crops, livestock)
- Empowerment of the marginalised (dalit, janajati, women)
- Institutionalization of leasehold forestry
- Food security progress more uneven, less well documented (diet diversity; child anthropometry?)

## **Gender equality**

- Enhanced status of women: (i) within households (income generation activities) and (ii) in communities (leaders in grassroots organization)
- Addressed women's workload (in a context of high male emigration)
- But gender imbalance in project team staff at the professional level.

# Portfolio-level analysis – 4

## Sustainability of benefits

- Empowerment of groups, establishing cooperatives, federations
- Market linkages, nationally and internationally
- ▲ Uneven infrastructure quality & unclear arrangements for maintenance
- ◆ Long-term environmental effects of livestock increase not known

## Mainly institutional innovations

- Multi Stakeholder Platforms for value chain linkages
- Community-based Boer goat breeding (vs. traditional research stations)
- ‘Pay for service’ mechanisms in grassroots organization

## Scaling up by Gov and donors (leasehold forestry, value chain)



# Non-lending activities (NLA) and strategy

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# NLA.1 – Knowledge Management

- IFAD made **efforts to review its global experience** on value chain development (Viet Nam, Latin America, Ethiopia)
- Increasing efforts to prepare project-level knowledge products and events
- Limited output in terms of policy / sub-sectoral papers for policy discussion
  - Limited budget for this. Option: collaborate with other development partners or through grants



# NLA.2 - Partnership development

- **Solid with federal government** Ministries
  - Work in progress at subnational level (States, and Palikas)
- **‘Technical’ collaboration with NGOs:** SNV (value chain);
  - with Heifers Int. (livestock), constrained by funding arrangements
- Project partnerships started with **private entrepreneurs**
  - But beware of reliance on subsidised equipment (KUBK-seeds)
- **International organizations:** SDC/Helvetas. WB, legacy cofinancing PAFP II. Limited exchanges on policy / sectoral issues. Little interaction with UN agencies

# NLA.3 - Policy Engagement

Some contributions **from projects to policy outcomes**:

- LFLP → Forestry policy 2019 (*shared benefits* of tree harvest)
  - HVAP → input to discussions on Agricultural Development Strategy
  - However, **no systematic effort in policy engagement** at a strategic level through articulation of analytical products and regular contribution to policy fora
- Again, this requires resources (staffing of country office, loan components, grants, coordination with other IFAD offices / units)

# Key strategic points – IFAD programme

- Since mid-2000s, **emphasis on high-value products**, agriculture commercialization but **focus maintained on inclusion** of marginalized groups
- IFAD ‘traditional’ work on **community-based development** and basic needs was **successful but is fading away** from portfolio
- The current **strategy and organizational arrangements** of the programme **geared to centralized system**
- **IFAD’s country office** in Nepal has limited resources, needs more corporate support.

# Main recommendations

1. **Support federalization** as an integral part of the new country strategy and project design
2. Support **value chain development with renewed emphasis on inclusiveness**
  - Revisit the current beneficiary prefinancing requirements
  - Governance: strengthen consultation fora of value chain stakeholders
3. **Revive focus on community-based development** and support to basic needs and infrastructure in remote areas
4. Integrate natural resource management and climate change adaptation **in all project designs**



# Main recommendations – cont.

5. Strengthen **partnerships for specialized technical support and for cofinancing**

6. Enhance **portfolio management and implementation preparedness**

- Fewer projects
- Portfolio geographic concentration
- Government to play proactive role in technical validation at design

7. **Strengthen IFAD country office** and IFAD corporate support to the country programme