

**LGP/ PDDP BRIDGING PHASE PROGRAMME  
NEP/02/032**

**COMPLETION REPROT**

**MLD/UNDP/NORAD/DFID**

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## Abbreviations

ADB/N	Agriculture Development Bank/ Nepal
CMC	Chairperson Manager Conference
CO	Community Organization
DAG	Disadvantaged Group
DDC	District Development Committee
DFID	Department For International Development (U.K)
DW	Drinking Water
GIS	Geographical Information System
HH	Household
IAAS	Institute of Agriculture and Animal Sciences
LDFB	Local Development Fund Board
LGP	Local Governance Programme
LGSP	Local Governance Strengthening Programme
LPBPP	LGP/ PDDP Bridging Phase Programme
LSGA	Local Self Governance Act
MLD	Ministry of Local Development
MoU	Memorandum of Understanding
NORAD	Norwegian Agency for Development Cooperation
NPC	National Planning Commission
PDDP	Participatory District Development Programme
PRA	Peer Review Assessment
QIP	Quick Impact Project
RCIW	Rural Community Infrastructure Work
SMELC	Social Mobilizer Experience Learning Centre
UNBCPR	United Nations Bureau for Crisis Prevention and Recovery
UNDP	United Nations Development Programme
VDC	Village Development Community
VDP	Village Development Programme

## **Executive Summary**

### **Context:**

Participatory District Development Programme and Local Governance Programme implemented in mid-nineties by the NPC and MLD respectively with the assistance of UNDP to improve the management of local development through participatory planning and management, to improve socio-economic condition of rural people and to support in decentralized development efforts ended in December 2002 and was expected to be taken over by the Local Governance Strengthening Programme (LGSP). However, LGSP could not be implemented due to various reasons. In order to continue the support available to the rural communities and to maintain the system established by the LGP and PDDP the Programmes were unified as LGP/PDDP Bridging Phase in year 2003.

LGP/PDDP Bridging Phase was implemented with the assistance of UNDP, DFID, and NORAD. Ministry of Local Development is the sole implementing agency. The Programme was designed to support the social and economic empowerment of poor people and socially excluded communities, whilst minimally maintaining systems especially in GIS and monitoring mechanism already introduced at the district level without undertaking any major new activities. The major focus of the Programme was introduction and consolidation of pro-poor and positive discrimination policies as recommended by UNBCPR mission of 2002 in favour of disadvantaged group including women for both programme inputs and local staff recruitment. A major highlight of the Programme was piloting the principles and approaches to deal with the issue of social exclusion and deprivation in an additional 100 new VDCs of mid and far-western development regions. The Bridging Phase was hence operated for a period of fifteen months (January 2003 to March 2004) in 60 districts.

### **Achievements**

One of the expected outputs of LGP/PDDP Bridging Phase Programme was to strengthen and institutionalise Local Development Fund at local level for poverty reduction efforts. In an effort to achieve that output various activities such as training & orientation for LDF staff, preparation & operation of exist strategy, VDP-VDCs categorization, design and operation of pro-poor and positive discrimination policies, and institutionalisation of Social Mobilization and Experiment Learning Centre (SMELC) in Institute of Agriculture and Animal Sciences were carried out.

A series of training and orientation organized in collaboration with SMELC to enhance the capacity of LDF staff. A total of 496 LDF staff were trained against the target of 390, of which 24 percent were female. It has helped LDF staff to work in the field as per the guidelines of the Programme in the conflict situation.

LDFs have adopted a policy to replace Social Mobilizers by Local Facilitators in matured VDP-VDCs. The Chairperson Manager Conference selected the Local Facilitators from among CO members who are willing to work as social worker. During the Bridging Phase, Local Facilitators in various VDP-VDCs replaced 56 Social Mobilisers.

A total of 200 VDP – VDCs of 10 districts under NORAD support were categorised in three groups on the basis of maturity and further support requirement. Differential support mechanism was adopted on the basis of this categorization piloted.

Pro-poor and positive discrimination policy was designed and adopted by the LDFs. The salient features of the pro-poor policy are earmarking 70 percent of credit capital, 40 percent of seed grant, 60 percent of technology promotion, and 40 percent of skill development budget for ultra poor. LDFs introduced goat exchange and pig exchange programme (gift exchange) for ultra poor CO members to improve their economic condition in Sindhupalchowk, Dhading, Udayapur, Mahotari, Terathum, Rauthat, Dailekh.

Institute of Agriculture and Animal Sciences (IAAS), Chitwan, has internalised SMELC (Social Mobilization Experience Learning Centre) as one of its Unit. IAAS has introduced social mobilization as one of the course in Bachelor of Science.

Hundred VDCs of mid and far-western development regions were selected on the basis of poverty index, severity of conflict, concentration of ethnic minorities, and remoteness to implement quick impact project by adopting flexible social mobilization package to promote social strength and empower disadvantaged group including women. The selected VDCs were identified as the most excluded and conflict affected Villages.

The second expected output of the Programme was implementation of pro-poor and positive discrimination policies to empower rural poor and under privileged communities in 100 new VDP-VDCs. Flexible social mobilization package for quick impact programme was tested in 100 new VDCs with high concentration of DAG and Dalits to achieve the output.

As of March 2004, a total of 1891 COs were formed in 100 new VDCs by mobilizing 34511 ( 53 % ) households. The total member in COs reached 40495, of which 60 percent are male and 40 percent female. From poverty profile, 46 percent CO members are ultra poor, 33 percent poor, and 21 percent medium. COs have identified 347 infrastructure projects mainly drinking water, irrigation and community building of which 195 (56%) projects have been completed by the end of March 2004 and 102 projects are under implementation. A total of 11452 CO members have benefited from completed projects. Under skill development 126 CO members trained as village specialist. Similarly, 1762 CO members have be trained in different areas such as vegetable cultivation, goat rearing, community book keeping, audit, leadership, etc.

Benefit mapping exercise in pilot basis was carried out to determine the extents of benefit that reach the beneficiaries. The benefit mapping was carried out on the basis of poverty profile, ethnicity and gender. This type of exercise was not done earlier.

During the Bridging Phase LDFs have recruited 88 new local staff by adopting positive discrimination policy. Of the total staff recruited 12 belongs to Dalit, 12 minorities, and remaining from other ethnic group.

LDFs have introduced lease schemes to benefit ultra poor CO members by taking public land, fish pond, and community forest. About 450 ultra poor CO members are engaged in lease scheme.

The third expected output of the Bridging Phase was focused on services to matured COs on information on market and technology. The activities such as dissemination of relevant information, networking, and demonstration of appropriate technologies were carried out to achieve the expected output.

Information Centres have been established in few VDP – VDCs of 12 districts to disseminate information. LDFs have initiated VDP-VDCs management committee networking once in a year to share experiences and lesson learnt among each other. The networking has helped to disseminate and replicate successful cases of VDP.

The fourth output was related to implementation of qualitative and quantitative monitoring system at the district and VDC level.

The Programme has introduced pictorial self-monitoring system at CO level to assess their performance towards self-reliance. A total of 279 LDF staff trained in monitoring system

Capacity enhanced of MLD/NPC on the use GIS products for poverty identification and decision making process was the fifth output of the Bridging Phase. This tool utilized in selecting 100 new VDCs from mid and far western development regions.

NPC and MLD GIS Facility have prepared up-to date digital resource maps on GIS layers to analyse resource and poverty situation at the district level. A meta-database has been prepared. Almost all the Programme districts have prepared resource maps and service centre maps using GIS technique. Twenty- seven districts have prepared poverty maps using GIS technique.

The sixth expected output was on minimum technical operation support to DDCs on database, accounting package, and ICT.

Internal communication system of seventeen DDCs has been strengthened with internet facilities. Five DDCs have prepared multi-media CD. Twenty- one DDCs have introduced computerised accounting package.

### **Challenges and Opportunities**

The conflict situation in the country has affected smooth operation of the Programme especially in the hills and mountains districts. In on-going VDP- VDCs it is difficult to organize COs meeting and the practice of intensive discussion for reaching general consensus is disturbed. The rebel groups have introduced permit system to enter into VDCs, which made it difficult to monitor the programme from the district team. Movement of staff was reduced in most of the districts. More than 70 per cent VDC- office buildings and 10% of DDCs building have been destroyed by insurgent groups and created problem for Social Mobilizers to find office space. Delay in completion of seed grant projects due to restriction in transportation of construction materials resulted in low budget delivery. Some community members, particularly male and youth out migrated due to fear of undue pressure from rebels. Insurgent groups have warned that they would not allow outsiders in their areas unless permission from them is secured in advance. The field staff at different point of time are harassed by security forces too.

Of the total credit capital fund available for 100 new VDCs, LDF is able to deliver 80 percent. The risk was high to carry money to distribute to COs as credit capital and collecting of loan resulting in low delivery and repayment rate. The frequent blockade by the rebels disturbed the flow of information from COs to LDF and vice-versa. Movement of staff was reduced due to conflict hence could not provide adequate technical back-stopping as required.

Insurgent groups sometime demand donations from program staff and many times they come across harassing behaviours. Response and behaviour of insurgent groups towards the program differs from person to person and place to place, therefore, the field situation remains unpredictable and volatile. It is strongly felt that there is a need for serious dialogue with insurgents at appropriate level.

Absence of locally elected representatives, whose tenure was expired almost two years ago (July 2002) was found to be major hindrance in further strengthening democratic decentralization and governance processes. Under the given political situation the non-existence of elected

representatives in local bodies has created a vacuum at the local level, thus creating problem in people participation and mobilization.

### **Lessons Learnt from 100 New VDP-VDCs**

The selection of poor and remote 100 new VDCs has given a good message at the local level. This has given strength to programme team to work in the conflict areas and has helped to gain the confidence of the people that this Programme is indeed meant for the ultra poor and DAG. It shows that poverty alleviation programme should concentrate in poor, isolated and remote villages in order to implement the programme with full support of local people.

The pro-poor policy adopted in 100 new VDCs towards ultra-poor and DAG in resource allocation and ensuring their representation in CO and CMC made a positive impact in confidence building of the people resulting in wholehearted support in implementation. It shows that earmarking of resources in favour of ultra poor is essential in order to provide significant benefit to ultra poor from the programme.

The positive discrimination policy adopted by the LDFs in recruitment of staff has given employment opportunity to Dalit, disadvantaged group including women. It shows that affirmative action is required to provide employment opportunity for disadvantaged group.

The quick delivery of resources in 100 new VDCs has been instrumental to generate self-employment and income, which in turn helped to some extent to divert attention of the people from prevailing frustration and conflict. It shows that quick delivery of resources is essential to benefit rural people in conflict affected areas.

The flexible approach has been able to provide resources and opportunities at the community level especially for ultra poor through earmarking, at a time when they are badly needed. The resources has been instrumental to regenerate productive self-employment and income especially for Dalits, disadvantaged group including women, which in turn helped to some extent to divert attention of people from prevailing frustration and conflict. It helped to generate hope and aspirations among conflict affected people for self-reliant development. It shows that flexible approach is required to benefit the disadvantaged groups including women.

In addition to the benefits for ultra poor and DAG, this programme has been instrumental in changing the mind set and reorienting the staff to MLD and DDCs to design programme and allocate resources in favour of poor and disadvantaged groups.

# **LGP/PDDP Bridging Phase Programme Completion Report**

## **1. Background**

Participatory District Development Programme and Local Governance Programme implemented in the mid nineties by the NPC and MLD respectively with the assistance of UNDP to improve the management of local development through participatory planning and management, to improve socio-economic conditions of rural people through social mobilization, and to support in implementation of decentralize development efforts, was merged as LGP/PDDP Bridging Phase Programme (LPBPP) in 2003. LGP/PDDP Bridging Phase Programme was thus implemented with the assistance of UNDP, DFID, and NORAD with Ministry of Local Development as its sole implementing agency. LPBPP was designed to support the social and economic empowerment of poor people and socially excluded communities, whilst minimally maintaining systems especially in GIS and monitoring mechanism already introduced at the district level without undertaking any major new activities. The major focus of the Programme was hence introduction and consolidation of pro-poor and positive discrimination policies as recommended by UNBCPR mission of 2002 in favour of disadvantaged group including women for both programme inputs and local staff recruitment. A major highlight of the Programme was piloting the principles and approaches to deal with the issue of social exclusion and deprivation in an additional 100 new VDCs of mid and far-western development regions.

**II Goal:** To establish effective regulatory, legal and policy framework for decentralization and poverty alleviation.

### **III Objectives:**

- To empower the poor people through social mobilization process.
- To build the capacity of local bodies to plan, programme and manage participatory development.
- To support MLD and NPC in policy formulation related to decentralization and poverty alleviation.

### **IV Programme Strategy**

- Promote decentralized governance at all level.
- Continue the support in programme districts without hindrance even in the absence of elected representatives in local bodies.
- Improve social mobilization package to respond the marginalized groups including Dalit and women.
- Strengthen the capacity of LDF to undertake additional responsibility of social mobilization activities in expanded VDP-VDCs.
- Develop & introduce positive discrimination policy in favour of ethnic minorities including women and Dalit.



- Support to strengthen the GIS system at DDC, MLD and NPC.
- Use GIS tools in selecting deprived, sensitive and isolated VDCs for social mobilization programme expansion.
- Establish linkage with SMELC/ Institute of Agriculture & Animal Sciences (IAAS) to introduce social mobilization in the main course of graduate level study.

## V. Key Activities

The Programme aimed at empowering people to take increasingly greater control over their own development and enhance their capacities to mobilize and channel resources for poverty reduction. It also provided support for improvement of governance and social empowerment at settlement through the creation of self-governing and self-sustaining organizations. The key activities of the Programme were as follows:

Micro Level: Village Development Programme through social mobilization provided institutional, social and economic empowerment to rural people by creating broad-based, multi-purpose, self-reliant and self-governing community organizations at the settlement level. Organization building function, saving and credit scheme operation and skill enhancement and development were the main activities under taken by Village Development Programme.

Meso Level: The Programme provided support for strengthening management capabilities of District Development Committees. It also provided management support to DDCs to enhance better local governance system by strengthening their institutional and professional capacity to plan, monitor, and coordinate local development activities and its management.

Macro Level: At the macro level it provided policy inputs to prepare operation guidelines, GIS database updating and consolidatin in MLD & NPC.

## VI. Progress Against the Outputs

**OUTPUT 1: Local Development Fund strengthened and institutionalised at the local level for poverty reduction efforts**

**Target 1.1: Strengthen LDF secretariate with orientation and training for effective management and administration.**

**Accomplishments:** A series of training and orientation were organized to enhance the capacity of Local Development Fund staff. A total of 496 LDF staff were trained against the target of 390, in refined social mobilization package, millennium development goals, human rights, pro-poor & positive discrimination policies, PRA, leadership development, group dynamics, conflict management, micro-enterprises, and business plan development, gender dimension, report writing, and communication skills. Of the total staff trained 24 per cent are female. The trainings were organized in collaboration with Social Mobilization Experiment & Learning Centre at Institute of Agriculture and Animal Sciences, Chitwan under the Tribhuvan Universtiy. The training/orientation helped to enhance the knowledge of LDF staff in refined social mobilization process including pro-poor & positive discrimination policy developed by the Programme. It has helped LDF staff to work effectively in the Village Development Programme even in conflict situation.

## **Target 1.2 Prepare and operationalise exit strategy of VDP in matured DDCs and VDCs**

**Accomplishments:** An exit strategy to reduce the Programme support gradually in operational cost of the LDF prepared and implemented. An exit strategy was designed to provide 50 percent and 70 percent of the operation cost to those VDP- VDCs that fall in category B and C, and no support to those VDCs that fall in category A<sup>1</sup>. The approach followed was to classify VDP – VDCs in three categories viz, A, B, and C on the basis of maturity, benefit received by poorest of the poor, households coverage, and implementation period. The Programme provided reduced operational cost support to LDFs by sole phasing out from VDC did not take place.

LDFs introduced the concept of Village Development Fund (VDF)<sup>2</sup> in 21 VDCs in pilot scale in order to help decentralize management of LDF operations. The concept of VDF was introduced as per the provision of LDF by-laws in this year.

LDFs also introduced a policy in pilot scale to replace Social Mobilizer by Local Facilitator of the same VDC, a member of COs in matured VDP-VDCs in order to coordinate and monitor facilitate VDP effectively in the context of difficult situation arising due to conflict situation. The Chairperson Manager Conference selects the Local Facilitators from among CO members who are willing to work as social worker. In selecting the Local Facilitator, preference was given to Dalit and disadvantaged groups including women. A total of 56 Local Facilitators have been replaced Social Mobilizers in VDP implementing VDCs.

## **Target 1.3: Categorise VDP- VDCs in terms of maturity and support require to address second threshold issues**

**Accomplishments:** A system was introduced to categorise VDP- VDCs in terms of household covered by the VDP, duration of VDP implementation period, maturity of VDP- VDC on the basis of COs categorization, and benefit received by poorest of the poor and disadvantaged groups. This exercise was carried out in 10 NORAD supported districts. Analysis carried out in 200 VDP- VDCs of 10 districts shows that 21 percent VDCs are in category A, 39 percent are in category B and 40 percent in category C. Differential support mechanism was adopted on the basis of VDP- VDC categorization. The operational cost support from the Programme for category 'A' VDCs, was reduced to zero while for category 'B' VDCs, the Programme provided 70 percent of operational cost. The Programme support was utilised in 'A' and 'B' categories VDCs to address the second threshold issues. In case of 'C' category VDCs the Programme provided 100 percent support in operational cost. This exercise has led to determine the extent to which VDP- VDCs have matured overtime and what support requirements are needed.

## **Target 1.4: Develop district specific policies on pro-poor and positive discrimination for better addressing issues of the underprivileged groups**

**Accomplishments:** Benefit analysis carried out in pilot basis by the Programme shows that benefit of VDP (poor and destitute) has not been equally distributed with respect to ethnicity, gender, and poverty profile. Hence to provide more benefits to the poorest of the poor and disadvantaged groups LDFs have applied to pro-poor and positive discrimination policies to give high priority for Dalit and disadvantaged groups in the 100 new VDCs. The silent features of the pro-poor policy are : earmarking 70 percent of credit capital, 40 percent of seed grant fund, 60 percent of technology fund and 40 percent of skill development for ultra poor. Categorisation was done on the basis of criteria development by the programme.

<sup>1</sup> Categorization done on the basis of criteria development by the programme

<sup>2</sup> A local management committee formed from the representation of COs/CMC to manage programme locally

Of the total credit capital earmarked for ultra poor, 10 percent is to be allocated for interest free investment, 20 percent for subsidized interest rate investment and the remaining 70 percent for investment among ultra poor CO members at normal interest rate. The credit capital earmarked under the interest free investment category was used in exchange programme for ultra poor.

#### Examples of pro-poor programme

LDF Sindhupalchok introduced goat exchange programme (gift exchange) in support of ultra poor members in 10 VDP-VDCs. Under gift exchange programme, ultra poor members were received goat with the commitment that they would supply off-spring to other ultra-poor members after a year around. Under this scheme 50 she-goats distributed to ultra poor members of community organization.

LDF Mahotari has also introduced goat exchange programme in Laxminiya VDC to improve economic condition of ultra poor CO members. LDF has provided she-goat to 25 ultra poor CO members. The members are required to provide off-spring to other poor CO members once they gave birth with few weeks rearing.

LDF Dhadhing has introduced goat exchange programme in Jogimara VDC near highway where most of the people belongs to Praja community (ethnic minorities). On the recommendation of CMC, nine female –goats and one breeding buck were given to ultra poor members. Goats were provided under the condition that they would provide off-spring to CMC management to transfer to other poor member.

LDF Terathum has introduced goat and pig exchange programme in Iwa VDC to raise the economic status of ultra poor. Under the exchange programme 25 pigs were distributed to 25 ultra poor members under the condition that they would provide piglets to other ultra poor members identified and delivered by the CMC.

In Rautahat district 12 piglets, 40 she- goats and 5 he-goats were distributed to 57 ultra poor members of VDP – VDCs. The piglets and she-goats were provided under the condition that they would provided newly born piglets to other poor members upon the decision of CMC.

In Dailekh district, 11 piglets were distributed to Dalit members of Belpati VDC under gift exchange programme to enhance the economic condition of ultra poor community members of the community organization encompassed by VDP.

LDF Rukum has distributed a pair of poultry birds to each of the 62 ultra poor women members of COs.

**Target 1.5; SMELC under IAAS utilised to mainstream social mobilization theme in curriculum of graduate course**

**Accomplishments:** Institute of Agriculture and Animal Sciences, Chitwan has institutionalised SMELC as one of its Unit. IAAS has introduced social mobilization one and also develop basic course in Bachelor of Science (BSc) Curriculum. SMELC has conducted a series of refresher training on social mobilization for LDF staff of programme districts

**OUTPUT 2: Pro poor and positive discrimination policies introduced and operationalised to empower rural poor and under privileged communities and VDP approach tested in 100 new poor VDCs**

**Target 2.1 LDF selects and introduces VDP in 100 new VDCs targeting isolated and poor VDCs with high concentration of DAG and Dalits etc**

**Accomplishments:** One hundred VDCs of mid and far-western development regions were selected by adopting the criteria : a) human poverty index, b) severity of conflict, c) concentration of ethnic minorities, and d) remoteness. The selection of new VDCs was done to implement VDP for quick impact project (QIP) by modifying existing social mobilization package to enhance social capital and empower disadvantaged groups including women in a situation of conflict. The QIP thus laid priority to the most disadvantaged districts, VDCs, and ethnic minorities in order to demonstrate quick impact among the targeted beneficiaries for reducing their level of inhuman by putting them first in the development process.

The flexible social mobilization package was designed in favor of ethnic minorities for development assistance as a means to address some of the root causes of conflict and discontent. It was develop to undertake positive discrimination actions in favor of disadvantaged group and women for both project inputs and recruitment of local staff.

The selected districts were Jajarkot, Dailekh, Pyuthan, Salyan, Rukum of Mid Western Region and Achham, Kanchanpur Dadeldhura, Bajhang, Bajura and Darchula of Far Western Region:.

The selected districts and VDCs were approved by the Steering Committee chaired by the Secretary, Ministry of Local Development. The list of selected VDCs was provided to the concern DDCs for discussion and approval from the DDC Board with flexibility to change the VDCs if there is any duplication of similar programme.

The flexible social mobilization programme of 100 VDCs was implemented in two phases due to severe conflict and recruitment process to be carried out in the absence of local bodies. The first phase was implemented in 60 VDCs out of 100 VDCs by deputing existing Social Mobilizers working in existing VDCs taken back from matured VDP implemented VDCs. In the second phase programme implemented in 36 VDCs except in 4 VDCs ( Rauda VDC of Jajarkot, Kalbhairab VDC of Dailikeh, Marke VDC of Salyan, Dogati VDC of Bajura) due to insurgent groups restricted to enter in VDCs. However, in the latter stage those 4 VDCs were replaced by other VDCs and programme was implemented lately.

The refresher training programme was organized for newly recruited staff as well as for old staff before deputing them in the field. The content of the training package was refined to capture the pro-poor policy, positive discrimination policy, and group dynamics. It was highlighted in the training that more emphasis to be given to women, poor and Dalit in accessing the programme resources.

The fundamental difference of refined social mobilization package from the earlier package is to channel resources to COs by first identifying the community development needs especially infrastructure. Under this arrangement, COs able to receive grants within two to three months period from the date VDP initiated.

As of March 2004, a total of 1891 COs have been formed in 100 new VDCs by mobilizing 34511 (53%) households. Of the total 40495 CO members, 60 percent are male and 40 percent female. In terms of social classification 24 percent CO members are Dalit, 12 per cent Janjati and 64 percent others. From poverty profile perspective, 46 percent are ultra poor, 33 percent poor, and 21 percent medium class. COs have generated Rs 2.9 million through regular saving and invested Rs 2.1 million among members. LDFs have delivered credit capital amounting to Rs 6.6 million to CO members to initiate income generating activities.

A total of 126 CO members have been trained as village specialist and 1762 CO members trained in general training such as leadership, income generation and book keeping. The duration of training for village specialist was at least 35 days whereas for general training the duration was 2 to 7 days depending on the type of training. Of the total village specialist trained 53 persons are in agriculture, 59 persons in veterinary and 14 persons in community health.

COs also identified 347 community infrastructure projects of which 195 projects (56%) have been completed and 102 projects are under implementation (29%). So far LDFs have delivered Rs 17.37 million (US \$ 234287 ) to implement productive infrastructure projects under seed grant. A total of 11452 members from community organization benefited from seed grant projects.

LDFs have disbursed Rs 5.34 million (US \$ 72026) to CO members to initiate income generating activities during the Bridging Phase.

### **Target 2.3: Conduct benefit mapping exercise to analyse benefit shared by COs in terms of gender, ethnicity and others**

**Accomplishments:** Benefit mapping exercise was carried out primarily to determine the extent of benefits that reached CO members. The benefit analysis was performed on the basis of poverty profile, ethnicity and gender perspective. This exercise was not done in LGP and PDDP.

Benefit analysis shows that of the total internal saving of COs, 25 percent have been disbursed to Dalit while Janjati have received 37 percent and 38 percent by others in western hills. Similarly, Dalit used 17 percent of total credit capital fund of LDF while Janjaiti 42 percent of total disbursed by LDF. In case of seed grant fund, Dalit used 15 percent resources while ethnic group and others have received 44 percent and 41 percent respectively. In terms of economic classification, ultra-poor group received 28 percent of internal saving, while poor and medium got 43 per cent and 30 percent respectively. In case of credit capital, ultra poor got 27 percent while poor and medium shared 41 percent and 32 percent respectively.

Similarly, benefit analysis conducted in central development region shows that of the total CO's chairperson 6.56 percent belongs to Dalit followed by Janjati ( 45 % ) and Others ( 48 per cent). The analysis showed that 5 percent of CO's manager is occupied by Dalit followed by minoruties (46 percent) and others (50 percent). Regarding household coverage, the programme has not yet covered 77 percent of the household belonging to Dalit and 62 percent of the household belonging to ethnic. Of the total CO members belonging to Dalit 72 percent used

internal saving against 65 percent by minorities CO members. By economic classification, 76 percent ultra poor members have borrowed loan from internal saving of COs against 70 percent by poor members.

**Target 2.4: Develop and operationalise COs constitution to adapt rotational system for assuming leadership and management functions in COs and increasingly follow and monitor COs creeds**

**Accomplishments:** COs formed under the Village Development Programme have their own social constitution. The rules and regulations approved in the CO's meeting are considered as the CO rule of law. In bringing uniformity to basic elements of the rules, the Programme provided a guideline (a model CO constitution) to LDFs. The guideline includes various provisions like leadership rotation, role and responsibility of the leaders and other management functions of the CO. The leadership rotation is one of the major elements required to maintain equal opportunity to the potential leaders from all segments of the society. A total of 300 chairperson and 312 managers of COs have been replaced by new leadership in VDP implemented VDCs.

**Target 2.5: Provide training programmes to new chairpersons and managers in leadership and functionalize of COs**

**Accomplishments:** The new chairpersons selected by the rotation basis were trained on the leadership functions before taking charge. Similarly, managers were trained on record keeping and financial management.

**Target 2.6: Review and streamline the social mobilisation and resource delivery to ultra poor and disadvantaged groups**

**Accomplishments:** LDFs initiated measures to reduce operational bottlenecks to deliver services quickly. LDF Board has given authority to sub committee forward under the provision of LDF by laws to approve credit capital and seed grant in order to provide services promptly and swiftly to CO.

**Target 2.7: Introduce positive discrimination policy in recruitment of LDF staff**

**Accomplishments :**LDFs adopted a positive discriminatory policy in its own staff recruitment and local facilitator from CMC. The concept of Assistant Social Mobilizer was introduced instead of Social Mobilizer in order to increase intake of the disadvantaged groups and thus applicants. The minimum qualification required for Assistant Social Mobiliser is just SLC graduate whereas in the case of Social Mobiliser the minimum qualification is intermediate level pass (High School diploma).

During 2003 the LDF of Programme districts (100 new VDCs district only) recruited a total of 88 new staff by adopting positive discrimination policy. Of the total staff recruited 49 were male and 39 were female. In terms of ethnicity, 12 belong to Dalit, 12 minorities, and remaining other castes. LDFs have been able to come to this level of recruitment after lots of motivation and persuasion in policy and guidelines adoption from the district team of LDF and DDC. Nevertheless, it is difficult to identify candidates from such group especially in remote areas.

**Target 2.8: Organise refresher-training courses to LDF field staff on second threshold issues including issues of ultra poor and equity aspect, conflict management**

## **and advanced social and economic development**

**Accomplishments:** Refresher training on second threshold issues, equity, and conflict management was organized for LDF staff in collaboration with SMELC. A total of 183 LDF staff took part in refresher training of which 54 are female.

### **Target 2.9: Introduce lease schemes on public resources on a pilot basis**

**Accomplishments:** Concept of lease schemes (contractual agreement done with the public organization viz. VDCs, Forestry District Office, Agriculture Development Office of the districts has been introduced in 12 districts in pilot basis by mobilising ultra-poor CO members. About 450 pro-poor members involved in leasehold schemes.

#### **A case of leasehold scheme initiated for ultra poor:**

In Phulek VDC a VDP launching VDC of Terathum district community forest user's group of the same VDCs provided three hectares of land in lease for ten years to 23 ultra poor members of CO. They have planted cardamom with the credit support from LDF.

In Baghi VDC of Rautahat district 20 ultra poor CO of the same VDCs have taken one Bigha of land in lease for vegetable farming from the public. LDF has provided training and vegetable seeds to CO members engaged in lease scheme.

In Pahalmanpur VDC of Kailali district COs have taken two fish ponds in lease for fish farming. They have been raising more than four thousands fingerlings and estimated to make about Rs 50000 profit annually. The ponds belong to VDC and they have to pay Rs 10,000 per annum as rent.

LDF of Parbat has initiated lease scheme to uplift economic condition of ultra poor members of COs . In Phamikhani VDC 7 hectares of community forest has taken in lease and was distributed to 34 ultra poor members to plant cardamom. Similarly, in Hoshrangdi VDC 5 hectares of land has taken in lease and distributed to 25 ultra poor CO members for herbs cultivation (NTF).

Sisawa VDC of Kapilbastu leased two fish ponds on lease to DAG members and LDF provided Rs 27000 as a grant money for fish farming to the DAG.

Twenty-seven ultra poor members of Ghapokhara VDP VDC of Lamjung district taken barren land in lease for one year to cultivate potato. LDF Lamjung provided potato seed and chemical fertilizer a subsidized scheme for the ultra poor.

Udharapur VDC of Banke district gave its public pond in lease to poor CO members for fish farming for 5 years at minimum rate. Similarly, Piaparahawa VDC has given its pond in lease to poor CO members for 5 years for fish farming.

**A case of Dhanusha:**

Bagchanda VDC of Dhanusha district has provided seven hectare of land owned by it to the women COs in lease for 25 years without any charge for the socio-economic development of poor community members. Eighty-five ultra poor members of three COs are involved in this scheme. They have also mobilized resources from Rural Community Infrastructure Programme to plant Sisau trees and to construct fishponds, which has provided 33 quintal of rice for those activities. They have generated Rs. 3000 from pruning of plants. They believe that fishpond and Sisau trees will contribute significantly to improve their economic condition. They have formed a nine-member management committee to take care of the Sisau trees and fishponds.

**A case of Udayapur ;**

Tribeni VDC a VDP launch VDCs of Udayapur district leased 1.5 hectares of land for ten years to the ultra poor members of COs for vegetable farming as well as for tree plantation. Ten ultra-poor members engaged in this scheme where RCIW provided rice under the Food For Work to pay as wages to labour for cleaning the land, digging up pits, and making it arable. LDF of Udayapur provided support hand tube well, irrigation system establishment, saplings and vegetable seeds. LDF also provided training and credit capital to ultra poor members for vegetable farming.

**OUTPUT 3: Information, technological and market related services are provided to matured communities for accelerated social and economic development opportunities:**

**Target 3.1: Launch dissemination of relevant information**

**Accomplishments:** A practice of publishing COs wall newspapers has been introduced in some of the VDP- VDCs to disseminate relevant information which are displayed in community halls. This type of practice has been introduced in 12 districts namely Morang, Udayapur, Dhankuta, Sindhupalchowk, Makwanpur, Dhading, Dolakha, Parbat, Kaski, Sindhuli, Syangja, Kavre

**Target 3.2: Display development information in communication centre of communities such as plans and budgets of VDCs and district level line agencies to promote transparency**

**Accomplishments:** Information Centres have been established in few VDP implemented VDCs to disseminate information such as plans and budgets of VDCs as well as other important information as means to maintain transparency of the decision and resource allocation. This type of system has been introduced in 10 districts.

**Information Centres: In Kavre and Dhading**

COs in Kavre district have started to display information of prices of agriculture inputs and products as well as budgets of DDC, VDC and line agencies in the Community Centres established at VDC level. Similarly, COs in Dhading district initiated displaying information on VDC level activities as well as COs activities. There are 117 community information centres established and operated by COs/ CMC.



### **Target 3.3: Organise networks between the communities and various line agencies on successful cases at the grassroots**

**Accomplishments:** LDFs have initiated VDP- VDCs networking once in a year to share experiences and lessons learnt in social mobilisation. The networking has helped to disseminate successful cases at the grassroots of the VDP VDCs.

### **Target 3.4: Demonstrate appropriateness of rural technologies in enhancing economic development opportunities in the matured COs**

**Accomplishments:** The Programme has introduced the concept of technology transfer centres in VDP VDCs to disseminate and utilise the services of appropriate rural technologies. Accordingly technology promotion centres has been established in few of the VDCs of Udayapur, Morang, Sunsari, Kaski, Rupandehi, and Siraha districts which is providing very useful information for farming community in the rural areas.

### **Target 3.5: Upgrade skills of village experts to strengthen community-managed services**

**Accomplishments:** The skill of veterinary experts working in VDP implemented VDCs of Bajhang, Makwanpur, Dhading, Mahotari, Sindhuli, Rautahat, Sindhupalchok, Udayapur, and Ramechhap districts have been upgraded by providing refresher training of three-month duration in collaboration with Jiri Technical School and Training for Employment Opportunity Project supported by ILO. A total of 17 village experts of veterinary took part in advanced training. Many of the village experts have established community managed basic service centres and are providing services to community members.

## **OUTPUT 4: Qualitative and quantitative monitoring system further developed and implemented at the district and village level**

### **Target 4.1 Train LDF staff on monitoring system**

**Accomplishments:** The Programme introduced pictorial self-monitoring system (a chart with few indicators) at CO level to assess their performance towards self-reliance periodically in a participatory way. In VDP implemented VDCs matured COs are using regularly self-monitoring chart to assess their performance at least once in a year.

A total of 279 LDF staff have been trained on monitoring system by incorporating monitoring topics in refresher training organized by SMELC in collaboration with LPBPP. The staffs have been also given orientation on financial monitoring, work plan monitoring, performance monitoring, impact monitoring and documentation of the impacts.

## **OUTPUT 5 Capacity of NPC/MLD enhanced on the expanded use of existing GIS products for poverty identification, national development planning decision-making, and monitoring development:**

### **Target 5.1: Provide technical support to MLD and NPC GIS Section facilities/ support.**

**Accomplishments:** NPC/MLD GIS Facility has identified the data layers to be updated from the latest topo map sheet (a digitised map). Based on the need identification, the unit has developed task proposal to digitise (river and landuse) from new topo map of 1:25,000 scale

Meta Database prepared – a meta database (description of each data layers available at NPC/MLD GIS Facility) prepared for future reference by the data users. This is key information that is very much valuable for users to use database in their domain.

Programme supported districts is able to prepare and plot/delineate up-to-date resource maps (service locations by type, road network, resource centres, infrastructure, etc.) by utilizing local resources as per the Local Self Governance Act 1999. Based on these information, NPC/MLD GIS Facility prepared up-to-date digital resource based GIS layers for preparation and analysis of resource/poverty situation of the concerned districts.

MLD/NPC GIS Facility has provided technical support to disseminate and share available information to different data users in Nepal by applying NPC Data Distribution Policy and Guideline. The data distribute guidelines have come on the basis of revenue generation in districts.

### **Target 5.2: Prepare and publish GIS based resource maps and poverty maps**

**Accomplishments:** Almost all Programme districts have plotted/updated on large-scale topo map and prepared their resource/service centre maps. Upon completion of this process, NPC/MLD GIS Facility and DDCs have prepared resource maps, linked with socio-economic information collected by DDC/VDCs, and analyse the service accessibilities for utilization in planning and monitoring. So far 34 districts resource maps is completed and sent to district for further publication.

GIS technique has been used to prepare poverty maps for the first time to rank VDCs on the basis of HDI and HPI parameters. So far 27 DDCs prepared poverty maps using GIS technique. The method has been demonstrated in different occasions to different stakeholders including donor communities

### **OUTPUT 6: DDC supported to maintain minimum technical operations such as database, accounting package, ICT and GIS etc.**

#### **Target 6.1: Establish internal communication system in DDCs for easier access to communication**

**Accomplishments:** Internal communication system of seventeen DDCs has been strengthened with the help of intranet facilities. With the help of such facilities, each unit of DDC is able to communicate and work through cable.

Technical support provided to DDCs to create and prepare multi-media CD for easy dissemination of available information, such as periodic plan, annual plan, transport master plan, tourism plan, etc. The multi-media CD is proved to be very useful product of DDC for easier dissemination of district information. So far five DDCs namely Udayapur, Makwanpur, Kaski, Rupandehi, Morang have prepared multi-media CD.

MLD and NPC GIS Facility have provided technical support to DDCs to create and host DDC websites for information dissemination through web. DDC utilized local resources to create the

DDC web sites as per standard outline provided by NPC/MLD GIS Facility. Tanahun, Kaski, Kavre, and Banke districts prepared and launched the web sites. Similarly, Udayapur DDC established Local Area Networking (LAN) while Bara and Makwanpur DDCs have also initiated the work to establish Local Area Networking.

GIS team of NPC and MLD have organized training to Computer Operators and Programme Officers of 30 Programme districts on the use of GIS software

**Target 6.2: Provide TA & training to 10 more DDCs to implement financial accounting package.**

**Accomplishments:** Twenty-one Programme districts have introduced computerised accounting software package. The use of accounting package is limited to preparation of pay roll sheet in most of the districts due to shortcoming in the software and unavailability of trained manpower in the DDC.

## **Additional Achievements**

### **Activity: Organizational Re-profiling Exercise for the Bridging Phase**

**Accomplishments:** A study on LGP/PDDP Bridging Phase Re-profiling Structure and Human Resource Arrangements was conducted through a team of consultants for operational merger of PDDP and LGP into a single programme. The study team recommended that the Programme should continue both of its activities – capacity building and Village Development Programme beyond the Bridging phase until a programme – LGSP or any, other which have same objective, comes in operation. The study team also recommended that the MLD would act as the executing agency of the Programme. The need to support DDCs to effectively function and deliver the services as per the provision of LSGA was pointed out in the study.

A study on Decentralized Local Governance Support Programme – Reformulation Strategy was conducted through a team of consultants to develop a strategy for the new programme to start when the Bridging Phase Programme comes to an end on 31 March 2004. The study team recommended to continue the Programme through an interim Decentralized Local Governance Support Programme (DLGSP) with strategic improvements to administrative efficiency, capacity development and service delivery. The study pointed out the need to establish a high level Programme Formulation Committee to facilitate a national conference to design National Programme framework for decentralization and local governance.

### **Activity: Technical Review Meeting**

**Accomplishments:** The first technical review meeting of LPBPP was held in August 2003, chaired by Mr. Khem Raj Nepal, Secretary, MLD. The meeting reviewed the status of the Programme. Representatives from NPC, UNDP, DFID, and NORAD were present in the meeting.

The second technical review meeting was held in December 2003, again chaired by Mr. Khem Raj Nepal, Secretary, MLD, to finalize the Decentralized Local Governance Support Programme – Reformulation Strategy document. The meeting decided to extend the Programme for three years with the support of donor partners. Representatives from NPC, UNDP, DFID and NORAD were present in the technical review meeting.

## **Activity: Financial Linkage**

**Accomplishments:** The resources available in the Local Development Funds are far from adequate to meet the credit demand to Community Organizations to operate micro enterprise plans. Thus it needs adequate resources to create employment and income generating opportunities. In order to meet the growing demand for credit it is becoming essential for LDF to establish linkage with financial institutions. Efforts have been made to establish financial linkage between the Local Development Fund and Agricultural Development Bank. Accordingly, agreement was signed between LPBPP and Agricultural Development Bank to establish financial linkage between LDFB and ADB/N in pilot basis. Five programme districts viz. Morang, Bara, Tanhau, Kaski, and Syangja were selected to establish financial linkage with local LDFs. MoU was signed between Morang, Bara, Tanhau, Kaski, and Syangja LDFs and Agricultural Development Bank on July 2003 for financial linkage. As per the agreement, LDF of respective districts can borrow a loan up to Rs 5 million (an upper ceiling) in a year.

ADB/N in collaboration with respective LDFs have organized bookkeeping training to LDF staff in September 2003 in which 28 staff participated. LDF of respective districts adopted business accounting system to maintain income and expenditure records. As of November 2003, pilot districts have taken a loan amounting to Rs 6.07 million from ADB/N. Of the total money borrowed, Syangja, Bara, Tanhau, and Morang LDFs have taken a loan amounting to Rs 3 million, Rs 1 million, Rs 972 thousand and Rs 1.1 million respectively.

## **VII Challenges and Opportunities**

### **a) General**

In the Bridging Phase, capacity building of DDCs was limited to the maintenance of the system already in place. However, there was a growing demand from DDCs for providing adequate support in capacity building so that they can effectively perform their prescribed functions as mandated by LSGA.

More than 50 programme districts have completed periodic plans for long term development of the districts in the previous year. For effective implementation of these plans, they need adequate support so that local bodies can influence line agencies and others to integrate plans in line with the target set in periodic plans.

Absence of locally elected representatives, whose tenure was expired almost two years ago (July 2002) is found to be major hindrance in further strengthening democratic decentralization and governance processes. Under the given political situation the non-existence of elected representatives in local bodies has created a vacuum at the local level which has large implication in resource mobilisation and people's participate in development management.

The second threshold issues under the VDP are: legalisation of CMC and COs, upgrading of income generating activities into sustainable micro-enterprises, incorporation of missing ultra poor households in the VDP, and enhancing marketing linkages for COs ' product.

In on-going VDP- VDCs it is difficult to organize COs meeting and the practice of governance prior permission. The rebel groups have introduced permit system to enter into VDCs to any outsiders, which has made difficult to monitor the programme in regular basis. In some districts the rebel groups have threatened CO members not to return credit capital if they did they will be

penalised to pay equal amount to them hence, repayment rate of CC reduced and overdue amount increased substantially. While in some districts the rebels have put pressure to the COs to repay the loan in time so that other CO can receive the credit to operate their business. Movement of staff is reduced in all the districts. More than 70 per cent VDC- office buildings have been destroyed by rebels and created problem for Social Mobilizers to find office space. Delay in completion of seed grant projects due to restriction in transportation of construction materials resulted in low budget delivery. Some community members, particularly male and youth have been displaced. Rebels have warned that they would not allow outsiders in their areas unless permission from them is secured in advance. The field staff at different point of time is harassed by security forces as well.

## **b) Challenges and Opportunities of new 100 VDCs**

The conflict situation in the country has affected smooth operation of the Programme in the hills and mountainous districts of far-west and mid west regions. Due to conflict situation, VDP could not implemented in four VDCs out of 100 new VDCs selected to implement refined social mobilization package for quick impact, hence it was replaced. Monitor is regular in 56 VDCs and difficult in 40 VDCs. Implementation of seed grant projects was delayed due to restriction in transport of construction material. Weekly meeting of COs disturbed and CO's organized fortnightly meeting instead of weekly, in some cases even in monthly basis. Active participation in COs and CMC meeting reduced drastically because meeting can't take place for long period as compared to normal situation. Of the total credit capital fund available for 100 new VDCs, LDF is able to deliver only 80 percent. The risk was high to carry money and to distribute to COs and vice-versa to repayment resulting in low delivery rate and repayment rate. The frequent blockade by the rebels disturbed the flow of information from COs to LDF and vice-versa. Movement of staff reduced due to conflict hence could not provide technical back-stopping as required. Exposure visit for CO members could not take place. Some of the specific challenges in 100 new VDP- VDCs are as follows:

In some of the VDP implemented VDCs permission of the insurgents is required to implement program as well as for staff movement.

Insurgent groups demand donations from program staff and many times they come across harassing behaviours.

Serious resistance from insurgents especially around the training and shelter areas (Pyuthan, Achham).

Social Mobiliser hesitate to stay due to fear in their duty station because there are working in highly sensitive areas and isolated area.

It is becoming difficult to transport construction materials like GI pipe and other materials. The security does not allow transporting such materials to interior areas assuming abuse of such material by rebellions.

The telecommunication system in most of the districts is very poor. This has made difficult in disseminating information and establishing communication for better informed.

Response and behaviour of insurgent groups towards the program differs from person to person, therefore, the field situation remains unpredictable and often realise there is a need for serious dialogue with insurgents from appropriate level.

In conflict prone areas, it is extremely difficult to organize mass gathering activities like CO meeting, training, orientation, CMC meetings etc.

Burning off or destruction of VDC building resulted loss of records and working space. Thus, weakened the support mechanism from VDC and line agencies service centres to the VDP. This has directly affected the internalisation / cost sharing strategy as well as handing over process from LDF to VDC in one hand and more pressure exhausted to programme team for resource disbursement.

The Programme staff at the field is sometime harassed by the security forces.

The rebels don't like to receive grants from the government ( DDCs) but preferable to work for UN agencies.

## **VIII. Impact of Village Development Programme**

The VDP has helped to foster stronger community solidarity and cohesion. A sense of self-reliance and social harmony developed among community members. Drastic change observed in number of children going to school including girls. There are now more literate females than before. They do not rely on thumbprint now, which was not the case before the implementation of VDP. Adult literacy rates rising as result of adult literacy classes conducted by the Programme in collaboration with line agencies and NGOs. Community Organizations have concentrated on collective actions that benefit the community at large. Prior to implementation of VDP most of the women and people from disadvantaged groups were hesitant to talk freely with unknown people but the situation has changed entirely. Women participation in decision-making process (political means) has increased significantly.

Health and sanitation status in the villages improved. There is a greater awareness on water-borne diseases like diarrhoea, dysentery, and cholera. Members are spending more time in cleaning their houses and discussing community sanitation. Garbage pits have been built to dispose off waste.

VDP has made access to credit easy to CO members, especially for poor and underprivileged. Prior to implementation of VDP rural people especially destitute and poor have to rely on local moneylender who charges a higher interest rate (almost 48 to 100%), now they have given up visiting money lender for small amount of loan. But LDF fund is not adequate to meet COs bigger credit amount. The interest rate of local moneylenders has gone down (24-36%). Easy access to credit has enabled CO members especially ultra-poor to start enterprises such as bee keeping, pig farming, poultry, and goat keeping and small grocery. VDP has helped to create self-employment opportunity especially for ultra-poor and disadvantaged group. A growing number of CO members now seem to realize the importance of savings compared to the past practice of unproductive expenses on alcohol and gambling.

Another important accomplishment made under VDP is production of development activist. Earlier it was difficult to find development activist especially women, now development activist are found in each settlement.

### Impact of VDP in Sindhupalchok : A case study

The VDP has helped to convince CO members that they should provide education opportunity to their children regardless of sex. The programme has encouraged CO members who were unable to read and write. Because of the above factors, primary school enrolment in VDP implemented VDCs has increased by 10 percent in 2003 as compared to base year 2001 (against 18%). Similarly, adult literacy rate of men and women have increased by 12 and 15 percent respectively. The primary school drop out rate has also reduced by 7 percent in 2003 as compared to base year 2001. CO members have developed a sense of 'We instead of I'. The violence against women reduced significantly in VDP implemented VDCs. The registration of social dispute in the VDC has been reduced after the implementation of VDP, A sense of social harmony has developed among CO members.

In case of health and sanitation the number of households without toilet facility has decreased by 35 percent in 2003 as compared to base year 2001. The drinking water project constructed with the support of LDF has contributed to increase the safe drinking water facility within 15 minutes by 18 percent.

Regarding women empowerment considerable achievement has been made. Women, who would be considered to be at the receiving end, are now active participants of development. Women have run enterprises and enhanced their income. They have come out of the houses and involved in local development initiatives. Women have also taken lead role in social activities such as banning alcohol and gambling.

## **IX. Lessons of 100 New VDP-VDCs**

The Programme has covered resource poor, conflict prone and remote districts under new 100 VDP-VDCs. The selection of poor and remote 100 new VDCs gave a good message at the local level including insurgent groups. This has given strength to work in the conflict areas. The objective and purposive selection criteria of 100 new VDCs for quick impact has helped to gain the confidence of the people that this programme is indeed meant for the pro-poor and DAG thus have no resistant and objective from the insurgent groups of the local area.

The positive discrimination policy adopted in 100 new VDCs towards ultra-poor and DAG in resource allocation and ensuring their representation in CO and CMC made a positive impact in confidence building of the people resulting in wholehearted support in implementation. The recruitment of Assistant Social Mobilizer from the respective VDP – VDCs has made easy to implement the programme smoothly even in conflict affected area. Of the total staff recruited by the LDF to implement VDP through modified social mobilization package 26 per cent are female. In terms of ethnicity 28 per cent are from Dalit and minorities communities. With the change in minimum qualification a total of 30 percent Social Mobilizers recruited from Dalit community by the LDFs in early 2003. The LDFs have been able to come to this level of recruitment after policy and guidelines intervention for positive discrimination since it is difficult to find candidates from such groups especially in remote areas.

The positive aspects of modified social mobilization can be seen in its coverage. It has covered resource poor, conflict affected and remote districts and isolated VDCs. It has given special efforts to include ultra-poor and DAG. Of the total CO members in 100 new VDCs, 24 percent are Dalit, 13 percent Janjati and 63 percent others. Regarding the distribution of CO members

from the perspective of poverty profile, 42 percent are ultra-poor, 39 percent poor and 19 percent middle poor.

One of the relative merit of modified social mobilization process is that it is pro women, pro-poor and DAG, who have been neglected by most of the programmes due to their scattered, unorganized, and vulnerable social position and litter or no power position. The quick delivery of resources has been seen as merit of modified approach. Moreover, it has focused on ultra-poor and DAG by ear mark resource allocation which has given a good message at the local level. This approach has given strength to the programme to work in the conflict situation.

The training organized for field staff has a positive impact as they have been able to follow the process successfully and smoothly

The resource delivered in 100 new VDCs have been instrumental to generate self-employment and income which in turn helped to some extent to divert attention of the people from prevailing frustration and conflict. Of the total credit capital delivered by LDFs in 100 new VDCs, 47 percent has been delivered to ultra-poor followed by 34 per cent to poor and 19 per cent for middle.

In flexible social mobilization approach, priority given to those infrastructure projects identified by the ultra-poor and DAG through participatory and prioritization approach. In implementation of community infrastructure projects through functional group, women, ultra-poor and DAG are given priority in the group formation.

In modified approach representation of women, and DAG is ensured in formation of COs, CMC as well as in functional groups. There is also a system of rotation of chairperson and manager among CO members to develop leadership in modified approach. The emphasis has been given to involve women, ultra-poor and DAG in decision making process. These changes are showing significant impact in project implementation even in conflict affected areas.

The modified approach has been able to provide resources and opportunities at the community level at a time when they are badly needed. This is specially so in the resource poor hill and mountain districts of mid and far-western regions. The resources has been instrumental to regenerate productive self-employment and income which in turn helped to some extent to divert attention of people from prevailing frustration and conflict. It helped to generate hope and aspirations among conflict affected people for self-reliant development.

## **X Financial expenditure**

The total approved budget of LGP/PDDP Bridging Phase Programme was US\$ 3709653 of the total budget. 62% was spent in Village Development Programme, 6% in DDC capacity building, 1% in central level support and 31% in programme support.

( US\$)		
<b>Particulars</b>	<b>Allocated Budget</b>	<b>Actual Expenditure</b>
VDP component	2,468,166	2,289,021 (62%)
District Capacity Building	308,206	219,846 (6%)
Central Level Support	31,865	53,692 (1%)
Programme Support Expenditure	901,416	1,147,094 (31%)
<b>Total</b>	<b>3,709,653</b>	<b>3,709,653</b>



## Annex: 1

### LGP/PDDP Bridging Phase Programme Outputs, Targets and Achievements (January 2003 - March 2004)

Sn	Expected Outputs	Targets	Achievements
1	Local Development Fund strengthened and institutionalized at the local level for poverty reduction efforts	<p>1.1 Strengthen LDFB staff with orientation and training for effective management</p> <p>1.2 Prepare and operationalize exit strategy of VDP operational inputs in matured DDCs and VDCs</p> <p>1.3 Categorise VDP-VDCs in terms of maturity and further support requirements to address second threshold issues</p> <p>1.4 Develop district specific policies on pro poor and positive discrimination for better addressing issues of the underprivileged groups</p> <p>1.5 SMELC institutionalized and services utilized to strengthen social mobilization</p>	<ul style="list-style-type: none"> <li>• 496 LDF staff trained on refined social mobilization &amp; pro poor and positive discrimination policy</li> <li>• Exit strategy prepared to reduce gradually the programme support for operational cost of the LDF</li> <li>• VDP – VDCs in NORAD supported districts categorized in three groups.</li>   <li>• Pro poor and positive discrimination policies developed and adopted by LDFs</li>   <li>• SMELC established in IAAS. IAAS introduced social mobilization in basic course of Bachelor in Science</li> </ul>
2	Pro poor and positive discrimination policies introduced and operationalized to empower rural poor and under	2.1 LDF selects & introduce VDP in 100 new VDCs targeting poor VDCs with high concentration of DAG, marginalized communities, Dalit etc.	<ul style="list-style-type: none"> <li>• 100 VDCs of mid and far western development regions selected on the basis of HDI, severity of conflict, ethnic</li> </ul>

	<p>privileged communities and VDP approach tested in 100 new VDCs</p>	<p>2.2 Conduct benefit mapping exercise to analyse the benefit shared by COs in terms of gender, ethnicity and others</p> <p>2.3 Develop and operationalize COs constitution to adopt rotation system for assuming leadership and management functions in COs and increasingly follow and monitor COs creeds</p> <p>2.4 Provide training to new chairperson and managers in leadership</p> <p>2.5 Review and streamline the social mobilization and resource delivery process towards pro poor and disadvantage groups</p> <p>2.6 Introduce positive discrimination policy in recruitment of LDF staff</p>	<p>minorities &amp; remotness for QIP. 1891 COs formed in 100 new VDCs by encompassing 40495 members with 40 percent female. COs identified 347 projects of which 195 projects completed and 102 projects in implementation stage.</p> <ul style="list-style-type: none"> <li>• Benefit analysis carried out to determine the extent of benefits that reach the beneficiaries. Benefit analysis performed on the basis of poverty profile, ethnicity and gender perspective</li> <li>• 300 chairpersons &amp; 312 managers of COs replaced as per the policy of leadership rotation.</li> <li>• A total of 300 chairperson and 312 managers of COs trained</li> <li>• LDFs initiated measures to reduce operational bottlenecks to deliver services quickly. Sub- committee given authority to approve credit capital and seed grant to COs.</li> <li>• A total of 88 new staff recruited by LDF's by adopting positive</li> </ul>
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		<p>2.7 Organize refresher training courses to LDF staff</p> <p>2.8 Introduce lease schemes on public resources on a pilot basis</p>	<p>discrimination policy. Of the total staff recruited 12 belongs to Dalit, 12 Janjati and remaining other caste.</p> <ul style="list-style-type: none"> <li>• A total of 183 LDF staff took part in refresher training</li> <li>• Lease schemes on public resources introduced in 12 districts in pilot basis.</li> </ul>
3	Information, technologies and market related services are provided for matured communities	<p>3.1 Launch dissemination of relevant information</p> <p>3.2 Display development information in communication centre to promote transparency</p> <p>3.3 Organize networks between the communities and various line agencies on successful cases at grassroots</p> <p>3.4 Demonstrate appropriateness of rural technologies in enhancing economic development opportunities in the matured COs</p> <p>3.5 Upgrade skills of village expert to strengthen community managed service centre</p>	<ul style="list-style-type: none"> <li>• 15 districts introduced the practice of publishing wall news papers</li> <li>• 15 districts established information centers at VDC level (VDP implemented VDC)</li> <li>• VDP-VDCs management committee networking system introduced to share experiences among each other</li> <li>• Technology promotion centre established in some of the VDP implemented VDCs.</li> <li>• Advance training of 3 months duration in veterinary organized for 17 village specialist</li> </ul>
4	Qualitative and quantitative monitoring system further developed and	4.1 Train LDF staff on monitoring system	<ul style="list-style-type: none"> <li>• Pictorial self monitoring chart introduced and 279 LDF staff trained on monitoring</li> </ul>

	implemented at the district and village level		
5	Capacity of NPC, MLD, GIS facility enhanced	<p>5.1 Provide technical support to MLD, NPC's GIS section</p> <p>5.2 Prepare &amp; publish GIS based poverty maps</p>	<ul style="list-style-type: none"> <li>• MLD/NPC – GIS facility identified the data layers from the latest topo map sheet (digitized maps)</li> <li>• Meta database prepared</li> <li>• 34 districts published GIS based resource maps</li> <li>• 27 districts prepared poverty maps</li> </ul>
6	DDC supported to maintain minimum technical operations such as database, accounting, transparency in financial management ICT and GIS	6.1 Establish internal communication system in DDCs for easier access to communication	<ul style="list-style-type: none"> <li>• Computer accounting package introduced in 21 programme districts</li> <li>• Establish and use website, internet and intercom system in DDC</li> </ul>

## Annex: 2

### Progress Status of 100 New VDCs: as of March 2004

S.N.	Item	Status
1	100 new VDP-VDCs of 11 districts	Achham-12, Kanchanpur-3, Dadeldhura-3 Pyuthan-12, Dailekh-12, Salyan-6, Rukmum-6 Jajarkot-12 Bajura-12 Bajhang-12 Darchula-10
2	Total HH in 100 new VDCs	64604
3	Total HH mobilized in new 100 VDCs	34511 (53%)
4	HH mobilize in 100 VDCs in terms of poverty profile	
	Ultra poor	46%
	Poor	33%
	Medium	21%
5	HH mobilized in terms of social classification	
	Dalit	24%
	Janjati	12%
	Others	64%
6	Distribution of HH in 100 VDCs by poverty profile	
	Ultra poor	38%
	Poor	36%
	Medium	26%
7	Distribution of HH in 100 new VDCs by social classification	
	Dalit	22%
	Janjati	17%
	Medium	61%
8	Number of COs formed	Men=583 Women=521 Mixed = 787 Total 1891
9	Total members in Cos	40495
	Men	24297
	Women	16198
10	No of projects/scheme identifies by COs	347
11	No. of projects completed	195
	Drinking Water	134
	Irrigation	35
	Others	26
12	No of projects under implementation	102
	Drinking Water	72
	Irrigation	15
	Other	15
13	Seed grant delivered	Rs 17 million

14	No of beneficiaries from completed projects	11917
15	No. of CO members trained as village specialist ( at lease 35 days training)	126
	Agriculture	53
	Veterinary	59
	Community health	14
16	No. of CO members trained ( general)	1762
	Men	1400
	Women	362

**Annex :3**

**Impact of Village Development Programme in Sindhpalchok District ( a case of VDP- VDCs in Melamchi Valley)**

Sn	Indicators	Unit	Base Year		Change
			2001	2003	
<b>A</b>	<b>Social Indicators</b>				
<b>1</b>	<b>Education Indicators</b>				
<b>1.1</b>	<b>Primary School Enrollment</b>				
	Boys	%	73	83	10
	Girls	%	69	80	11
<b>1.2</b>	<b>Primary school drop out rate</b>				
	Boys	%	18	11	-7
	Girls	%	18	10	-8
<b>1.3</b>	<b>Adult literacy rate</b>				
	Male	%	48	60	12
	Female	%	30	45	15
<b>2</b>	<b>Health &amp; education</b>				
<b>2.1</b>	<b>HH with toilet facility</b>				
	Temporary	%	46	73	27
	Permanent	%	6	14	8
	Without toilet	%	48	13	-35
<b>2.2</b>	<b>Drinking Water facility</b>				
	HH with safe DW facility within 15 minutes ( to and from)	%	65	83	18
	HH with safe DW facility within 15 to 30 minutes (to and from)	%	35	17	18
<b>2.3</b>	<b>Adoption of Family Planning Aids</b>				
	Male adopting FP aids	%	25	35	10
	Female adopting FP aids	%	28	55	27
	Delivery cases handled by Trained Manpower	%	22	35	13
<b>2.4</b>	<b>Social Discrimination</b>				
	Leadership (CO Chairpersons/ Managers) headed by Social Classification	no			
	Dalit			1	1
	Janajati			3	3
	Others			8	8
<b>2.5</b>	<b>No of social disputes registered in VDC</b>		6	0	
<b>B</b>	<b>Economic Impact</b>				
<b>1.1</b>	<b>Micro Finance</b>				
	HH taking loan from local money lenders	%	60	30	-30
	Interest rate of local money lenders	%	24	18	-6

<b>1.2</b>	<b>Income generating activities</b>				
	Micro enterprises / CO	no	4	17	13
	Average annual HH income	Rs.	28360	32902	4542
<b>1.3</b>	<b>House roofing</b>				
	Concrete	%	-		
	Tin/stone/tile	%	37	44	7
	Temporary shade	%	5	5	0
	Thatched	%	58	51	-7
<b>1.4</b>	<b>Poverty profile</b>				
	Ultra poor	%	19	14	-5
	Poor	%	22	20	-2
	Medium	%	59	66	7
<b>C</b>	<b>Gender</b>				
	Female holding leadership in mixed COs	no	2	3	1
	Female handled enterprises	no	4	14	10



## LGP/PDDP Bridging Phase Programme

### Districts with Resource Maps & Poverty Maps

No	Resource Maps	No	Poverty Maps
1	Myagdi	1	Accham
2	Lamjung	2	Baitadi
3	Dailekh	3	Tanahu
4	Bajhang	4	Kanchanpur
5	Bajura	5	Kaski
6	Bara	6	Mustang
7	Darchula	7	Chitwan
8	Dhankuta	8	Kailali
9	Dhanusha	9	Myagdi
10	Dolakha	10	Palpa
11	Khotang	11	Bajhang
12	Lalitpur	12	Bajura
13	Mahottari	13	Bara
14	Makwanpur	14	Darchula
15	Morang	15	Dolakha
16	Parsa	16	Khotang
17	Ramechhap	17	Lalitpur
18	Sankhuwasabha	18	Mahottari
19	Sindhuli	19	Morang
20	Sindhupalchowk	20	Parsa
21	Siraha	21	Ramechhap
22	Sunsari	22	Sankhuwasabha
23	Terathum	23	Sindhuli
24	Udayapur	24	Sindhupalchowk
25	Parbat	25	Siraha
26	Tanahu	26	Sunsari
27	Dadeldhura	27	Udayapur
28	Banke		
29	Kaski		
30	Kavre		
31	Palpa		
32	Kanchanpur		

33	Kailali		
34	Chitwan		