

IMPACT EVALUATION

Evaluation of the Impact of Food for Assets on Livelihood Resilience in Nepal

A Mixed Method Impact Evaluation

Evaluation Report

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At the village development committee level, the teams were received with unfailing hospitality. People gave of their time to discuss the issues posed by the evaluation team even though this required, in some cases, revisiting difficult times of conflict and food insecurity. People were clear about the benefits that WFP support brought during those periods but were also able to articulate the challenges that they continue to face.

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Fact Sheet: WFP's Cash/Food for Assets in Nepal

FFA Participants CP10093 (2002 – 2007)			
	Planned	Actual	% Actual vs Planned
2002	46,800	47,643	102%
2003	46,800	50,000	107%
2004	50,000	82,700	165%
2005	49,600	74,400	150%
2006	93,280	97,105	104%
2007	93,800	65,492	70%
TOTAL	380,280	417,340	110%
FFA Participants PRRO10676 (2007 – 2010)			
	Planned	Actual	% Actual vs planned
2007	187,500	1,273	0.7%
2008	335,500	218,075	65.0%
2009	294,474	169,000	57.4%
2010	294,474	164,979	56.0%
TOTAL	1,111,948	553,327	50.0%

CP10093:

Donors: Multilateral, Australia, Canada, European Commission, Germany, Nepal, Norway, New Zealand, Denmark, UK and USA.

C/FFA Partners:

Government of Nepal (Ministry of Local Development), 2 international NGOs and 4 national NGOs.

PRRO10676

Donors: Australia, Belgium, Canada, EEC, France, Germany, Ireland, Japan, Luxembourg, Nepal, Netherlands, New Zealand, Switzerland, Thailand, UK, UN Central Emergency Response Fund (CERF), UNICEF, USA and World Bank.

C/FFA Partners:

Government of Nepal (Ministry of Local Development), 9 international NGOs and 14 national NGOs, plus GIZ and SDC as implementing partners

Budget (US\$m) – all activities

	Years	Approved budget	Confirmed contributions	% confirmed vs approved	Total expenditure
CP10093	2002 – 2007	112.00	75.36	67%	65.71
PRRO10676	2007 – 2011	169.67	119.68	70%	115.55

FFA Areas of Intervention	CP 10093	PRRO 10676
Access Infrastructures	16%	24%
Agriculture & Land management	23%	2%
Technology Transfer	0	5%
Community pond (or other community water development)	0	15%
Irrigation/drainage	37%	19%
Forestry/ Agroforestry	20%	5%
Flood Protection	4%	3%
School & Community Infrastructures		27%
Energy Efficiency	0	<1%
	100	100

Objectives of FFA Programmes in Nepal

CP 10093 (RCIW only)	PRRO 10676
1. Assist poor people in developing productive assets that improve physical access, agricultural production and natural resource management;	1. Provide short-term food security;
2. Enhance skills, capacities and income opportunities at the local level;	2. Rebuild/construct critical infrastructure through FFW schemes in rural areas highly impacted by conflict;
3. Preserve assets and prevent or mitigate the effects of natural disasters.	3. Improve market access, create short-term employment opportunities and facilitate access to basic social service delivery.

Executive Summary

Introduction

Evaluation Features

1. This evaluation, conducted by an independent team between January and July 2013, assessed the outcomes and impacts of the food-for-assets (FFA) components of two WFP programmes in Nepal: country programme (CP) 100930 (2002–2007) and protracted relief and recovery operation (PRRO) 106760 (2007–2010).¹ The PRRO included some cash-for-assets (CFA) activities.

2. As one of a series on the impact of FFA, the evaluation's objectives were to assess the outcomes and impacts on livelihood resilience, identify the changes needed to increase these impacts, and generate lessons for improving the alignment of FFA programming with the 2011 FFA Guidance Manual and the Disaster Risk Reduction Policy.² The evaluation addressed three core questions:

- What positive and negative impacts have FFA activities had on individuals within participating households and communities?
- What factors were critical in affecting outcomes and impacts?
- How could FFA activities be improved to address the findings from the first two questions?

3. Evaluation methods included document and literature review, analysis of PRRO baseline and final household surveys,³ stakeholder interviews, and detailed qualitative fieldwork in 15 village development committees (VDCs) in five districts.

4. Limitations included the absence of survey data covering the CP, and the dependence on unreliable recall of CP activities conducted in the past; deficiencies in the recording and classification of assets, including a lack of baselines or comparators for tracking biophysical changes; and the wide ranges of assets created and types and levels of support provided to communities, which limited the feasibility of comparing programme with non-programme areas. These limitations on the quantitative data made the collection of qualitative data especially important in enabling deeper analysis of contributory factors.

Context

5. Nepal has a population of approximately 31 million and ranks 157th of 187 countries in the United Nations Development Programme's 2012 Human Development Index. Recent analysis indicates declines in poverty rates and food

¹ The full evaluation report is available on the WFP website: www.wfp.org/about/evaluation.

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

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

insecurity and chronic undernutrition over the last 15 years.⁴ However, caste, ethnic, gender and geographical inequalities remain and poverty is more prevalent in the mountains and mid- and far-western hill regions and among certain caste/ethnic groups. According to estimates, more than 3.5 million people are food-insecure, with 1.6 million children – 46 percent – suffering from chronic undernutrition and more than 500,000 from acute undernutrition/wasting.⁴

6. Four contextual features of Nepal are particularly relevant:

- *Conflict*: Nepal is undergoing a protracted political transition following the 11-year conflict that ended in 2006. Conflict, fragile peace and political instability characterized the evaluation reference period.
- *Landownership*: Long-term or chronic food insecurity is linked to inadequate landownership, among other factors. Half of households – 2.3 million – have landholdings that are too small to meet their subsistence needs.⁵
- *Social exclusion*: Economic and social inequalities based on exclusion are prominent and entrenched in Nepalese society. Gender differentials and poverty rates are highest among socially excluded groups. Gender-based and caste-based discrimination are more common in the far and mid-western regions.
- *Gender*: Women in all social groups face exclusion and discrimination, particularly those in excluded groups, whose constraints are exacerbated by increasing seasonal and long-term out-migration by men.

Programme Description

7. WFP has worked in Nepal since the 1960s, implementing FFA since 1995. CP 100930 and PRRO 106760 were multi-component programmes with similar overall objectives: to reduce immediate vulnerability and facilitate sustainable improvements in food security for the most disadvantaged groups in highly food-insecure areas. The specific objectives of the cash/food-for-assets (C/FFA) components were to build or rebuild essential infrastructure and productive assets and to enhance local capacities, employment opportunities and resilience.

8. Both programmes provided 40 to 70 working days of food rations to cover average family requirements during the lean season. As indicated in Table 1, an average of 107,710 labourers participated each year, with an estimated average of 603,178 beneficiaries a year.⁶

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

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

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

Table 1: Project participants and beneficiaries

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

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

9. The CP focused on road construction in support of the Government's Rural Community Infrastructure Works (RCIW) programme started in 1996 in collaboration with the German Agency for Technical Cooperation⁷ and WFP. Some localities also included small-scale natural resource and water management, plantation and agricultural asset projects.

10. The PRRO involved more than 2,000 C/FFA projects, which focused on essential infrastructure in post-conflict communities: roads, bridges, schools, water supplies and agricultural assets, particularly for irrigation. Most of the selected VDCs received between one and three projects over the four years of the CP. An average of 50 percent of households in programme VDCs participated as labourers in C/FFA activities.

⁷ As of January 2011 incorporated into the German Agency for International Cooperation.

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

Programme Theory

12. Assessment of whether expected outcomes were achieved and of the role of associated factors was based on a theory of change, which was derived from WFP programme guidance and validated through dialogue with WFP staff, partners and beneficiaries during evaluation planning. *Short-term impacts* relate to the alleviation of urgent food needs through cash/food distributions, and the immediate effects of the assets created.

13. *Medium-term impacts* relate to increased agricultural productivity and livelihoods options. *Longer-term impacts* relate to sustained improvements in livelihoods resilience.

14. Expected impacts depended on having the following associated factors in place during project planning, implementation and follow-up:

- a supportive external context;
- accurate risk and livelihood analysis;
- implementation of FFA activities to required standards;
- adequate and predictable funding;
- provision of food and non-food items;
- availability of technical assistance and other capacity;
- complementary interventions in project areas, by WFP and other actors; and
- community and/or government ownership, with adequate arrangements for asset maintenance and operations.

Findings

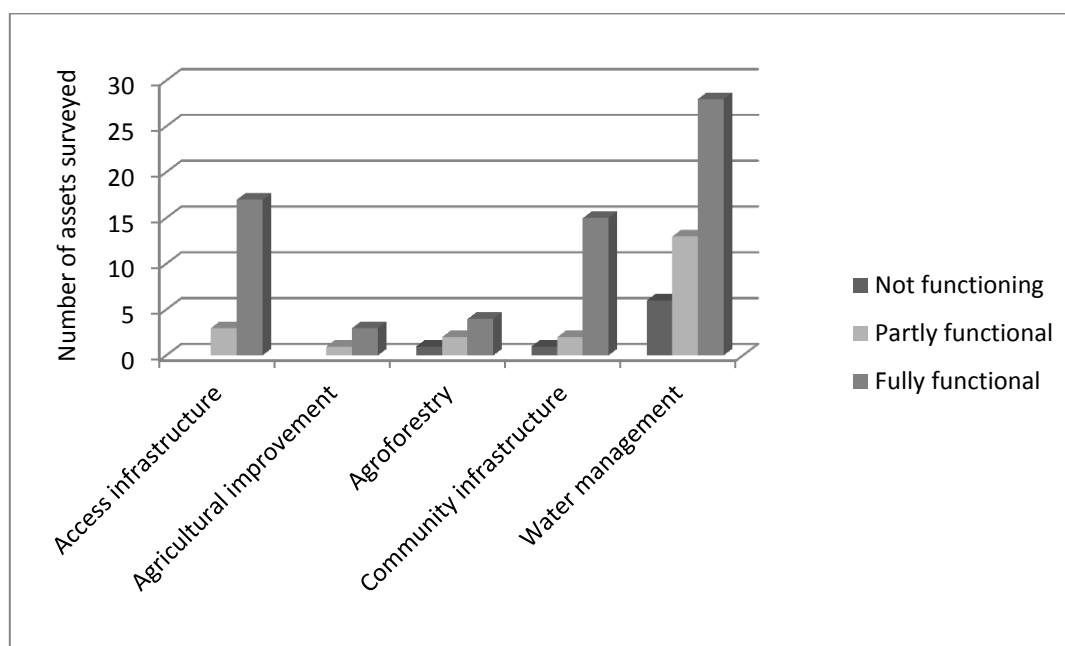
Asset Functionality

15. Just over half (54 percent) of the 99 assets assessed⁹ were fully operational, one-third were partly operational, and 13 percent were not operational. Controlling for age of asset, Figure 1 indicates that functionality was lowest for water management and agroforestry assets. These were among the more complex types of asset, and maintaining them was frequently beyond the capacity of local people without specialized skills and materials, such as concrete. Schools and roads are included in District Master Plans and therefore have maintenance arrangements in place, although this maintenance has not always been adequate.

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

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

Figure 1: Asset Functionality by Category



Changes in the Biophysical Environment

16. Qualitative data indicated that irrigation, terracing and plantation work resulted in increased agricultural production in some locations. Irrigation led to improvements in land productivity, either at the micro scale from the production of vegetables, or by enabling the reliable cultivation of two or three crops per year. The CP and PRRO led to an increase in the area of improved agricultural land, mostly through irrigation.

17. Where they were functional, community ponds provided important benefits from relatively small investments. Drinking-water systems increased the water supply for households, livestock, and vegetable cultivation. Roads and trails facilitated access to inputs such as seeds, fertilizer and technical advice. Agroforestry increased the number of trees on barren land and introduced new productive tree species, not all of which were effective.

18. However, the WFP interventions were not planned at a watershed level and were of insufficient scale and duration to generate significant biophysical changes. Poor-quality design and construction sometimes resulted in negative environmental consequences such as land slippage. (See paragraphs 29 to 31 for further findings on technical assistance.)

Effects on Food Security and Livelihoods

19. Between 2002 and 2010, C/FFA met the short-term minimum food requirements of between 47,000 and 218,000 food-insecure households for four months a year. This was a very significant contribution, particularly for the poorest households, which face food shortages, have no land and rely on daily labour.

20. The PRRO survey reported positive effects in the programme areas compared with non-programme areas, as shown in Table 2. These included a small improvement in the food consumption score and a reduced food shortage compared with the previous year. Longer-term impacts on employment, income, living conditions and migration were also evident.

Table 2: PRRO final survey findings, 2010 (%)

	Programme households	Non-programme households	Difference
Improved food consumption score	45	43	2
Reduced food shortage	39	10	29
Acute malnutrition*	13	17	-4
Improved employment**	25	15	10
Increased income	36	15	21
Improved living conditions	36	14	22
Reduced out-migration	35	13	22

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

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

21. According to the evaluation’s asset assessment, focus group discussions and road study, increased road access improved product marketing and communities’ access to agricultural inputs and other goods. The livelihood gains would have been greater if asset development had been accompanied by support for other parts of the value chain such as post-harvest processing. Roads were reported to have increased people’s mobility in emergencies and for seeking employment.

22. Respondents reported that C/FFA generated significant non-economic benefits. Social cohesion was enhanced as communities worked together to rebuild assets such as schools in post-conflict situations. School facilities also potentially increased overall access to education. Participation in user committees was empowering and enhanced capacity. For the poorest households reliant on wage labour, C/FFA work did not displace other work opportunities because it took place during the off-season when other work opportunities were limited.

Socio-Economic Distribution of Impacts

23. Significant socio-economic differences within communities affected the distribution of benefits from the assets constructed. Survey data confirmed that the very poor were still affected by rising food prices and had not recovered from shocks.

24. Table 3 indicates the distribution of benefits across household categories, with the short-term impacts from food or cash distributions being more important for the poorest households. Public assets such as roads and schools could be used by all community members and provided some, albeit unequal, benefits to all. Although the poor realized a short-term benefit from the food or cash payments, longer-term benefits from new roads accrued mainly to landowners and richer households. Long-

term impacts from land improvement assets were also more important for less poor households. Households with little or no land received little or no direct benefit from irrigation and drainage assets. Drinking-water assets benefited the very poor by reducing the time spent obtaining water and mitigating caste-based access issues. Higher impacts for severely chronically poor households were achieved where members of the traditionally excluded Dalit caste group were targeted.

Table 3: Benefits, by asset type and category of household

	Transient poor	Chronically poor	Severely chronically poor
Short-term benefits from cash/food distributions			
	Low	Medium	High
Long-term benefits from assets			
Schools/community infrastructure	High	High	High
Access infrastructure	High	High/medium	Mixed
Community ponds	Medium	Medium	High
Drinking water	High	High	High/medium
Forestry/agroforestry	High	High	Low
Agriculture/land management	High	Medium	High/low
Irrigation/drainage	High	Medium	Low

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

Effects on Women and Girls

25. Between 36 and 50 percent of participants were women, who thus benefited directly. Women’s participation is increasingly important given the high rate of men’s migration, the increase in households headed by women and the subsequent feminization of agriculture. Households headed by men reported slightly better household incomes, living conditions and self-sufficiency of food production.

26. Road construction, especially of larger or longer roads, presented particular challenges for women. Working away from home raised security and child care issues. For women from landowning households, engagement in C/FFA activities had to be balanced with off-season agricultural work, particularly in households where men had migrated. However, poorer women who lacked land and relied on daily labour welcomed the opportunity for engaging in C/FFA.

27. All the asset focus groups reported that food was preferred to cash because food was more likely to be used within the household to the benefit of women and children. However, in the district where cash was the norm, the provision of direct payments to women helped ensure that cash also benefited women and children.

28. Between 27 and 51 percent of user committee members were women, against WFP’s target of 50 percent. Participation in these committees enhanced capacity and empowerment. The evaluation confirmed the importance of linkages to

complementary programmes that target women, including non-formal education and savings or credit schemes that increase women's ability to access finance and other inputs and validate women's engagement in community decision-making.

Factors Affecting Impact

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

Institutional Alignment and Complementarity

30. The long-term impact of CFA and FFA was higher when combined with the complementary activities of WFP and others. Donor engagement in remote areas and the coordination of development activities were limited during the evaluation reference period by conflict and lack of access roads.

31. Alignment and collaboration with the Government, other donors, districts and VDCs varied. The FFA programme was generally well aligned during the conflict and immediate post-conflict period, although district and VDC plans were not fully developed. Collaboration with other agencies was also better during the CP, when FFA was part of the RCIW, than during the PRRO, when local partners were contracted annually or on even shorter timeframes, resulting in more transient relationships. WFP's programming was not consolidated geographically, although the implementation of several types of activity in some areas created a complementary effect. The recommendation in the 2010 country portfolio evaluation to consolidate activities is being implemented in the new CP.

32. As food insecurity is widespread in Nepal, significant short-term impacts can be achieved even in the absence of strong institutional linkages. However, most food insecurity is chronic, structural and the complex product of social and geographical exclusion, unequal landholding and poverty, so the intended long-term impacts cannot be achieved with new assets alone. Institutional alignment and complementarity are important factors in addressing structural problems and ensuring that benefits flow to the groups that lack social and economic capital.

Risk/livelihood Analysis

33. Sound planning and attention to design in consultation with beneficiaries – particularly for major assets – are essential to ensuring that expectations are met and that quality standards are maintained. However, C/FFA programming was often found to have been opportunistic in response to short-term needs and resource availability rather than on a well-planned, long-term asset creation and maintenance strategy. This was especially the case during most of the evaluation reference period, when conflict and its aftermath made meeting the immediate food needs of

beneficiaries the prime focus, and local government planning systems were not operating effectively.

34. As the PRRO started immediately after the 2006 Comprehensive Peace Agreement, it emphasized the need for a widespread field presence, tangible peace dividends targeting high-risk groups, and initiatives with rapid impacts, while the CP aimed for longer-term development impacts. However, positioning the CP within the national RCIW programme constrained the range of possible assets because of the RCIW's infrastructure focus; community involvement in asset selection for the CP was also limited.

35. For both the CP and the PRRO, site selection, design, and construction to a maintainable quality were very difficult within the four- to six-month project window using labour-intensive methods. Sustainability could have been improved by incorporating operation and maintenance into project designs, including the use of locally available skills and materials; developing capacity to maintain complex structures with modern materials; and establishing institutional arrangements for long-term maintenance.

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

FFA Coverage

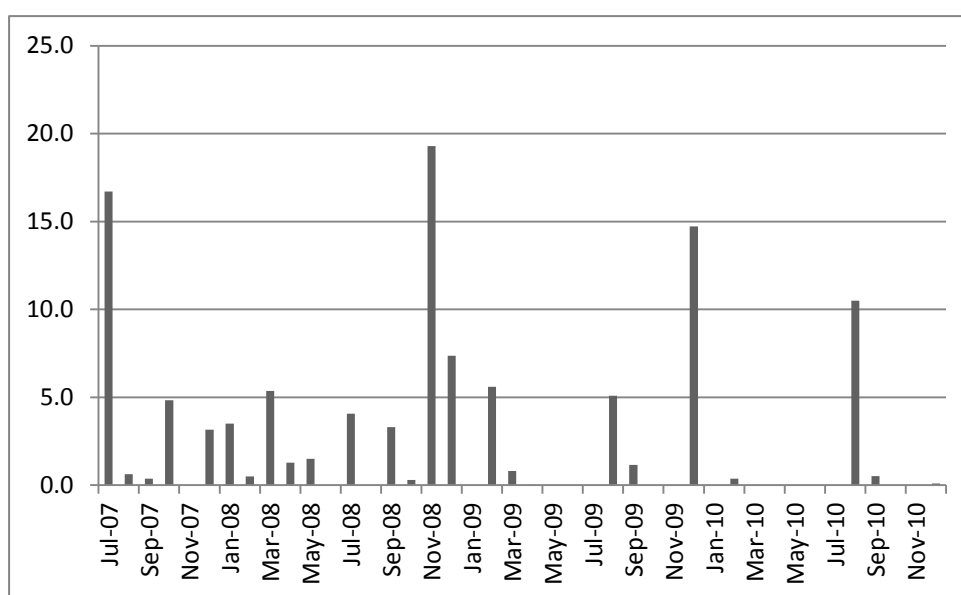
37. Cash/food-for-assets activities were thinly spread, and limited relative to the scale and nature of food insecurity and poverty and the threat from natural hazards. The number of interventions per VDC was highly variable, with a median of 9 and a maximum of 19 in one VDC; 43 percent of VDCs received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

Funding

38. Effectiveness and impact were adversely affected by uncertain and intermittent funding, particularly for the PRRO. As illustrated in Figure 2, the PRRO received 49 directed multilateral contributions. Because the CP was part of the national RCIW programme and enjoyed multi-year funding, its longer-term partnerships with the Government, international non-governmental organizations and donors enabled multi-year projects for sustained livelihoods improvement.

39. The lack of long-term funding was related to the perception reported in all donor interviews that WFP does not have a comparative advantage as a development agency, particularly given the increasing emphasis on cash-/market-based approaches.

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



Input Availability

40. Overall, potential benefits were limited by the lack of locally available skills or materials for more complex infrastructure investments. Short-term annual contracts and limited funding contributed to implementation problems that included insufficient tools or non-food inputs; lack of capacity or resources for capacity development; and inadequate technical support for design and supervision. This resulted in unfinished schemes in two districts, and schemes that were not viable in the longer term in one district.

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

Technical Assistance

42. WFP had a very strong partner in the German Agency for International Cooperation for the CP, but not for the later PRRO. Quality issues in the PRRO were recognized early, and from 2009 WFP employed an engineering company for quality control of design and construction and to monitor environmental effects.

43. Although this arrangement addresses the immediate need, it does not contribute to developing capacity or establishing strong institutional links with government or other partners. Partners’ lack of capacity to implement and manage complex infrastructure is not unique to WFP, and is being addressed in related government/donor joint programmes. The CP approved in 2012 provides an opportunity for developing strong partnerships and institutional linkages.

Responsibility for Asset Maintenance

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

Conclusions and Recommendations

45. In the face of difficult circumstances, the country office's C/FFA activities achieved significant short-term impacts through the rapid delivery of food assistance to several million food-deficit beneficiaries. This assistance reduced the risk that households would "eat their own assets" or migrate, enabling them to weather crises more successfully. Asset construction, especially of community/public infrastructure such as roads, water supplies and schools, made a significant contribution to enhancing economic and social capital during and after conflict, although the benefits were not always equitably distributed.

46. Cash/food-for-assets activities were less successful in reducing chronic, structural food insecurity; providing long-term benefits for severely chronically poor households; maximizing the benefits to the poorest groups of the private assets created; or ensuring adequate maintenance of public assets.

47. The overall findings suggest that there were positive impacts on resilience in communities where hazards resulting in loss of productive capacity and sometimes lives were reported as part of normal life. Focus groups reported that the assets created helped improve the ability of communities and households to recover from the effects of hazards. Survey evidence indicated that participant households had a lower coping strategy index,¹⁰ relied less on credit to purchase food¹¹ and migrated less than non-participant households. Households' ability to recover from shocks was also slightly improved.

48. WFP's C/FFA programmes had an impact in the short term rather than in the long term because small short-term projects covering as many people as possible were prioritized. It is difficult to address the chronic, structural problems of social exclusion and food insecurity with short-term projects and partnerships.

49. The evaluation validated several of the factors proposed in the theory of change as likely to affect the achievement of long-term impacts in the face of deep-seated poverty, social and geographical exclusion and unequal landholdings. To overcome these problems, adequate attention must be paid to contributing factors, particularly by targeting the poorest and tracking their progress, providing the technical support

¹⁰ PRRO End-of-Project Report, 2011. Table 6, p. 10.

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

and non-food items needed to produce assets of appropriate quality, and ensuring the complementarity and intensity of interventions by WFP and other actors to facilitate community and government ownership for follow-up and maintenance.

50. The Nepal country office is in a difficult position. Donor funding for WFP's perceived core competence – relief and reconstruction in inaccessible areas – is inadequate, uncertain and intermittent. WFP is not the partner of choice for more development-oriented work, which therefore also receives inadequate funding. This situation leads to quick, simple, short-term approaches that cover as many food-insecure people as possible when funding becomes available. However, small, short-term projects based on geographical targeting are not conducive to long-term, sustainable impact, particularly for the poorest and most excluded groups.

51. Striking the correct balance between achieving short-term impacts from C/FFA activities for the maximum number of people, or long-term impacts for fewer people is not straightforward. There are difficult and uncertain trade-offs. The central conclusion of this evaluation is that WFP needs to recognize and respond to this challenge. Different assets and different socio-economic groups require different approaches. WFP needs to reach, and demonstrate impacts on, different categories of households, and this will require a more differentiated approach to targeting, monitoring and evaluation, and longer-term engagement and partnerships.

52. WFP is a respected institution and its future positioning is vital. The country office has already made significant changes, such as increasing attention to the quality of the assets designed/constructed since 2009. To consolidate and intensify project coverage, the new CP will provide a range of interventions to each target group, following the recommendation of the 2012 country portfolio evaluation. The following recommendations address issues that warrant further attention by the country office and WFP more broadly.

Recommendations

Funding strategy

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

Twin-track programme strategy

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

groups; and ii) more focused longer-term programming aiming at building the livelihood resilience of vulnerable groups.

Theory and evidence of change

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

Targeting

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

Partnership strategy

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

Asset maintenance

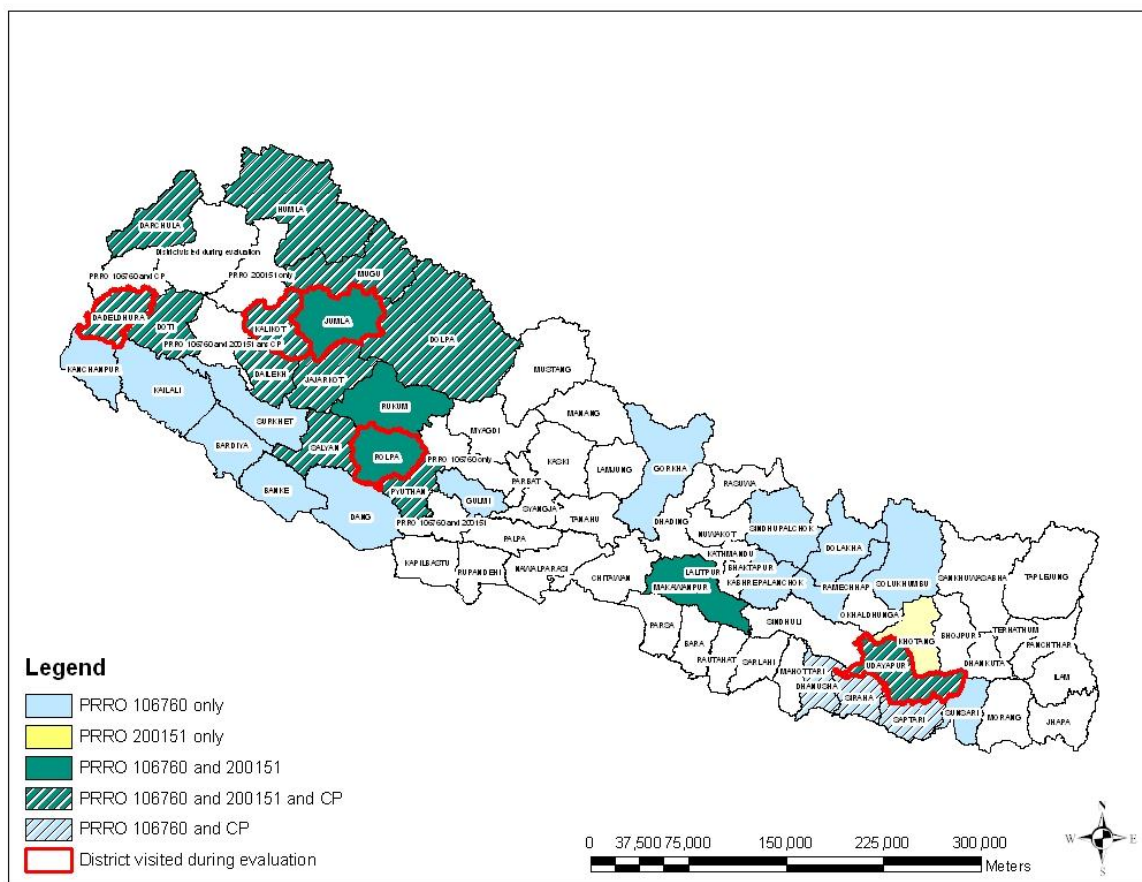
58. Recommendation 6: To ensure that assets are built to maintainable standards and that long-term support is available to maintain them, the country office should identify – at the asset design stage – responsibilities and institutional arrangements at community, district

and/or national levels for long-term maintenance. Maintenance plans should be developed and implemented for each category of asset, including formal agreements where needed, social mobilization, capacity development and resourcing needs.

Hand-over

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

Map¹²



Conversion Data

Currency equivalent – Nepalese rupee (NR)

Date	1US\$	Nepalese rupee (NPR)
January 1999	1US\$	67 NPR
January 2008	1US\$	63 NPR
May 2012	1US\$	82 NPR
March 2013	1US\$	86 NPR
July 2013	1US\$	90 NPR

While Nepal often operates on the solar new year (1 January–31 December), the Nepal calendar year 2070 started 14 April 2013 and ends 13 April 2014.

¹² Maps showing the location of the VDCs that were the focus of the study are presented in Annex 1.

1. Introduction

1.1. Evaluation Features

1. The Evaluation of Impact of Food for Assets on Livelihood Resilience in Nepal is one of five evaluations in an impact evaluation series addressing WFP's work on food for assets (FFA) that have been commissioned by the WFP Office of Evaluation. The evaluations cover the FFA programmes that are one of WFP's largest areas of investment over time. Measured by food tonnage, and the level of direct expenses during 2006–2011, FFA programmes are the second largest of WFP's food distribution modalities after general food distribution.

2. The Terms of Reference (TOR) for the Nepal evaluation are presented in Annex 2. As this series of evaluation will examine the impact of FFA in five countries (Bangladesh, Guatemala, Nepal, Senegal and Uganda), an overarching methodology was developed that has been adapted to the specific country context.

Objectives of the Evaluation

3. As all WFP evaluations conducted by the Office of Evaluation, this evaluation series will serve accountability and learning purposes. The series objectives (from TORs) are to:

- evaluate the outcomes and impact achieved so far (intended or unintended) by FFA on livelihood resilience;
- identify changes needed to enable fulfilment of the potential impact of FFA on livelihoods resilience; and
- provide information about how FFA activities can be better aligned with new policies and guidance.¹³

4. The evaluation examines the outcomes and impacts associated with the FFA components within two programmes: CP 10093 (2002–2007) and PRRO 10676 (2007–2010). It evaluates a theory of change (Annex 3), based on the logic model for the C/FFA programme contained in the evaluation terms of reference, and addresses three high-level questions:

- What positive and negative impacts have FFA activities had on individuals within participating households and communities?
- What factors were critical in affecting outcomes and impact?
- How could the FFA activities be improved to address the findings emerging from the first two questions?

¹³ The programmes being evaluated were designed and implemented prior to the adoption of the FFA Guidance Manual and DRR policy. However, goals are broadly similar and the evaluation TOR emphasis is on learning.

The evaluation matrix containing these three questions and associated sub-questions is contained in Annex 4.

5. The theory of change postulates that FFA interventions will have impacts over different timeframes. Within this evaluation report the following terminology will be utilized in relation to the timing of the impact:

- **Short term:** the impact that is achieved through the cash/food distribution process and the immediate creation of the asset;
- **Medium term:** the impact that is achieved on livelihoods through the operation of the asset for around three to five years. This is the period during which an asset, if appropriately designed, is likely to remain in working condition with minimal maintenance (although returns may diminish) and provide benefits; and
- **Long term:** the impact that is achieved on livelihoods through the operation of the asset for more than five years. In many situations, this will require a degree of formality around the longer-term operations and maintenance of the asset without which the utility of the asset will decline over time.

Methodology

6. The evaluation used a mixed methods approach consisting of two main parts.¹⁴ The evaluation was fortunate in having access to the datasets for a baseline and final household survey for the PRRO 10676 covering both programme and non-programme households. This meant that a further household survey was not necessary and released resources for detailed qualitative fieldwork in selected districts and VDCs to explore the status of the assets that have been created under C/FFA projects (food/cash distribution events) and their contribution to livelihoods.

7. This evaluation was a partnership between IOD PARC (United Kingdom based) and Rupantaran Nepal (Kathmandu, Nepal, based).¹⁵ Fieldwork activities were organized and managed by Rupantaran Nepal according to the agreed methodology. The partnership approach included the VDC data analysis and synthesis, which was undertaken in Kathmandu.¹⁶

8. The main timeline for this evaluation is as follows:

Activity	Date
Inception period	28 January – 4 March
Fieldwork activities	5 March – 3 April
Data analysis	31 March – 6 May
Evaluation report (and summary executive report) preparation	29 April – 31 July

¹⁴ A summary of the mixed methods methodology is presented in Annex 4.

¹⁵ The roles and responsibilities of evaluation team members are presented in Annex 5.

¹⁶ The VDC profiles provide photographic evidence of the current assets as well as a summary of the situation in each VDC. These are presented as Annex 6 as stand-alone pdf files for each district.

Districts Selected for the Evaluation Fieldwork

9. **District selection.** Sampling was clustered around the same clusters as used in the PRRO survey as follows:¹⁷

- Cluster 1: high hills and mountains of the mid- and far-western regions;
- Cluster 2: mid and low hills of the mid- and far-western regions; and
- Cluster 3: mid hills of the central and eastern regions.

10. The evaluation selected districts (one per WFP PRRO cluster) that were covered by the PRRO surveys and that were involved in the country programme activities around road construction (backbone project) and construction of livelihood assets (minor projects) and that were involved in the PRRO. For cluster 1 and cluster 2, the evaluation selected an additional district that has only been involved in PRRO operations. An additional district was not added to cluster 3, as the new country programme is to be focused in cluster 1 and 2 districts only. In addition, the evaluation team considered access issues, data availability and types of assets created. This ensured that there has been work undertaken around irrigation – the main natural resource management focused activity in the PRRO in particular. Table 1 presents the districts selected. This selection included two districts that will form part of the new country programme (Jumla and Kalikot), one that was at the centre of the conflict (Rolpa), as well as two districts that are now outside the new country programme. The selection covers, in the time available for the evaluation, areas that were relatively accessible.

Table 1: Districts for the impact evaluation¹⁸

Cluster 1	Cluster 2	Cluster 3
High Hills and Mountains of the Mid- and Far-Western Regions	Mid and Low Hills of the Mid- and Far-Western Regions	Mid Hills of the Central and Eastern Regions
District and programme	District and programme	District and programme
JUMLA PRRO and data set Operating in 26/30 VDCs In new CP	ROLPA PRRO and data set Operating in 21/51 VDCs At heart of initial conflict	UDAYAPUR CP roads and minor assets PRRO and baseline Operating in 24/45 VDCs
KALIKOT CP roads and minor assets PRRO Operating in 30/30 VDCs in district In new CP	DADEL DHURA CP Roads and minor Assets PRRO and baseline Operating in 11 VDCs plus a number only involved in the CP Roads programme	

11. The districts that were the subject of the fieldwork are outlined in red on the map given on page 1. For the 15 VDCs where fieldwork was undertaken, a VDC

¹⁷ The PRRO 10676 was followed by PRRO 200152 and now a new country programme for five years is being designed.

¹⁸ See Annex 1 for further detail of the districts sampled.

profile, including photographs of key assets, is presented in Volume 3 to the evaluation along with a study on road construction in Dadeldhura.

Limitations of the Study

12. The evaluation team recognizes a number of limitations. Some of the limitations stem from the design of a global study that was to be conducted in five different contexts where C/FFA protocols and focus were different. However, there are some limitations particular to this evaluation. These include:

- **Less data on CP 10093.** The WFP asset database is less complete for the country programme than it is for the PRRO. There are no survey data available for the country programme. Recall by interviewees is also less reliable because of the number of years that have elapsed since 2002–2007 and the number of development programmes implemented in districts and VDCs since then.
- **Limitations of the PRRO dataset.** The WFP baseline and final survey was an important contribution to the evaluation. However, the dataset proved more difficult to reanalyse than envisaged. The agreement with WFP Nepal (and made known to the Office of Evaluation) was that the evaluation would not reanalyse data that had already been reported also limited the analysis. This data did not include tests of statistical significance.
- **The definition of an asset.** From the dataset supplied by WFP Nepal, an “asset” is a project related to the delivery of food/cash that is designed to create an asset. However, when on the ground, the asset is a physical presence on the ground rather than a “food distribution project”. This led to the situation where WFP was indicating a number of separate assets when in fact the inputs from WFP went to delivering the same asset over multiple phases, e.g. extending classrooms, completing different phases of the construction of a single irrigation scheme, different elements or a single road.
- **Difficulties locating assets.** The WFP dataset provided information to the VDC level. Undertaking an impact assessment in situations where the partners no longer work in the district or VDC led to a gap in knowledge of where the assets actually were.¹⁹
- **Labelling of assets.** The terminology relating to the “naming of assets” varies across WFP Nepal, the communities, the Office of Evaluation as well as the formal reporting within WFP. The evaluation team have used a combination of the asset names from WFP Nepal and the Office of Evaluation to enable differentiation of assets around water in particular.

¹⁹ Use of GPS technology for recording the site of each asset would reduce this problem in the future.

- **Changes in partners.** Not all partners could be located. For example, Jumla was included in the country programme but no data were available from WFP around the assets created and the partner is no longer working with WFP.
- **Missing “Blue Books”.** In a number of locations, the key project management tool – the “blue book” – was missing. Sometimes it had been taken to the district for audit purposes and not returned, and sometimes it just was not available. There is no clarity around who the formal custodians of these documents should be, with WFP assuming it is the user group but the partners often taking them as “theirs”.
- **Assets are not always accurately categorized.** For example, schemes labelled as irrigation schemes were found to be water supply schemes or drainage schemes. Some community assets were in fact for individual households.
- **Biophysical changes and measurement.** The evaluation found it very difficult to make any quantitative assessment of the biophysical changes arising from the assets. Within Nepal there are no baselines around the biophysical situation at either the field or watershed level. There are also real questions about the extent to which it is possible to measure biophysical changes with any reasonable level of accuracy. The changes that have been documented (and there are changes) are therefore based on qualitative information gathered from key informants and review of other studies. Care is required in the interpretation of this information given seasonal variability and a predicted increase in variability as a result of climate change in what were previously “rare” events (drought, flood, frost) within the hills and mountains of Nepal.

13. Annex 4 presents a summary of the evaluation matrix and evidence quality. This enables an “at a glance” assessment of the quality of evidence upon which the findings of the evaluation are based.

Key Users of the Evaluation

14. The main users of this evaluation will be WFP programme staff at various levels of the organization. It will help to inform the current planning process for the WFP Nepal country programme and its implementation. The learning from this evaluation may enable donor partners to WFP Nepal to understand the opportunities and constraints for longer-term funding of C/FFA modalities in the remoter areas of Nepal.

15. The Government of Nepal is increasingly focused on cash-based employment guarantee schemes, and learning around the balance of cash/food in remote areas with still limited road access (especially in the monsoon season) may enable them to plan their interventions with donor partners effectively to meet the needs of marginalized households in particular.

16. Local government at the district and VDC level may use the evaluation – provided that there is consideration given to dissemination in Nepali and using, if possible, a visual executive summary using (if agreed) video and photographs from the field activities.²⁰

17. WFP Nepal partners, including international NGOs (INGOs), national NGOs (NNGOs) and local NGOs (primarily at the district level), could also use this evaluation to inform the way that they are able to engage with C/FFA initiatives in the future. Similarly, by engagement with the District Development Committee (DDC) and VDC’s local government and communities may also be in a position to learn from the evaluation.

Stakeholders in the Process

18. In addition to the key users of the evaluation, the main stakeholders include the beneficiaries themselves and, to a lesser extent, the private sector,²¹ who are able to take forward the opportunities provided by the asset creation. Within the beneficiaries it is important to recognize that this is a highly differentiated group with many different expectations, engagements and benefits from the C/FFA programmes as well as the evaluation.

Quality Assurance

19. This evaluation report has been prepared in accordance with the Quality Assurance framework given in Annex 6. WFP’s Evaluation Quality Assurance System established the overall approach and standards. The evaluation team then added additional quality assurance, including careful training and supervision of field staff training, pilot testing and subsequent modification of data collection instruments and procedures, an in-country data analysis process, and copyediting, proofreading and formatting. Feedback sessions with WFP enabled discussion of emerging findings, as well as fact checking.

1.2. Context for C/FFA in Nepal²²

20. Nepal is a low-income country with a low United Nations Development Programme (UNDP) Human Development Index (HDI). It is the 17th poorest country in the world with an annual per capita income of US\$490.²³ Nepal’s HDI value for 2012 was 0.463, which positioned the country at 157 out of 187 countries and territories.

²⁰ This work will be undertaken once the evaluation report has been finalized and has been agreed by WFP’s Office of Evaluation.

²¹ The private sector here refers to those producers and traders who are likely to be involved in elements of local procurement, of operation of local markets, for food distribution as well as those involved in value chain operations that develop from functioning assets that have been created through C/FFA, e.g. apple plantations, NTFPs and vegetables. The private sector may also include the development of the transport sector (for people/goods) that emerges as soon as roads become usable on a seasonal basis.

²² As the WFP programme in Nepal has both cash and food for asset operations, this impact evaluation has examined both modalities. The acronym C/FFA will be used generally throughout this report unless there is a specific discussion of cash for assets (CFA) or food for assets (FFA).

²³ World Bank Indicators Database, July 2011.

21. Nepal is divided into five development regions (eastern, central, west, mid-western and far-western), 75 districts, and three agro-ecological zones: the Terai (low plains and foothills); the hills (medium high and high hills); and the mountains. Population, population density, and area of cultivable land are inversely related to altitude (i.e. lowest in the mountains). Poverty, general food insecurity and seasonal food insecurity are positively related to altitude (i.e. highest in the mountains). The depth of poverty is greatest in the mid- and far-western regions, with levels confirmed at between 57–60 percent.²⁴ While all five regions have seen a continuous decline in poverty rates over time, data for 2010–2011 suggest that poverty has increased since 2003–2004 in the far-western region.²⁵ While progress on several social indicators (primary education, education gender parity, under-5 mortality) has been impressive, income and other disparities have increased.²⁶

22. There has been an overall decline in food insecurity and chronic undernutrition over the past 15 years. However, 25 percent of households are considered to be food poor (i.e. the total value of their food consumption is insufficient to ensure a basic diet). An estimated 1.6 million children (46 percent) are suffering from chronic undernutrition, and over 500,000 from acute undernutrition (i.e. wasting).²⁷ Poverty is the most important determinant of food insecurity. Poverty is in turn more prevalent in the mountains and mid- and far-western hills, and for certain caste/ethnic groups (see Social Exclusion section below). Historical inequalities based on caste, ethnicity, gender and geography remain despite aggregate improvements.

23. Aggregate improvements over time have also not removed the effect of seasonal shortages. For example, early predictions for 2013 estimate a shortfall in food supply of around 10 percent because of a combination of a late monsoon in 2012 and poor positioning of inputs for farmers for the previous season. The 2013 monsoon has also been difficult with high rainfall events for the early monsoon leading to landslides, floods and loss of agricultural crops.

24. Four features of Nepal provide particularly important context: the ten-year conflict; unequal landholdings; social exclusion; and gender issues. These features are outlined below.

Conflict in Nepal²⁸

25. Currently, Nepal is in a post-conflict situation after a violent 11-year conflict between the Government of Nepal and the Communist Party of Nepal (CPN-Maoist). The underlying causes of the conflict in Nepal can be described in terms of political, economic and social exclusion. Political exclusion is reinforced and perpetuated by

²⁴ See the 2013 briefing on Nepal by the Oxford Poverty and Human Development Initiative ; www.ophi.org.uk.

²⁵ Nepal Country Programme Evaluation, IFAD (2012).

²⁶ Interim Strategy Note. World Bank Group (2011).

²⁷ Nepal Thematic Report on Food Security and Nutrition. NPC, CBS, WFP, World Bank, et al (2013).

²⁸ See Annex 7 for further discussion.

discrimination based on ethnicity, caste and gender. Women's involvement in political processes is further reduced by the heavy inequality in workloads between men and women. The past gap between the elite classes and the poor is so wide, and the concessions by the elite so small, that violent conflict resulted. The conflict left over 13,000 people dead, 1,300 missing²⁹ and an estimated 100,000 to 150,000 people internally displaced during the war.

26. Nepal is still passing through a long and protracted political transition. This and the attainment of peace have overshadowed economic issues. Political instability remains the defining characteristic. During March 2013, an interim government was put in place with a view to proceeding with elections in June 2013. In July 2013, the planned date is proposed as 19 November.

Challenges for Development Actors of the Conflict

27. During the time of the armed conflict, the development sector faced severe challenges, threats and opportunities while implementing programme activities, particularly in the CPN-M influenced areas. Various strategies, approaches, tools, techniques and procedures were devised as coping mechanisms. Despite the difficulties, many opportunities to reorient Nepal's development sector in addressing root causes of conflict were created with more attention paid to inclusivity, transparency and responsiveness towards the poor, discriminated and geographically isolated areas.

Landholdings and Dimensions of Food Insecurity in Nepal

28. Food security in Nepal is a complex issue that covers instances of "acute", i.e. short-term crisis linked to flood, drought or natural disaster, and long-term chronic food insecurity. The latter can be linked to poverty/social exclusion as well as land ownership and production. Landholding size is small, with 47.7 percent of landholdings in Nepal being classed as marginal, i.e. too small to meet even subsistence needs.³⁰ In 2001, the average landholding of marginal farms was 0.24 ha.³¹ While absolute landlessness is at 10 percent, or around 2.3 million people (481,938 households based on 2001 census data), the addition of 47.7 percent of marginal farmers adds another 11.2 million people, or 2.3 million households giving a total of 2.7 million rural households as "functionally landless".³² The small size of landholding, and in the mountain areas the biophysical restrictions on productivity (cold/frost) help explain issues of outmigration within/outside Nepal; diversification of livelihoods beyond the farm, including daily labour and community forestry-land

²⁹ OHCHR, 2012, Nepal Conflict Report, Executive Summary,

³⁰ Agricultural Census Surveys (NSAC) in Nepal class a marginal landholding as one that is under half a hectare (0.5 ha) and make no adjustment for the land to grow multiple crops or not.

³¹ See Table 4, page 44 of L. A. Wily with D. Chapagain & S. Sharma (2009). *Land Reform in Nepal. Where is it coming from and where is it going?* DFID.

³² Page 46, *ibid.*

allocation to the poor or leasehold forestry, and in some areas, practices such as sharecropping.³³

Social Exclusion in Nepal

29. Social exclusion and structural inequalities are prominent in Nepalese society because of cultural and historical practices. See Annex 8 for the main economically and socially excluded groups in Nepal.³⁴ The exclusions and inequalities are based on gender, economic, caste/ethnicity and geographical context. The Interim Constitution recognizes that women, Dalits, Adibasi Janajatis, Madhesi, Muslims, people living with disabilities and people of geographically remote areas have experienced exclusion and as a result have not been mainstreamed in the nation's development.³⁵ Because of legal and socio-cultural norms, women and socially excluded groups experience poverty and inequality to a greater degree.³⁶

30. Social exclusion in Nepal is widespread despite government policies to make it illegal. In 2006, the World Bank/Department of International Development (DFID)³⁷ indicated that "Over 200 forms of caste-based discrimination have been identified in Nepal. Discrimination is more entrenched in the country's less-developed areas, especially in the mid- and far-western regions, but caste continues to influence inter-personal behaviours throughout the country."

31. Gender-based and caste-based discrimination is more common in the far and mid-western region,³⁸ and the mid-west and far west regions have the highest Dalit population, forming 30 percent in many districts. While the national poverty rate is decreasing, it continues to be higher than the national average among excluded groups.³⁹ Similarly, the gender differentials are highest among the Dalits, followed by Muslims and Terai Janajati. The HDI is low among Dalits (0.424) and Muslims (0.401) compared with Brahmin and Chhetris (0.552).⁴⁰

³³ Wickeri, Elisabeth (2011). *Land is Life, Land is Power: Landlessness, Exclusion and Deprivation in Nepal*. Crowley Mission Reports. Book 2. http://ir.lawnet.fordham.edu/Crowley_reports/2 She indicates that "Land ownership is a key indicator of identity, power, wealth and political access. Yet up to 25% of Nepal's population is estimated to be landless or near-landless; the bottom 47% of agricultural households control only 15% of agricultural land; the top 5% control more than 37%."

³⁴ Within Nepal the following definition of social exclusion is commonly used: "Social exclusion describes the experience of groups who are systematically and historically disadvantaged because they are discriminated against on the basis of their caste, gender, ethnicity, disability or religion or an overlapping combination of these. Exclusion happens in public (formal) institutions such as the legal system or health system, as well as social (informal) institutions such as caste or gender systems or networks of political patronage."

³⁵ Nepal's Interim Constitution 2007.

³⁶ ADB, 2010. Overview of Gender Equality and Social Inclusion in Nepal. Available at <http://www.ncf.org.np/upload/files/cga-nep-2010.pdf>; Bennet, 2005. Gender, Caste, and Ethnic Exclusion in Nepal: Following the Policy Process from Analysis to Action. Conference Paper, Arusha Conference, "New Frontiers of Social Policy" – December 12–15; MoFALD (2009), Gender Equality and Social Inclusion Operational Strategy, Local Governance and Community Development Programme, Government of Nepal.

³⁷ The World Bank/DFID Nepal (2006). *Unequal Citizens, Gender Caste and Ethnic Exclusion in Nepal*, Summary. A co-publication of the World Bank and the Department for International Development, United Kingdom.

³⁸ CBS/NPC, 2004. Nepal Living Standard Survey 2003/04, Statistical Report, Volume 2. Central Bureau of Statistics, National Planning Commission Secretariat, Government of Nepal. Available at <http://cbs.gov.np/wp-content/uploads/2012/02/NLSS-II-Report-Vol-2.pdf>.

³⁹ CBS/NPC (2005). District Profile FY 2061/62, Branch Office Dadeldhura.

⁴⁰ ADB, 2010. Overview of Gender Equality and Social Inclusion in Nepal. <http://www.ncf.org.np/upload/files/cga-nep-2010.pdf>.

Gender Issues⁴¹

32. The Ministry of Federal Affairs and Local Development⁴² has developed the Gender and Social Inclusion Strategy Operational Strategy for the Local Governance and Community Development Programme, which was implemented in 75 districts of Nepal. The strategy acknowledges that women's rights can be achieved only with changes in the current discriminatory gender relations.⁴³ In Nepal, socially constructed power relations between women and men establish the roles, responsibilities, opportunities and decision-making authority of women and men, usually positioning women as subordinate to men. These gender relations are a cross-cutting dimension of discrimination, with varying degrees, across all social groups in Nepal. All women experience discrimination, but women of socially excluded communities experience multiple exclusions. Gender inequalities have serious implications on women's lives, limiting their access to land ownership, housing, education, health care and participation in the decision-making process at the household as well as society, formal and informal institutions and policy level.

33. Women are increasingly becoming the de facto head of household in rural Nepal because of the outmigration of the men. The 2011 census⁴⁴ indicates that households headed by women are now at 25.75 percent compared with 11.87 percent in 2001. The agriculture sector is becoming more and more feminized. In rural areas, men migrate seasonally, often to India, because of food insecurity. However, an increasing number are migrating for longer periods to the Gulf and Malaysia. This means that women's workloads and responsibilities are increasing significantly.

Climate Change in Nepal⁴⁵

34. Nepal ranks as the 4th most vulnerable country worldwide in the Climate Change Risks Atlas 2010. Climate-induced hazards are expected to increase in the future and include more erratic rainfall, flash flooding, drought, forest fire, and landslides. Nepal is more vulnerable than many countries to climate change because of factors such as high poverty and low adaptive capacity. Many initiatives from the government, civil society and development partners to build resilience and adaptive capacity of the poor and marginalized groups and communities are being implemented through various projects and programmes.

1.3 WFP's C/FFA in Nepal⁴⁶

35. WFP has worked in Nepal since the 1960s and has implemented FFA activities since 1995. The CP focused on road construction in support of the RCIW, a

⁴¹ See Annex 9 for further details.

⁴² Formerly known as the Ministry of Local Government.

⁴³ Gender Equality and Social Inclusion Operational Strategy, Local Governance and Community Development Programme, Government of Nepal; Ministry of Local Development, 2009.

⁴⁴ National Report, Central Bureau of Statistics, 2013. Available at <http://cbs.gov.np/wp-content/uploads/2012/11/National%20Report.pdf>.

⁴⁵ See Annex 10 for further information.

⁴⁶ Annex 10 contains more detailed information on both the CP 10093 and the PRRO 10676, which are the focus of this evaluation.

Government of Nepal programme started in 1996 in collaboration with the German Agency for Technical Development (GTZ) and WFP. FFA, as a modality within RCIW, was intended to improve the short-term food security for poor households.

36. CP 10093 was approved in May 2001 and began in 2002, initially for a five-year period. The final year of reporting was 2007. There were three main activities included in the country programme. These were: RCIW; food for education and the global food-for-education initiative; and assistance to mother and child health care. The focus of this evaluation, RCIW accounted for 57 percent of the food distributed under the CP.⁴⁷

37. The goal of the overall CP 10093 was to bring about sustainable improvements in food security for the most disadvantaged, particularly women and children, in highly food-insecure areas of Nepal. There was a specific focus on women as key agents of change. The specific objectives of the RCIW component were to:

- assist poor people in developing productive assets that improve physical access, agricultural production and natural resource management;
- enhance skills, capacities and income opportunities at the local level; and
- preserve assets and prevent or mitigate the effects of natural disasters.

38. WFP implemented the CP 10093 during the conflict years with the Government of Nepal and a range of donor partners that varied as the operational conditions demanded, including the implementation of two short-term programmes (Quick Impact Project [QIP] and the Protecting Livelihoods in Crisis [PLIC]). In April 2006, Nepal ended an 11-year conflict with the signing of the Comprehensive Peace Agreement. PRRO 10676 was initiated in September 2007 to reach 1.3 million people affected by the conflict. An additional problem, especially among the rural population, was food security and loss of livelihoods caused by consecutive droughts. The three overall objectives of the PRRO were to:

- reduce immediate vulnerability and food insecurity;
- increase resilience against shocks and improve longer-term food security; and
- strengthen the capacity of government and other national organizations to monitor and respond to food insecurity.

39. The PRRO had three components: food and/or cash for assets (C/FFA); micronutrient powder and the nutrition education programme; and food security monitoring and analysis. The C/FFA schemes were to create productive assets and restore and rebuild livelihoods. The nutrition interventions aimed to reduce acute malnutrition and micronutrient deficiencies. The focus of this evaluation is the C/FFA component. This had three specific objectives:

- provide short-term food security;

⁴⁷ See Annexes 10, 11 and 12 for further information.

- rebuild/construct critical infrastructure through food-for-work schemes in rural areas highly impacted by conflict;
- improve market access, create short-term employment opportunities and facilitate access to basic social service delivery.

40. Both FFA and CFA were employed under the PRRO for multiple shocks and high food price affected populations. In 2010, approximately 16 percent of PRRO beneficiaries received cash transfers rather than food.⁴⁸ WFP is, based on its own analysis of the markets/roads and food trade situation, developing approaches to the use of CFA in areas where food is available, FFA in areas with limited food availability, and mixed C/FFA activities in other areas.

41. The food rations provided under both programmes were intended to cover the average requirement of a family during the seasonal lean period. Four kilogrammes of rice, and some pulses, were provided for each day worked. Under CP 10093, this was provided for an average of 70 working days per year. Under PRRO 10676, an average of 40 working days were provided over a four-month period.

42. Key facts on the two programmes evaluated – CP 10093 and PRRO 10676 – are summarized in the Fact Sheet at the beginning of this report. More detailed information on each programme is contained in Annex 10.

Coverage and Beneficiaries

43. Geographical coverage of the two programmes was broadly similar. The CP and PRRO covered 25 and 28 districts, respectively, in the far-western, mid-western and central regions (see maps in Annex 1 and page 1 and Table 2). Under the PRRO beneficiary, VDCs were targeted according to the findings of the Nepal Food Security Monitoring and Analysis System. Beneficiaries were moderately to highly food-insecure households in areas where a high percentage of the overall population were moderately to severely food-insecure. The number of FFA participants under the CP rose from 47,000 in 2002 to a high of 97,000 in 2006. There were a total of 417,000 participants in the period 2002–2007, 110 percent of the planned number. The PRRO had 218,000 participants in its peak year (2008) and involved a larger number overall: 553,000 in the period 2007–2010. However, this was just 50 percent of the total planned.

Table 2: Coverage of the two programmes covered by this evaluation

	CP 10093	PRRO 10676
No. of districts covered	28	25
Far-western region	Darchula, Baitadi, Dadeldhura, Doti, Bajhang, Bajura, Achham	Darchula, Baitadi, Dadeldhura, Doti, Bajhang, Bajura, Achham
Mid-western region	Humla, Mugu, Jumla, Dolpa, Salyan, Pyuthan, Jajarkot, Kalikot, Dailekh	Humla, Mugu, Jumla, Dolpa, Salyan, Pyuthan, Jajarkot, Kalikot, Dailekh, Rukum, Rolpa
Central region	Makawanpur, Sindhupalchok, Dolakha, Ramechhap, Kavre	Makawanpur, Sindhupalchok, Dolakha, Ramechhap, Kavre, Sindhuli
East region	Udayapur, Dhanusha, Siraha, Saptari	Udayapur, Dhanusha, Siraha, Saptari

⁴⁸ PRRO 10676 EPR. WFP (2010).

44. The number of total beneficiaries – which are a multiple of the participants (5.6) – show a similar pattern. The number of beneficiaries under the CP peaked at 551,000 in 2006. The total number of beneficiaries was 2.3 million, or 102 percent of the planned total. PRRO 10676 was initiated in September 2007 to reach 1.3 million people affected by conflict. It was extended in November 2008 to cover 2.7 million people in response to significant food price inflation. The largest number of beneficiaries (1.59 million) was in 2009 (see Figure 1). Total beneficiaries over the four-year period was 3.9 million, 59 percent of the total planned (these may not be “separate beneficiaries” but the same people benefiting in several years – the evaluation did not find sufficient information to increase understanding of this issue). Table 3 presents the number of beneficiaries reached between the CP 10093 and PRRO 10676.

Figure 1: Number of PRRO participants by asset type each year

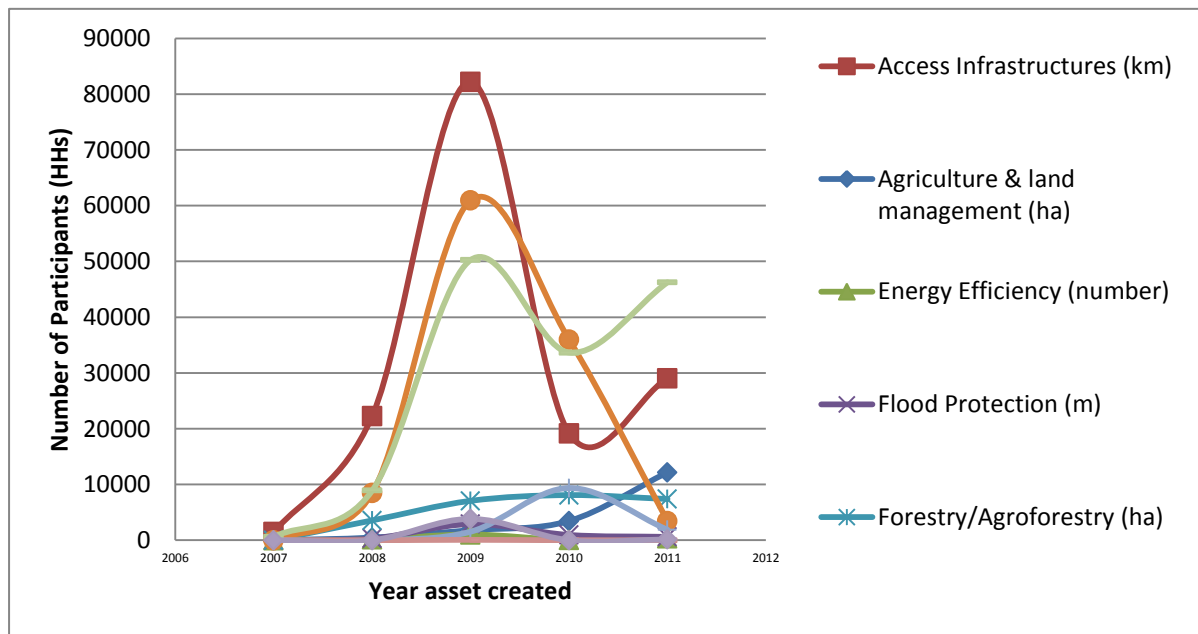


Table 3: Participants and beneficiaries for CP 10093 and PRRO10676

CP 10093 (2002 – 2007)		
	FFA Participants (Actual)	Beneficiaries (<i>Estimated</i>)
2002	47,643	266,801
2003	50,000	280,000
2004	82,700	463,120
2005	74,400	416,640
2006	97,105	543,788
2007	65,492	366,755
Average	69,557	389,517
Total	417,340	2,337,104
PRRO 10676 (2007 – 2010)		
	FFA Participants (Actual)	Beneficiaries (<i>Estimated</i>)
2007	1,273	7,129
2008	218,075	1,221,220
2009	169,000	946,400
2010	164,979	923,882
Average	138,332	774,658
Total	553,327	3,098,631
Average (2002-2010)	107,710	603,178
Total (2002-2010)	969,394	5,428,606

Assets created

45. The RCIW⁴⁹ formed a major element of CP 10093 with a focus on road construction as “backbone” projects alongside, in some localities, so-called minor projects, which include a focus on natural resource management asset construction, including water management, plantations and agriculture. The core focus of the PRRO was critical infrastructure: roads, bridges, schools, water supplies and agricultural assets, particularly irrigation. The number of participants (generally one per household based on an average household size of 5.6 people) also indicates that the major engagement in terms of work was around roads, irrigation and schools (Figure 1).

⁴⁹ A key programme managed by the Government of Nepal.

46. The main assets constructed or rehabilitated under both programmes are summarized in Table 4.⁵⁰ In addition to the assets listed, the programmes constructed or rehabilitated more than 6,000 houses, 300 community buildings, 175 fish ponds and 168 drinking water systems.

Table 4: Main assets constructed or rehabilitated⁵¹

Asset	CP	PRRO	Total
Access infrastructure (roads (km) / trails)	1 991	969/245	2 960/245
Agricultural and land management (ha)	9 109	8 584	17 693
Forestry/agroforestry (ha)	660	500	1 160
Schools (number)	0	500	500

Partners and Donors

47. Reports on the CP 10093 contain relatively little detail on partnerships. In addition to the Government of Nepal ministries, WFP worked with two United Nations agencies (United Nations Children’s Fund and UNDP); four bilateral agencies (GTZ, DFID, SNV and SDC); one international NGO (World Vision); and thirteen local NGOs. It also partnered with the World Bank and the Central Bureau of Statistics on a poverty mapping exercise. The PRRO final report contains a list of 24 international and NGO partners. The CP had an approved budget of US\$112 million of which 67 percent was funded. The PRRO had an approved budget of US\$170 million of which 72 percent was funded.

48. The final CP Standard Project Report (SPR) (2007) records 38 separate directed multilateral contributions to the CP since 2002 to a total value of US\$37.41 million. A further US\$37.95 of multilateral contributions was received from 18 donors. The final PRRO SPR (2011) records 49 separate directed multilateral contributions to the PRRO since 2007 to a total value of US\$110.99 million. A further US\$10.98 million of multilateral contributions was received from five donors.

1.4 Food for Assets Theory of Change

49. Annex 3 presents both the simplified theory of change (TOC) diagram and the logic model for food-for-assets work. The TOC was derived from WFP programme guidance and validated through dialogue with WFP staff, partners and beneficiaries during evaluation planning. Short-term impacts relate to the alleviation of urgent food needs through cash/food distribution and the immediate effects of the assets created. Medium-term impacts relate to increased agricultural productivity and increased livelihoods options. Longer-term impacts relate to sustained improvements in livelihoods resilience.

⁵⁰This may understate the amount of land improved (irrigated or drained) due to the way these projects were recorded in some years. The CP constructed an additional 20,950 metres of irrigation canal in 2003–2004. The PRRO built an additional 73 irrigation systems in 2008.

⁵¹ Source: Standard Project Reports.

50. Expected impacts depended on the assumption that the following associated factors were adequately addressed during planning, execution and follow-up:

- supportive external context;
- accurate risk and livelihood analysis;
- FFA activities carried out to required standards;
- adequate and predictable funding;
- food and non-food items provided;
- technical assistance and other capacity available;
- complementary interventions in the same areas by WFP and other actors; and
- community and/or government ownership, with adequate arrangements for asset maintenance and operations.

51. It is important to note here that neither the CP 10093 nor the PRRO 10676 were designed with livelihood resilience directly in mind (or disaster risk reduction – DRR). The CP had a focus on how to improve food security through the provision of food aid for labour-intensive asset construction programmes (under the RCIW), while the PRRO had a focus on food security and post-conflict community development based on small-scale infrastructure, including public assets focusing on schools and access assets.

2. Positive or Negative Impacts of FFA Activities on Individuals within Participating Households and Communities

Introduction

52. This section of the report will present the key findings from the evaluation.⁵² This evidence will be presented against the numbered sub-questions that form the evaluation matrix. Before presenting these findings, a number of generic issues are highlighted.

53. **Process for analysis.** This evaluation was undertaken by a team of people with extensive experience in grassroots-level work during the conflict period, primarily in the natural resources field. The focus group discussions (FGDs) – formal, and those that take place while walking to/from assets, spending time in VDCs and with local government officials – provide a rich source of evidence, which is supplemented with photographs (and videos). The experienced field practitioners were able to build trust in a short time to facilitate the FGDs and other engagements. In addition, key informant interviews were undertaken and material triangulated with evidence from reanalysis of PRRO datasets provided by WFP Nepal. These data streams were used extensively during the evaluation “in-week” for the evaluation team in Kathmandu and subsequently meetings/discussions to inform a collective synthesis process.

⁵² The evaluation TORs are in Annex 2, and a summary of the Nepal specific methodology and evaluation questions are given in Annex 3.

Household Category and Differentiation of Benefits

54. While WFP has utilized geographical/community targeting for both the country programme and the PRRO, there are differences between households in the areas covered by the evaluation that are the result of the highly differentiated nature of Nepalese society. In order to base the analysis on the field reality of the targeted communities and to help build understanding of how different groups were impacted by the FFA activities, the evaluation team developed three categories of household, as shown in Table 5. This is a subjective set of criteria, but uses a number of important determinants of household poverty in rural Nepal, including land ownership, daily labour in the agricultural arena, caste and levels of food provision.

Intensity of WFP Nepal Engagement with VDCs and Households

55. The CP focused on the development of road-based infrastructure and this dictated the engagement with the VDCs and the communities. It was only when the QIP and PLIC were introduced that other communities could be involved. As noted by a key road engineer, roads are built sometimes in locations where the need for food is not the highest. When the food emergency is widespread, this is not such a concern, but FFA is not an employment guarantee scheme *per se*; large-scale public works provide an opportunity for short-term gains, but additional support would be required, e.g. minor projects and training to support the poorest households to obtain benefits from the roads.

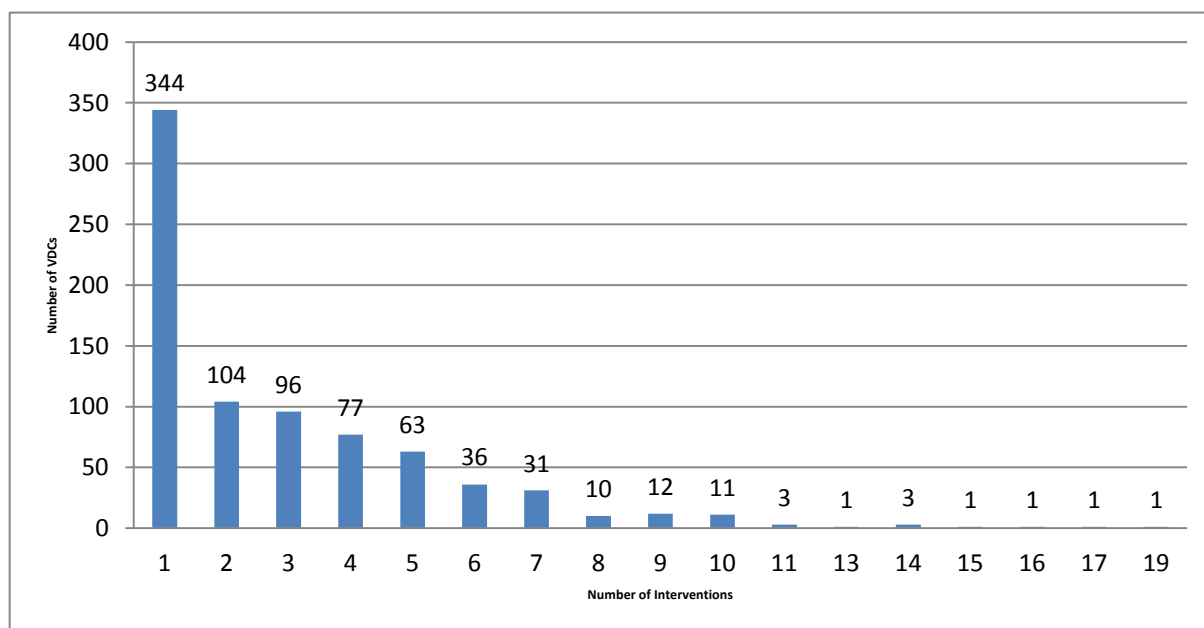
Table 5: Household categories (developed by the evaluation team)

	Category 1: Transient Poor	Category 2: Chronic Poor	Category 3: Severely Chronic Poor
Description	Land that provides 6–12 months food per year Back-to-back drought, or health problem causes food crisis Rarely rely on daily labour	Small land providing <3 months food per year Single drought or health problem causes food crisis Rely at least 50 percent year on daily labour	No land beyond house and kitchen garden (max) Reliant on daily labour all year
Composition	All castes but with higher levels of BCNT and few Dalits	All castes with BCNT and Dalits included	Dalits are usually group found in this area but may contain BCNT as well

56. While the PRRO was responsible for over 2,000 “projects”⁵³ based on food/cash distribution, the majority of the VDCs involved in the PRRO received between one and three interventions over the four years of the programme, as shown in Figure 2. The drivers for decision-making on the VDC engagement were food security and funding availability rather than identified need for any particular asset.

⁵³ This is based on the WFP Nepal Excel datasheet provided to the evaluation team. It is also clear – and indicated in the limitations that a “project” i.e. a cash/food distribution activity does not correlate to a single asset necessarily. In some cases, assets were constructed more quickly and the time used for other work, or, more commonly, multi-annual inputs were made into the same larger asset.

Figure 2: PRRO intensity of engagement with VDCs (number of interventions/ number of VDCs (PRRO data only))⁵⁴



57. The engagement with the VDC also has implications for the number of households that can benefit in any one year. WFP Nepal indicated that it targets VDCs primarily based on the vulnerability analysis and mapping (VAM). PRRO data indicate that the engagement by households (one participant per household of 5.6 people is the norm) within a VDC can vary significantly. VDC levels of household engagement vary from a low of 4 percent in Rauta VDC in Udayapur District in 2009, up to levels in excess of 100 percent (possibly due to more than one participant per household being recorded as a single household).⁵⁵ There is no documentation to indicate whether the same households are involved in each year, partly as the “blue books” used for individual project management were generally unavailable for inspection.

58. **Assets and food security.** The design of C/FFA programmes under the CP and PRRO had two broad aims. The first focused on the provision of food to alleviate short-term food insecurity as a result of drought, conflict, lack of paid employment and food available to people in remote locations. The second, particularly during the “minor projects” of the CP 10093 and in the last two years of the PRRO 10676, aimed to build assets that would directly contribute to increasing food security of households over the longer term, e.g. irrigation schemes or under CP 0093 plantation work.

⁵⁴ The level of data consolidation for the CP did not facilitate this type of analysis.

⁵⁵ Annex 13 presents the percentage of households engaged in C/FFA in sampled VDCs for the PRRO.

2.1. Asset Functionality

59. WFP Nepal provided an Excel list of VDCs where work had been undertaken during the CP 10093 and the PRRO 10676. The data for the PRRO appeared, prior to the field to be comprehensive, but the CP data was not complete, e.g. data for Jumla were not available, and for RCIW roads the level of aggregation meant it was difficult to assign food/cash distribution to individual VDCs. At the district level, local partners who were involved in projects up to ten years previously no longer retained records, nor were staff available with detailed knowledge of the projects. Key informants were located in a number of districts and provided important information about asset location. The VDC profile teams used the data from WFP Nepal as a starting point for the assets assessment process. Table 6 indicates the number of assets sampled (from desk analysis), the number found in each VDC and therefore the total number in the district. In some areas, more assets were located in a VDC than were on the WFP datasheet. In some cases, this was because construction of the WFP asset took less time than planned and other work was also undertaken. However, gaps in the monitoring system between partners often engaged only for one year (or even part of a year), and the WFP Nepal food/cash focused “project” recording system is a more likely cause given that in all the five districts more assets were found than were documented.

Table 6: Summary of assets sampled and found in a district based on WFP asset spreadsheet⁵⁶

	Dadeldhura	Jumla	Kalikot	Rolpa	Udayapur	Total
Sample	34	24	13	13	14	98
Found	47	39	18	12	17	133
District	63	89	67	47	82	348
% sample of district total	54.0	27.0	19.4	27.7	17.1	28.2
% found of district total	74.6	43.8	26.9	25.5	20.7	38.2

60. Asset location for larger assets was an issue in that a scheme that may have had two or more stages was identified as separate projects (again as a separate food/cash distribution project), but on the ground these were the same asset, e.g. a school and a school yard (Jumla); multiple inputs into a road scheme (Rolpa); or an irrigation scheme (Udayapur). Equally, at times, assets were misclassified as irrigation when drinking water (Kalikot) or as irrigation when drainage (Jumla), which caused confusion with key informants.

61. The evaluation team visited 99 different physical assets (not including the roads in Dadeldhura) through the asset assessment process.⁵⁷ Table 7 provides a summary of the current situation regarding current level of functionality and flags some

⁵⁶ This is based on the material presented in Annex 14.

⁵⁷ Photographs of a number of the assets are included in Volume 3 VDC profiles.

concerns regarding maintenance. Thirty-three percent of the assets were rated partially functional, including those where there has been a loss of functionality due to damage from landslides or other natural disasters (e.g. Jumla), or where, as in Udayapur, it is possible that inappropriate tree species were planted (cardamom) and have failed to thrive.

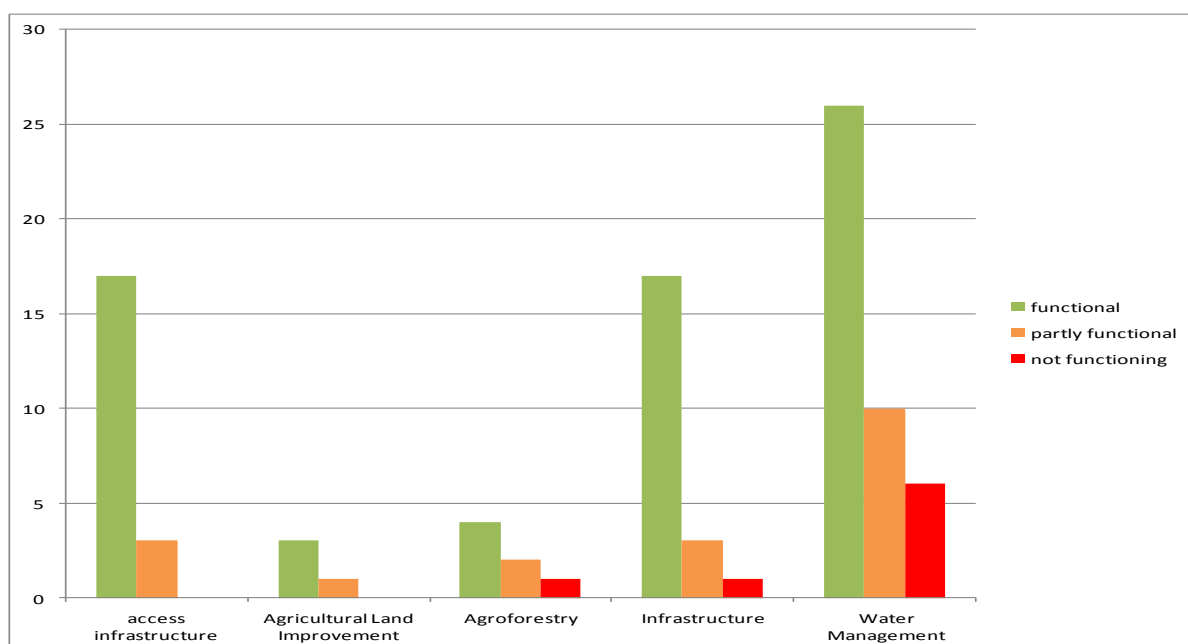
Table 7: Current status of physical assets located and visited⁵⁸

District	Number of assets examined	Fully functional	Partially functional	Not functional	Maintenance issues
Udayapur	10	3	6	1	Road maintenance issues. Household and community organizations maintain irrigation/ponds and plantations.
Rolpa	9	7	2	0	User groups. School management groups assured have support for larger maintenance.
Kalikot	14	8	1	5	Some maintenance beyond local capacity. Local maintenance by landowners and by school management committees or groups (irrigation).
Jumla	27	7	19	1	Damage from floods and landslides causing maintenance problems. Support required for long-term use.
Dadeldhura	39	28	5	6	Beneficiary maintenance. Roads VDC involved. Limited maintenance of assets to date or schemes to maintain in future.
Total	99	53	33	13	
		53.5%	33.3%	13.1%	

62. Table A15.2 in Annex 15 presents an analysis of the assets in relation to the date of construction, and this is followed by further analysis on asset functionality presented in three figures. There are two areas where there are indications of possible differences around functionality. The first is in relation to the type of asset constructed. Figure 3 provides an indication that assets related to agroforestry and water are less likely to be fully functional. This is not totally unexpected given that these type of assets are not totally private, i.e. the households have a direct incentive to management of the asset, nor totally public where the government (at local and/or national) has a clear set of roles and responsibilities. These “group” assets require sometimes sophisticated management processes in place, including addressing issues of funding of the maintenance and issues of user rights, e.g. for forest resources that may be on “state land”.

⁵⁸ Details of the assets are given in Annex 15. The variation in number of assets per district between this table and Table 7 relates to the identification of an “asset” by WFP Nepal that focuses on the food distribution “project” and a physical asset that may have had two or three food distribution “projects” to construct.

Figure 3: Functionality and type of asset



63. The second area where there may be changes in functionality is around the age of the asset. Older assets were constructed under the CP with, from 2008, the PRRO was the main vehicle for asset construction. However, the very different assets created under the two programmes, with the main focus of the CP being rural access assets under the RCIW that are mainly managed by the government at VDC or DDC level, makes a direct comparison inappropriate.

64. It is important to recognize that the asset assessment was taken at one point in time. The status may change over time. Based on the asset assessments FGDs, the evaluation team considers that the functioning of the assets is a combination of local capacity, financing, skills, effective design and formality of hand-over to relevant “legal” community group linked to the wider governance arrangements at the VDC and district level.

65. The difficulty of setting up good operations and maintenance systems was acknowledged through the interviews at the district level as well by the Government of Nepal. Schools have a clear structure for the development of a school management committee, which works with the VDC and the district education department to ensure that schools are resourced and maintained. While this situation is not 100 percent reliable, particularly when schools are not linked to the formal system, there is a clear protocol in place. For roads that appear on a Districts Transport Master Plan, a combination of VDC- and DDC-managed operations and maintenance

(O&M) will be carried out. The new Rural Access Programme⁵⁹ (RAP) indicates that O&M will be a priority over the next five years.⁶⁰

2.2. Change in the Biophysical Environment

66. The evaluation did not take direct measurements of biophysical outcomes, e.g. levels of soil erosion and there are no baselines against which any changes could be measured.⁶¹ Longer-term monitoring of changes, such as in paddy land fertility, are not part of any current monitoring programme. Therefore, the analysis of biophysical change was limited to qualitative assessment through interviews and focus groups as well as photographs and videos from the asset assessment process.

67. The asset assessment showed that biophysical changes are taking place primarily through the provision of irrigation water and work to bring land into production through terracing and the development of plantations. Water is a major limitation on crop production in all five districts. However, in the mountain areas, even with water supply, the limited land available for agriculture along with seasonality restricts the growth of crops. The ability to grow two or three crops per year as water supply increased, or even where small alterations in water availability (e.g. through community ponds) allowed vegetables to be grown by women, was a significant change in all five districts. Focus groups also reported some reduction in erosion from fields possibly due to the increased cultivation.

68. Initial work to plant trees was undertaken under the CP, e.g. in Udayapur. While these plantations have moved from cardamom, with broom grass now into cinnamon and more recently tea, the effect of broom grass was significant in some communities. Planting of bamboo along roadsides in Udayapur has also reduced erosion (so-called “green roads”) while providing a marketable crop for the people managing the sites (community based). The use of mango as a crop along roadsides was less successful.

2.3. Land Productivity Changes

69. **Irrigation and land productivity.** The FGDs around irrigation and water assets highlighted that improved land productivity from irrigation is a constant feature of change in livelihoods – for those with access to land. This can be at the microscale in the production of vegetables, or through the ability to cultivate two or even three crops per year reliably. The ability to continue to obtain these benefits is threatened in a number of situations because of possible poor design such that the

⁵⁹ This programme will be implemented in a number of the districts where the new WFP Nepal country programme will operate.

⁶⁰ The issue of road maintenance is discussed in detail in the Nepal Road Sector Assessment Study (2012). <https://sites.google.com/a/cartierconsult.com/worldbanknepal/downloads>.

⁶¹ For future work, simple tools such as photographic records could enable a better understanding of the changes that have taken place during implementation. This enables people to see the “before” situation clearly with annual updates on progress of plantations, orchards, terraces, etc., that can show gains even during drought years (comparison with non-intervention sites). Enabling local groups to take this type of initiative and document could form part of longer-term monitoring by WFP and/or partners.

irrigation headworks⁶² are prone to damage or where the groups are not set up to be able to maintain complex structures using modern materials. FGDs indicate the following types of productivity gains from irrigation:

- In Harjang VDC, Rolpa District have increased food security from around 6–8 months before asset construction to more than 12 months for some households. In Uwa VDC, Rolpa District food security increased from the previous 3 to the current 6 months.
- In Daha VDC, Kalikot District gains to food security were on average an extra 1–2 months.
- Jumla District – drainage channels now enable one crop to be produced with certainty.

70. The CP 10093 and PRRO 10676 increased the area of improved agricultural land (often through irrigation) of 17,693 ha. If one accepts that landholdings are small in the areas under review, then this amounts to land for around 70,000 households (at around 0.25 ha per household) with beneficiaries therefore of around 400,000 individuals. Landholdings of 0.5 or less are categories as marginal for household food security, but even on smaller land parcels there can be important gains to food security within what are diverse livelihood strategies.

71. **Community ponds.** FGDs, as part of the asset assessment, found that community ponds can provide important benefits from relatively small investment. They do this by increasing water supply for households as well as for cattle/livestock (Dadeldhura) and enabling some small-scale vegetable growing at all sites. Cultivation of fish in Rolpa also brought positive benefits. Design of these systems is critical to ensure that people's expectations in terms of amount of water to be captured and uses for it are met (for instance, in Bhata VDC in Kalikot). In Dadeldhura, large-scale pond construction has fostered terracing and therefore increased production by more than 100 percent. Small ponds and water can support small livestock production, which can provide important livelihood development benefits for functionally landless households, especially if linked with fodder management. No specific livestock schemes were recorded within the WFP database, but at the local level work was undertaken and then taken forward by households. Livestock development was an important element of the European Union Food Facility/Oxfam ⁶³ programme and may provide important asset development strategies for poorer households.

72. **Drinking water.** Asset assessment FGDs and wider interactions at the local level indicated that drinking water assets were highly appreciated at all sites, even where there were some concerns over the siting of assets. The availability of water helps to reduce women's (and children's) workloads, enabling them to turn their attention to other work, including business development linked to savings and credit

⁶² The physical structure that facilitates the water to flow from the water source into the irrigation scheme, i.e. the head of the irrigation scheme.

⁶³ See Annex 16 for a comparison of the European Union Food Facility programme and the WFP C/FFA work.

schemes. In some locations, the drinking water overflow was used for watering of animals as well as some vegetable gardening. However, in Lalu VDC in Kalikot District, the design of the asset is such that water is only available during the rainy season rather than the dry season when it would have been more valuable. In this case, if the women had been consulted around the design, they would have located the site in a different location with a larger water source. Through the WFP programme and other work led by the Government of Nepal, important provision of clean water and sanitation to households is documented at the VDC level, but differences remain between districts. Udayapur now has over 90 percent of the households in two VDCs visited with water and sanitation and 60 percent of households in the third. Jumla has 73 percent of households with clean water, but only 37 percent with sanitation. In Kalikot, 11/30 VDCs have been declared open defecation free.

73. Plantation and forest-related work. Efforts to establish tree plantations has had mixed results. For example, in Udayapur, cardamom production was not successful because the types of species planted were not appropriate for the site condition. Apple production in Jumla has been successful in terms of increasing production of apples, but post-harvest marketing is a problem. The increase in road access has increased the ability to market products in the less remote areas. For instance, in Udayapur fallow-grazing land planted with broom grass (14 ha) increased cash income by around 10,000 Nepalese rupees (NPR) per household (key informant and FGDs as well as video evidence). This allows, if purchasing medium-quality rice at NR50 at village level for a family of 5–6 people, to buy 200 kg of rice, which would be sufficient for three months.

74. Access infrastructure as a catalyst for land productivity gains. The role of access infrastructure in land productivity development is complex and not focused only on direct gains to agricultural land. The Dadeldhura road study (Annex 6) and FGD around asset assessment provided important qualitative evidence for the importance of access infrastructure. These assets can enable the development of livestock, as well as more effective use of non-timber forest products (NTFPs), and so improve livelihoods as market access is improved. The changes in land productivity may be direct and indirect, i.e. through improved access to inputs including technical support, through increased gains to management time (broom grass Udayapur and NTFPs in Jumla) and for marketing of vegetables (Rolpa). Table 8 provides an analysis from the evaluation team synthesis work of how the three categories of households benefit from improved access infrastructure (roads of all categories, trails and bridges) around issues that affect food security.⁶⁴ Access infrastructure provides multiple benefits to households in the short and long term.

⁶⁴ There are a wider range of social-economic-cultural benefits from access infrastructure presented in Annex 17, which lays out a livelihood analysis, for each district, of the way that rural access infrastructure can improve livelihoods generally. This was constructed by the evaluation team during the synthesis work based on the asset assessments, the Dadeldhura road study and FGD evidence.

For people reliant in the mountains on “portering”, there are short-term effects of reduced labour until other services requiring labour are developed. The range of benefits for remote hill and/or mountain areas should not be underestimated and, while WFP C/FFA is only one contributor to road construction programmes, the engagement with RCIW has been (and will continue to be) for a number of districts/VDCs a major gain in connectivity and and for employment opportunities.

Table 8: Examples of the main land productivity gains from improved access infrastructure (based on FGDs in 15 VDCs in all five districts)

Examples	Category 1 (Transient Poor)	Category 2 (Chronically Poor)	Category 3 (Severely Chronically Poor)
Agricultural production (cash crops)	Opportunity for gains due to land ownership and investment capital	Gains where land owned and opportunity for investment	Possible jobs in cash crop production for category 1 and 2 households
Household diversification	Cash crops, livestock	Diversification, e.g. poultry, vegetables, forest	Non-improved chickens and goats (managed by women mainly)
Livestock development	Buffalo development	Buffalo development Pigs/goats	Pigs/goats (small stock)
Gains from community and leasehold forestry	Lower levels of engagement in many locations.	Private and community user group forestry	Ability to gain from community forestry and therefore NTFP production and sale
Use of labour-saving devices	Diesel grinding machinery (women work at home)	Diesel grinding machinery (women work at home)	
Availability of food/cost of food of purchase⁶⁵	Gains in food availability, but balanced against possible reduction in price for crops unless wider markets	Gains in food availability, but balanced against possible reduction in price for crops unless wider markets	Limited production gains, so likely to see net benefits from cheaper food in markets
Mechanization	Like to be able to invest	Limited investment	
Requirements to support main productivity gains	Investment capital required. Gain from reduction in raw materials.	Investment capital required. Gain from reduction in raw materials.	Jobs may become available related to increased development interventions and investments

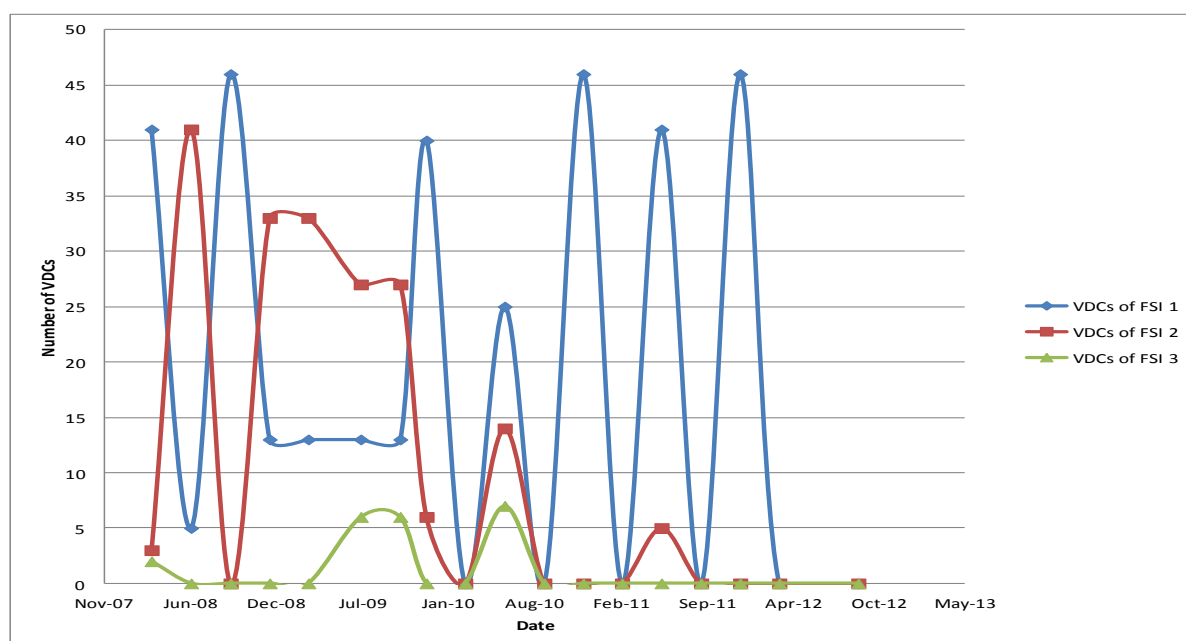
2.4. Effects on Food Security and Livelihoods

75. **Production volatility and livelihoods.** Two specific issues affect the way impact due to changes in agricultural production are documented and understood. The first issue is the volatility of agricultural production in Nepal due to the high dependence on monsoon rainfall and related weather, and the second is the benefits to different categories of households who may have different levels of access to land assets.

⁶⁵ The net gains to different categories of increased food supply will partly depend on whether the household is a net producer or net consumer. This was not studied in this evaluation.

76. **Volatility of food security at VDC and district levels.** The work of WFP Nepal on food security monitoring documents the high variability of food security at the VDC level within districts. This variability can be seasonal, long term or triggered by crisis such as drought. The data from the Nepal Food Security Monitoring System (NeKSAP) has been extracted for all five districts⁶⁶ with Dadeldhura presented in Figure 4, which covers the period February 2008 when data were collected in this format through April 2012. The volatility of the average food security within a district can be seen with VDCs moving rapidly in and out of food security. The Food Security Index (FSI) classification relates to the NeKSAP (WFP Nepal and Government of Nepal) food security monitoring with FSI1 being good, FSI2 some difficulties, and FSI 3 food-insecure. Note that the current approach does not directly document the *intra-VDC* food security status.

Figure 4: Food security variability: Dadeldhura District



77. Given the volatility of the food security situation in the districts, the final PRRO survey did find a number of positive effects from the programme compared with non-programme areas (Table 9).

⁶⁶ See Annex 18.

Table 9: PRRO final survey findings (2010)

	Programme households (%)	Non-programme households (%)	Difference %
Improved food consumption score	45	43	2
Reduced severity of food shortage⁶⁷	39	10	29
Acute malnutrition rate⁶⁸	13	17	-4
Improved employment⁶⁹	25	15	10
Increased income	36	15	21
Improved living conditions	36	14	22
Reduced outmigration	35	13	22

78. **Asset class and impacts.** The asset assessment work and FGDs in the VDCs highlighted that the asset class affects the level of short- and long-term impacts depending on the household category. The gains in the short term, i.e. from the C/FFA distribution often relate to those that are willing and able to work for the “rations” that are provided by WFP Nepal. These “rations” are carefully constructed to provide a level of support that would not be attractive to people who were not in need. FGDs with socially excluded groups indicate that people who are reliant on daily labour benefit from construction work. However, in many cases, these same households are not automatically beneficiaries from the assets (Dadeldhura) unless they are specifically targeted (Rolpa and Jumla). Where an asset benefits households directly, such as irrigation, then beneficiary households are more likely to participate in the construction.

79. There was general consensus in the evaluation team during the fieldwork synthesis that the public assets (roads, trails, bridges, river embankment flood protection) and schools were usable by all members of the community and provided benefits – not always equally but at least in a fair way. The Dadeldhura roads’ study highlighted this. The work of the International Fund for Agricultural Development (IFAD) on markets for the rural poor⁷⁰ also highlights that benefits of new roads accrue mainly to landowners and not to the very poor, but the public nature of roads benefits all members of the community even if they do not gain as much as the rich. In addition, issues of the type of transport, timing and pricing may determine whether roads are “de facto accessible to the poor”.

⁶⁷ “Less severe” in 2010 than 2009.

⁶⁸ Rates of global acute malnutrition (mid-upper arm circumference of <12.5 cm.) in 2010.

⁶⁹ Employment, income, living conditions and migration reported by survey respondents as having improved in 2010 as compared with 2009.

⁷⁰ Chapter 5 in IFAD’s *Rural Poverty Report 2001*; available at <http://www.ifad.org/poverty/>; page 166.

80. Table 10 provides a synthesized summary of the level of impact that a specific asset class has on the different household categories.⁷¹ Short-term impacts are primarily gained by the category 3 households, as it provides work during a time of great stress when little else is available (other than migration). For longer-term impacts around the main asset classes there are, based on synthesis of the FGDs at VDC level, differential gains over the longer term (3–10 year period). Impacts, even for the category 1 and 2 households are likely to be increased when access to investment finance is available for the household to enable them to capitalize on new markets. Key informant interviews in Rolpa District town, Liwang, suggested that opportunity to invest may be linked to the increased availability of capital from longer-term higher-value remittances. Investment from remittances in business and/or buildings where land is in short supply (as in Liwang) is leading to high land prices (300,000 NPR per square foot, approximately US\$3,000) as well as the development of livestock enterprises.

Table 10: Asset class and impacts (summary of asset FGDs)

	Category 1 Transient Poor	Category 2 Chronic Poor	Category 3 Severely Chronic Poor
Short-term impacts from the C/FFA food distribution			
	Low	Medium	High
Long-term impacts from assets			
Schools and community infrastructure	High	High	High
Access infrastructure	High	High/Medium	Mixed
Community ponds	Medium	Medium	High
Drinking water	High	High	High/ Medium ⁷²
Plantations	High	High	Low
Agriculture	High	Medium	High / Low ⁷³
Irrigation and drainage	High	Medium	Low

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

81. **Migration.** Key informants in the donor community and within the evaluation team highlight that currently in rural Nepal around one in four households have at least one person who has migrated (short or long term). The FGD at the VDC level indicated that the provision of routine C/FFA operations helped to create work during the “off season”, which restricted migration – especially during the CP engagement with RCIW when the availability of multi-year finance increased the predictability of C/FFA work. However, as the C/FFA schemes are not predictable, migration is once more increasing leaving women working at the local level. While in

⁷¹ This table was compiled during the field team “in week” and is based on the review of the FGD, key informants (video) and informal discussions held in the 15 VDCs around the 99 assets visited directly. The access assets analysis was also informed by the Dadeldhura roads’ study. Photographs are given in the VDC profiles (including the roads’ study), which forms Annex 6. Work on preparing a video presentation is also proposed.

⁷² For the category 3 households, the rating as high/medium is designed to reflect that individual schemes have a high impact, but because there are issues of access for a number of category 3 households (e.g. Dalits), the overall impact may be reduced. Where targeting is undertaken then impact can be high, but social exclusion may reduce the aggregate impact.

⁷³ Depends on whether category 3 households were explicitly targeted.

some areas an increase in cash crops can reduce migration, the true impacts of migration at the local level are still relatively unknown. Whether migration is a rational short- and long-term livelihood strategy was not possible to ascertain from this study, but the persistence of both seasonal migration within Nepal and to India alongside longer-term migration to the Gulf and/or Malaysia suggests that it is playing an important part in livelihood strategies.

82. Non-economic benefits. The asset assessment FGDs highlighted that asset creation during the conflict period also provided important non-economic benefits. The creation of schools helped to rebuild communities that had been at the centre of conflict (Rolpa). In addition, the fear that local people have around drought (due to variability of the monsoon) can be partially abated by the provision of irrigation (small or large). Provision of drinking water near houses decreases women's labour directly, but also enables them to improve the quality of their life and engage in other activities, including work related to wider socio-economic development.

83. Some FFA participants may have incurred some opportunity costs (i.e. activities replaced by working on the assets). The consensus from the FGDs was that, for poorer (category 3) households that relied on wage labour, WFP work did not displace other work opportunities. Less poor (category 1) households faced some opportunity costs, but will only have participated if the benefits to them outweighed the costs. In general, while the opportunity cost of labour will not have been zero, it is reasonable to assume a minimal opportunity cost during the off-season and in a situation of dire food insecurity. The VDC profile work has shown that the majority of work was in the 2–4 month period of the off-season, and this was confirmed by key informants within WFP Nepal as well as partners. Indeed the opportunity cost to participants is not the major issue, as participation is predicated on need with ration sizes limited to support targeting.

2.5. Distribution of Impacts

84. Analysis of the PRRO data.⁷⁴ The final PRRO questionnaire asked respondents to self-classify themselves as “above average, average, poor or very poor compared with others in this VDC”. This variable can be used to explore the distributional impacts of the programme, at least among the lower three categories.⁷⁵ The distribution of wealth categories is similar in the programme and non-programme samples. There was a slightly higher percentage of Dalit households in the programme sample (23 percent) compared with the non-programme sample (17 percent). The analysis of the PRRO data shows that:

- The chances of finding employment in the area compared with 12 months ago was positively correlated with the household wealth ranking (e.g. “average”

⁷⁴ More detailed presentation in Annex 11.

⁷⁵ A very small percentage of households (less than 2 percent) classified themselves as “above average”.

and “above average” households reported more improved chances than the “poor” or “very poor”).

- Total household income compared with 12 months ago was positively correlated with the household wealth ranking.
- Living conditions compared with 12 months ago was positively correlated with household wealth ranking.
- The number of household members currently working outside the district was positively correlated with the household wealth ranking.
- The extent to which households were, despite the WFP assistance, still heavily affected by rising food prices is inversely related to the household wealth ranking (e.g. more of the “very poor” were still heavily affected).
- Self-sufficiency of food production was positively correlated with household wealth ranking.
- Recovery from shocks was weakly correlated with household wealth ranking. A slightly higher percentage of very poor households had “not recovered at all” and a slightly higher percentage of average households had “completely recovered”.

85. **Targeting asset construction to the poorest.** There are specific examples, e.g. Rolpa and Kalikot, where schemes were explicitly targeted to Dalit communities to improve their livelihoods. Without this and where landholdings are highly unequal, the benefits of asset creation around agricultural landholdings can be limited to those households in categories 1 or 2. The short duration and discontinuous nature of work under PRRO reduced the possibility of undertaking work on forest land (as in CP 10693), and yet from wider work the gains to livelihoods can be significant for the poor and functionally landless from work in this area (community forestry or leasehold forestry).

86. **Restrictions on the complexity of asset creation.** The capacity of the local community to build and maintain more complex infrastructure without trained technicians constrains the types of assets that can be created. FGDs indicated that the level of competency required is beyond the local people (unless upgrading existing systems) and the materials required (concrete, gabions) as well as the skills to build carefully contoured irrigation runs. Furthermore, a lack of funding for non-local materials, e.g. concrete, plastic pipes, basic equipment and some skilled labour, can restrict the type of asset that can be created. Similarly, the lack of any guarantee of support beyond a single year can lead to schemes being unfinished (Udayapur and Jumla) or schemes that are not viable in the longer term (Kalikot).

2.6. Women and Girls and C/FFA

87. Within Nepal, around one in four households now have a male member engaged in long- and short-term migration. This level of migration has increased the level of participation by women in WFP programmes, despite some evidence that migration was reduced when there was reliable work available. Involvement in

C/FFA work brought increased opportunity for women to work and to earn food or money. This has enhanced their confidence in handling money, fund management, engaging in group decision-making and voicing their concerns. Examples of women's direct engagement in selection of assets includes the following examples:

- **Selection of assets.** In Jumla, the participation of women in decision making to choose trail improvement during asset selection shows that the programme gave good opportunities to women to influence decision-making. Decisions about trail improvement mostly came from women, as the previous trails were dangerous when going for fodder and fuelwood or herding animals.
- **Places for small children at work sites.** Women reported taking their small children to the work site. In some situations, arrangements were made for child care within the group on-site or nearby. If this was not possible, then another family member would need to come to the site to look after the child or children, thus increasing the opportunity cost for the family.
- **Arrangements for pregnant/lactating women.** In some VDCs, pregnant women were reported to have been given light work to do, e.g. bringing water to workers and lactating women were given time off to breastfeed.
- **Timing of C/FFA work.** Women expressed that there is no workload issue due to the timing of the FFA (in the agricultural off-season) and they would like to do more of this type of work in the future. This is important if men continue to migrate for employment or move seasonally with livestock herds to remote mountain districts.
- **Role of complementary programmes.** In Rolpa, the non-formal education programme managed by GIZ led to increased women's empowerment and awareness. Women are able to sign forms rather than use thumbprints and are able to engage in the decision-making processes around assets. Women are benefiting from asset construction and are now rearing their own goats for income generation.
- WFP Nepal has a strong requirement for the engagement of women in C/FFA activities in terms of planning through the user committee and in implementation, and this can help validate the importance of women's engagement more broadly. WFP Nepal would normally expect to see around 50 percent of women involved in user committees as well as in the C/FFA activities.
- **Women's participation in planning and implementing the work programmes.** FGDs indicated that women participated extensively in the asset creation work and were involved in the user committees. However, women's representation in the user committees varied across the VDCs studied, as shown in Table 11. This makes no reference to the level of actual participation in the proceedings of the user committees, but as indicated, women were involved in some locations in the design of the assets. Fifty percent of the assets were designed with the involvement of women, including the asset siting, but the remaining 50 percent of women's involvement was extremely limited. In some cases, the selection of the site for the water facility was inappropriate and resulted in water that was not sufficient for the requirements. Women reported that had they been involved

in the decision as to where to place the facility, a better site would have been identified.

Table 11: Level of women’s participation in user committees

District	% of women
Udayapur	51
Rolpa	42
Dadeldhura	40
Kalikot	27

88. Linkages with investment programmes. The asset assessment FGDs indicated that in order to take full advantage of a new asset further investment by beneficiaries/users may be required, e.g. new seed varieties for use in irrigated agriculture. This is irrespective of gender, but promoting local savings/credit schemes for women can make a valuable contribution to livelihoods. Cooperatives (Rolpa and Udayapur) can provide important institutional inputs for men and women. This can help with social mobilization more generally and enable access to finance for investment.

89. Benefits for different households. The PRRO baseline survey indicated that around 10 percent of programme households were categorized as households headed by women, while in the final PRRO survey this was around 13 percent. The percentage of male and female-headed households is similar in the programme and non-programme samples. Analysis of the final survey data shows that:

- the gender of the household head made little difference to the extent to which the household had recovered from shocks;
- a higher percentage of households headed by men reported increased household income compared with 12 months ago;
- a higher percentage of households headed by men reported improved living conditions compared with 12 months ago; and
- self-sufficiency of food production was weakly correlated with the gender of the household head. Households headed by women were slightly less self-sufficient.

90. Road construction work (especially on larger or long roads) is often located some distance away from women’s homes. Key informants at district and project level indicated that problems then accessing C/FFA activities included:

- Conditions in the worker “camps” for those not able to return to their houses at night poses problems around security for women (single or married); sanitation; nutritional status for pregnant and lactating women (often given less strenuous jobs). Delays in food/cash supplies can contribute to problems.
- Attending to the care of young children when working away from home – especially if the household is short of labour. Rarely have child-care facilities been provided.

- Intra-household effects, when women are away from home for long periods or where men have migrated, the C/FFA may reduce the ability to engage in other activities as women are required to undertake more agricultural work when the household has land. However, for poorer women without land, who are reliant on daily labour, this is then combined with increased household responsibilities.

91. **Food/cash and gender issues.** The issue of food/cash and the respective balance is seen by communities and key informants (including from CP/RCIW programme) as a highly gender-sensitive issue. Focus groups reported strongly that the provision of food is generally better as it provides direct benefits for women and children. All the asset focus groups reported that food rather than cash was the preferred modality because food was more likely to be used within the household, to benefit women and children in particular. However, in the district where cash was the norm, the practice to provide the cash payments directly to women was a means of helping to ensure that cash also benefited women and children. In Dadeldhura, where cash was given, women were happy with cash when it was given directly to them. They were more confident in handling cash and budgeting. Where food is stated as a preference, it is important to remember that when most of the C/FFA work under review was carried out food was, in general, in short supply because of drought, access and conflict. The provision of food directly to households, therefore, would have been of great importance. Understanding the intra-household drivers around cash/food did not form part of the evaluation and would require a sensitive study to draw out the complexities of these issues. This could be an important issue if migration continues to form such an extensive livelihood strategy (one in four households have at least one family member who has migrated).

92. Evidence from the work of Oxfam for the European Union Food Facility indicates that use of a mixed approach is helpful, including forms of voucher/coupon schemes where local food supply is not too problematic and access for traders is possible. The data do not show whether there are significant differences in assets constructed through cash or food distribution, although there is evidence from the VDCs that migration by men was lower during periods of C/FFA (as well as other programmes providing day labour).

2.7. Household or Community-Resilience Effects

93. Under both the CP and the PRRO, the initial work was focused on the contribution assets would make to food security. The issue of the effect of these assets on the resilience⁷⁶ of communities is an important one given the way that a range of hazards are both seen as a “normal” part of life in a country dependent on monsoon rainfall, where earthquakes and resultant effects are common, and where

⁷⁶ Where resilience is defined in the TORs for the evaluation as “the ability of a system, community or society exposed to hazards to resist, absorb, accommodate to and recover from the effects of a hazard in a timely and efficient manner, including through the preservation of its essential basic structures and functions.”

the current predictions for disruption from climate change are high.⁷⁷ For WFP Nepal, the critical issue is the “intensity” of the work within a particular VDC or district. In one district (Rolpa), the district officials indicated that each year there was flooding and landslides across the district. Some years this leads to loss of life (2012). In addition, Rolpa indicated that the unpredictability of the rainfall was a problem. General ongoing smaller or routine incidents occur in all districts, but four districts reported the specific events (see Table 12).

Table 12: Reported resilience issues

Event	District	Last Occasion	Duration	Impact	WFP assets reduce impact
Drought	Dadeldhura	2011	8 months	Productivity	A little
Drought	Jumla	Severe dry winter 2006		Damage to winter crops	Irrigation canals created under FFA reduced impact to some extent
Drought	Kalikot	2008	5–6 months	Food insecurity	Not directly
Drought	Udayapur	2008, 2010, 2012	More than 65 days	Food/seed scarcity	Food insecurity reduced, seed demand fulfilled partially
Flood	Jumla	Almost every year	Rainy season	Flooding areas along the gullies and rivers and consequential damage to property, crop, human lives and livestock	Stone embankments reduced flooding and damage. But embankments swept away and damaged, e.g. along Gai Bagar Khola of Chaur settlement of Chhumchaur VDC
Flood	Kalikot	2006/2009	June/July	Human casualties and farm land destroyed	None
Flood	Udayapur	Mostly in each year (but big in 2002 and 2009)	During rainy season	River-side cutting, crop, livestock even houses and human life in threat	River bank protection work supported by WFP has reduced flooding in those area where the activity implemented by DSCO
Hailstorm	Jumla	Irregularly		Damage to agricultural crops, especially paddy	Construction of drainage channels in waterlogged fields in Chhumchaur. Work helped to diversify agricultural crops from paddy to barley, wheat, potato and buckwheat.
Hailstorm	Udayapur	2003 in the hill area of the district	big (one day)	Maize destroyed, no seed for replanting	Reduced food insecurity, but seed not supplied by WFP. Community people purchased seed from market.

⁷⁷ See Nepal National Adaptation Programme of Action, September 2010, Government of Nepal, Ministry of Environment <http://unfccc.int/resource/docs/napa/npl01.pdf> (note: 26 MB file).

94. **Building resilience in rural communities.** Throughout Nepal there is evidence that even with the construction of roads⁷⁸ the current approach to the development of infrastructure means that the gains that could be achieved are limited. However, FGDs indicated that households gained an increase in production in a good year, which when combined with the increased probability of a crop (e.g. drainage channels in Jumla) does contribute to households retaining their own assets even in bad years. There is an increased diversity of crops grown and marketed, including fruit and vegetables, NTFPs and other local products. However, as seen in Jumla, the lack of processing facilities for perishable products such as apples still limits the contribution that the increased diversification could bring to general household resilience.

95. **Use of appropriate government codes for construction standards.** The construction of infrastructure, such as schools, were supposed to be built to government codes (DOLIDAR), including, where appropriate, a degree of “earthquake proof”. However, there are a few examples (Jumla) where the design of local schools was poor, with the site not being well selected leading to cracking or landslides. However, in other locations (Rolpa) well-built schools are clearly a source of local pride and are well used.

96. **Assets, resilience and livelihoods.** During the evaluation synthesis week, a review of the FGD evidence indicates that the following assets are likely to increase resilience:

- Irrigation, water and ponds to support agricultural production and diversification of production (even at small scale with household vegetable plots).
- Access infrastructure (roads, trails and bridges), which facilitate access to markets and the ability to move in emergencies or for work. Linked with the spread of mobile phones means that more remote villagers can phone for inputs for agriculture to be delivered (Udayapur).
- Diversification of agriculture, e.g. greenhouses in Jumla.⁷⁹

97. The final PRRO survey⁸⁰ found a number of slight but positive effects from the programme when comparing programme and non-programme households. This information is given in Table 13.

⁷⁸ WFP Nepal (2010). *More Than Roads. Using Markets to Feed the Hungry in Nepal.*

⁷⁹ The greenhouses seen in Jumla had not been established through WFP engagement and therefore do not appear in the asset assessment.

⁸⁰PRRO 10676 EPR.

Table 13: Programme and non-programme gains from final PRRO survey

	Programme	Non-programme
Coping strategy index score ⁸¹	12.7	16.22
Reduced use of credit to purchase food	65%	58%
Reduced use of credit to purchase food (of which Very Poor respondents) ⁸²	72%	68%
Reduced outmigration ⁸³ compared with 35% baseline	42%	30%
Reduced outmigration during widespread drought (2009)	60%	57%

98. There are differences in the way the PRRO end-of-project report (EPR) addresses issues of recovery from shock. In the EPR, it is reported that *“Improved recovery from shocks to food security with those completely recovered being (in percent) 8/6, partially recovered 64/60 and not recovered 26/32 programme/non-programme. This is not differentiated for the type of shocks that households may have had to their food security over the previous year.”*⁸⁴ However, an analysis of the PRRO data by the evaluation team found only a slightly improved household recovery from shocks among programme households compared with non-programme households and a small improvement in the percentage with some recovery compared with the baseline situation, as shown in Table 14.

Table 14: Household recovery from shocks

	Not recovered at all (%)	Partially recovered (%)	Completely recovered (%)	Total (%)
Beneficiary	27.0	65.5	7.5	100
Non-programme	33.4	60.7	5.8	100
Baseline	35.7	42.7	10.5	100

99. **Resilience, schools and places for capacity development.** In VDCs and wards where there are limited community facilities, FGD reported that the construction, through the C/FFA programme of schools, has a positive effect on the development of capacity within communities. The school facilities provide a focal point where training and meetings can be held. Improving capacity and skills can be critical to improving resilience. In a post-conflict situation, the ability to spread knowledge about “explosive remnants of war” also helped to reduce risk to people and livestock (Rolpa).

100. **Environmental impact and resilience – importance of design.** During the asset assessment at the VDC level and with key stakeholders, there was limited attention paid to the issue of environmental impact of the work that has been undertaken. While small-scale infrastructure is often limited in terms of environment impact, certainly roads and water-based infrastructure can have significant up- and down-stream effects. WFP Nepal has recognized this as an issue

⁸¹ EPR, Table 6, page 10. A reduced coping strategy index score indicates a better ability to cope with stress/shock.

⁸² EPR, page 10.

⁸³ EPR, page 10.

⁸⁴ EPR, page 14.

which along with construction designs that could have been extremely dangerous to users could pose a reputational risk to WFP Nepal. WFP Nepal contracted an engineering company, Scott Wilson, in 2009, to examine more closely the quality of design and possible environmental effects, particularly of road construction. The difference, in terms of measurable impact of this engagement has yet to be documented in detail, but it is likely, given the limited capacity of a number of cooperating partners in relation to engineering designing and even light environmental impact assessment procedures, that this may well increase the construction of “maintainable” assets. The latter is a key point made by a donor partner given that attention on operations and maintenance, including budget lines, is often limited in many construction projects. Currently, the focus on small-scale assets may minimize the issue that poorly designed, poorly constructed and poorly maintained assets do not contribute to long-term resilience – and may even reduce resilience by creating additional risks, e.g. through provision of polluted water from mixed use irrigation/drinking water schemes.

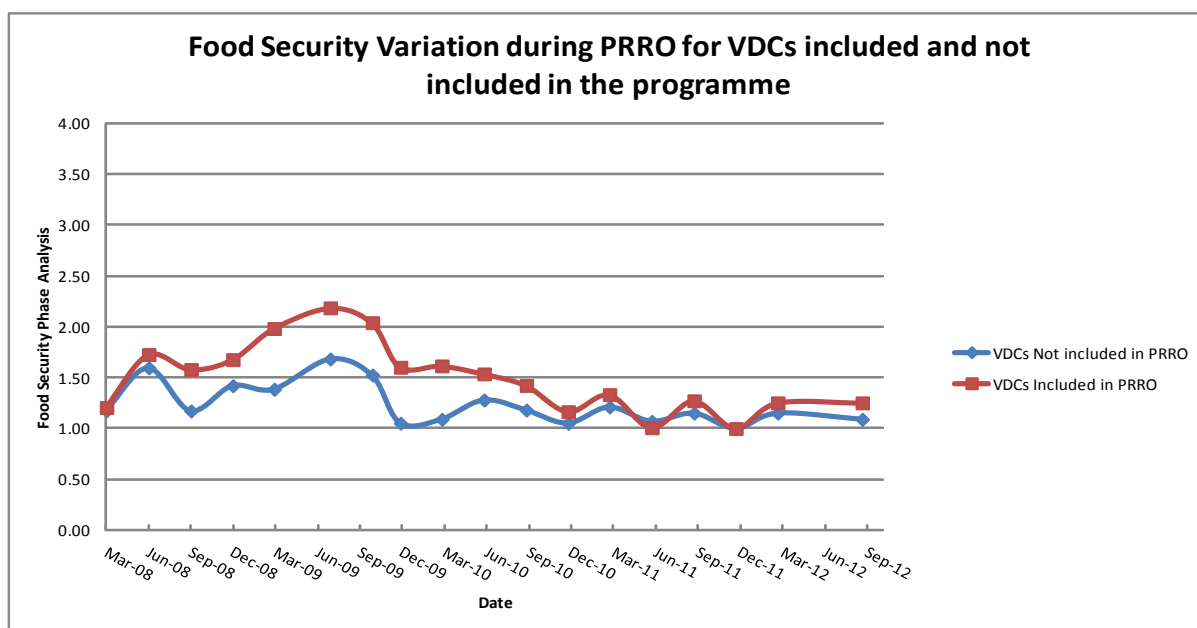
2.8. Spill-over Effects

101. **Demonstration plots.** Within the WFP Nepal C/FFA programme, there was very little construction of “demonstration” plots with the primary purpose of providing sites where households (and communities) could see benefits and decide to make their own investment in similar assets. There is, however, evidence that community ponds (Jumla) and “broom grass/banana” (Udayapur) have led to wider investment. In the latter case, there was support from a local NGO to cultivate cinnamon. This mirrors evidence from a WFP impact case study in Makwanapur, where positive results led to wider “take up”, provided that additional investment finance (from various sources) is available.

102. **Food security in PRRO and non-PRRO districts.** The variance in the level of food security between VDCs involved in the PRRO and non-PRRO districts (all) is shown in Figure 5. The PRRO districts are generally lower in food security than those not included (as expected). The trend is indicative that there are some gains in those VDCs within the PRRO, but given the high variability within a district this “average” may obscure significant variations.

103. Operations and maintenance has been flagged extensively in the FGDs as a critical issue, particularly for larger assets that move beyond the capacity of local people (or households) to maintain because of the specialized skills or the requirements for non-local materials. Engineers working for CP/RCIW-linked programmes indicated that there is an issue of designing and constructing assets with the O&M firmly in mind from the beginning. This then enables assets to be constructed that are of “maintainable quality”. While engineers talk about this for “hard assets”, the same logic may be applied to “soft assets”.

Figure 5: Food security variation during PRRO for VDCs



2.9. Operations and Maintenance

104. **Formal “hand-over” for management.** During the asset assessment, the evaluation team became aware that in a number of situations there was no “formal hand-over” of the asset to the user group (possibly reconstituted as a management group) or to the local authorities. Within the context of Nepal, there is a need for the asset user group that was involved in construction to be “reformed” and legally constituted as an Asset Management Group. Having a legal status can enable the group to link quickly to DDC/VDC planning processes as well as to demand support from the relevant line agencies at the district level, e.g. District Agricultural Office. For larger assets, such as schools, forming a school management committee in line with the Department of Education practices enables teachers to be assigned and appropriate support for longer-term maintenance that may be beyond the local community. Roads that form part of the District Transport Master Plan ultimately create a “liability” for the district to set up relevant O&M arrangements. While this is still a weak link at the local level, the systems and processes are in place, and increased Government of Nepal programmes (funded by donor partners) may increase the attention to this matter and create opportunities for local wage labour.

105. **Private/mixed assets.** The asset assessment showed that an area of concern is the long-term asset maintenance around irrigation schemes. Larger and more complex schemes are often beyond the ability of local communities to operate and maintain, especially as no scheme has formal “payment for water”, even though there are traditional practices around food donation to support local maintenance practices. For larger schemes requiring the purchase of non-local materials or skilled labour for repairs, such as concrete canals, traditional food-based systems may not

generate sufficient revenue for purchase. Application to the VDC and DDC for support is then the next option – but this can be time consuming and seasons may be lost operating with either failed or failing systems.

106. The evidence from the asset assessment reinforces the learning from previous evaluations around O&M. Both the PLIC Evaluation 2007⁸⁵ and the Norwegian Evaluation of 2007⁸⁶ indicated that there were institutional weaknesses and a shortage of O&M funds.⁸⁷

3. How Does FFA Create Impact?

3.1. The Role of External Contextual Factors

Food Security Indicators in Nepal

107. The issue of food security, hunger and nutrition are highly linked. However, the approaches to dealing with these issues may not always be “joined up”, especially where nutrition issues are seen as “delinked” from the development of food security. The latter may require attention to structural issues, which may be highly political, such as land tenure.⁸⁸ The resolution of issues of long-term food insecurity (structural) will be linked to issues of land tenure arrangements (especially for the functionally landless), economic opportunities and women’s empowerment.⁸⁹ These issues are often politically and culturally sensitive, and the current situation with respect to the elections to the Constituent Assembly and a lack of local government (district and VDC) are constraints to resolving the problem of food insecurity.

108. Nepal’s Global Hunger Index of 2012⁹⁰ showed a steady reduction from 26.9 in 1990 to 20.3 in 2012. However, a sub-regional analysis by WFP showed high variability and sub-regional scores of close to or above 30.⁹¹ The WFP analysis indicates that there are “*substantive differences in food insecurity from one area to the next. Poverty, economic activity, agricultural productivity, access to basic services like health facilities and food markets all play a role.*” Furthermore, the differences that may also occur within areas may be linked to past and current discrimination as well as economic opportunities for the current level of educational and skills.

⁸⁵ Narma Consultancy P. Ltd (2007). Protecting Livelihoods in Crisis. End of Programme Evaluation. WFP and Concern World Wide Nepal.

⁸⁶ Bauck, Petter *et al* (2007). End Review of Support to the Country Programme of World Food Programme (WFP) in Nepal and Supplementary Activities. NORAD.

⁸⁷ Similarly, evaluations in relation to IFAD programmes that undertake extensive small-scale rural infrastructure indicate that: *The notion that modern small-scale irrigation schemes can be designed and constructed using specialist skills, equipment and materials, then handed over to farmers with no post-construction support or back-stopping, is unrealistic and unworkable.* Extract from IFAD Interim Evaluation of the Special Country Programme, Phase II, Ethiopia (2005).

⁸⁸ See, for instance, recent information from the Hunger and Nutrition Index, which rates Nepal as number three for nutrition commitment, but ranks only 34th (out of 45 countries) for hunger reduction commitment. See <http://www.hancindex.org/>.

⁸⁹ Magnus Hatlebackk (2012). *Malnutrition in South-Asia. Poverty, diet or lack of female empowerment.* CMI Working Paper WP2012:4.

⁹⁰ See <http://www.ifpri.org/publication/2012-global-hunger-index>.

⁹¹ WFP Nepal (2009). *A sub-regional hunger index for Nepal.* NeKSAP.

Priority Areas for Food Security in Nepal

109. WFP Nepal itself recognizes that there are four key priority areas to achieving enduring food security in Nepal:⁹²

- *Agricultural production, trade and marketing*: to address Nepal's low level of agricultural production, weak market functioning and opportunities for enhanced two way trade flows – with a particular focus on remote hill and mountain market systems.
- *Economic development*: to address poor levels of economic growth, high rates of domestic unemployment/underemployment, high levels of unskilled labour migration, and increasing economic disparity.
- *Safety nets*: to address the prevailing food insecurity experienced by the poorest households, and by other households in the face of short-term food shocks (i.e. natural disaster, sudden loss of income, food price shocks, etc.)
- *Nutrition*: to address Nepal's chronic malnutrition rates, which are among the highest in the world.

Implementation Context

110. The CP 10093 and the PRRO 10676 were implemented during the conflict and following the 2006 Comprehensive Peace Agreement. The conflict posed challenges for a number of humanitarian and development projects that operated during this time. The current political challenges in Nepal are also recognized, including the lack of elected local government. During the period 2002–2010 and beyond, the rise of both internal and external migration (long and short term) as a coping strategy has increased. Opinion, even at the local level, is highly divided on whether migration is a gain to the household/community or whether it poses challenges. Certainly, the increased “feminization of agriculture” is a result. However, households headed by women whose male relatives have migrated and taken up well remunerated jobs may not be financially poor, but may face other constraints in terms of engaging in day-to-day livelihoods.

111. During 2002–2010, Nepal also joined the World Trade Organization (WTO), which has implications for the import/export of food commodities as well as the supply of agricultural inputs. Other issues that affected the implementation of programmes include:

- *banda*, or strikes, which restrict movement of goods as well as close offices;
- power shortages – restricting operations in offices unless backed by generators;
- lack of access to remote areas, including District Headquarters, increases costs and time for operations, including supervision;

⁹² Page 18, NeKSAP. The Cost of Coping. A Collision of Crises and the Impact of Sustained Food Security Deterioration in Nepal.

- political instability – reducing the ability to plan for the longer term within different levels of government; and
- need to negotiate access for work in a transparent manner.

112. The level of investment and coverage of Nepal’s safety-net programmes – which include food/cash for work and similar programmes – has increased substantially in recent years and is higher than in other countries in the region. This is matched by a myriad of development programmes, many of which expect implementation to be via local community groups. One donor key informant indicated that an internal study suggested that there may be over 100 user groups (short and long term) per VDC, which presents a time burden on people – especially when they are put in place by donor-financed projects and have no mechanisms for continuation post project.

Global Food Crisis – Other Responses

113. During the Global Food Crisis in 2007 and 2008, where price volatility of food and agricultural inputs caused a significant problem in Nepal,⁹³ WFP was not the only agency operating to reduce the impact of the global crisis on the poor in Nepal. The European Union Food Facility undertook a programme in Nepal, which was implemented by Oxfam and others. This programme, while small, had a wider range of modalities beyond C/FFA type activities.⁹⁴ The implementation of the European Union Food Facility raises a number of questions in relation to delivery systems that reinforce broader efforts to improve food production and hence security, including an increase in fostering local purchase of staples. The overall evaluation of the European Union Food Facility recognized that long-term sustainability *“will depend on whether national governments, the EU or other donors will continue to support beneficiaries in order to consolidate the achievements made. The two-year time span of many of the medium-term projects was too short to guarantee lasting results. Cash/food for work schemes did not require sustainability, but even though the immediate crisis is over, much remains to be done to achieve lasting food security.”*⁹⁵

3.2. The Role of Internal Implementation Factors

114. **Context for operations.** The context for WFP operations in Nepal has changed substantially over the period 2002–2010 and beyond now to 2013. The 2010 country portfolio evaluation concluded that WFP Nepal was closely aligned with national/sub-national policies from 2002–2006; reasonably well aligned until 2009; but that alignment with government priorities began to decline in 2009. This evaluation would concur with that assessment. In addition, the changes in aid modality in Nepal would suggest that a focus on short-term food security interventions, while highly appreciated by government and donors in the past, is no

⁹³ See NeKSAP. The Cost of Coping. A Collision of Crises and the Impact of Sustained Food Security Deterioration in Nepal.

⁹⁴ A comparison of the main modalities is provided in Annex 16.

⁹⁵ European Union Food Facility Final Evaluation, August 2012. Page 5.

longer consistent with the government’s need to address the underlying structural causes of chronic food insecurity.

Selection of Asset and Impact on Different Households

115. The two programmes had a difference in emphasis in relation to the types of assets created. The three categories of household used in this evaluation benefit from the assets in different ways. Table 15 highlights the varying impacts that the choice of asset in the two programmes have on the different categories of household.

Table 15: Asset emphasis in WFP projects relative to their contribution to chronic and severely chronic poor

CP emphasis	PRRO emphasis	Type of asset	Category 1 Transient Poor	Category 2 Chronic Poor	Category 3 Severely Chronic Poor
Low	High	Schools and community infrastructure	High	High	High
Medium	High	Access infrastructure	High	High/Medium	Mixed
Low	Medium	Community ponds	Low	Medium	High
Low	Medium	Drinking water	Medium	High	High/Medium
High	Low	Plantations	Medium	High	Low
High	Low	Agriculture	High	Medium	High / Low
High	Medium	Irrigation and drainage	High	Medium	Low

Donor/WFP Financing Mechanisms

116. There are some important issues concerning the timing and scale of donor financing to WFP globally as well as to WFP Nepal. There is no core funding and there is (since the end of the country programme) no regular multi-year programming. This issue underpins WFPs operational planning for C/FFA and requires agreement with main donors around consistency of non-emergency funding if development impact is to be achieved. The Government of Nepal increasingly wished to use the sector-wide approach modality for managing donor partnerships. This approach may reduce the ability of WFP Nepal to engage in meaningful dialogue on future planning and disbursement, as it does not have funds to contribute to the “basket” and thus obtain a “seat at the table”. Whether a significant crisis, e.g. widespread drought, would alter this is not clear – but it would push WFP Nepal back towards what many donors see as its more natural “home” of providing a food-based response to a crisis situation.

117. **Contributions:** The 2011 SPR⁹⁶ records 49 separate directed multilateral contributions to the PRRO since 2007 to a total value of US\$110.99 million. A further US\$10.98 million of multilateral contributions was received from five donors. The distribution is shown in Table 16 based on receipts.

Table 16: Contributions from major donors to PRRO 10676⁹⁷

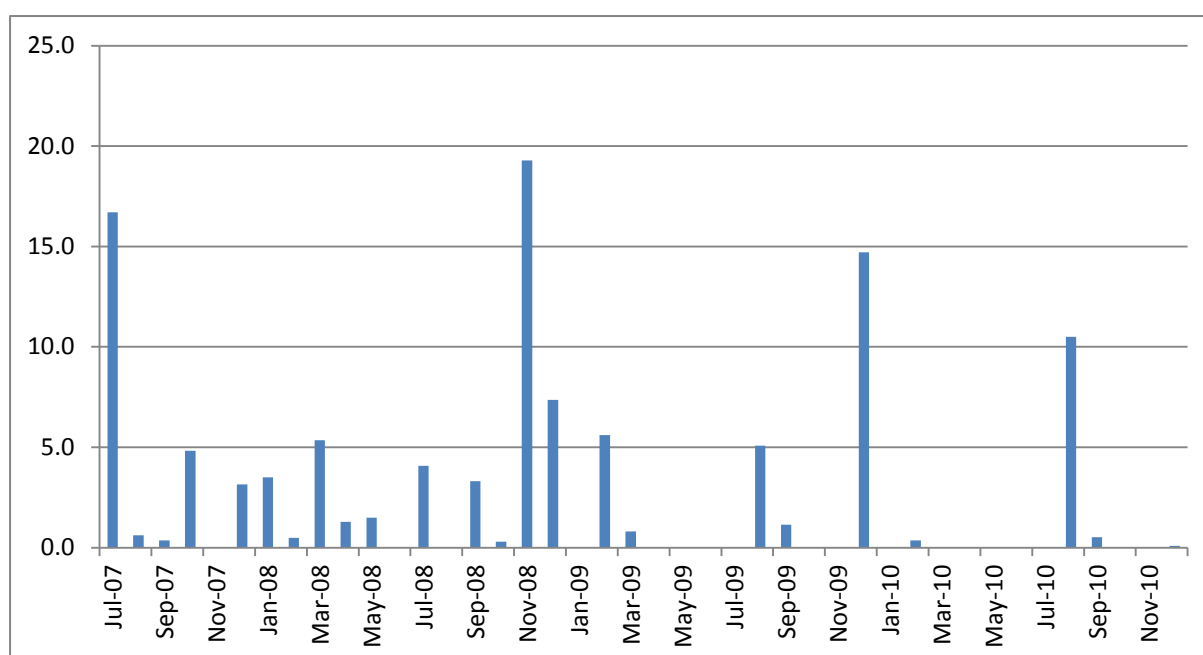
	2007	2008	2009	2010	Total
EC		2 377 486	12 669 468	1 143 583	16 190 537
Germany	1 351 351	778 816	753 012		2 883 179
Government of Nepal/World Bank		16 200 000		10 500 000	26 700 000
Netherlands	1 852 000	2 132 250			3 984 250
Private donors	183 486	300 000	808 863	441 090	1 733 439
UNCERF	1 000 000	6 451 304	6 000 000	520 978	13 972 282
United Kingdom		2 150 537	14 069 706		16 220 243
United States	6 856 300	12 512 400	5 092 778		24 461 478
Multilateral		7 062 321	747 181	2 354 000	10 163 502
Others	1 579 185	4 061 398	14 880	0	5 655 463
TOTAL	12 822 322	54 026 512	40 155 888	14 959 651	121 964 373
As % of the PRRO proposed budget					72%

118. A key feature of these contributions is their uncertain and intermittent nature. Unlike most development programmes, WFP is a voluntary-funded organization, whose programmes are not funded at the outset or with any certainty. Contributions are received according to the donor's timetable. WFP has to make a budget for the programme overall, and annually, without knowing with any certainty what funds will be contributed when. This makes multi-year planning much more difficult. Figure 6 shows when contributions were received by month, which further illustrates the volatility of funding.

⁹⁶ PRRO 10676 SPR, 2011.

⁹⁷ PRRO 10676 EPR, 2010, Table 1.

Figure 6: PRRO contributions by month, 2007–2010 (US\$ million)⁹⁸



Transparency of Operations during the Conflict

119. WFP was seen as an important and trusted development partner during the conflict period. The process of food delivery, the development of local contracts for assets as well as the targeting of the most disadvantaged were important. The ability to operate during the conflict was significant and the resultant delivery of food into remote areas should be recognized.

Land Tenure and Food Security

120. The issue of land tenure (for households and the landless as well as for community management of forest land) remains a significant issue within Nepal. It is a prominent issue in the national level politics and land reform.⁹⁹ The implications for food security – including selection of varieties for planting – are made by land owners who may live remotely from the land they own. The “ownership” of products e.g. high-value timber from community-managed forests is a substantive issue and until these issues are resolved at both national and local levels will affect the way the local communities, including the landless, can obtain benefits from the effective management of natural resources.¹⁰⁰ None of the asset assessment FGDs made reference to formal assessment of the land tenure pertaining to any asset created other than where specific targeting was undertaken, e.g. to Dalits.

⁹⁸ Based on receipt data provided by WFP Nepal. In some cases, monies were required to be spent within a specific timeframe.

⁹⁹ Wily, Liz Alden with Devendra Chapagain and Shiva Sharma (2009). *Land Reform in Nepal. Where is it coming from and where is it going?* DFID.

¹⁰⁰ These two examples come from the DFID Livelihoods and Forestry Programme and a Research Into Use Impact study on community-based seed breeding.

Drivers of WFP Nepal Planning

121. WFP’s planning processes are often driven by the availability of food and/or financial resources, and even when there are high levels of food insecurity it may not be possible for WFP to reach all VDCs with specific projects because of resource limitations. WFP Nepal is constantly grappling with tensions between reaching a large number of the food-insecure poor while being efficient; of building assets that are coherent in a short timeframe and with minimal technical inputs; between building community infrastructure to benefit all and household assets that may have a broader impact on food security and the capacity of people to undertake work while engaging the greatest number of people. Greater flexibility in planning, including the length of engagement¹⁰¹ and the ability to complete work in multiple phases, may increase the long-term outcome of the projects.

122. The understanding of the asset selection process, as seen from “the ground” is discussed here. The selection of sites is an iterative process that links the amount of food/cash available, the level of food insecurity and the ability of partners to plan with the local community an appropriate asset. The issue of the “fit” includes local demands, technical issues, food, material required, material fund, and link with the VDC plan (where available). FFA within WFP while in development would normally be an asset and then the requirements to build it. The process is shown in Box 1.

Box 1:
Asset selection process (iterative) based on the past practice for PRRO 10676

Stage 1: Determination of amount of food/cash available.

Stage 2: Based on the VAM data reported to WFP and the government, first the VDC and then a broad type of asset selected (often directed by WFP in terms of the type of asset, e.g. irrigation) and then the amount of food and households if more than one VDC.

Stage 3: Partner selection.

Stage 4: Partner NGO at the field level based on food, broad criteria for asset and selection process to provide a fit. This is then informally agreed and partner NGO goes to work with the community to decide and agree through a participatory process.

Stage 5: Endorsement by the VDC and DDC or other district authorities. Limited agreement with line ministry agencies, such as DoA, DoE.

Local Record-keeping and Monitoring

123. WFP uses a system of “blue books” as the key project management tool at the grassroots level. The book is named after its cover and it is used by project partners to track inputs, amount of work done, and food or cash distributions at the community level during assets construction. There are problems with its use with non-literate communities; for example, the fact that it is highly text based and the lack of space for the thumb prints of local people to show their participation.

¹⁰¹ Save the Children (2009). Impact Assessment – PRRO. SCF/WFP.

The blue book is not being used effectively; for instance, it is not always clear who “owns” the book and if it may be “held” or taken away by WFP partners and not returned to the community. Annex 14 presents the status of the “blue book” for each asset (except Kalikot where this was not recorded), but it should be noted that for two districts (Udayapur and Dadeldhura) none were found by the evaluation team.

124. WFP Nepal has introduced a community score card process recently, which is of importance. This approach was not used during main periods of the CP/PRRO evaluated here. During the asset assessment and VDC level, FGDs issues of public auditing and confidential signatures is an issue for Lalu VDC in Kalikot and great care is needed around appropriate processes, especially in differentiated communities where power is exerted in many different ways. A full review of this process using qualitative tools to explore the effectiveness of the approach could help validate an important monitoring and evaluation (M&E) innovation. Linking the issue of whether assets are operating to “follow-up” processes will be important to provide increased validity to this approach, i.e. public auditing does facilitate a response from the relevant authorities.

Partnerships and Impact

125. WFP has worked with a range of partners during the CP 10063 and PRRO 10676.¹⁰² Key informant interviews indicated that the relationship between WFP Nepal and its key funding agencies and cooperating partners is undergoing a change as Nepal moves beyond the conflict and the associated humanitarian crisis.

126. WFP Nepal has had long-term partnerships, e.g. GIZ, NORAD, particularly during the CP. However, for the PRRO, the engagements within Nepal were driven by short-term contractual arrangements, especially during the PRRO when funding was volatile. In some cases, both WFP and the INGO community saw themselves as “competitors” for the same financing from the major donor community (bilaterals, EU and World Bank). Partnerships were generally seen during the CP and PRRO as being based on contractual relations (both upwards to WFP donors and downwards to implementing parties). The partnerships associated with local government agencies were not substantively considered. This was partly a feature of the operations during a time of crisis, but also represent the “humanitarian” nature of WFP in the eyes of primary donors.

¹⁰² **Definitions of partners and stakeholders:**

- **Beneficiary stakeholders affected by programme directly:** beneficiaries and people working with them directly (local NGOs, community-based organizations who are not paid by programme).
- Primary stakeholders.
- Cooperating partners: paid by the WFP C/FFA programme.
- Partners who bring resources (financial, technical and in-kind).
- All partners are working for a common objective and working for same goal. Some partners may play multiple roles.
- **Secondary stakeholders:** politicians, wider donors, private sector, academic, civil society, i.e. organizations that have an interest in the issues addressed by C/FFA programmes.

127. The country portfolio evaluation, the WFP impact studies and the VDC data indicated that the longer-term impact of WFP C/FFA programmes was higher when combined with complementary programmes implemented by long-term partners such as GTZ (e.g. Udayapur) and Mercy Corps (Dadeldhura) and, not least, the Government of Nepal for the RCIW. During the PRRO, local partners were contracted on an annual basis, or even shorter timeframes, which was seen as problematic from their perspective because it was hard for them to establish the necessary relationships and working practices. Their limited funding also meant that they were not able to supply tools, non-food resources or to support further capacity development unless resources were provided by an INGO or another programme.

128. The evaluation synthesis work examined the partnership evidence. The responses were used to draw out the level of good practices that WFP has developed with partners, but also to highlight the issues and challenges that the approaches used for the CP and PRRO presented to partners. It should be noted that a number of these are being addressed in the proposed new CP.

129. WFP Nepal is a respected and respectful partner. The cooperating partners were clear through the various FGDs about the following good practices:

- The role of local partners is acknowledged, as they can facilitate change at the local level. The “on-the-ground” presence can assist in mobilization for short-term operations.
- Hierarchy of contracts (vertical partnerships) cascaded from WFP Nepal through INGO/NNGO to local NGO enabled INGO to quickly mobilize resources while WFP Nepal to release funds.
- Large projects, e.g. RCIW provide technical support. WFP Nepal has engaged engineers to support “hard asset” construction with NGOs, but cannot yet cover all assets being designed.
- Link to local government planning – e.g. Udayapur District Soil Conservation.
- Use of Government of Nepal standards for construction.
- Public audit and community score cards enable partners M&E capacity to be enhanced.

130. However, the cooperating partners were also aware that the partnerships can be improved. Critical areas that were highlighted include:

- Funding for non-food items is a problem, with partners often having limited resources from other sources.
- The short-term nature of the work means that there are many uncertainties for organizations with little reserves. Staff retention may be a problem with no continuity of employment.
- Local government did not play a substantive role in the CP/PRRO planning nor, in some cases, in the long-term support to asset maintenance. Formal processes are required here as around schools/roads.

- Consideration of direct contracting of local NGOs, but this has implications for WFP Nepal in terms of management, M&E and, in particular, fiduciary risk.
- Small projects require technical inputs that may not be available within NGOs. Diversity of assets being constructed increases the technical requirements, e.g. water engineers, foresters, agricultural specialists, engineers.
- As the new country programme will operate into the mountain areas, the physical challenges of asset construction will increase (weather, location, materials) and more support may be required.
- Without linkages between assets being constructed and wider development work at the VDC-DDC levels, there are concerns that assets are “one off” and will not create real sustained change.
- While WFP recognizes the need for local NGOs, it does not always understand the issues of capacity of these organizations. WFP could foster, assuming it had funds, more cross-learning at the local level between local NGOs.
- Operations and maintenance processes do not form part of the current contracts. There is an assumption that the user group created during construction will “take over”, but this is of limited validity in areas of very weak capacity and where schemes are complex in terms of materials used.
- Clarity required on issues of what M&E is essential not just for short-term accountability, but for longer-term outcome/impact monitoring. This is a difficult area when there are highly intermittent short-term contracts.

131. The Government of Nepal has been a major partner within the RCIW work. This is an important issue in relation to the CP in particular. At meetings with the Government of Nepal, at all levels, there was recognition of the importance of the past support from WFP Nepal. However, as Nepal develops, the focus is increasingly on cash-based programming, in line with key donor partner (DFID and the United States Agency for International Development [USAID]) approaches to develop market-based approaches alongside employment guarantee schemes for the very poorest. Reliance during the conflict and drought periods on food aid perhaps influences the perception by the Government of Nepal as “moving beyond” humanitarian-based food aid into development modalities using international aid finance (including climate finance), remittances and private-sector development. This is a sensitive issue and one that the evaluation did not explore in detail.

132. Developing partnerships with new approaches and programmes. Donor partner and Government of Nepal key information indicated that Nepal is seeing significant changes in the focus of development programmes. There is an increased focus on “market-driven” programmes, including those from USAID (Feed the Future) and DFID (RAP). The development by the Government of Nepal of the Karnali Employment Programme guaranteeing ten days paid work per household per year is an indication of the approach that is emerging. WFP Nepal is engaged with these donors and the Government, but concerns are present around targeting, tracking and the long-term need for food distribution except in times of severe crisis.

WFP Nepal's responsiveness to partner expectations will be critical not only for work with cooperating partners, but also to enable links with larger development programmes and funding sources.

133. Cash is crucial for the design and implementation of good public works. The FGDs with partners and during the asset assessment indicated that in many situations cash was not available to provide equipment, skilled labour and effective oversight. Without the access to cash for non-local materials, e.g. concrete, cages for gabions, plastic piping and taps, then either lower-quality assets are built or non-essential assets are constructed based on what material/funding is available. Cash is sometimes crucial to ensure that the necessary tools are available, skilled supervision is in place and non-local materials can be provided.

Institutional Alignment

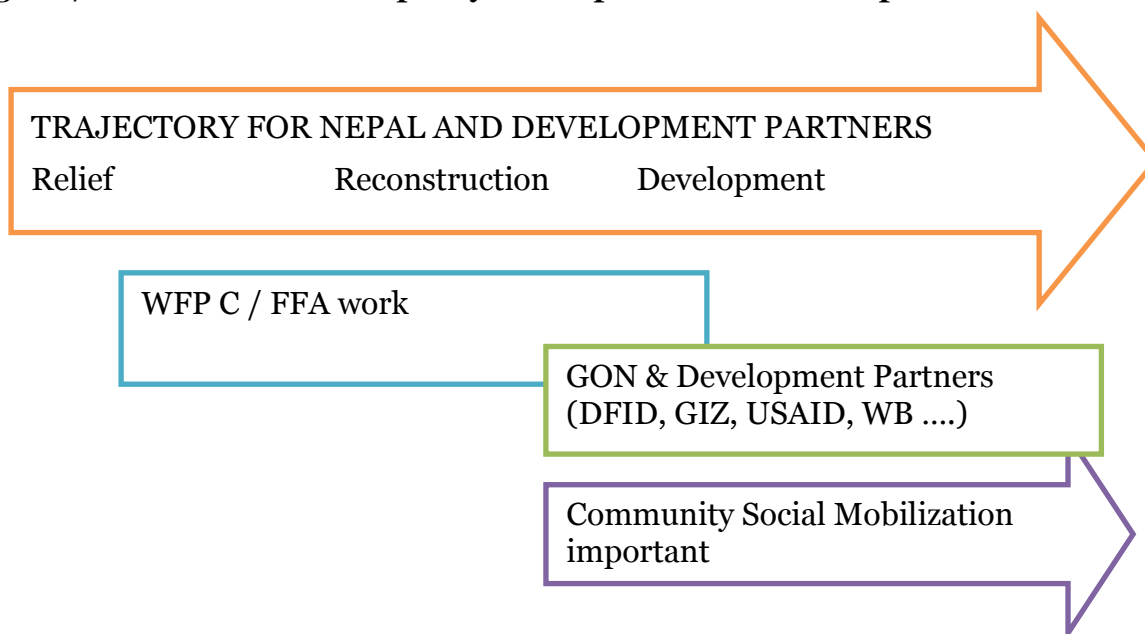
134. The five major donors that the evaluation team had meetings with in Nepal reported that WFP has an important role in reconstruction work within Nepal. However, they questioned WFP's role in relation to mainstream development as currently construed. The emergence of a clear international consensus around the role of development finance and the responsibilities of development partnerships present a challenge for an organization that is highly dependent on short-term financing for operational delivery. Donors interviewed questioned the longer-term viability of this approach in a situation where "agricultural connectivity" is increasing from food production areas (Terai) to food consumption areas (mountains) through increased road access, while recognizing the comparative advantage of WFP in relation to the use of food aid/assistance in FFA programming.

135. WFP Nepal is seen by donor partners as operating in the relief/reconstruction arena rather than mainstream development. Its comparative advantage was seen as food distribution. As access opens up to the remoter districts and VDCs alongside the increase in a "market-based focus" for food insecurity reduction, donor partners reported that WFP does not necessarily bring specific advantages over standard procurement of service delivery providers. This is particularly true when one is considering the use of market based, i.e. cash-based programmes, including employment guarantee schemes, e.g. Karnali Development Programme or the new RAP. The donor perception of the space that WFP occupies is shown in Figure 7.

136. WFP Nepal operated through a conflict period that did not enable the CP modality to be continued and there was a move to the PRRO. This situation meant that there was a lack of access for Government of Nepal in some areas. To support vulnerable communities, the CP added two modalities, i.e. minor projects that could be implemented by NGOs who were able to work in the more difficult areas. Given the situation, post conflict and the optimism generated post 2006 and the Comprehensive Peace Agreement, the PRRO modality was appropriate. It was not originally planned to last for four years, but lack of a settled political agreement necessitated annual renewal and then the move to PRRO 200152 prior to the new

country programme. The slowness of the political changes, combined with the issue of drought and high food prices, meant that the PRRO enabled Nepal to respond quickly in multiple locations that a road-based country programme might not have facilitated.

Figure 7: Position of WFP Nepal by donor partners within Nepal



137. WFP’s engagement at the VDC level was limited in intensity, in the scale of asset created, and in the timeframe for operational work in particular since the ending of CP 10693. In many VDCs, only one asset was created reflecting the short-term focus on satisfying short-term food requirements.

138. The short-term nature of C/FFA projects was recognized as a problem in some of the WFP Nepal Impact Case Studies. The importance of a longer-term perspective, and the provision of complementary activities, was recognized as being desirable but difficult for the PRRO by itself. Better alignment with other agencies and organizations was required, e.g. with wider road-building programmes being implemented in the Karnali region of Nepal.

139. Within the five districts, there are a number of NGOs operating (international and national). For instance, Kalikot has 81 registered NGOs but only 7 to 8 are active. Rolpa has around 49 NGOs registered and Jumla has 29 active NGOs, with 5 international NGOs and a DFID-community support programme. Jumla also has 13 networks of NGOs operating, ranging from community forestry user groups to Dalit organizations. The situation is often complex and changes regularly.

Capacity

140. Programme Monitoring Reports recorded a number of implementation problems: unavailability/inadequacy of tools; lack of awareness/capacity; delayed

delivery of materials and inadequate technical support (May 2009). Reported problems varied by VDC.

141. The short-term nature of the projects meant that construction was emphasized over capacity development.¹⁰³ During the asset assessment work, the FGDs indicated that limited training was provided to the people working on the schemes. Without this focus, long-term operation of the asset, including appropriate skills training, will continue to be an issue. No overall skills training programme was in place to develop skilled labour (perhaps targeted at young people or those likely to migrate). Building local skills alongside the asset construction could help to retain some skilled people within the community for longer-term operations and maintenance.

142. The issue of training/general capacity development was not a feature of the FGDs and limited livelihood skills development was provided, particularly to the category 3 households, who would not necessarily have a residual long-term impact from the asset created. Training was usually seen by WFP Nepal as one element that the partners would provide – ideally from other resources. This limited the training inputs from C/FFA engagement in Nepal.

Responsibility for Long-term Asset Maintenance

143. A fundamental challenge for any organization engaged in the development of assets at the community level as well as at the district and national levels is to ensure that there are processes in place that are robust enough to ensure long-term O&M. The interviews with partners shows that it is not clear that during the 2002–2010 period that WFP Nepal recognized adequately its responsibility to facilitate this. In some cases, it was the responsibility of the partner, e.g. GTZ or Mercy Corps, but in other cases the annual contracts meant that these arrangements were not addressed. WFP Nepal is under the impression that as there is a user group (around the blue book) that is put together very quickly for the asset creation that this is sufficient for longer-term O&M. FGDs linked to the asset assessment indicated that the lack of formality around “ownership” means that people can be unsure of how to progress. For assets such as schools and roads, there are processes to enable responsibility to be acknowledged by appropriate line agencies and therefore for O&M liability (at some level) to be accepted. For irrigation structures, plantations and other group-based infrastructure, e.g. water supply, mechanisms for funding O&M, needs to be set in place alongside clear rules and regulations for use. A failure to do this can see infrastructure work for a short while, e.g. three years or until damaged as in a flood, and then there is no clarity on how to take forward repairs that may be outside the local communities ability through cost or skills required to implement.

¹⁰³ Save the Children (2009). Impact Assessment – PRRO. SCF/WFP.

Effective Livelihood and Market Analysis for Food Security Development

144. Food security is routinely achieved by a number of different methods, including:

- growing food, which requires good inputs (seed, fertilizer – mineral and organic – irrigation and appropriate technology);
- being able to buy food as a result of:
 - work
 - sale of other products, such as NTFPs and fruit (high-value production)
 - medicinal plants and herbs for nutrition purposes
 - livestock production in remote areas
 - remittances
- post-harvest storage; and
- Government of Nepal subsidized food or WFP C/FFA or other programmes.

145. Around 50 percent of Nepali households have a land base that is too small to enable food self-sufficiency, let alone livelihood development, or have no land at all. Agricultural land is, however, not the only resource open to people living in Nepal. Work on community forestry for timber and NTFPs is widely developed in Nepal, and a process to engage around how forest resources can have a positive affect on food security may well be an approach to be considered in the future.

146. However, the social mobilization and timing to returns on forestry work need to be considered (a point raised as well in relation to orchards and other plantation species). Recognizing diversity of approaches to food security will be important as WFP “moves up the mountain” into areas where constraints on agricultural productivity will become intense.

147. **Market-based approaches to food security.** There is increased emphasis within Nepal on the relationship between markets and food security. Nepal is an active recent member of the WTO and is keen to develop international and national markets for natural resource-based products (staple food and higher value processed products, including NTFPs). WFP Nepal has worked through C/FFA on the production of products for sale, e.g. apples in Jumla, but for new products little work has been undertaken around the value chain development. Even where this work is undertaken by partners, including the Government of Nepal, there are constraints around how disadvantaged areas and disadvantaged groups can make effective use of new infrastructure to support livelihood development. Work by IFAD¹⁰⁴ provides a guide to the type of complementary activities that may be required to assist disadvantaged people and groups take advantage of the opportunities presented by new access infrastructure. Limited engagement with value chain analysis and the private sector.

¹⁰⁴ Chapter 5 in IFAD’s Rural Poverty Report 2001. Available at <http://www.ifad.org/poverty/>

148. As WFP Nepal works with communities (or through partners) to increase production, there are significant challenges emerging around:

- post-harvest storage;
- transport of products to markets (local, national and international);
- processing of products; and
- understanding the value chain for a diverse range of products, including, where appropriate, requirements for international trade.

149. WFP Nepal has limited engagement with the private-sector traders, processors and transport operators in Nepal (or beyond), and therefore work on post-harvest processing/value chains remain clearly with partner organizations. WFP Nepal has a “convening power”, which it may not yet be utilizing to approach the private sector to engage with the market orientation of projects.

Social Exclusion

150. Within the five districts visited for this evaluation, there were clear differences in the way that social exclusion was being addressed. Examples range from direct targeting of Dalits, e.g. Jumla and Rolpa; specific measures for women’s engagement in road building (Kalikot and Udayapur); and duplication of assets on caste basis in Dadeldhura.¹⁰⁵

151. Construction of assets and the increased number of households headed by women also present an issue of how women are supported in wider care responsibilities when assets are being built some distance away from their home. Work camps (RCIW) present challenges for women even when well managed due to cultural constraints. WFP Nepal had a strong desire to see active women’s engagement, but where assets construction is remote from settlement this aim may cause problems. Active engagement with women needs to understand the reality of their lives and the cultural limitations on their wider movement to work.

Cash or Food – a Contextual Question

152. Discussions at VDC level uniformly indicated that food was strongly preferred over cash because food was believed to be more likely to reach women and children. However, response to this question may have been affected by the fact that during the period 2002–2010 food was in short supply or because respondents were influenced by the knowledge that WFP is known to distribute food rather than cash. With the opening up of roads and markets, WFP Nepal’s own analysis indicates that markets do have a wide range of food. In addition, the work of Oxfam for the European Union Food Facility also indicates, but not documented to any extent, that the possible use of voucher (coupons) may enable an increase in local purchasing.

¹⁰⁵ Often linked to settlement patterns based on caste, which can hide past discrimination, e.g. land tenure arrangements.

The issue of cash/food is complex and will change over time within the same communities and households. From the FGDs and key information interviews, the following issues would influence the choices of cash/food or mixed disbursement:

- location of the market/access and the level of food supply;
- relative price of food in market and daily cash rate – can the household buy as much as the WFP Nepal ration;
- time required for food purchase or collection;
- household type and labour requirements for collection of food/purchase of food;
- connectivity of location (Udayapur now able to phone for delivery services to VDC of food requirements);
- level of subsidized staples available through the Nepal Food Corporation; and
- it is possible that within a single district there will be VDCs and households for whom food is more appropriate and others where cash will be appropriate.

Ability to Respond Quickly to Food Crises

153. WFP through the NeKSAP processes for food security monitoring has been able to work effectively with the Government of Nepal to “flag” where there are VDCs and districts with food-security problems. When financing is available, this means that WFP Nepal can identify local partners and quickly implement a C/FFA programme during the agricultural “off season” for both smallholder farmers and day labourers. This enables the provision of rapid relief and can help to reduce the need for people to “eat into their assets”, thus leaving them in a reasonable position when the food crisis is over. This short-term relief should not be underestimated in terms of the localized impacts as shown by the FGDs with women and disadvantaged groups. Not only does it enable people to stay at home rather than migrate, the contribution to building of assets within the community can also build social cohesion and pride in peoples on development, especially around social assets such as schools.

“Dependency” Syndrome

154. Some key informants (especially from the NGO partners also involved in food for assets operations) indicated that the supply of food through WFP (or cash from other labour-intensive public works programmes) may create dependency in the sense that “beneficiaries will lose the motivation to work to improve their own livelihoods after receiving benefits, or that they will deliberately reduce their work efforts in order to qualify for the transfer.”¹⁰⁶ However, there is no evidence that beneficiary households depend on external assistance to the extent that they reduced their engagement in other livelihood activities that affect food security. Furthermore,

¹⁰⁶ From Aschale Dagnachew Siyoum *et al* (2012). Food aid and dependency syndrome in Ethiopia: Local perceptions. *The Journal of Humanitarian Assistance*. 27 November 2012.

given the volatility of WFP inputs, there is no guarantee of food over the long term because the last 10093 ended in 2007.

Dependency on “Rice”

155. Some key informants, especially NGOs based in Kathmandu, suggested that FFA programmes create a dependency on rice in communities that did not traditionally use rice in the diet. There was limited evidence to support the assertions. WFP Nepal has supplied rice into communities that had not traditionally utilized rice, but whether this rice supply is the cause of changes in the long-term diet is a matter for conjecture. The use of cash or vouchers for purchase of local staples is one method of addressing this issue – assuming that there are supplies of local staples in markets during any crisis. While WFP Nepal has examined local purchases, e.g. mustard seed, issues of institutional procurement and quality regulations make it unattractive for local suppliers as they cannot supply the volumes often required. Obviously, a move to cash would enable households to make their own purchasing decisions; however, this does require appropriate supplies at appropriate prices being available.¹⁰⁷

3.3. The Interaction between Factors

Finance for C/FFA Programmes

156. The scope and scale of the work under the CP and particularly under the PRRO was dictated clearly by the funding that was available. The post-conflict situation and drought during the PRRO saw significant additional finance as did the global food crisis in 2008/09. The ability of WFP Nepal to respond, especially as it had mechanisms in place, become defined by finance (and continues to be defined by the availability of finance). Short-term engagements, limited partnerships, localized responses and all highlighted by partners. While these engagements are welcomed at the grassroots level, a strong interest was regularly raised in the FGDs for a wider engagement with a trusted agency.

Food Insecurity – a Nexus of Biophysical and Socio-cultural Factors

157. Within Nepal, the issue of food insecurity is a complex nexus of issues related to land, poverty, discrimination as well as economic development and, recently, the impact of climate change. Addressing food insecurity in Nepal requires strong understanding of these issues and how they interrelate to enable coherent planning for context-specific solutions.

158. WFP Nepal has relied heavily on its partners to provide the grassroots level knowledge necessarily to understand the factors affecting which assets were to be

¹⁰⁷ WFP and FAO (2007). Food and Agricultural Markets in Nepal; WFP Nepal (2010). More than Roads. Using Markets to Feed the Hungry in Nepal.

developed. During the CP programme, it was clear that roads were the primary asset and operational clarity was achieved. However, the implementation of minor assets that were focused on group/private assets rather than true public assets meant that the level of local knowledge to make effective choices at the community level was more limited. The partners on often short-term contracts for implementation, as well as WFP Nepal, did not have the resources to support social mobilization that could enable long-term development based on freely chosen pathways that are suitable to the diverse ethnic, cultural and indigenous cultures in Nepal. For group assets, this is then reflected in some of the shortcomings in relation to long-term operation.

WFP Nepal's Key Role When Focusing on C/FFA Programmes

159. WFP Nepal operated the PRRO (as expected) as a post-conflict/food-security programme, i.e. as part of the humanitarian response to food insecurity, conflict and drought. The donor partners in Nepal stated in interviews that in the past WFP has been effective in delivering in this situation. However, as Nepal becomes increasingly stable and access to remote areas is opened up, the advantages that WFP Nepal had i.e. access to remote areas, transparency of programme management and transfer of large quantities of food aid, are not so obvious in the new context.

160. WFP Nepal has effectively been operating the C/FFA operations as an “organization of last resort” for communities and households when the continuing structural food insecurity segues over into a crisis as a result of disaster, conflict or a poor harvest due to weak monsoons. The short-term nature of these crises presents a problem. If WFP and its partners wish to see lasting development impacts from short-term activities, then this will need to take place in a broader set of implementation partnerships that require a highly level of focus and financial stability.

4. Conclusions and Recommendations

4.1 Overall Assessment

161. In the face of difficult circumstances, WFP Nepal's C/FFA activities achieved significant short-term impacts through rapid delivery of food assistance to several million food-deficit beneficiaries. This assistance reduced the risk that households would “eat their own assets”, or migrate, thus enabling them to weather a crisis more successfully. Asset construction, especially of community and public infrastructure such as roads, water supplies and schools made a significant contribution to building economic and social capital during and post conflict.

162. However, C/FFA activities were less successful at reducing chronic, structural food insecurity; at providing long-term benefits for severely chronically poor households; at maximizing the benefits to the poorest from the private assets created; or at ensuring adequate maintenance of public assets.

163. The reasons for the success of the WFP Nepal programmes in achieving short-term impacts also explains why WFP Nepal has been less successful in other intended impacts: small, short-term projects covering the maximum number of people were prioritized. This is especially true of the PRRO, but the overall conclusion applies equally to C/FFA under the earlier CP: it is difficult to address the chronic, structural problems of social exclusion and food insecurity with short-term projects and partnerships.

164. The evaluation validated a number of factors proposed in the TOC as likely to affect the achievement of long-term impacts, in the context of deep-seated poverty, social and geographical exclusion, and unequal landholdings. To overcome these problems, adequate attention must be paid to contributing factors, particularly targeting the poorest, and tracking their progress, technical support and non-food items needed to produce assets of an appropriate quality, complementarity and intensity of interventions by WFP and other actors, with community and government ownership for follow up and maintenance.

Structural Food Insecurity and Targeting

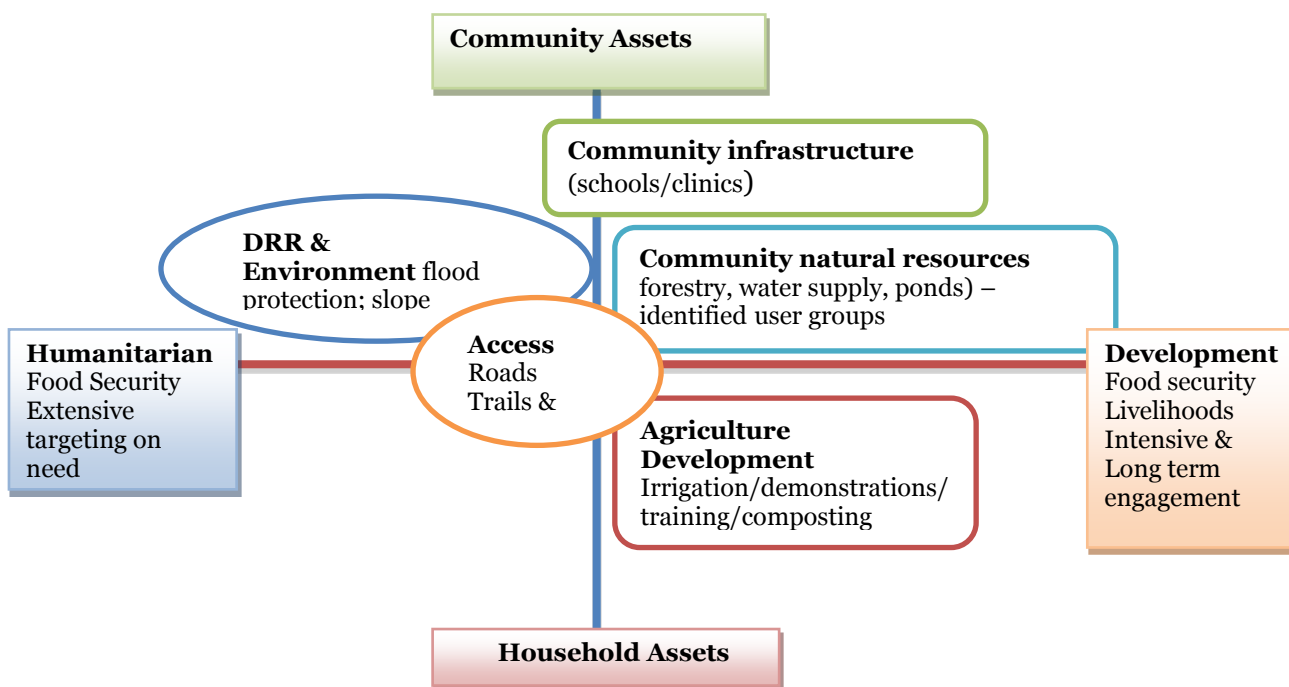
165. The evaluation found that the C/FFA programme made a contribution to the welfare of several million people during a very difficult period, particularly through the provision of food and short-term work opportunities. The ability to provide food and cash into communities in crisis was extremely well received. WFP's role in the provision of food aid was critical in ensuring that many households were able to meet basic food needs during critical periods. WFP Nepal had the procurement and logistics systems in place to be able to respond to crises. It was able (although sometimes with criticism about type, size and timeliness) to ensure that food rations were provided to households while linking the distribution to the Government of Nepal's preferences for support to intensive employment public works programmes, e.g. RCIW. The ability of WFP Nepal to operate throughout this period is a testament to the trust that WFP was able to generate through transparent processes focused on disadvantaged people.

166. C/FFA programmes provided short-term inputs to households that enabled them to retain assets that otherwise may have been sold, or where households would have had to access debt providers or increase migration, to meet immediate food requirements. In volatile weather environments, the provision of C/FFA reduced the need to sell off the household asset base and reduced household vulnerability through aiding asset accumulation. This is particularly true for households that are highly reliant on the availability of day labour. Understanding this will be critical for effective targeting given the multiple forms of social exclusion as well as the effects of property regimes for different assets.

167. The focus for WFP Nepal was on "food security" widely conceived with a strong focus on "community" or "group" assets as compared to private. Figure 8 highlights

where different assets are located on the community to private continuum within the humanitarian or development context.

Figure 8: Asset classes and the humanitarian development continuum



Source: Developed by the Evaluation Team during the analysis ‘in-week’ in Kathmandu.

168. For assets that are more clearly in the private domain, including some irrigation schemes, demonstration models and some agricultural land improvement, there are constraints to the attainment of benefits for the poorest including:

- Only landowners are able to gain directly – even if there are some short-term indirect gains from agricultural labour.
- The location of the land in relation to the water source is critical. In some situations, this relates to the location of landholdings and the physical availability of water, e.g. in Jumla where it is not possible to pump water uphill from the river at valley bottom. In other cases, such as in Dadeldhura, past settlement patterns, based on caste, constrains the development of integrated water management systems.
- Planning processes, i.e. who is involved in the decision-making, will be critical when focused on “private assets”. Where land tenure is a major political issue, or there are a significant number of absentee landlords, this may be problematic.
- Understanding the constraints on an asset during the selection and design phase can enable communities to be aware of the limitations of a system, e.g. how much land can be irrigated, or how many households can be supplied with drinking water throughout the year and what happens in a “low water” year.

169. Self-targeting is used, which means that hard work and relatively low remuneration are expected to limit participation to only those most in need. WFP and partners leave to the community any decision on “light duties” to pregnant/lactating women or the elderly. This type of targeting does not recognize caste differences, or differences in power relationships that surround the choice of assets for construction. The additional costs of doing household targeting in crisis situations where there is limited pre-existing household data means that WFP Nepal has resisted using more specific targeting for the two programmes in this evaluation, especially when resources are scarce and action is required quickly. Future programmes may benefit from the increased data available at VDC level, including greater attention to household situations.

Asset maintenance vital for impact

170. The continued functionality of assets was strongly related to the type of asset; with water management and forestry assets having the highest percentage of non-functional or partly functional assets.

171. This reflects several factors: the ownership regime covering these types of assets; the nature of the asset maintenance needs with some types of assets requiring more technical capacity and equipment than others; and the lack of established structures to govern them (roads and schools have more established governance structures as compared to irrigation, which are more likely to be private assets benefiting a smaller number of people.

172. When considering the state of the assets and the ability of communities to manage assets, there are a number of issues that need to be addressed, including:

- Ineffective transition of user committees from asset building to asset management roles and establishment of a more formal mechanism for follow-up, recognizing that formal groups can be more effective than in terms of their ability to engage and access support from relevant line agencies or VDC/DDC for larger maintenance issues that require financial support and/or support from skilled technicians.
- Inadequate asset planning and design that led to:
 - incomplete assets that are not “maintainable”;
 - lack of year-round water supply leading to conflicts over use;
 - inability to operate and maintain assets within local resources; and
 - lack of social mobilization and capacity development on the “soft skills” for asset management, such as negotiating user agreements.
- Inadequate planning and budgets for significant maintenance and management except schools and larger roads included in the District Master Plan (although maintenance of assets within the Master Plan may still be inadequate).
- Lack of post-project support from WFP Nepal or partners except where partners have long-term finance for a complementary programme.

Impact Drivers

173. Five critical issues need to be addressed if WFP's C/FFA is to deliver assets more effectively that contribute to livelihood resilience for the poor and marginalized (assuming suitable funding is available).

- **Better planning to create usable basic assets for poor and marginalized communities.** In a number of situations, provision of basic infrastructure (water, small ponds, schools and access) can assist households to meet basic and immediate needs. These assets may not contribute radically to livelihood resilience, but they do help to meet some basic needs and improve women/girls lives considerably.
- **Increased understanding of the asset impact pathways in each context.** There is a need to understand how the creation of different assets in different situations may affect different categories of household in the short, medium and long term. The support required to enable full utilization of the new/upgraded assets must be clearly documented and partnerships developed to enable synergies to be gained.
- **Increased consideration of how to contribute effectively to the development of livelihood resilience across all categories of household.** While the productivity of land-based assets (agricultural, community and leasehold forestry and water) can benefit households in different ways, a better understanding of who benefits and how is essential. Limited and quick projects to build assets provide a response to immediate needs. However, an additional level of investment (time, money and skills) will be needed for the longer-term planning needed to ensure that C/FFA makes a contribution to sustained livelihoods improvement. Complementary associated activities that are not entirely land based, including training and value chain development, may provide jobs for landless households.
- **Formal “hand-over” of assets to appropriate management bodies with clear roles and responsibilities.** Assets require long-term operations and maintenance provision. This may be within the capacity of the local community or, for more complex infrastructure, require support from appropriate government agencies at the VDC and district levels. Engagement of appropriate stakeholders throughout the planning and implementation process is critical to ensure effective long-term ownership linked to appropriate capacity and resources.
- **As Nepal continues to develop, there is a need for WFP Nepal to consider its role within the countries livelihood and resilience agenda.** There are issues in Nepal with respect to the absolute numbers who are food-insecure and the reasons for the geographical and socio-cultural distribution of food insecurity. Malnutrition exists in Nepal even in areas where food availability is high, often linked to a lack of women's empowerment.¹⁰⁸ As recognized by WFP, there are many dimensions to the food insecurity/nutrition challenge in Nepal. The current evaluation series on

¹⁰⁸Magnus Hatlebakk (2012). *Malnutrition in South-Asia. Poverty, diet or lack of female empowerment?* CMI (Chr. Michelsen Institute) Working Paper 2012:4.

FFA within WFP presents an opportunity to review the use of C/FFA modality within different implementation contexts.

174. The **central conclusion** of this evaluation is that the challenge of achieving the correct balance between achieving short-term impact from C/FFA activities for the maximum number of people, or longer-term impact for a smaller number of people, needs explicit recognition and response. Different assets, and different socio-economic groups, require different approaches. WFP needs to reach and demonstrate impact on different categories of households. To do so requires a more differentiated approach to targeting, monitoring and evaluation, longer-term engagement, and partnerships. Annex 19 contains a table linking the conclusions highlighted here to the WFP food for assets theory of change.

4.2 Recommendations

175. WFP Nepal is a well-respected institution and its future positioning will be vital. The evaluation team acknowledges that WFP Nepal has made a number of significant changes, such as in increasing attention to the quality of the asset designed/constructed since 2010. Furthermore, a decision has been taken to focus the new CP on the same target groups with a range of interventions. The focus of the following seven recommendations is therefore on a number of fundamental issues that warrant further attention by WFP Nepal and by WFP more broadly.

176. There is a clear tension at the heart of the operational work of WFP in Nepal. Some of this is caused directly by the volatility and limited scale of funding that is available. It is difficult to address the chronic, structural problems of social exclusion, food insecurity and livelihood resilience with short-term projects and partnerships. Unfortunately, assuming the same level of resources, the longer-term projects and partnerships that might address these problems would cover fewer people. Achieving the appropriate balance between achieving short-term impact from C/FFA activities for the maximum number of people, or long-term impact for a smaller number of people, means that WFP and its partners must balance difficult and uncertain trade-offs.

177. The recommendations from this evaluation are important to implement even if funding for long-term engagement is not forthcoming. These recommendations would enable short-term projects to provide benefits to the chronic poor and those highly reliant on day labour during times of stress (short term and longer term). The institutional constraints under which WFP Nepal, and WFP more widely, operates are recognized. However, WFP needs to be clearer with its donors and partners about the prerequisites for long-term impact, including livelihood resilience. Having clear evidence of impacts on different categories of beneficiaries would assist WFP Nepal in this dialogue.

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

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

178. The design of the new country programme provides an opportunity for WFP to explore a “twin track” approach. This would enable the CP to develop a larger-scale, short-term intervention focused on food insecurity amelioration alongside a smaller-scale programme with a longer-term engagement with a number of food-insecure VDCs. The “twin track” approach should not devalue the important work of C/FFA programmes to improve short- and medium-term food security of some of the most disadvantaged people and these should continue. Gains made through meeting the basic right to food, combined with improving access to other assets such as water, education and access infrastructure carried out in partnership with other development actors can contribute significantly to improving overall prospects for livelihood development.

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

179. A clearer theory of change around the use of C/FFA for food security would enable WFP Nepal to consider its position relative to other development actors. Utilizing a TOC with regular review and learning opportunities based on the development of robust evidence (Recommendation 7) would assist the WFP Nepal implementation team with a framework for adaptive management of the C/FFA programme and the wider country programme.

180. The TOC should be consistent with any WFP global TOC, but would recognize the specific nexus of governance, land, poverty and discrimination within Nepal. This approach would enable, firstly, a much greater articulation of the comparative advantage of WFP Nepal within the current development context in Nepal. Secondly, it would enable clearer articulation of evidence gaps that, if filled, would enable WFP Nepal to develop an appropriate strategy to increase country ownership of its multiple roles and responsibilities. This work could take place in parallel with the implementation of the current country programme and would help provide the required evidence base to plan for the post-country programme situation.

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

181. The CP 10093 and PRRO 10676 targeting utilized a geographical focus based on community needs as identified by the VAM and related processes. This facilitates quick and simple targeting based on a general understanding of the “average” situation within a locality. However, it obscures the “normal” varied levels of food insecurity within a VDC related to current access to assets (productive land, jobs, roads, schools and water). Furthermore, not understanding the operational context with regard to land ownership/user rights may continue to “build in” gains to the households that already have assets and thus help to further institutionalize past discrimination for cultural groups such as Dalits. Increasingly, donor partners to WFP as well as the Government of Nepal are looking to be able to identify changes in individual households within marginalized communities. This would be more consistent with development approaches and address issues of social inclusion explicitly.

182. WFP should use existing household wealth ranking (where available) to enable more detailed analysis of the benefits to individuals and households of different asset classes to be gained. This more detailed targeting could be actively linked to the VDC planning processes so that there is clarity around the type of assets, who benefits in short/medium term, and how the asset will be maintained over the longer term.

183. Significant positive short- and medium-term impacts have been confirmed by this evaluation. The preparation of the new country programme in Nepal provides an opportunity to develop an appropriate impact assessment approach building on the guidelines developed for this series of impact evaluations. In the context of Nepal, a mixed quantitative and qualitative methods approach should be used to focus on validating the results and institutionalizing learning based on the understanding of the mechanisms of change within a differentiated biophysical and social-cultural context. Asset/community in-depth longitudinal case studies would enable tracking

of participation of beneficiaries and asset use, functionality and maintenance over the long term.

5. Partnership Strategy: The country office should undertake a partnership review, then develop and implement a strategy for partnerships that delivers the short- and long-term objectives of C/FFA.

The strategy should include the Government, communities, international and national non-governmental organizations and the private sector for value chain development; development partners such as IFAD and FAO; and donors. It should build on the TOC (Recommendation 3) to link partnerships to expected impacts, and help position WFP relative to its own and its partners' comparative advantages. The partnership review would also identify key partners for capacity development and hand-over (see also Recommendation 7).

184. WFP Nepal faces institutional limitations in its ability to implement development projects that enable an intensive engagement to address food insecurity in varying biophysical and social-economic contexts. Its short-term financing situation poses restrictions not only on its own operations, but also on the way it can interact with partners of all types (donors, implementation partners, including the Government of Nepal, communities and private sector for value chain development). WFP Nepal needs to build synergies with partners that mature over time. Partnerships are absolutely essential for how outcomes and impacts are achieved by WFP Nepal. Understanding how to manage and develop relevant partnerships is therefore critical.

185. The theory of change (Recommendation 3) should explore which partnerships are needed to deliver on WFP's impact aspirations. This may include partnerships with key development agencies, including IFAD and FAO, as well as other donor partners operating in the same districts as WFP Nepal. Such partnerships would exploit WFP Nepal's comparative advantage in the use of C/FFA modalities for asset creation in association with the comparative advantages of other organizations in terms of technical capacity, grassroots mobilization, etc.

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

186. Asset management is vital if WFP C/FFA programming is to achieve the expected outcomes and impacts on the livelihoods of some of the most disadvantaged people in Nepal. The building of capacity to manage new and extended infrastructure with communities and households requires extensive support over time. Engagement of communities and appropriate institutions in the initial identification of projects is important to ensure they are appropriate for the context and capacities, but relevant

post-construction support will need to be well targeted to the type of asset. Legal entities may need to be formed and supported in order to access appropriate support from responsible agencies and VDC/DDC development funds. WFP should take responsibility for this either directly or through appropriate partners.

187. Social mobilization is used extensively throughout Nepal to improve the management of community-based assets (e.g. community forestry user groups). WFP Nepal could learn from the significant experience of others in this area. The use of existing user groups for asset creation could also reduce the problems associated with group formation given the limited time for implementation.

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

188. Currently, WFP has support from the EU for an area of activity that builds capacity for the Government of Nepal to take responsibility for and institutionalize food-security monitoring. However, there is less work taking place by WFP Nepal, or supported by the wider donor community, around the development of systems and processes necessary for the Government of Nepal to manage the response to emergencies (e.g. natural disasters), as well as chronic food insecurity or the use of C/FFA in this response. WFP Nepal needs to develop a process to facilitate a managed hand-over of responsibility from C/FFA implementation while retaining for the foreseeable future a support function to the Government of Nepal and relevant civil-society initiatives designed to build multidimensional resilience at all levels in Nepal.

189. WFP Nepal should work with the Government of Nepal to develop a process to enable the "hand-over" of C/FFA operations to appropriate agencies, particularly in the light of the changing aid modalities (e.g. the focus on sector-wide approaches) in Nepal. This "hand-over" would then enable WFP to be positioned effectively in relation to the wider context of development actors.

Acronyms

ADB	Asian Development Bank
BCNT	Brahmin, Chhetri, Newar and Thakali
CBS	Central Bureau of Statistics
CERF	Central Emergency Response Fund
CFA	cash for assets
C/FFA	cash/food for assets
CMI	Chr. Michelsen Institute
CP	country programme
CPN-M	Communist Party of Nepal-Maoist
DDC	District Development Committee
DFID	Department for International Development (United Kingdom)
DOLIDAR	Department of Local Infrastructure Development and Agricultural Roads (Nepal Ministry of Local Development)
DRR	Disaster Risk Reduction
DSCO	District Soil Conservation Office
EC	European Commission
EEC	European Economic Community
EPR	end-of-project report
EU	European Union
FAO	Food and Agriculture Organization of the United Nations
FFA	food for assets
FFW	food for work
FGD	focus group discussion
FSI	Food Security Index
GIZ	Germany Agency for International Cooperation (<i>Deutsche Gesellschaft für Internationale Zusammenarbeit</i>)
GoN	Government of Nepal
GTZ	German Agency for Technical Cooperation (<i>Deutsche Gesellschaft für Technische Zusammenarbeit</i>)
HDI	Human Development Index
HH	household
IE	Impact Evaluation
IFAD	International Fund for Agricultural Development
INGO	international non-governmental organization
INTRAC	International NGO Training and Research Centre
IPCC	Intergovernmental Panel on Climate Change
IRG	Internal Reference Group
M&E	monitoring and evaluation
MFWR	mid- and far-western region
MoFALD	Ministry of Federal Affairs and Local Development
NeKSAP	Nepal Food Security Monitoring System

NGO	non-governmental organization
NNGO	national non-governmental organization
NORAD	Norwegian Agency for Development Cooperation
NPC	National Planning Commission
NPR	Nepal rupee
NSAC	National Sustainable Agriculture Coalition
NTFP	non-timber forest products
O&M	operations and management
OECD/DAC	The Organisation for Economic Co-operation and Development Assistance Committee
OEV	Office of Evaluation
OHCHR	Office of the United Nations High Commissioner for Human Rights
PLIC	Protecting Livelihoods in Crisis
PRRO	protracted relief and recovery operation
QIP	Quick Impact Projects
RAP	Rural Access Programme
RCIW	Rural Community Infrastructure Works
SCF	Save the Children Fund
SDC	Swiss Agency for Development and Cooperation
SNV	Netherlands Development Organisation
SPR	Standard Project Report
TOC	theory of change
TOR	Terms of Reference
UN	United Nations
UNCERF	United Nations Central Emergency Response Fund
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VAM	vulnerability analysis and mapping
VDC	village development committee
WB	World Bank
WFP	World Food Programme
WTO	World Trade Organization

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