



PROJECT PAPER ANNEXES

Rapti Development Project

(No. 367-0155)

राप्ती विकास परियोजना

(३६७-०१५५)

Administrative Analysis

**USAID/NEPAL
Kathmandu, Nepal
November 1986**

ADMINISTRATIVE ANALYSIS

RAPTI DEVELOPMENT PROJECT

(No. 367-0155)

Prepared by : Rural Development Office
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- 1 -

TABLE OF CONTENTS

Page No.

I. THE INSTITUTIONAL SETTING	5
A. Indigenous Institutions	5
B. Political Institutions	6
C. HMG Administration	7
D. The Private Sector	10
E. Foreign Assistance	12
II. HMG POLICY FOR RURAL DEVELOPMENT	13
A. Evolution of Decentralization	13
B. Decentralization Act and By-Laws	14
C. The District Panchayat Secretariat	17
D. Roles of Regional Offices	17
E. Village Panchayats and User Groups	17
F. Some Issues	18
III. RURAL DEVELOPMENT - RAPTI ZONE: THE INSTITUTIONAL FIT	19
A. Design Assumptions	19
B. Implementation Realities and Constraints	21
IV. PROJECT AGRICULTURE AND FORESTRY PRODUCTION STRATEGIES	23
A. Overall Strategy	23
B. Private Sector Stimulation	24
C. Development Management	26
D. Production Support based on Potential and Demand	26
V. DISTRICT INSTITUTIONAL DEVELOPMENT PROGRAM	27
A. District Planning and Coordination	27
B. Women in Development	32
C. Rural Works	42
VI. PRIVATE SECTOR DEVELOPMENT	52
VII. MULTIDISTRICT SUPPORT -- THE PROJECT COORDINATOR'S OFFICE - 58	
A. Functional Roles of the PCO	57
B. Structure and Staffing of the PCO	61
VIII. PROJECT MANAGEMENT	65
A. Project Management	65
B. Project Contracting	66

LIST OF TABLES

	<u>Page. No.</u>
1. Planning and Monitoring Processes for RDP	15
2. Illustrative Local Training Plan	30
3. Phase I PCRW Program and Training Achievements	33
4. NFY 2043/044 WID Program Summary	34
5. Planned WID Program Outputs under RDP	41
6. Phase I Rural Works Achievements	44
7. Planned Rural Works Construction Program under RDP	51
8. Proposed Project Coordinator's Office Organization	60
9. Proposed Staffing of the Project Coordinator's Office	62
10. Illustrative Technical Assistance under PSO	63
11. Illustrative Peace Corps Assistance Plan	64

ACRONYMS, ABBREVIATIONS AND DEFINITIONS

ADB, ADB/N	Agricultural Development Bank of Nepal.
ADO	District Agricultural Development Officer
AIC	Agricultural Inputs Corporation
AID/W	U.S. Agency for International Development, Washington Office
ATU	Appropriate Technology Unit
CSP	Cropping Systems Program
CY	Calendar Year
DFAMS	Department of Food and Agricultural Marketing Service
DFC, DFO	District Forest Controller or Officer
District	One of the 75 basic administrative units into which Nepal is divided
DLDAH	Department of Livestock Development and Animal Health
DOA	Department of Agriculture
DOF	Department of Forest
DSCWM	Department of Soil Conservation and Watershed Management
FY	U.S. Fiscal Year (October 1 - September 30)
GON	His Majesty's Government of Nepal
Ha(s)	hectare(s)
HMG; HMG/N	His Majesty's Government of Nepal
Ilaka	An administrative sub-division of the District. Each district has 9 Ilakas.
JT/JTA	Junior Technician/Junior Technical Assistant
Km(s)	Kilometer(s)
LDO	District Local Development Officer
MOA	Ministry of Agriculture
MOF	Ministry of Finance
MPLD	Ministry of Panchayat and Local Development
MT	Metric tons
NFY	Nepal Fiscal Year (approx. July 15 - July 14)
NPC	National Planning Commission
Panchayat	Village, an administrative sub-unit of District.
PEU	Private Enterprise Unit of ADB in Tulsipur formerly ATU
PF	Panchayat Forest
Phase I	Phase I Rapti Project -- Rural Area Development: Rapti Zone Project (367-0129)
PID	Project Identification Document
PP	Project Paper
PPF	Panchayat Protected Forest
PPVT	Pre-Production Verification Trial
RDP	Rapti Development Project (367-0155)
Rs	Rupees
SFDP	Small Farmer Development Program
USAID/N	United States Agency for International Development, Nepal Mission
Ward	The smallest administrative unit, usually comprising a number of small hamlets. There are 9 wards in a Village Panchayat.
WDO	District Women Development Officer

I. THE INSTITUTIONAL SETTING ^{1/}

A. Indigenous Institutions

Power, and hence control of land and labor resources in Rapti Zone, is determined primarily by three key factors: gender, wealth, and caste or ethnicity. Wealth can be acquired, but gender and caste are inherited characteristics. These key determinants are firmly embedded in indigenous social, cultural, religious and economic systems in the Zone. Each is important to contemplated project activities in terms of its impact on the allocation of resources and types of participation likely to be encountered during implementation.

The existence of and manifestations of gender discrimination are relatively straightforward: males have more power, and hence better control of resources than do women. Although Nepal's legal code is being challenged and modified to provide for basic inheritance and other legal rights for women, there is a long way to go. Women headed households have difficulty gaining access to credit and other resources. Women are rarely represented at the Village or District Panchayat Assemblies. Women do not get selected as frequently as men for training and other development benefits. Gender discrimination is thus a pervasive and fundamental institution within which development efforts in Rapti Zone are carried out.

The second determinant, caste or ethnicity, is more complex.^{2/} One means of describing the situation derives from the Hindu caste system. From this vantage point, there are essentially three basic socio-cultural categories. The high Hindu castes of Brahmins and Chhetries (including Thakuris) and the lower occupational castes form one group. The second major group in Rapti Zone includes the Magars, Kham Magars, other Tibeto-Burmese groups, and the Tharus. The third group is the Newars, mostly traders located in the bazaar towns of the Zone. Although, some Newars do own land, they generally form the entrepreneurial or merchant class in Rapti Zone.

This rough characterization of groupings is overlaid by the historical feudal system in the area. What is now Rapti Zone once consisted of several independent rajas, or principalities. Salyan and Rukum, with each including parts of present-day Rolpa, were ruled by Thakuri (Chhetri) kings, with a fairly linear progression in one household in Salyan and continuing strong dispute in Rukum between key households in Musikot and Rukumkot. Pyuthan had a

^{1/} This analysis directly incorporates much of the "Institutional and Privatization Technical Analysis", prepared in February 1986 by Sheladia Associates, Inc. for the Rapti Development Project Identification Document.

^{2/} The discussion is derived from the PADCO Regional Assessment, Appendix 1.

Brahmin king. Dang and Deokhuri valleys were only populated by Tharus, with some stronger households serving as leaders. As malaria was eradicated, however, the powerful Brahmin-Chhetri families from the hills appropriated most Tharu land and effectively control the resources today. Rolpa was only created as an administrative unit in 1963, and has yet to find an identity in terms of cohesive indigenous powers.

Further discussion of other relevant indigenous institutions is provided in the Social Soundness Analysis.

B. Political Institutions

The Partyless Panchayat System of government was established in Nepal in 1962, after a decade of seeking for a suitable system of government. Although direct elections were always held at the lowest level of the system, the ward, for most years the representation at higher levels of the system was determined only through indirect election. In 1980, a major national referendum was held and the Panchayat system subsequently reformed to provide for direct elections at all levels of government. Given the fact that under Rana rule (1846-1951) there was virtually no popular participation in politics, the move to direct democratic government in only 30 years is somewhat remarkable.

In Rapti Zone, as in much of the rest of the country, the Panchayat system has taken hold and most people are aware of their ward politics and their village panchayat. National-level elections, for the Rastriya Panchayat (RP), are frequently still dominated by the former ruling households of the area. Thus in Rukum the same Thakuri households that once vied as raja now stand against each other every 5 years for election as RP member. In Pyuthan, several Brahmin families vie, through the indigenous system and in the national elections. Dang has normally had one wealthy Tharu RP member, and a second selected among various Brahmin-Chhetri landlords. Salyan is the most cohesive and the exception, with almost universal support for a strong Newar leader who is nationally influential. And Rolpa has one strong and respected Magar leader and great deal of factionalism elsewhere.

The District Panchayat, now key in terms of development planning and implementation, is much less tied to the historical power structure. Although the key households can still guarantee the election of numerous "favored sons", in all districts changes have been occurring. The new demands on the District Panchayat in terms of actual governance imply new skills, and some of the older and less educated politicians are now retiring. Although the team was unable to gather any detailed statistics, anecdotal accounts suggest that approximately half of the District Assemblies in Rukum, Salyan, Pyuthan and Dang are under 40. This age difference implies that the members are people who have grown up during Nepal's democratic era, that they are more likely to be educated than before, and that in general they may have a different set of

allegiances and client concerns to represent. Although direct elections for the District Panchayat have only taken place once, in 1982, coming elections will be interesting to watch in terms of the types of people now being chosen. Changes are definitely occurring at this most critical level.

The interface of historical and "modern" political systems has a number of implications for the smooth conduct of District-level government, especially under the new Decentralization Act. Essentially, district governance should run smoothly where the indigenous and "modern" systems have melded, and where the RP members and District Panchayat are of the same faction (historically based or more recently developed) or have made some compromise to work together. In areas where the RP members and the District Panchayat represent different interests, be they based on historical powers or on modern development needs, there is sure to be conflict. Although well outside of project control, these political realities will guide the course of district development planning and implementation now more than before.

C. HMG Administration

As briefly described above, the political system in Nepal is built on a pyramidal system beginning with the ward, and combining higher through the Village Panchayat, District Panchayat and National (Rastriya) Panchayat, with His Majesty the King above all. The administrative or governmental system follows this hierarchy, with certain common points and certain additional layers, which are briefly summarized below in terms of the Rapti Development Project.

At the National Level, Nepal has 24 central ministries with several parastatal corporations. The key ministries for Rapti Phase II are the Ministry of Agriculture, the Ministry of Forests and Soil Conservation, the Ministry of Finance, and the Ministry of Panchayat and Local Development. The National Planning Commission, with its key role in Five Year and Annual planning and budgeting, is also important.

Following the recommendations in the related technical analyses, at the national level the following government organizations would be involved in the project.

1) Under the Ministry of Agriculture

Department of Agriculture, or DOA, (for agriculture research, extension, training, and horticulture activities);

Department of Livestock Development and Animal Health, or DLDAH, (for livestock and some forage and fodder activities);

Agricultural Development Bank of Nepal, or ADB/N, (for Small Farmer Development Groups and overall agricultural, livestock and forestry credit);

Agricultural Inputs Corporation, or AIC, (for improved seed, fertilizer and pesticide supplies).

2) Under the Ministry of Forests and Soil Conservation:

Department of Forests, or DOF, (for all community and national forestry activities);

Department of Soil Conservation and Watershed Management, or DSCWM, (for road corridor and other critical areas stabilization);

The above are the vertical Ministries or agencies that the technical analyses have named as being directly involved in implementation or implementation support. In addition, there are three agencies that provide cross-cutting support to all local development projects in Nepal. These are:

Ministry of Panchayat and Local Development (MPLD), primarily for training support but also for as the key national link with the District-level Local Development Office, which is key to all field-based programs in Nepal. The MPLD chairs the national level IRD Board which has been structurally responsible for coordinating vertical ministries' inputs in Rapti Zone. Section 4.6 discusses potential changes in the MPLD's role in this regard under Rapti Phase II.

Ministry of Finance, through its Foreign Aid Division negotiates the Project Grant Agreement and any amendments with USAID/Nepal and establishes budget ceilings for USAID and IMG contributions; through its Financial Comptroller General's Office, establishes and maintains the flow of funds and program accountability.

National Planning Commission, or NPC, establishes budget ceilings overall and provides Five year and Annual planning guidance to all line agencies.

Each of the above has an office or representative at the Regional level, located in Surkhet for the Mid-Western Region that includes Rapti Zone. The Regional Offices have historically had little to do with Rapti Phase I. Section III.D. of this report discusses the role of these offices in the current and future policy context.

The Agricultural Development Bank and the Agriculture Inputs Cooperation have Zonal level offices in Rapti. The Department of Livestock Development and Animal Health has designated its Dang District Office Chief as "Coordinator" for livestock activities under Rapti Phase I, but this is a temporary role and not a structural one. The ADB/N and AIC Zonal Offices play a more

active role in terms of District support than do the Regional offices for the other ministries. With these two possible exceptions, however, most communications, support and direction essentially flow from the district level offices of the various departments or agencies listed above to Kathmandu.

At the District Level, Section III of this paper describes the planned and actual changes in the relationships of the districts to the center due to the Decentralization Act and its By-Laws. A brief description of the various HMG structures that will implement the proposed project at the District and sub-district levels follows.

The Departments of Agriculture, Livestock Development and Animal Health, Forests, and Soil Conservation and Watershed Management all have offices in each district of Rapti Zone, with the latter three departments having grown to this full coverage as a result of Rapti Phase I. Agriculture and Livestock have pursued a vigorous effort at placing extension personnel (JT's and JTA's) at agriculture sub-centers, clustered where possible in Service Centers at the Ilaka level. The Department of Forests follows a slightly different District structure, with "ranges" and "beats" that equate to slightly more sub-divisions (12) than the Ilaka structure (9). The DSCWM offices are quite new, and post field staff only at nurseries and worksites.

The Agriculture Development Bank and AIC have Branch Offices in each District Headquarters, several again of which were established due to the efforts under Rapti Phase I. Both also have additional branch offices in Dang District and at Chaurjahari in Rukum District. The ADB/N has sub-district personnel only at SFDP sites, now covering 23 Village Panchayats in the Zone. Agricultural inputs are theoretically distributed at a sub-district level by cooperatives (Sajhas) and private dealers. In fact, only 10 dealers exist and only 12 out of 23 Sajhas are functioning.

The National Planning Commission has no presence at the district level.

The Ministry of Finance through the Office of the Controller General backstops District Treasuries, which will eventually function in accounting and auditing in each district. All five District Treasuries in Rapti Zone were established during 1981-1983. The role and plan to strengthen these offices for project implementation is presented in the Financial Management Plan Technical Analysis.

The Ministry of Panchayat and Local Development is represented at the District headquarters through the Local Development Office. Again, Section III of this paper describes the role of the new District Panchayat Secretariat, including technical.

agency personnel and the Local Development Office, in more detail. In summary, it is responsible for both coordinating the activities of all line agencies and for implementing "panchayat sector" programs in the district. Village Panchayat Secretaries are supervised by the LDO.

In sum, full-coverage District and sub-district levels of technical agencies in Rapti Zone exist where they did not five years ago. Problems of both quality and quantity of technical staff are highlighted in the relevant technical analyses. Problems of continuing vertical relationships and a centrist attitude on the part of the government are discussed in subsequent sections of this paper. The offices and infrastructure are essentially now in place, however, to carry out more productive work.

D. The Private Sector

The Rapti Regional Assessment undertaken by PADCO in 1985 highlights a number of areas of active private sector growth in Rapti Zone over the last five years, especially when compared to the 1977 APROSC Reconnaissance Survey. The large growth in credit lent by the commercial banks and the ADB/N is particularly encouraging. Efforts under Rapti Phase I, through the Appropriate Technology Unit, generated a number of small scale enterprises in food processing in particular. Tulsipur Engineering Works, Dang's only multi-purpose garage and workshop, was started through the efforts of the project. And, finally, the agriculture component greatly increased the production of vegetable seed by private contract farmers in Rukum district; they now supply much of Nepal.

The private sector in general, however, has not been well studied in Rapti Zone (nor in Nepal for that matter) and any analysis suffers from lack of definition. The Department of Cottage and Village Industries does employ one typology based on capitalization for tax break purposes, but succeeds in registering very few industries. Industrial forward and backward linkages and consequent resource mobilization is not well defined. As will be seen from below, defining the capitalization of many of Rapti's industries is fraught with problems. A rough typology, related specifically to the aims of the proposed Phase II project, is attempted in the following paragraphs.

Household Enterprise: This category would extend to all "private sector" activities carried out by individuals and households that are vertically integrated within the household, i.e., enterprises that require no or minimal outside inputs. Most farm households in Rapti, large and small, operate as small businesses on an ad hoc basis, marketing surplus production and some processed agricultural and livestock goods, such as chiuri ghee, ghee, beaten rice and wool. Barter is reported as surprisingly low, and cash sales seems to be the norm. Goods are sold within the zone or transported to Butwal, Nepalgunj or elsewhere.

Assisted Household Enterprise: This category includes individual or household enterprises with a forward or backward linkage with a government agency. Several farm enterprises have been stimulated through technical assistance and/or monopsonistic HMG practices in recent years. Farmers in Rukum, as noted above, engage in vegetable seed production and in Dang in certified cereal seed production, with supervision by district agriculture personnel and purchase by the ADO or by AIC. Tree seeds are collected by individuals and sold to the District Forest Controller. Each district except Dang now has at least one private fruit tree nursery, run by individuals who receive technical advice from DFCs. The ten AIC private dealers, who are paid transport costs and their commissions by AIC, are also included in this category.

Assisted Group Endeavors: This category includes all User Groups which theoretically can be self-sustaining, again with forward or backward (or both) linkages to HMG/N. The best established, the Small Farmer Development Program (SFDP) groups, do not in fact undertake whole group activities very often. Rather, as a group they assure through peer pressure otherwise uncollateralized loans for individuals in livestock, agricultural production, and occasionally farm equipment such as sprayers. Recent data indicate that interest reflows of programs established in Rapti Zone in 1982-1983 now cover the administrative costs of the program, i.e., salaries and office expenses of the Group Organizers and accountants.

This self-sufficiency has not been attained by other types of User Groups yet, unfortunately. Panchayat Forest Committees that on paper are to eventually pay nursery naikes and guards have not yet begun to do so. Irrigation groups established by the ADB/N with CARE assistance have only recently begun to function, so data are not available to judge their viability as small enterprises. A similar situation exists with regard to the Women's groups established by District WDO's. The old Sajhas, which do fit this category, have for the most part major outstanding debts with ADB/N and are not considered viable by most observers.

Small Commercial Enterprises: This category would fit in what most people would define as "private enterprise" in the Zone. It includes turbine and mill operators, small brick factories, transporters (porters, mule trains, and tractors), grain traders, consumer goods stores and traders, small restaurants and lodges, etc. The District Tax Offices and District Panchayats have listings of most registered enterprises of this sort, and records at this level are fairly complete. All have been indirectly stimulated by Rapti Phase I efforts and are likely to receive indirect benefits from Rapti Phase II.

A special group in this category is the construction contractors, most of whom are registered as Grade D, and who undertake contracts of under one hundred thousand rupees. The Rapti Phase I project stimulated this group through major building construction efforts and the road construction work. Although less construction is envisioned under Phase II, they will still be active in small buildings construction, trail upgrading, and small scale irrigation works.

Medium Enterprises: Although data were not collected by the team, there are a few enterprises in Rapti that are not directly government assisted and that have substantially larger capitalization than the category above. The most notable is Lamahi Distilleries, which has the liquor concession for all five districts in Rapti Zone, employs a large number of people of Deokhuri Valley and consumes major quantities of the firewood in that area each year. Others include some of the larger transporters and bus owners and a few of the larger traders and merchants in Ghorahi. The new cinema in Ghorahi would probably qualify as well, given the investment made in the physical plant.

In summary, the existing private sector in Rapti Zone is vaguely defined and relatively small and scattered, but active. As noted from the listing above, many have both forward and backward linkages with government and/or other informal enterprises in the Zone. The studies, "Potential for Small Group Development in the Rapti Zone," prepared by the National Cooperative Business Association (NCBA) and, "Small-Scale Private Enterprise Development in the Rapti Zone through the ADB/N Appropriate Technology Development Unit", prepared by Partnership for Productivity International provide recommendations for assisting group enterprises under RDP. These studies have helped to better establish a typology of private and local group activity and to identify groups that will be prime targets for more formal assistance to increase production and benefit the inhabitants of Rapti Zone.

E. Foreign Assistance

Foreign assistance and donor groups are an institution in Nepal and in Rapti Zone that cannot be ignored when discussing development. A large percent of HMG's development budget is currently supported by foreign assistance. Any discussion of HMG contribution and project sustainability must be read with this fact in mind.

Nationally, HMG has not favored strong donor coordination either sectorally or overall, and much is thus carried out informally through personal relationships. The Donor Group Meeting held periodically is an exception, but one in which HMG is an occasionally reluctant participant. In the late 1970's, donors who tried to form a local group to meet to discuss the new "integrated rural development" projects were severely chastised by HMG officials for trying to work around the government. Sectoral working groups of HMG and donor personnel have generally not met with success.

America's entry into the Rapti Zone began with a request by HMG and IBRD for USAID to investigate upgrading the road impact area of the IBRD-supported Mahendra Rajmarg-Tulsipur Road Project in September, 1976. Although HMG's interest was initially only in agricultural development of Dang Valley, given AID's policy at that time to assist "the poor majority", its area of analysis expanded to the entire Rapti Zone. Although funding did not begin until mid-1978 under the RAD/RCUP Design Project, HMG central personnel and many politicians in Rapti Zone thus view Rapti Phase II as the continuation of a relationship that has already spanned one decade.

The era during which USAID become involved in Rapti was the same era that the World Bank and others, including AID, were beginning the newest generation of multi-sectoral or "integrated rural development" projects. Although HMG, to its credit, did host a number of Local Level Donor Group Meetings, "balkanization" definitely occurred in the IRD sphere. Ten donors fund nine area specific multi-sectoral projects in Nepal today.

The fact of life in Nepal, however, is donor-funded projects, be they area specific or not. Management distortions thus abound, in that different donors have different administrative and accounting needs that must be met. Normal HMG programs are often repackaged, into donor projects, and then molded (or not) to fit existing nascent systems. HMG is to be lauded for maintaining its control over so much.

II. HMG POLICY FOR RURAL DEVELOPMENT

A. Evolution of Decentralization

The constitution of Nepal, adopted in 1962, initiated the concept of decentralization, but early efforts did not meet with great success. In 1974 HMG/N brought out a new approach called the "District Administration Plan (DAP)". The main thrust of the DAP was to ensure the preparation of an integrated annual district development plan by each district and the creation of a unified administration. The Chief District Officer, or CDO, was to be the coordinator of development activities at the district level. The District Panchayat and District Assembly were also given important roles to assume in the formulation and implementation of district plan. Thus the DAP was to provide the framework for decentralized planning and implementation. It suffered, however, in its adoption by line agencies. The leadership provided by the CDO was not acceptable to the line agencies at the district level, and the line ministries at the center were not prepared to entrust administrative control to the CDO.

Consequently, in late 1978, HMG/N introduced a new concept called the Integrated Panchayat Development Design (IPDD). The main thrust of the design was the development of the Village and District Panchayat as the institution for participation, resource

mobilization, decentralization and rural development. The IPDD provided a chain of coordination committees at different levels in order to achieve greater degree of cross-sectoral integration and coordination. It envisaged the creation of nine "Service Centers" in the nine Ilakas of a district which was supposed to be a focal point for planning, implementation and supervision of the development program at the local level. However, the adoption of the Design was very slow and faced more or less same constraints as the DAP.

After the Referendum in 1980, a separate ministry called the Ministry of Local Development was created for overseeing rural development. In 1981, it was named Ministry of Panchayat and Local Development. The status of the Panchayat Development Officer (who took over the function of District Panchayat Secretary from the CDO) was raised and designated Local Development Officer (LDO). He was to function as the coordinator of the district development program, a role hitherto performed by the CDO.

His Majesty the King has on numerous occasions expressed his full support of Decentralization. His Majesty's strongest message, stressing the absolute necessity of decentralized planning and management for development was the crux of his Constitution Day message in late 1981.

The royal exhortations materialized in a Decentralization Act in 1982, and the approval of Decentralization By Laws in 1984. The Decentralization Act came into full effect on mid-July 1985.

B. The Decentralization Act and By-Laws

The Decentralization Act calls for the formulation of annual integrated multi-sectoral plans at the Village and District Panchayat levels on which sectoral and national periodic plans are to be based. The Act also requires that the National Planning Commission (NPC) develop procedures for "bottom-up" planning and for strengthening planning capabilities at the District and Village Panchayat. In this way the Act delegates the responsibilities and authorities to the local Panchayats (DPs and VPs) for planning, implementation, monitoring and evaluation of development projects. The annual district budget and plan formulation process is presented in Table 1.

The annual District Development Plans are to be based on total financial and material resources available from various sources including: (i) locally generated resources; (ii) grant-in-aid contributions from HMG/N (i.e., the "panchayat sector" projects), and; (iii) funds allocated by HMG/N for district level sectoral (i.e. line agency) projects. The Act also empowers Village and District Panchayats to levy taxes and tolls including the Panchayat Development Land Tax (PDLT), with a view towards strengthening the financial resource base of local panchayats.

Planning and Monitoring Processes: Rapti De

HMG District Planning Process

- MCF - Ministry of Finance
- NPC - National Planning Commission
- MA - Ministry of Agriculture
- MF - Ministry of Forestry
- MPLD - Ministry of Panchayat and Local Development
- LDO - Local Development Office
- DDP - District Development Plan

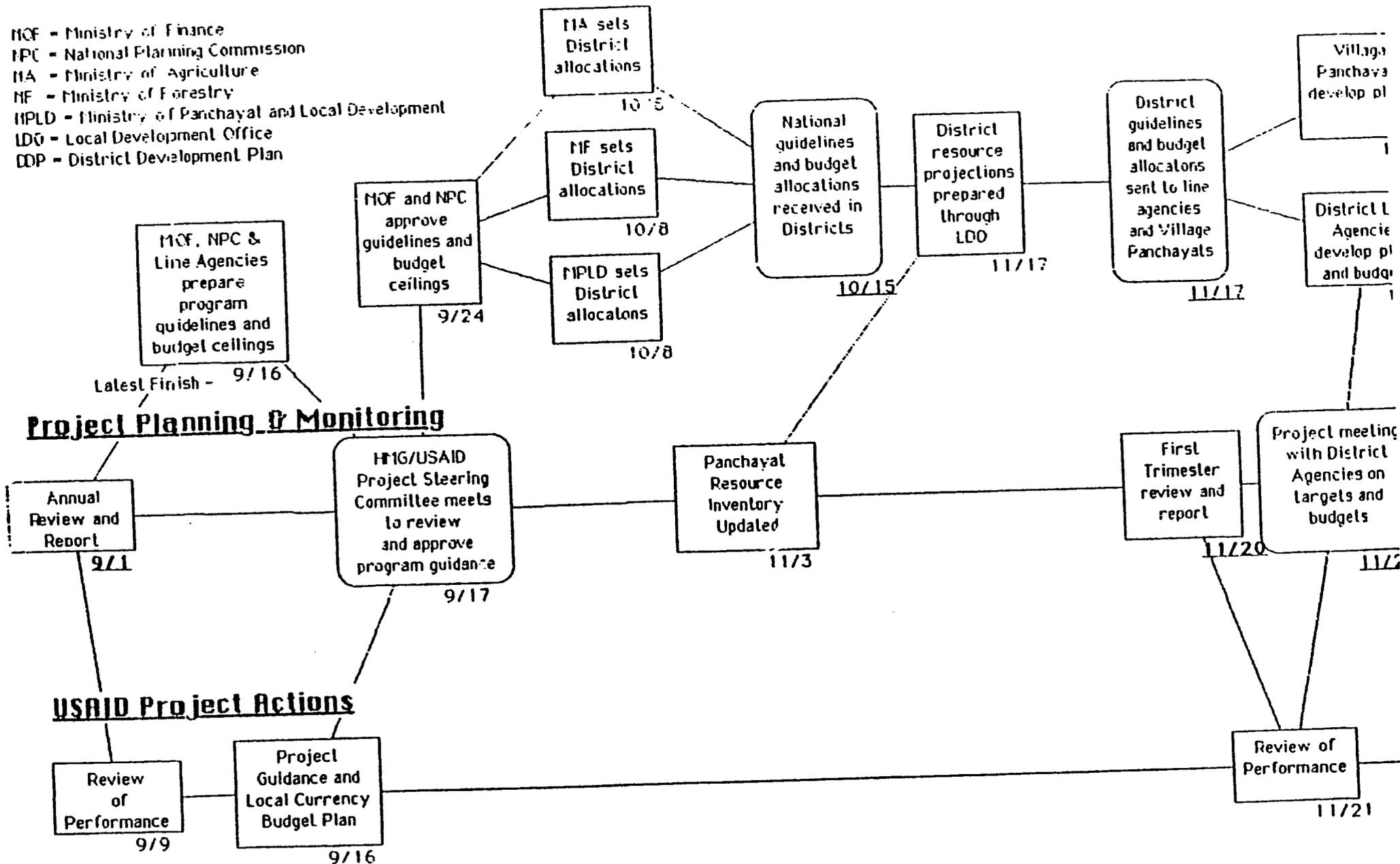
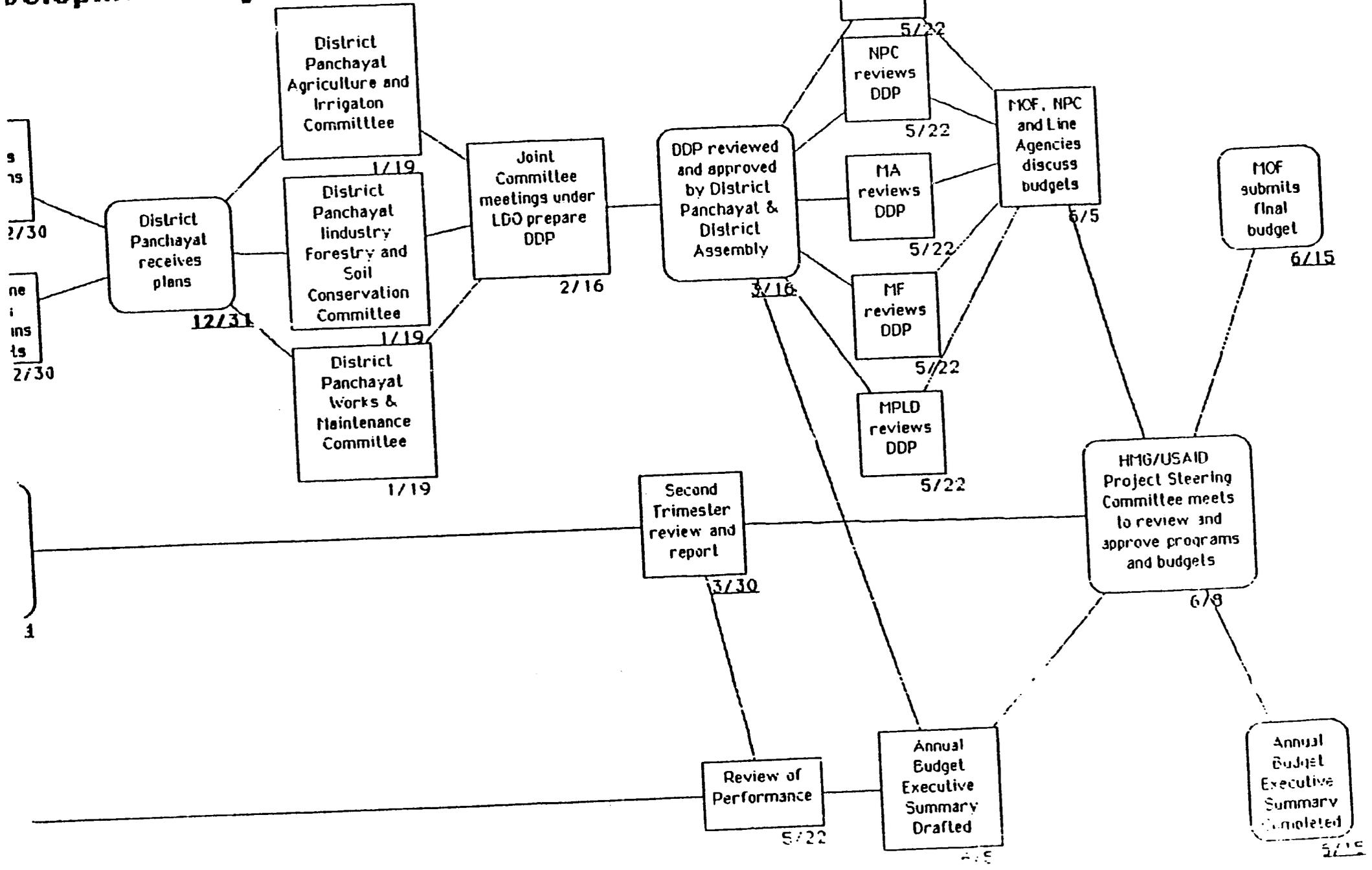


Table No. 1

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In Rapti Zone, locally generated resources remain modest, particularly in the hill districts, and are usually wholly devoted to covering the administrative costs of running the District Panchayat and convening the District Assembly. The PDLT is quite cumbersome to administer, and is generally viewed as regressive in that it taxes small farmers who more intensively cultivate in the hills at a higher percentage than the larger terai farmers. Only a few terai districts in Nepal have asked to implement it, and permission has not yet been granted. The locally generated resources collected by the districts in Rapti are apt to remain meager in the foreseeable future.

"Panchayat Sector" grant-in-aid funds are generally used for visible small rural works projects and have been greatly supplemented by USAID under Rapti Phase I financing. Salyan District this year has made a significant step in allocating some of its MPLD funds towards health and education, thus supplementing line agency funds in areas of need. Section V. of this report explores ways to utilize limited AID funds for this grant program to focus District Panchayats more on the productive sectors.

Line agency funding ceilings are provided annually by the line ministries, NPC, and USAID...often in different amounts. All concerned are aware of the problem, and based on existing plans the process should go more smoothly next year.

The annual district plan has to be reviewed by various subject-matter based plan formulation committees and approved by the District Assembly. The committees include both elected DP members and district line agency personnel. The District Assembly functions as the main agency responsible for planning and resource allocation within the district. Without the approval of the District Assembly, theoretically no development project can be implemented at the district level.

Rolpa District--like almost one third of the districts of Nepal--did not convene a District Assembly last year due to internal political squabbling. Following the rules prescribed in the Decentralization By-Laws, its plan will thus be made unilaterally in Kathmandu by the NPC.

In the other Rapti districts, the line agency officers have so far all succeeded in "convincing" the District Assembly members that their targets and programs, mostly received from the center and from the PCO, make sense. In Salyan, the whole planning process mandated was followed, with meetings at the Ilaka and District Committee level. Even there, much more attention was paid to the area of traditional control, the MPLD grant-in-aid funds, than the sectoral programs. Most District Assemblies thus have a long way to go in exercising the new authorities given them.

C. The District Panchayat Secretariat

The emphasis of the present decentralization effort is not on creating new institutions. Instead it focuses on creating a new set of roles and relationships among the institutions in existence. At the district level, the District Panchayat Secretariat has been expanded to include all the sectoral line agencies, including parastatal organizations, concerned with development. These offices now function as integral sections of the Secretariat under some administrative control and supervision of the District Panchayat. (The District Panchayat Secretariat is chaired by the elected official of the District Panchayat, which is composed of nine elected members.) However, the implementation responsibility for each sectoral component will continue to rest with respective line agencies, meaning that the line officials will also continue to be answerable to their parent ministries in adhering to their guidelines. This means that line officials at the district level operate within the framework of "dual" supervision.

According to the Act, the MPLD is responsible for coordination of inter-sectoral activities through Local Development Officer (LDO), who also serves as secretary to the District Panchayat Secretariat, (a position akin to Chief Executive Officer). He is in charge of the local planning, budgeting and implementation process. The LDO now reports to both the Chairman of the District Panchayat and to his line ministry, MPLD, again having "dual" supervision.

D. Roles of the Regional Offices

According to the Decentralization Act, the Regional Offices of different line ministries, including the Regional Office of NPC, have important roles to perform in providing technical support in planning, implementation and monitoring of sectoral activities at the district level. However, the roles of the Regional Offices so far seem to be more confined to the job of "clearing and forwarding" agents for administrative matters. The PID team visited all relevant Regional Offices in Surkhet as part of its research for this project. The offices have neither the staff nor the formal authority to provide much assistance to the Districts. The MPLD regional training centers in Surkhet and Nepalgunj, and the Agriculture Regional Training Center in Nepalgunj, are the main regional linkages foreseen.

E. Village Panchayats and Users Groups

One of the basic thrusts of decentralization is institutional development at the local level. Accordingly, Village Panchayats have been made the focal points for the planning, implementation and evaluation of local development programs. Sub-VP Users Groups or Committees have been formed for undertaking the planning and management of local development projects, including Drinking Water Committees, Forest Committees, School Committees and Irrigation Water Users Committees. Small Farmer Groups formed under SFDP

have been the most successful of these in both improving levels of living as well as in undertaking community development projects for village development programs. These groups and their role under RDP are discussed in the NCBA report.

F. Some Issues Relating to Decentralization

1. The Local Development Officer (LDO) is in the difficult position of having at least two masters--his central ministry and the DP politicians--and potentially few allies. His peers at the district level are more often the technical line agency personnel, outsiders like himself, rather than the politicians. Under the Decentralization By-Laws, he is ceded administrative authority over his peers for such critical personal matters as granting leave, and for substantive matters relating to plan formulation and monitoring. The technicians may respect his right to effect coordination, but can always claim higher technical concerns in case of conflict. LDO's have generally come up through the ranks of the non-technical ministries of Education, MPLD, or Home, and can rarely call the technician's bluff. In the end, much of the LDO's effectiveness in coordinating the line agencies rests on inter-personal skills and informal relationships.

Because of the LDO's position in MPLD and as the Secretary of the DP Secretariat, he is also much more closely linked with the politicians, and must astutely try to avoid being associated with one particular faction where factions exist. In some districts, in fact, LDO's privately estimate they spend the greatest proportion of their time assuaging political rivalries, with consequently less time for development work.

The LDO also has major internal supervisory responsibilities for the DP Secretariat and other district MPLD divisions under his office. The average LDO must currently supervise the Planning Officer, the District Technical Office and an Accounting Section. In the five districts of Rapti Zone, positions exist for a Field Officer and a Training Officer, although not all are yet filled. Three Districts in Rapti have Women's Development Officers, supervised by the LDO. And in Dang District, the LDO supervises a Local Revenue Office. Next year, LDO's in Rapti will also supervise a Procurement and Logistics Section. Finally, the LDO meets monthly with the Village Panchayat Secretaries to discuss their activities and issues in the village.

The LDO has, in short, a very difficult position. Following any basic structure-function analysis, it is a necessary position for sustained development in Nepal. The recommended district institutional development program presented in Section V provides strategies for increasing, to the extent possible, his effectiveness.

G. Incentives for Decentralization.

Many central ministries have not fully embraced the concept of decentralization and are following the law to the letter rather than the full intent. As noted earlier, central ministries are still providing their personnel separate budget ceilings and "guidance", the latter commonly accepted to be the same as the former "plans" (targets) sent in years past. The PADCO Regional Assessment and the RDP Technical Analysis point out the inefficiencies of these plans, or guidance, in terms of a lack of relevance to problems of the district. Yet the central ministries cite the precedence of national priorities and inter-district balance over often more localized problem-areas.

The intent of the Decentralization Act is supported both by development as well as modern management theory as a viable and efficient way to develop Nepal. Development literature repeatedly stresses the maxim that the more direct the control of resources to address problems, the more likely the problems will be alleviated. Management literature more and more is stressing the need for developing a sense of "ownership" over programs if managers are to be motivated and effective. The development of district plans is assuredly a key factor towards achieving this objective.

The incentives for district officers and politicians to fully embrace Decentralization are fairly clear, but those for the central ministries are not. It will presumably improve their management and cost-efficiencies in the short-term, but will also decrease their power. Field-oriented programs such as RDP must remain conscious of this concern, and take care to try to develop/maintain central ministries ownership of field programs wherever possible.

III. RURAL AREA DEVELOPMENT - RAPTI ZONE: THE INSTITUTIONAL FIT

A. The Phase I Design Assumptions *

As well recorded, the Phase I project was designed during the four year period 1976-1980. Various documents produced for the project gave it budgets ranging from \$11.5 million (AID FY 80 Congressional Presentation) to \$ 96 million (APROSC Prefeasibility Study 1977). The early documents included little discussion of overall management of the programs or the AID-funded project. IIMG had no policy to deal with the institutional or management ramifications of such an undertaking. USAID/N created a separate office for the management of this one project.

Early design assumptions focussed on building on the socio-cultural heritage in the zone for local level undertakings, and for gradually building HMG/N capabilities at the then nascent district level to support such efforts. Indeed, the first phase emphasis was basically to build on existing HMG/N programs and resources, with an initial aim of successfully implementing a higher percentage of planned activities prior to introducing radical change. The design included a strong emphasis on intra and inter-district equity, purposely trying to keep funding levels for Dang District programs equal to those of the hill districts even though its population and resource base was greater. Although funding programmed for the "Farming Systems" cluster of activities was approximately 33 percent of planned expenditure, in fact the project tried to cover as many programs as feasible noting:

...by attacking the problems simultaneously from each of these directions, the probability of achieving widespread success increases considerably and exceeds the sum of the individual strategies' probabilities of success. Experience in rural Nepal suggests that thresholds of credibility, local participation, reduced opposition from the elite, and self-reliance are more likely to be crossed through the sensitive application of combined strategies such as these than if reliance were placed on only one or two alone. However, since it is impossible to predict which mix of strategy emphases will be most effective, the Project's soundness will depend greatly on the ability of project managers to identify and incorporate necessary readjustments as informed through adept monitoring. (Project Paper, p.6)

The "adept monitoring" was to be undertaken by a Project Coordinator's Office (PCO) located in Tulsipur. In July 1978, when the RAD/RCUP design Project was negotiated, the Ministry of Finance would not accept USAID's request that HMG appoint a Project Coordinator, as HMG had no policy for such persons. An officer was finally appointed in January 1980, to head up a small office. By 1984, the office had grown to over 150 persons, excluding technical assistance. As of April 1986, sanctioned positions were down to 76, with approximately 66 percent of those filled. The PCO was not only supposed to plan and monitor programs, but to provide training and communications support, technical (engineering) support, and procurement for district level projects.

All of this fit totally within HMG's "Integrated Panchayat Development Design" and related policies. Funding was provided through Finance directly to line agencies for implementation, with the PCO coordinating efforts for HMG and AID. By the time the Decentralization Act was passed in 1982, the PCO was just getting into full swing. It had essentially been established with the authority of MPLD, and slowly developed legitimacy with the Zone's politicians and technical personnel as a supporter of their programs.

Although the center had finally aligned policies and staffing to support the massive development efforts in Rapti and elsewhere, by 1983 and 1984 several key events had a profound effect on the efforts: (1) The AID-funded Mid-Term Evaluation was severely critical of the project and of HMG commitment; (2) the Decentralization By-Laws were passed, providing teeth to what had formerly been rhetoric; and (3) AID Washington's new (1981) administration began requiring adherence to new strategies, one of which was to avoid multi-ministry projects. What "fit" there had been, in Washington, Kathmandu, and Rapti Zone, began to slowly deteriorate.

B. Current Implementation Realities and Constraints

The Rapti Phase I Project, then, initially aimed to help more district programs get implemented than had been possible before. All data available--financial, staffing, targets--suggests that this aim has been achieved. The technical analyses include summaries of impressive gains in HMG service availability and in production of wheat, rice, maize and tree seedlings at selected locations. Many local assisted groups have been formed, and those under SFDP and the WDO programs are functioning well. The analyses, and other relevant literature, strongly suggest that an emphasis on quality, rather than quantity, is what is needed now.

The design also tried to attack rural poverty from as many angles as possible, frankly admitting ignorance as to which would work. The final evaluation demonstrates notable quantitative targets achieved in many components. Data for cross-component analysis of the "integrated" or "coordinated" impact on alleviating rural poverty, however, has only rarely developed or used for measurement purposes. (see the 1985 PADCO Regional Assessment). Some indices have been noted, including increased monetization of the economy and the increasing commercialization in the zone. Monitoring--adept or not--combined with new AID policies now emphasize the need to narrow the efforts considerably and work to get production up to sustain what has been started.

The design followed HMG policies for IRD projects as fully as possible, including the building of the PCO complex and funding all other accountments of such an organization. The districts are now relatively well staffed and need less institutional support than before.

A number of key cross-cutting constraints, however, continue to impede development in Rapti Zone:

1. An inadequate financial system is the current overriding short-term constraint. In most cases, authority over funds is adequate (currently Rs. 12 lakhs for gazetted officers) and theoretically well located at the proper level or position in the system. However, as noted in numerous reports on the Phase I project, funds were rarely released on time. District

offices often wait several months for releases and officers had to borrow at commercial rates to meet basic living expenses. Key personnel needed to absent themselves from posts to track files around Kathmandu. The best qualified staff ready to carry out perfect development plans could still do nothing in this situation.

The Financial Management Plan Technical Analysis prepared by a team including a U.S. consultant, USAID/RD staff member, and an HMG Office of Controller General representative offers recommendations to improve this system. The adoption of these recommendations should help to resolve this constraint for RDP implementation.

2. The increased HMG presence at the district and sub-district level fosters dependencies that threaten sustainability of efforts. Although the significant increase in services provided has had a very positive impact, there is a negative side as well. The presence of more government employees and the increase in public sector spending appears to have eroded self reliance attitudes among political and private groups and individuals. Voluntary labor (shramadan) is less conspicuous than before, particularly for activities involving more than one ward. For example, Panchayat Roads work formerly undertaken through shramadan is now paid by HMG. Nursery naikes and forest watchers originally intended to be paid by Forest Committees are paid, and in fact supervised, by the DFC's. Village water system technicians that were to be paid by Village Panchayats are paid by MPLD. Although District Panchayat revenues have increased somewhat over time, most local persons now seem to expect the central government to fund most development efforts. Given very real budgetary constraints, HMG (political and administrative or technocratic sides) must examine more ways to involve non-governmental groups and private individuals in development efforts.

This constraint is being addressed by the private and local group program in line with the recommendations of the Technical Analysis and the Local Group Study.

3. In spite of 20 years of HMG efforts at coordination, integration, and decentralization, vertical line ministries' independence and continuing strong centrist practices contribute to inefficiencies and ineffective implementation that decrease the impact of scarce resource investment. The technical analyses note two substantive areas where coordination does not occur and critical activities have "fallen between the cracks": fodder and forest production and land use management. In other areas, redundancies occur, such as two agencies' establishment of multi purpose nurseries at the same location. Donor agencies support similar national level programs but offer different subsidies and staff

incentives and require different monitoring systems. Means must be found, and incentives developed to pursue those means, of more efficiently utilizing financial and human resources at all levels of the system.

The RDP will use decentralization procedures as a mechanism to establish effective district coordinated programs at specific high potential production sites.

IV. PROJECT AGRICULTURE AND FORESTRY PRODUCTION STRATEGY

A. Overall Strategy

Based on historical and other reasons AID has reiterated its special commitment to continue supporting development in the Rapti Zone. Prior commitment has emphasized working within existing HMG public sector institutions, with a relative balance of investment in productive and social services. As noted at Section III above, this initial emphasis has yielded positive results in terms of presence and visibility of public institutions. Given the accepted assumption that neither AID nor HMG can sustain this high level of public sector activity on the dwindling resources available to each, an overall RDP strategy emphasizing the following is indicated:

- 1) Focused programs to increase agricultural, forest and livestock production and productivity in a sustainable fashion will be the cornerstone of investments; this focus implies a geographic as well as sectoral focus, in that much of Rapti Zone has limited production potential.
- 2) Concurrent with these focused programs in production, carefully planned geographically focussed efforts in preservation and management of the land and resource base (e.g., soil, water, and forest) will be emphasized.
- 3) Returns from these investments in production/preservation must than be captured and fed into continuing development efforts. This is not to say that Rapti Zone is to be self-sustaining or isolated economically. Rather, means must be found to both capture a portion of the economic returns (through local resource mobilization and local reinvestment) and to establish local groups and enterprises for managing local resources and supporting local development.

Separate technical analyses for Agriculture, Livestock, and Natural Resources/Forestry and for Private Local Groups address these points. Given the constraints and inefficiencies highlighted in those analyses, however, and the cross-cutting constraints summarized above, it is clear that the vertical line agency programs in isolation cannot achieve production gains desired overtime. A cross-cutting strategy emphasizing building the capacity of indigenous, "modern" political, technical, administrative and private sector is required. Criteria for measuring the success of the strategy vis a vis vertical programs would include immediate cost-efficiencies in implementation,

medium-term improved cost-effectiveness of services delivered, and longer-term improvements in sustainability of benefits. Specific strategic emphases follow:

B. Private Sector Stimulation at the Local Level.

Greatly increased attention to stimulation of the ward and village private sector is critical to program viability. The government simply cannot reach all areas and/or all individuals, and private or government-stimulated private sector activities can greatly complement its efforts. Attention needs to be focussed on ways to activate groups and individuals in government assisted but privately managed and sustained development endeavors.

As noted at Section II.D., many groups and individuals are noted as having been assisted in terms of "target achieved" by line agencies. The only ones that are at all functional in terms of productive activities are the groups formed under the Small Farmer Development Program (SFDP). The key problem has been that the various "users" groups have been given responsibility for certain functions, i.e., forest management, irrigation management, without being given any means to exercise that responsibility. Means that would appear to be most useful to these groups are skills--both technical and managerial--required to function, and resources--especially cash--to manage to sustain the group endeavors.

Basic managerial skills, in terms of how to organize a group, how to conduct a meeting, how to define priorities, how to make a plan, are well understood for group activities in rural Nepal when time-limited, single function activities need be undertaken. Groups have effectively organized to construct water systems, build bridges, annually repair trails, and roof schools. Certain multi-function activities, notably management of indigenous irrigation systems, are carried out, based on repetitive tasks over time. Group management for longer term activities which may not have repetitive tasks, such as water system maintenance or forest management, have generally not met with sustained success. Increased efforts at defining skills needs for functional groups and providing training in those skills are essential if the groups are to operate over time.

In addition to skills, however, the groups need something to manage that is visible and provides relatively short-term benefits. The Technical Analysis details a number of potential income-generating agriculture, forestry and fodder activities that can yield short-term financial payoffs. Policies and efforts enabling groups to generate and control funds will have an extremely high payoff in terms of generating more interest in group activities, decreasing dependencies on HMG/N and thus creating more cost-efficient delivery of services. Provision

for this type of transition is already part of HMG policy and/or law in most cases and simply must be made reality. Credit and "seed money" are available from the banks and in line agency programs to foster this work. RDP will provide further support, encouragement and supervision to make it happen.

Stimulation of individual private sector activities, which would generally be more profit-motivated than those of groups, must also be accelerated in critical sectors, especially provision of production inputs. Speedy revision of leased forest legislation is very much indicated in Rapti Zone in order to take advantage of the new ADB/N provision for forestry loans. Agriculture, Forestry and Livestock personnel must be assisted in identifying promising entrepreneurs for provision of seeds, fertilizer, seedlings and vaccines and in helping link the entrepreneurs with credit outlets for operating capital. Simply stated, given management efficiencies and location-specific needs, the private sector can provide inputs better than HMG in most cases. Again, most policies provide for this, programs already exist, and either bank or line agency funds are available to assist. The strategic emphasis simply needs reinforcement.

This reinforcement will be provided in a number of ways. Certain district and sub-district level line agency personnel will receive skills training in group formation and organizational development. Certain persons at the district level, including Women's Development Officers, are adept at this sort of work. ADB/N Group Organizers for SFDP groups are especially skilled. For most Users Groups, however, it appears that a short-term outside efforts--either Nepali contractor or PVO--are particularly indicated. These technical assistance personnel will focus in on activating and training groups that already exist on paper, and on helping form linkages between group leaders and HMG line agency personnel. They will also serve a liaison role for individual entrepreneurs in terms of helping access credit and skills training at the district or other levels.

It should be noted that Nepal and other countries have tried to develop such "multi-sectoral village development workers" before, i.e. during the 1950's Block Development program. In Nepal and elsewhere, this approach was generally unsuccessful because of the tendency to develop a large bureaucratic structure to support the efforts. In addition, most workers were given training in so many skills areas that they were rarely successful in any. It is suggested the short-term and periodic infusion of outside trainers and technical assistance is a more efficient and effective way to try to build these skills among the private citizens than creating another vertical or horizontal governmental level. The sub-district and district level technical personnel can then concentrate on their technical subject matter, and will be able to diffuse this knowledge more rapidly through the more active and responsive private groups.

C. Development Management Training

A Village Panchayat in Nepal is an administrative unit that often encompasses more than one settlement, caste/ethnic group, ecosystem, and/or land-use type. Pradhan Panchas are directly elected, and usually are accorded respect for their nonsalaried positions. Village Panchayat Secretaries, salaried employees of MPLD, are also respected in that they have traditionally been selected from among the more powerful indigenous structures in the area.

Given the improving but still nascent state of district level planning in the Rapti Zone (and elsewhere in Nepal), it must be assumed that the level of Village Panchayat planning is not apt to improve dramatically during the project period. In terms of the more geographically tied production focus being recommended, then, the politically and administratively defined Village Panchayat is not strategically important to the formal planning process, but more to the management of productive endeavors. Village resource inventories should be made and maintained, but their use as planning tools should be emphasized much more at the District level with line agency personnel than as an end in themselves.

Emphasis during the 8 year project period at the Village Panchayat level will be on enhancing the ability of leaders, particularly the Pradhan Pancha and the Secretary, to manage implementation of development in their panchayats. Those who are literate can play a particularly useful role in absorbing the non-monetized transaction costs--particularly of accounting--of non-governmental user groups and private entrepreneurs in their areas. All can help groups and individuals in their constituencies better deal with community management and common property issues. Certainly, periodic orientation seminars on the Decentralization process can be supported, but emphasis on management rather than planning will be more cost-effective and have a the greater impact overall. Successful implementation of development activities, be they private or public sector, in the panchayat will have a greater motivating effect for these political leaders than any planning seminar might.

D. Production Support based on Potential and Demand

The Ilaka is a useful political-administrative unit in areas of higher population density and greater public sector activity than that of Rapti Zone. The HMG/N policy to cluster sub-district offices into Service Centers at the Ilaka level makes sense in certain areas. There are some locations, based on population and the resources base, where demand for only one technical specialty is needed, as suggested by the Veterinary Sub-Center in Takasera. There are other locations where more than one Sub-Center of one specialty may be indicated, particularly along fertile river valleys in Salyan, Pyuthan and Rolpa, where demonstrated need for JT/JTA's is high. While the establishment of a full array of

services in each state is a desirable long-term goal, the PADCO Regional Assessment suggests that the expensively constructed clusters established under the Phase I project are not necessarily the most cost-effective or efficient means of providing quality services to those who will use them.

The recommended institutional strategy thus places little emphasis on establishing service centers as such, but rather on providing quality technical services where need has been demonstrated and production potential exists. The establishment of sub-centers based on district-level line agency analysis and plans should be supported, but clustering should be encouraged when and where it makes sense. Given the many issues and difficulties raised in the PADCO Regional Assessment, USAID/N might consider a policy of supporting only rental sub-centers until a certain client-use rate has been established by the office. Given the lower level of funding currently available for RDP, and the criteria of cost-efficiencies and effectiveness, scarce resources will not be programmed for expensive buildings unless a specific technical need exists.

V. DISTRICT INSTITUTIONAL DEVELOPMENT PROGRAM

A. District Planning and Coordination

1. Experience to Date

The Decentralization Act notwithstanding, the 1977 APROSC Reconnaissance Survey and the 1985 PADCO Regional Assessment highlight the need to emphasize development on a district-by-district, rather than zonal, basis in Rapti Zone. After almost 10 years of repeating this maxim, however, most decision-makers still seem to be working on its pursuit in a reflexive rather than active mode. IIMG/N central "guidance" to agriculture officers, for example, still looks eerily similar across vastly dissimilar districts. USAID/N funding for livestock is almost equivalent in Rukum and in Pyuthan. Based on the vastly increased and improved data base now available for planning purposes, these key decision makers need to start tying investment more closely to what the data analysis suggests.

The investment pattern across districts must begin to be more effectively tied not to development potential than political expediency. That is, the analyses strongly indicate that forestry investment in Dang, Salyan, and Pyuthan is more important for both preservation and production goals than in Rolpa and Rukum. The livestock analyses conversely suggests more work in Rukum and northern Rolpa...and Dang. Cropping systems programs must follow the land's production potential. Certainly interdistrict equity should remain a consideration, but it should be given much less priority than that of the potential for a given intervention to increase production.

2. Project Strategy

First, intra-district equity will also remain a consideration, but emphasis under RDP will be given to areas of greater production potential. Development of the Panchayat Resource Inventory (PRI) as a technical information base that can be used to locate RDP activities will be an important tool. Other strategies for dealing with the common District Panchayat practice of dividing development programs up as equally as possible across panchayats are suggested in other analyses. Using the PRI and available technical data, USAID can help line agency personnel lobby for spatial distribution that makes sense in developmental as well as political terms. Priority will be given to completing the PRI and assisting the Local Development Office in its effective use as a planning and monitoring tool.

Second, USAID and HMG project support should be viewed as a joint program so that there is not a separation of "regular" and "Rapti IRD" program activities in district plans. The policy should emphasize that the officer's work is agricultural, forestry or livestock development overall. This seemingly innocuous act, if written and circulated, may help in overcoming the pervasive notion that work funded under the Rapti program is somehow "extra" work for which one should receive "extra" perquisites.

Third, efforts should be made under RDP to help district line agency officers better cope with their roles as external and temporary advisors in the district development process. Although USAID and HMG rhetoric state correctly that "programs are to be implemented through line agencies", district personnel must begin to more actively stimulate sustained and meaningful participation of local user and political groups. Various types of skill training, such as organizational development, can be provided technical officers to help them in this regard. As advisors to the district's inhabitants, line agency officers continue to require technical and managerial skills training and information. This support should be provided on a more problems-specific basis (i.e. relevant short courses) than in the past.

Fourth, RDP needs to try to make production-oriented district development politically attractive. To restate a key assumption from Section IV.C., "successful implementation of development activities, be they private or public sector, in the panchayat will have a greater motivating effect for these political leaders than any planning seminar might." The same assumption holds true for the district as a whole. Rather than general planning seminars, the strategy emphasizes the district politician's role in implementing His Majesty's policies through improved management and monitoring/supervision of the development process.

3. Project Programs for District Planning and Coordination

a. Increase the Local Development Office's Efficiency.

Section II.F. notes that the LDO has what amounts to almost an impossible job. Both USAID and HMG should avoid the tendency to assume the LDO can do more, and do it better. Where possible, the skills of his subordinate staff should be developed to lessen his supervisory load. A second recommendation is that management training be provided to Village Panchayat Secretaries as one means of decreasing his burden. Another suggestion is for consultancies to assist the Revenue Offices under his auspices. RDP should continue the technical assistance and staff development thus far provided to District Technical Offices and Women's Development Officers, including the provision of counterpart Peace Corps Volunteers where indicated. Training for LDO accounts personnel and the new procurement section is indicated. Finally, organizational development seminars for the entire DP Secretariat should be explored. Table 2 lists the recommended local training programs under the Project.

b. Improve the data base for planning and monitoring

Field verification and supplementary data gathering is underway to complete the Panchayat Resource Inventory (PRI). This data base has been an important tool for project design. It can similarly be an important planning and monitoring tool for the District Panchayat, the LDO, and district line agencies. RDP will need to provide support to the district offices for maintaining and updating the PRI and for training to gain support for the concepts and use of such a data base that they may not fully understand.

c. Improve Panchayat Officials' Management Skills

Following recommendations for the Village Panchayat officials to more actively assist in provision of basic management skills for private groups, it is recommended that District Panchayat officials be trained in and become more active in public sector administration and management. The DP members have historically involved themselves in this way in the MPLD grant-in-aid program, and that should continue and be strengthened. However, as was earlier pointed out with regard to ward-level user groups, ceding of authority is only effective if the authority is then exercised to manage resources. The DP's have now been given the authority to manage District Development, but the resources available to them to do so have not changed at all. If activities fail, they can still blame it on Kathmandu. Involving them more in operational decision-making, while somewhat risky in certain areas, should create more of a sense of ownership of district level plans than has heretofore existed.

Table 2

Illustrative Local Training Plan

Type of Training	Participants	Location	Trainer	Length (Days)	Number of Training Sessions									Total (Person-Months)		
					No. in Group	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8		Yr. 9	
I. Zonal Level Training: PSD Organized																
1. Planning & monitoring	District Officers	PSD	TA; PSD	3	10	1	1	1	1	1	1	1	1	1	8	10
2. Trainers Training	District Officers	PSD	ST TA	6	15	0	1	1	1	0	1	0	0	0	4	14
3. Cereals production	JT/JTAs	Govt. Farm	HMG Staff	6	20	1	0	1	0	1	0	1	0	1	4	19
4. Vegetable and Fruit Production Training	JT/JTAs; Nursery	Govt. Farm	HMG Staff	6	10	0	1	0	1	0	1	0	1	1	4	19
5. Farmings Systems Study Tr.	JT/JTAs; Farmers	Sites in Nepal		10	25	1	1	1	1	1	1	1	1	1	8	80
6. Nursery Management	Nursery Naikes	PSD/Tulsipur	DFC, LT TA	6	20	1	1	1	1	1	1	1	1	1	8	78
7. Forestry Mgt. Study Tour	Panchayat Fores	Sites in Nepal	LT, DFC, PSD	6	25	1	1	1	1	1	1	1	1	1	8	48
8. Forest Guard Training	Forest Guard	PSD	DFC/Ranger	30	20	1	1	1	1	1	1	1	1	1	8	192
9. Agro-Forestry	Rangers; JT/JTAs	PSD	DFC; ADO	3	10	0	1	0	1	1	0	1	0	4	5	
10. Construction management	Farmers		LT & ST TA											2	144	
11. Irrigation improvements: design and construction	Site Supervisor & Sub-overseers	Sites in Nepal	Nepali Institute	120	15	0	1	1	0	0	0	0	0	4	58	
	Overseers	Sites in Nepal	Private consultant	30	12	0	0	1	1	0	1	0	1	4	58	
Subtotal Zonal Level :						6	9	9	9	7	8	7	7	62	618	
II. District Level Training																
A. Agriculture																
1. Ag. Input Systems Workshop	Dist. Ag. Committ	Dist. Center	Contractor	2	10	5	5	5	5	5	5	5	5	40	32	
2. Ag. Field Assist. Trng.	Leader Farmers	Districts	HMG staff	15	5	2	5	5	5	5	5	5	5	37	111	
3. Cereals seed production and storage training	Farmers and JT/JTAs	Dist. Center / Ag. Subcenter	HMG staff / Consultant	2	20	5	5	5	5	5	5	5	5	40	64	
4. Cereals production	Farmers	Dist. Center	SMS	2	25	5	10	10	10	10	10	10	10	75	150	
5. Cereals production	Farmers	Ag. Subcenters	JT/JTA/SMS	2	25	10	20	30	40	40	40	40	40	260	520	
6. PPVT and Block Production Methodologies	JT/JTAs; FAs	Dist. Center / Ag. Subcenter	LT TA Crop / System SMS	4	5	5	5	5	10	10	10	10	10	65	52	
7. Horticulture	Farmers	Musikot farm	Specialist	6	20	1	1	1	1	1	1	1	1	8	38	
8. Horticulture/Cash Crops	Farmers	On-farm	JTs & TA	2	10	2	4	8	10	10	10	10	10	64	51	
9. Pvt. Nursery Management	Nursery manager	On-farm	LT, ST TA	2	10	2	4	6	7	8	8	8	8	51	41	
10. Horticulture storage and processing	JT/JTAs; orchard managers	Dist. Center	LT, ST TA	6	10	2	2	2	2	2	2	2	2	16	39	
11. PSDs in compost, fodder and agro-forestry	ADD, SMS, LO, Vet.	Dist. PSD Site	LT, ST TA	2	5	3	3	3	3	3	3	3	3	24	10	
Subtotal Agriculture						142	164	180	198	199	199	199	199	1680	1,107	
B. Livestock																
1. Forage Prod., Animal Production	JT/JTA	Govt. Farm or TRC	HMG Staff; ST TA	6	10	2	2	2	2	2	2	2	2	16	38	
2. Livestock Field Asst.	Leader Farmers	Districts	HMG staff	15	5	2	5	5	5	5	5	5	5	37	111	
3. Forage Prod., Animal Production	Farmers	Livestock Sub-centers	HMG Staff	6	10	5	10	20	30	50	50	50	50	265	635	
4. Herd Mgt. & Stall Feeding	Farmers	On-farm	JT; TA	2	15	0	2	4	5	5	10	10	10	46	55	
5. Animal Health and Parasitology	JT/JTA	District Vet. Hospital	HMG Staff	6	10	5	5	5	5	5	5	5	5	40	75	

Table 2

Illustrative Local Training Plan

Type of Training	Participants	Location	Trainer	Number of Training Sessions											Total Person- Months		
				Length (Days)	No. in Group	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Yr. 6	Yr. 7	Yr. 8	Total			
6. Animal Husbandry	Farmers	District Vet. Hospital	HMG Staff IAAS Staff	6	20	5	5	5	5	5	5	5	5	5	40	197	
Subtotal Livestock						19	29	41	52	72	77	77	77	77	444	1,129	
C. Forestry																	
1. Community forestry workshop	Dist. Forest Com	District Cent.	LT/ST TA	3	5	2	2	2	2	2	2	2	2	2	16	19	
2. Local forest management	Forestry User Groups	Panchayat		2	15	5	10	20	25	25	25	25	25	25	160	192	
3. Tree climbing & seed collection training	Forest Guard	District Cent.	DFC, FG, Ran LT/TA, Nat. Stud	12	15	1	1	1	1	1	1	1	1	1	8	59	
4. Forest Mgt. Study Tour	DFC, DSCD, Ranger	In-country	Training W	10	5	1	1	1	1	1	1	1	1	1	8	16	
5. Conservation education	Farmers	District	DSCD Overs	1	20	20	20	20	20	20	20	20	20	20	160	128	
Subtotal Forestry						29	34	44	49	49	49	49	49	49	352	403	
D. Local Development Office																	
1. Annual District Workshop	Dis. Off. & LDO	District Cent.	LDO; TA	2	6	5	5	5	5	5	5	5	5	5	40	17	
2. Planning Workshop	Dist. Panchayat Committee Memb.	District Cent.	LDO; PSD	2	10	2	3	5	5	5	5	5	5	5	35	29	
3. Planning & Mgt. Workshop	Pradhan Panch VP Secretaries	District Cent.	LT Social Sc. ST Faci.	1	20	2	3	5	5	5	5	5	5	5	35	29	
4. Project Accounting Seminar	Line Agency Accountants	District Cent.	ST Faci. PSD Account	3	6	2	2	2	2	2	2	2	2	2	16	12	
5. Financial Mgt. Seminar	Line Agency Officers	District Cent.	ST Faci. LT TA	3	6	2	2	2	2	2	2	2	2	2	16	12	
Subtotal Local Development Office						13	15	19	19	19	19	19	19	19	142	98	
E. Women Development Office																	
1. Agricultural Study Tour	Women Farmers	Districts	WDD; ADD	10	10	1	2	2	2	2	2	2	2	2	15	60	
2. Horticulture Study Tour	Women Farmers	Districts	WDD; ADD	10	10	1	2	2	2	2	2	2	2	2	15	60	
3. Forest Mgt. Training	Village Women	District	DFC; PSD	2	5	1	2	3	5	5	5	5	5	5	31	12	
4. Ag. Field Assistant Trng.	Women Farmers	Districts	HMG staff	6	5	2	5	5	5	5	5	5	5	5	37	44	
5. Liv. Workers Training	Women Farmers	Districts	HMG staff	6	5	1	1	1	1	1	1	1	1	1	8	30	
Subtotal Women Development						6	12	13	15	15	15	15	15	15	106	205	
F. District Technical Office																	
1. Suspension bridge design and construction	Overseer/Eng.	Districts	SBD Eng. & ST TA	60	6	0	1	0	0	1	0	1	0	1	0	3	13
2. Project Management	DTOs, LDOs, and field officers	Kathmandu/ Tuslipur	to be identified	30	10	0	0	1	0	1	0	1	0	1	0	3	75
3. Rural Works Maintenance	Users Groups	Dis. Centers	to be	15	15	0	0	1	0	1	0	1	0	1	0	3	27
4. Community management of rural works projects	Village Leaders	various parts	LDO/PSD	15	30	0	1	0	1	0	1	0	1	0	3	54	
Subtotal District Technical Office						0	2	2	1	3	1	3	0	12	160		
														3,721			
Total for Project																	

Previous sections have noted that District Panchayats receive an MPLD block grant each year that they normally allocated to visible small rural works, frequently dividing the grant equally among all panchayats. They thus have gained little experience in planning and managing more productive activities. Although they are now to be more involved in line agency sectoral plans, the discussion has noted that this is apt to take time. As experience is gained with the decentralization procedures it is likely that DP programming of district funds within the District Development Plan will (as has been done in Salyan District already) move beyond only rural works activities to also include other sectoral activities. This will further force collaboration of DP members with the technical ministries, as they will need assistance in determining the feasibility of projects.

d. Increase Local Resource Generation

Providing the politicians with more funds under their specific control is apt to involve them in district development more than any planning seminar. Although the Panchayat Development Land Tax (PDLT) is not apt to be adopted for some time, there are probably ways in which districts can increase resource generation within existing programs. RDP should provide some expatriate and local consultants to work with the District Revenue offices to identify ways of increasing their efficiency and possibly expanding their venues for collection. That is to maximize collections, not impose new taxes.

Also, the Salyan District Forest Controller has recently contracted with a Nepali private sector firm for collection of pine resin in the district, which will provide income to the national account as well as local employment. Although the Natural Resources/Forest Technical Analysis cautions against plantation of pines, the speedy registry of some of the existing stands as Panchayat Protected Forests would enable the local (private) Forest Committees to keep 85 percent of the revenue from this contract. Generation of such revenues at the Village Panchayat level--although not public funds--would again help focus politician's eyes on development. Rolpa and Pyuthan also possess mature pine stands that could be rationally exploited by the private sector.

e. Improve the Skills of District Treasury Personnel

The importance of improving financial flows cannot be overstated. The District Treasury Officers, and all district line agency accountants, must be offered accelerated training and incentives if the productive sectors are to have programs at all. This need is fully discussed in the Financial Management Technical Analysis and several staffing, procedural and training recommendations are given.

B. Women in Development Program

1. Experience to Date

At the beginning of Phase I of the Rapti Integrated Rural Development Project, (No. 367-0129) no specific women's development component was included in the Project. During the first few years of project implementation, the need for women specific programs was felt since the line agencies did not have targeted priorities for channeling needed resources to Rapti's female inhabitants. Realizing this need of a women targeted program, the Phase I Rapti Project added a program called Production Credit for Rural Women, a UNICEF-initiated nationwide program run by the Women Development Section of the Ministry of Panchayat and Local Development, with credit funding from the government owned commercial banks (Nepal Bank Limited and Rastriya Banijya Bank) under a Priority Sector Credit Scheme. The main objectives of the PCRW program have been (a) to increase the income of poor rural women by identifying and planning feasible small-scale production activities; (b) to facilitate the flow of credit and other essential inputs necessary to make these projects successful; (c) to organize rural women into viable, self-reliant groups capable of initiating and undertaking community development activities that benefit them and their families; and, (d) to develop the institutional capacity of MPLD personnel to work with line agencies, commercial banks, expatriate volunteers and rural women and their families and to channel appropriate resources to support income-generating and community activities. The main emphasis of this program is on income generating, skill training and community development activities.

Phase I Rapti Project started this program in December 1983 (NFY 041/42), first in Dang District. To implement this program a Women Development Officer (WDO), Peace Corps Volunteer (PCV) or Development Associates (DA) and Women Workers (WW) work together. Currently five WDOs (one in each district) and four DAs (in Dang, Salyan, Rukum, and Rolpa) have been posted in the Rapti Zone. They work with LDOs, line agencies and villagers to initiate and implement WID activities in selected areas of each district.

From December 1983 and until now, good progress in the small target areas has been made in providing skills and community development activities and initiating practical seminars in such socially and environmentally important topics as family planning, nutrition, first aid, agriculture and forestry, and compost fertilizer. Adult literacy classes have been given to over 214 individuals in the 5 districts. Twenty seven (27) women's group comprising 140 women have been organized, of which 109 have taken loans amounting to Rs.75,946. Approximately 67% of these loans have been on livestock and agriculture and 33% on income generating activities like shops and knitting machines. Communities, specially village women, have profited from the distribution of seeds, tree seedlings and smokeless stoves. Altogether 2,146 packets of seeds have been distributed to village women. Table 3 summarizes the achievements to date.

Table 3

Phase I PCRW Program and Training Achievements

GROUP INFORMATION	Unit	DANG	SALYAN	PYUTHAN	ROLPA	RUKUM	TOTAL
TOTAL NO. OF WOMEN	Persons	54	44		17	25	140
TOTAL NO. OF GROUPS	Groups	10	9		4	4	27
LOAN INFORMATION							
TOTAL NO. OF WOMEN LOAN TAKERS	No. Loans	42	35		11	21	109
LIVESTOCK	No. Loans	20	16		6	8	50
AGRICULTURE	"	10	2				12
SHOP	"	1	1				2
KNITTING MACHINE	"	1	3				4
OTHERS	"	10	13		5	13	41
TOTAL LOAN AMOUNT	Rs.	22,746	22,800		9,400	21,000	75,946
COMMUNITY DEVELOPMENT & TRAINING							
LIV. & ANIMAL HEALTH TRAINING	Weeks	1			1		2
NO. OF PARTICIPANTS	Persons	20			14		34
LIVESTOCK ASST. TRAINING	Weeks	5			5		10
DURATION (WEEKS)	Persons	7			14		21
AGRICULTURE TRAINING							
MAIZE FARMING TRAINING							
FORESTRY PLANTATION	Ropanis				15		15
IMPROVED STOVES	No.	9	40	4	50	85	187
TREE SEEDLING DISTRIBUTION	No.	7	189				196
VEGETABLE SEED DISTRIBUTION	No. Pkts.	1000			50		1050
PRIMARY HEALTH TREATMENT	Weeks	5					5
NO. OF PARTICIPANTS	Persons	5					5
FIRST-AID CENTER ESTABLISHMENT	No.	1					1
PIT LATRINE CONSTRUCTION	No.	1	1	1	3		6
FIRST-AID TREATMENT	No.	93		1		1	94
LITERACY CLASS	No.	2	3	1	1	1	8
TOTAL DURATION OF CLASS	Days	180	270	120	90	90	750
TOTAL NO. OF PARTICIPANTS	Persons	70	66	29	20	30	214
HOSIERY TRAINING	Days	270	245				515
TOTAL NO. OF PARTICIPANTS	Persons	14	25				39
HANDICRAFT TRAINING	Days		7				7
TOTAL NO. OF PARTICIPANTS	Persons		39				39
SEWING TRAINING	Days	180	90	90			360
TOTAL NO. OF PARTICIPANTS	Persons	30	12	12			54
FIRST-AID TRAINING	Days	30					30
TOTAL NO. OF PARTICIPANTS	Persons	4					4
SEMINARS & MEETINGS	Days	10		4		5	19
TOTAL NO. OF PARTICIPANTS	Persons	390			80		470
STUDY TOURS	Days	30	15	15			60
TOTAL NO. OF PARTICIPANTS	Persons	15	19	2			36
DRINKING WATER	No.	1	1	1			3
TOILET CONSTRUCTION	No.	1			1		2
PRIMARY SCHOOL BUILD. CONSTRUCTION	No.			1			1
FAMILY PLANNING ORIENTATION	Days	1					1
NO. OF PARTICIPANTS	Persons	100				25	125
CHILD CARE & HEALTH TRAINING	Days					6	6
NO. OF PARTICIPANTS	Persons					25	25

Table 4

NFY 2043/044 HID Program Summary

No.	Program/Target/Objective	Units	Total	Dang	Pyuthan	Rolpa	Rukum	Salyan
1	Afforestation	Ha	25	5	5	5	5	5
2	Seeds Distribution	Pkt '000	7	2	1	1	1	2
3	Kitchen Garden Training	Person	155	50	20	20	25	40
4	Forestry Training (3 wks)	Person	25	5	5	5	5	5
5	Potato Chips & Papad making	Person	20	20				
6	Popcorn/Puffed Rice Training	Person	30	30				
7	Ginger Training (1wk)	Person	25	25				
8	Women Ag. Asst Training	Person	28	8	5	5	5	5
9	Livestock Training (4wks)	Person	35	10	5	5	5	10
10	Ceramic Training	Person	5	5				
11	Observation Tour - Women	Person	63	8	20	10	10	15
12	Functional Literacy	Person	300	60	60	60	60	60
13	Horticulture Training	Person	10				10	
14	Jam/Jelly making Training	Person	15					15
15	Pickle (Achar) Training	Person	15					15
16	Squash Making Training	Person	50					50
17	Fruit Sapling Distribution	No.	500	200	200			100
18	Credit Group Formation	Group	20	20				
19	Community Group Formation	Group	5	5				

The Phase I Rapti Project Evaluation, conducted in October 1985 marked a turning point for the PCRW program. Much of the evaluation was negative, pointing out shortcomings such as minimal benefit for the women involved, restricted geographic area, inadequate and ineffective production programs and lack of coordination with district line agencies. As the result of this evaluation report, the existing PCRW program was redesigned at the end of NFY 2042/43 and a new WID program was begun that focuses on developing productive activities for women in the Rapti Zone. The programs will also try to integrate more women into line agency extension and training programs. The WID program in the Rapti Development Project will be based on A.I.D.'s policy on WID, which for a number of years has expressed a policy preference for integrating women into mainstream programs, rather than focussing on discrete women's programs or components.

NFY 2043/44 will be a transition year in which the PCRW program will be changed to an overall WID program with focus on supporting production activities in the Agriculture, Livestock and Forestry. Table 4 presents the planned NFY 2043/044 program. Two WDOs will be assigned to work in the District Centers this fiscal year and by the end of this fiscal year all five WDOs will be moved to the District Centers. WDOs in the District Centers will be responsible for supporting all WID activities in the district.

2. Constraints to the WID Program in Rapti

a. Lack of Women in Agriculture Extension

Existing HMG extension services in Rapti are almost entirely provided by men. However, women are important decision makers for many agriculture and livestock production decisions. To reach these women, a better extension program and structure is necessary. It has proven very difficult to recruit and keep women JT/JTAS to the field. The more promising approach is to recruit and train local women farmers as Agriculture Assistants and to organize and support women management groups for programs like SFDP, community forestry, and livestock production.

b. Lack of Women's Involvement in Forestry

Women are largely responsible for the collection and use of fuel and fodder, but their traditional place in the social structure prevents them from taking an active role in many government sponsored reforestation program. The women may in fact participate in planting seedlings, but it is the men who participate in training and orientation meetings, who form the forest committees and who serve as naikes and guards. Part of the problem is that 100 percent of the Department of Forest field staff in Rapti is male, a fact which does not present role models on elicit strong women's attendance at meetings.

c. Tradition and Culture

Nepalese women are traditionally differential to men and, of course, women in Rapti are no exception. Although women do most of the household production work (90% as estimated in one of the status of women reports) for agriculture and livestock they continue to be offered training not in agriculture but in other such as hosiery, knitting, sewing etc.

d. Credit Access

One of the responsibilities of WDOs and DAs working in WID activities in the Rapti Zone is to make available loans from commercial banks to rural women. Most of these loans have been spent on buying livestock and on agriculture. Normally it is very difficult for women to obtain credit from the bank. The WDO works as a mediator for these women to obtain loans.

e. Geographic Area

To date WID activities in the Rapti Zone have been restricted to a few village panchayats (a maximum of 3 village panchayats in any one district--there are 40 to 50 panchayats in a district). During the Rapti Development Project, WDOs will be posted to the District Center and focus on district-wide programs even through specific WID programs will be focussed on a limited number of panchayats.

3. The RDP Women in Development Program

a. Objective

The objective of the WID program for RDP will be: 1) to increase productivity and income of rural women through specific productive activities in agriculture, livestock, forestry; 2) to involve women as participants and beneficiaries in all project activities; and, 3) to integrate more women as extension and training personnel.

b. Program Focus

The major line agencies that will implement the RDP (i.e. agriculture, forestry, livestock, LDO) have very few women staff. However, because of high amount of seasonal migration of males to India for work, the wife is often left to head the household and to make productive decisions. Women agents could more effectively deal with these women decision makers than their male counterparts. As the RDP will be focussed on agriculture, livestock and forestry, WDO will similarly focus in these areas, although non-RDP funded activities may be used to support WID program activities in other sectors (e.g. child care, health, adult literacy, drinking water, building construction, and nutrition). Funds for these programs should be allocated from HMG/N's grant-in-aid fund or from other donors.

c. Strategies for WID Activities

Despite women's significant traditional roles in agriculture and rural farm household decision making, they are frequently by-passed by extension agents and untouched by new technology. Training opportunities in agriculture and forestry are overwhelmingly male dominated. Women farmer training under the Rapti Phase I amounted to only 459 days out of 3,124 days of total training. One reason for this is the non-availability of qualified female candidates.

In the Rapti Development Project a stronger emphasis will be given to organize female oriented training for para-professionals Agriculture Assistants (AA) and women farmers. A special effort will be made in identifying qualified women for participant training in Third Country, U.S. and India

Attempts will also be made to include women on all the district development committees (user's group committee, forestry committee etc.). The WDO will be a district-level advocate for broader participation on these committees. The use of special all-women forest development committees will also be tried under the community forestry program.

Since WDOs and DAs working in WID activities in Rapti have received only general pre-service, and in-serving training along with team formation workshop, a revised training approach to stress agriculture, livestock and forestry is also needed..

d. WID Program Recommendations

- 1) The Project should hire and train additional JT/JTAs (at least 10% women) over the eight year project period.
- 2) In view of the critical role of women in the zone's agriculture development, agencies should include as high as possible number of qualified women as agriculture and livestock assistants and consider incentives for women in extension posts.
- 3) In-country (para-professional) training for village women in agriculture, soil conservation, reforestation and pasture management is needed.

- 4) The integration of women in the reforestation programs will likely be slow, but efforts should be deliberate. Requiring women to be part of the Panchayat Forestry Committee may give special incentives for women.
- 5) As women are responsible for collection of fodder, wood and seed, special consideration should be given when filling positions for nursery naikes and forest watchers.
- 6) Village women, specially local women leaders, should be taken on study tours, in-country as well as in India to see community forestry areas and other activities related to agriculture and forestry. WDO and DAs can be the main implementing agents in this respect.
- 7) Women should be encouraged to establish private nurseries near their homes for fodder and vegetable seedlings.
- 8) To involve women in community forestry at least 25% of the members of the panchayat forestry committee should be women. This will give women a voice and role in the initial, and critical stages of community forestry. Women should be encouraged to apply for naike and forest watchers position, and any women applicants should be given preferential treatment. Privatization of nurseries could allow more women's involvement because private land near the home could be used to produce seedlings.
- 9) The deforestation problem in the Rapti Zone is largely a livestock problem and cannot be solved without an integrated program. Women are mainly involved in day to day work in livestock and also high portion of loan provided by the bank is used for buying livestock. The livestock loan program can be used to reduce deforestation. When a women's group applies for a livestock loan, loan approval should be contingent on the requirement that sufficient fodder be planted, protected and managed to feed the purchased livestock. At the field level WDOs and DAs should work with bank officials and women credit groups on the timely availability of livestock loans and proper utilization by women.
- 10) For agriculture, WDOs, DAs and WDA should be involved in selecting village women to participant in agriculture training. The ADOs in Rapti have decided that in district level training 20% of the participants should be women and in sub-center and village level training a minimum of 30% should be women. Therefore, WDO should be an agent for selecting women for these types of

training and for making sure that other district line agencies also have the same type of programs for women.

11) While doing the needs assessment, WID personnel in the field realized that many programs needed to assist rural women are not funded by Rapti. The new RDP WID program will provide funding for women's program in the areas of agriculture, livestock, forestry and local capacity building. However, programs like health, child care, drinking water, adult literacy have to be funded by HMG grant in aid funds or other donors like UNICEF. RDP will provide 50% of the program cost and 50% will be provided by HMG.

12) Peace Corps Involvement: Peace Corps involvement in WID activities has been very encouraging in Rapti. Peace Corps volunteers, with technical background on agriculture, livestock, forestry and other income generating and community development activities should be provided to work with WID in Rapti Development Project. In addition, since the Rapti Development Project can not provide funds for certain programs like construction, drinking water etc. The Peace Corps Office should make sure that some separate AID/PC funds are used for these purposes.

e. Proposed RDP Program

Using the objectives and strategy cited above, the RDP WID program will support activities in the following areas:

1. Agriculture: The objective of the WID component is to increase the productivity and income of rural women and to involve women as an extension agents. In order to fulfil these objectives the WID program will focus on increasing productivity of rural women through specific training on improved technologies, distribution of various tools, seeds and extension materials, and provision of field support through the extension services. The WID program will also focus on increasing production of vegetables and fruits through the establishment of small household horticulture demonstration plots in WID sites. Households lacking the resources necessary for production and marketing will benefit from the availability of fruits and vegetable varieties. The WDO should work closely with different line agencies for these activities.

2. Livestock: The WID program will increase livestock productivity through better animal health, improved fodder production, introduction and distribution of improved breeds. Through the ADB/N and commercial banks, village women will be provided loans for agriculture and livestock production purposes. Through the livestock offices women will be provided technical training in livestock management and fodder development, services and support.

3. Forestry: Under the RDP 25% of trainees selected for training in forestry related technical areas should be women and at least 25% of the members of forestry committees should be women. RDP support will be provided to village women for private nursery establishment, fodder tree development, and forest management. Women will be included in nursery naika and forest watcher training programs. Study tours will be organized for village women to visit other community forestry activities. Smokeless chulos will also be disseminated through women as primary users and beneficiaries.

4. Local Capacity Building: The RDP will provide support in forming self reliable women's groups and assist these groups in engaging income producing activities. Also a special effort will be made to identify and train women entrepreneurs and assist them with private enterprise development.

The WID program over the life of the Project is expected to expand to an estimated 50 panchayats (10 in each districts). Currently the WID program is operating in 8 panchayats. Recommendations for WID related in-country training are provided in Table 2.

Peace Corps assistance as Development Associates (DA) is planned in each district to work with the WDO. DAs with technical training in agriculture and forestry and experience on women's program in other developing countries would be helpful. The Peace Corps assistance Plan is presented in Table 11.

Table 5: Planned WID Program Outputs for RDF

S. No.	ACTIVITY	UNIT	Project Year								Total
			1	2	3	4	5	6	7	8	
1	Kitchen Gardening Training (7 days)	person	10	10	10	10	10	10	10	10	80
2	Vegetable Kitchen Garden Est.	each	250	300	350	400	450	500	600	700	3550
3	Vegetable Seed Distribution	pkts.	500	500	500	500	500	500	750	750	4500
4	Ginger Production Training (7 days)	person	20	20	20	20	20	20	20	20	160
5	Skill Training	each	5	5	5	5	5	5	5	5	40
6	Fruit Tree Distribution	pkts.	250	250	250	300	300	300			1650
7	Fruit tree Plantation	ropani	5	5	5	5	5	5	5	5	40
8	Agriculture Assistant Training (1 month)	person	50	50	50	50	50	50	50	50	400
9	Tools Distribution	person	50	50	50	50	50	50	50	50	400
10	Bee keeping Orientation and	person	10	15	20	25	30	30	30	30	190
11	Bee Hive Distribution	person	10	15	20	25	30	30	30	30	190
12	Demonstration on Compost Making	person	100	100	100	100	100	100	100	100	800
13	Livestock Asst. Training (1 month)	person	10	10	10	10	15	15	15	15	100
14	Livestock Distribution	each	25	25	30	35	40	50	50		255
15	First Aid Treatment in all WID sites	each.	8	10	12	20	30	35	40	50	205
16	First Aid Kit Distribution	each	5	5	10	10	10	10	10	10	70
17	Fodder & Forage Tree Distribution	pkts.	250	150	250	250	250	250	250	250	1900
18	Poultry Production (1 week)	person	10	10	10	10	10	12	12	12	86
19	Farmer's Tour	person	20	20	20	20	20	20	20	20	160
20	Extension Materials Distribution	person	500	500	500	500	500	500	500	500	4000
21	Forest Plantation	ropani	10	10	10	10	10	10	10	10	80
22	Smokeless Chulo Distribution	each	250	250	250	400	600	800	1000	1200	4750
23	Orientation on Smokeless Chulo (3 days)	person	25	25	25	25	25	30	30	30	215
24	Private Nursery Establishment	each			5	5					10
25	Nursery Naike Training	person	25	25	25	25	25	25	25	25	200
26	Forest Guard Training	person				5	5				10
27	Credit Group Formed										
28	Household Survey										
29	Credit Provided by Bank										
30	Community Development Activities										
31	Group Farming										
32	Private Entrepreneurs										
33	Processing of Agricultural Products										

C. Rural Works Program

1. Experience to Date

The objective of the rural works component of the Phase I Rapti Rural Area Development was to assist local communities, user groups and the local panchayats to identify, plan and implement needed local infrastructure development projects.

The following types of rural works projects were supported:

- 1) Drinking Water Systems: These were gravity flow drinking water systems for villages with population generally less than 1,500 persons.
- 2) Minor Irrigation System: These were improvements, rehabilitation or new construction for irrigation systems with command areas of approximately 50 hectares in the hills and 200 hectares or more in Dang Valley.
- 3) Other Rural Works: These included construction of steel and or wooden bridges under 50 meter span, improvement of trails and other categories of socially beneficial projects.

The Phase I Project Agreement provided US\$ 3 million under the Rural Works Program for the following planned outputs:

- a. at least 40 drinking water supply projects;
- b. irrigation facilities for 3,000 hectares of land;
- c. several wooden or steel river crossing bridges and 140 km of trail improvement.

The responsible central implementing agency for these rural works projects was the Ministry of Panchayat and Local Development. The district technical responsibility was with the District Technical Office (DTO) under the administrative responsibility of the Local Development Offices (LDO) in the five districts. The Rapti Project Coordinator's Office provided technical support and construction materials (imported materials only), and the District Technical Offices were responsible for the actual construction and supervision works at the sites.

The LDOs maintained an accounting of all cash portions of the construction funds, PCO monitored accounts on materials provided to the districts, and the DTOs maintained construction records for achieving the targets according to the time schedule. DTOs were also responsible for reporting to district offices and PCO office on the construction progress of these projects.

LDOs and PCO were responsible for field monitoring of these projects and USAID carried out periodic monitoring on the selected projects and maintained overall quarterly progress reports on the individual projects.

Overall review of these rural works projects shows that the implementation progress of drinking water supply projects was the best, followed by suspension bridge projects. The progress of irrigation schemes has been most disappointing. The construction quality and standard of most drinking water projects and steel bridges has been acceptable to very good, while that of irrigation projects has ranged from poor to acceptable only.

Many of the rural works projects completed under the Phase I Project have not been properly operated and maintained. Few of the completed water supply projects are functioning as planned. The maintenance systems are inadequate in most cases and completely lacking in few cases. The bridge projects have seldom had a maintenance committee, but so far this is not a problem since most of the completed bridges are in good condition, except for three locally designed and locally constructed bridges in Salyan, Rolpa and Rukum. Judging from the better quality of PCO assisted versus locally constructed bridges it seems that there was significant benefit from the technical support of the PCO. Although some sort of Users Committees are seen functioning in the completed irrigation projects, the quality of construction and operation of this type of project are poor, due often to the lack of communication and common objectives among the project designers, engineers, construction supervisors and villagers.

With the exception of few drinking water projects, the implementation of all rural works projects has been slower than planned. The major reasons for this have been delayed budget releases and inadequate field supervision. Under the first six years of the Phase I Project, 43 drinking water supply projects, 19 small irrigation projects for 1106 hectares, and 14 bridge projects and 7 trail improvements have been approved for project funding. Of these 27 water supply projects, 11 small irrigation schemes for 533 hectares, 12 bridges and 3 trails have been completed.

Approximately 28,000 people are receiving direct benefits from the 27 completed drinking water projects and another 18,000 villagers will get potable water from the remaining 16 projects. Similarly, 1,015 farm households are expected to have received irrigation water (year round or seasonally) from the 11 completed projects covering 533 hectares of cultivated land. Another 573 hectares of farm land will be irrigated to benefit 775 household from the remaining 9 projects. The 12 completed bridges provide river crossing facilities for an estimated 3,200 persons every day while the remaining two projects will provide crossing facilities for approximately 700 persons a day.

The district-wise status of rural works projects is given in the attached Table 6.

TABLE 6

Implementation status of small rural works. as of: JUL-84

PROJECT NO. 367-0125

RURAL AREA DEVELOPMENT: RAPT: ZON Dang District

No/Type	Project	Fanchaval	Wards	District Population	Size	Length	Start Date	End Date	Cost	Remarks
1 T	Pampur-Hasipur T	Several	Several	Dang	4000	14 km	14 km	21-JUL-82	250000	50%
2 DWS	Harnok-Samarikot DWS	Harnok	3 & 5	Dang	1720	9 Laps	6000 m.	27-FEB-84	250000	40%
3 DWS	Dhanauri DWS	Dhanauri	4,6	Dang	2480	16 Laps	8700 m.	23-FEB-84	250000	100%
4 SI	Tarigaon Ranigar SI	Tarigaon	2,3	Dang	700	NA	7000 m.	24-APR-81	250000	50%
5 SI	Saudiyar SI	Saudiyar	1	Dang	HH 50	66 Ha.	3300 m.	14-APR-84	250000	10%
6 SI	Rodhipur SI	Ganga Paraspur	9	Dang	HH 60	150 Ha.	4180 m.	1-APR-87	250000	10%
7 DWS	Lalmatiya DWS	Lalmatiya	3,4,7	Dang	1400	16 Laps	7500 m.	21-APR-81	250000	100%
8 SI	Masina Sallaha SI	Tribhuvannagar	6	Dang	HH 150	20 Ha.	4000 m.	21-APR-81	250000	100%
9 DWS	Bhalubang DWS	Lalmatiya	3	Dang	3000	9 Laps	17000 m.	17-APR-82	250000	100%
10 DWS	Suija DWS	Suija	6,7,8	Dang	1000	10 Laps	5400 m.	14-APR-81	250000	100%
11 DWS	Jumelpani DWS	Favra	3	Dang	250	4 Laps	13000 m.	1-APR-87	250000	10%
12 DWS	Halwar DWS	Halwar	8,9	Dang	1200	15 Laps	6500 m.	1-APR-87	250000	10%
13 SR	Ghosh khola SR	Hansipur	NA	Dang	NA	14 m	14 m	21-APR-85	250000	10%
14 SI	Tribhuvannagar SI	Ghorahi	2,4	Dang	HH25	200 Ha	5000 m.	14-APR-81	250000	100%
15 DWS	Narayanpur, Chikpur DWS	Narayanpur/Chikpur	1 to 7	Dang	3090	17 Laps	9050 m.	14-APR-81	250000	100%

Implementation status of small rural works. as of: JUL-84

PROJECT NO. 367-0125

RURAL AREA DEVELOPMENT: RAPT: ZON Fyuthan District

No/Type	Project	Fanchaval	Wards	District Population	Size	Length	Start Date	End Date	Cost	Remarks
1 DWS	Khabang DWS	Khabang	1,2,3,4	Fyuthan	1100	11 Laps	6000 m.	21-APR-84	250000	10%
2 DWS	Chaphola DWS	Rajbara	1,2	Fyuthan	800	7 Laps	2100 m.	8-JUL-87	250000	100%
3 SI	Harshabang SI	Lung	3,9	Fyuthan HH 40	35 Ha.	5250 m.	17-APR-84	250000	100%	
4 SI	Torbang SI	Tushara	5	Fyuthan HH 150	50 Ha.	10000 m.	1-APR-84	250000	100%	
5 SR	Gortungkhola SR	Okherkot/Bange	2,4	Fyuthan	200	38 m.	38 m	1-APR-87	250000	10%
6 T	Putalibang-Svaulibang T	Several	Several	Fyuthan	300	10 km.	10 km	10-JUL-87	250000	10%
7 DWS	Chuja DWS	Chuja	6,7	Fyuthan 2050	9 Laps	12500 m.	20-SEP-81	250000	100%	
8 DWS	Sari DWS	Sari	1,2,4	Fyuthan 1500	10 Laps	5100 m.	16-SEP-85	250000	10%	
9 DWS	Harlabang DWS	Harlabang	1,2	Fyuthan 1200	4 Laps	1000 m.	21-APR-85	250000	10%	
10 DWS	Tari Indredanda DWS	Bijwar	7,8	Fyuthan	1000	12 Laps	6100 m.	5-SEP-82	250000	100%
11 DWS	Bhaladanda DWS	Chalalwadi	5	Fyuthan	145	7 Laps	1100 m.	11-APR-87	250000	10%
12 SI	Narikot SI	Narikot	7	Fyuthan HH 25	NA	NA	14-APR-81	250000	100%	
13 SI	Gothibang Pond	Dhaoneta	9	Fyuthan HH 30	10 Ha.	NA	1-APR-81	250000	100%	
14 NR	Chuja khola NR	Baraula/Chuja	NA	Fyuthan	500	14 m	14 m	21-APR-81	250000	50%
15 SR	Bavekhola SR	Tirae	NA	Fyuthan	500	18 m	18 m	1-APR-82	250000	10%
16 SR	Andheri khola SR	Anha	NA	Fyuthan	100	24 m	24 m	11-APR-87	250000	10%
17 DWS	Phopli Lupling DWS	Phopli	NA	Fyuthan	900	16 Laps	8000 m.	1-APR-87	250000	10%
18 DWS	Chorpani DWS	Raspurkot	7,8,9	Fyuthan	1400	11 Laps	5000 m.	1-APR-87	250000	10%
19 DWS	Khalanga DWS	Khalanga	3,4,5,6,7	Fyuthan	1300	9 Laps	5000 m.	1-APR-87	250000	10%

TABLE 6

Costs in Nepali rupees

No	Completed	Budget	AID/AFR	Status	Time Saved	User Committee	Remarks
1	APR-85	848,000.00	250,000.00	Completed	NA	None	7% done, one of 4 installed
2	xxxxx	404,000.00	349,000.00	Nearly completed	90 min	ram B. Gharti	5 Taps to be installed, 15% done
3	xxxxx	641,000.00	575,000.00	Ongoing	50 min	Hari B. Phaniari	25% work to be done
4	xxxxx	104,234.00	104,234.00	Broken	xxxxx	None	Stopped after completing 50%
5	APR-85	400,000.00	356,000.00	Was half done	xxxxx	Bodhi L. Sharma	Gabion Weir washed out
6	JUN-85	134,211.00	121,385.00	was complete	xxxxx	Purna B. Bhandari	Several culverts broken
7	APR-84	400,727.00	360,340.00	Completed	30 min	Lushai Singh	Working, needs repair
8	JUN-83	152,734.00	152,734.00	Completed	xxxxx	None	Working
9	DEC-84	103,510.00	98,488.00	Completed	60 min	Lushai Singh	Working all night
10	AUG-83	278,563.00	227,397.00	Completed	90 min	Shesh Mavi	Working all night
11	APR-84	114,000.00	100,000.00	Completed	40 min	Devan Singh Thapa	Working satisfactory
12	APR-84	330,000.00	298,500.00	Completed	10 min	ram B. Gharti	Not working
13	xxxxx	265,023.00	265,123.00	Ongoing	NA	None	only steel nails used
14	xxxxx	676,447.00	656,447.00	Ongoing	xxxxx	Not formed	Conflicting issues
15		916,169.00	840,089.00				Water right problem

Costs in Nepali rupees

No	Completed	Budget	AID/AFR	Status	Time Saved	User Committee	Remarks
1	xxxxx	321,551.00	300,000.00	Ongoing	120 min	res	Completed
2	JUL-84	244,000.00	212,500.00	Completed	40 min	res	Working all night
3	xxxxx	367,768.00	318,140.00	Ongoing	xxxxx	Not formed	Contracted, 80% completed
4	xxxxx	197,760.00	147,219.00	Ongoing	xxxxx	Not formed	Contracted, 15% completed
5	JUL-85	352,000.00	352,000.00	Completed	xxxxx	None	Open for completion
6	APR-85	894,940.00	250,000.00	Completed	NA	None	Open for completion
7	xxxxx	849,978.00	678,160.00	Ongoing	NA	Not formed	Contracted
8	xxxxx	392,200.00	323,172.00	Ongoing	NA	Not formed	Contracted (ongoing)
9	xxxxx	243,867.00	177,346.00	Ongoing	NA	Not formed	Contracted (ongoing)
10	APR-84	298,500.00	228,000.00	Completed	100 min	Jagan Nath Poudel	Working satisfactory
11	APR-84	62,000.00	78,000.00	Completed	30 min	Res B. GC	Working satisfactory
12	MAR-82	22,623.00	22,623.00	Completed	xxxxx	None	Existing
13	JAN-82	17,627.00	17,627.00	Completed	xxxxx	None	Existing
14	JAN-83	16,808.00	16,808.00	Completed	xxxxx	None	Open for completion
15	JAN-85	64,175.00	55,250.00	Completed	NA	None	Open for completion
16	JUN-85	86,770.00	72,250.00	Completed	NA	None	Open for completion
17	xxxxx	755,155.00	653,817.00	Ongoing	NA	Not formed	Contracted, 15% completed
18	xxxxx	649,346.00	527,266.00	Ongoing	30 min	Not formed	Contracted, 15% completed
19	xxxxx	357,458.00	270,103.00	Ongoing	40 min	Durga P. Shrestha	Completed

TABLE 6

Implementation status of small rural works. as of: JUL-82

PROJECT NO. 367-0129

RURAL AREA DEVELOPMENT: RAFTI ZON Folpa District

No/Type	Project	Panchayat	Wards	District	Population	Size	Length	Approved	File #
1 T	Liwang-Ghorahi T	Several	Several	Folpa	800	on km.	3000	1-1-81	111-1
2 DWS	Bisraanthali DWS	Dubring	7	Folpa	250	3 Laps	3000	1-1-81	111-1
3 DWS	Thumkot DWS	Erbing	7,8,9	Folpa	200	7 Laps	3750	1-1-81	111-1
4 DWS	Lingdung DWS	Lingdung	3	Folpa	180	5 Laps	3700	1-1-81	111-1
5 DWS	Bhorna DWS	Masina	8	Folpa	410	5 Laps	5300	1-1-81	111-1
6 SI	Ol SI	Ol	1,6,7	Folpa	HH 50	50 Ha.	6000	1-1-81	111-1
7 SB	Irboni Nuwagaon SB	Nuwagaon	NA	Folpa	300	50 Ha.	5000	1-1-81	111-1
8 SB	Sakhihola SB	Jedbang	NA	Folpa	400	40 Ha.	4000	1-1-81	111-1
9 SB	Masinahola SB	Dubidanda	8	Folpa	250	34 Ha.	3400	1-1-81	111-1
10 DWS	Rishibang DWS	Whasa	9	Folpa	744	5 Laps	1350	1-1-81	111-1
11 DWS	Ghodakot DWS	Ghodagaon	9	Folpa	770	6 Laps	1300	1-1-81	111-1
12 DWS	Garigoon DWS	Garigaon (Dhoreni)	9	Folpa	670	13 Laps	6000	1-1-81	111-1
13 DWS	Kotgaon DWS	Kotgaon	1,2,3,4	Folpa	1,000	3 Laps	2200	1-1-81	111-1
14 SI	Garul Falihalna SI	Garul	NA	Folpa	HH 150	50 Ha.	2700	1-1-81	111-1
15 SB	Sibang Kholi (Kareli) SB	Kareli	7,8	Folpa	150	45 Ha.	4500	1-1-81	111-1
16 SI	Syalapakha SI	Jinaweng/Pakhapani	1	Folpa	HH 150	27 Ha.	1500	1-1-81	111-1
17 DWS	Jedbang DWS	Jedbang	8	Folpa	675	12 Laps	4620	1-1-81	111-1

Implementation status of small rural works. as of: JUL-82

PROJECT NO. 367-0129

RURAL AREA DEVELOPMENT: RAFTI ZON Rukua District

No/Type	Project	Panchayat	Wards	District	Population	Size	Length	Approved	File #
1 WSB	Panakhola WSB	Khalanga	3,4	Rukua	500	3 Ha.	3 Ha.	1-1-81	111-1
2 DWS	Kholagaon DWS	Kholagaon	2	Rukua	570	4 Laps	1500	1-1-81	111-1
3 DWS	Machhi DWS	Khalanga	5	Rukua	100	5 Laps	1500	1-1-81	111-1
4 DWS	Nuwagaon DWS	Chibang	4	Rukua	350	5 Laps	3800	1-1-81	111-1
5 DWS	Gabang DWS	Karigaon	2	Rukua	510	7 Laps	3700	1-1-81	111-1
6 DWS	Mahal DWS	Mahal	8	Rukua	500	6 Laps	3000	1-1-81	111-1
7 SI	Dhaunelagar SI	Sova	1,2,3,5	Rukua	HH 100	14 Ha.	1000	1-1-81	111-1
8 SI	Dhaunelagar-Haitol T	Several	Several	Rukua	2500	20 Ha.	2000	1-1-81	111-1
9 T	Chaurjahari-Musikot T	Several	Several	Rukua	7000	60 Ha.	6000	1-1-81	111-1
10 T	Musikot-Golaniot T	Several	Several	Rukua	7000	60 Ha.	6000	1-1-81	111-1
11 DWS	Kole DWS	Kole	1,2,3,4	Rukua	450	3 Laps	1500	1-1-81	111-1
12 SI	Khahare Chaurjahari SI	Chaurjahari	1	Rukua	HH 300	40 Ha.	4000	1-1-81	111-1
13 SI	Kotbchara SI	Khalanga	6	Rukua	HH 60	16 Ha.	1600	1-1-81	111-1
14 WSB	Kharikhola WSB	Khara	NA	Rukua	500	8 Ha.	8000	1-1-81	111-1
15 DWS	Syalapakha DWS	Syalapakha	1,9	Rukua	1700	14 Laps	5500	1-1-81	111-1
16 DWS	Sarkena DWS	Kholagaon	4,5,7,8	Rukua	2200	23 Laps	11,000	1-1-81	111-1
17 DWS	Gung DWS	Jang	4,5,7	Rukua	610	5 Laps	3,000	1-1-81	111-1

TABLE 6

Costs in Nepali rupees

No	Completion	Budget	AID/AFR	Status	Time Saved	User	Comments
1	APR-83	277,757.00	277,757.00	Completed	NA	None	Final work
2	JUN-85	137,981.00	127,984.00	Completed	NA	Chabi Lal	Working
3	xxxx	266,100.00	218,800.00	Ongoing	20 min	Ghansu Blyem	Work on road
4	MAR-85	225,459.00	177,554.00	Completed	40 min	Salil B. G.	Working all road
5	JUL-85	245,000.00	209,000.00	Completed	100 min	Ken B. G.	Working all road
6	xxxx	338,430.00	251,400.00	Ongoing	xxxx	Chili Fun	Track cutting done
7	MAR-85	272,957.00	272,957.00	Completed	NA	None	Real bridge
8	JUN-85	352,700.00	352,700.00	Completed	NA	None	Open for road
9	JUN-85	297,852.00	297,852.00	Completed	NA	None	Open for road
10	xxxx	170,481.00	144,322.00	Ongoing	NA	Not started	Not started
11	xxxx	278,144.00	252,307.00	Ongoing	NA	Not started	Not started
12	xxxx	520,724.00	42,904.00	Ongoing	NA	res	Working all road
13	MAY-83	215,000.00	128,000.00	Completed	50 min	res	Working
14	APR-84	127,611.00	124,514.00	Completed	xxxx	None	Open for road
15	MAR-85	357,500.00	359,500.00	Completed	xxxx	res	Water rights
16	xxxx	507,253.00	500,453.00	Ongoing	xxxx	None	
17		350,465.00	208,735.00	Ongoing	80 min	None	

Costs in Nepali rupees

No	Completion	Budget	AID/AFR	Status	Time Saved	User	Comments
1	APR-83	16,000.00	12,000.00	Completed	NA	None	Open for road
2	JUL-85	240,000.00	210,000.00	Completed	NA	Man Bahadur	
3	JUN-85	103,996.00	57,425.00	Completed	20 min	Phung Phung	Very poor road
4	xxxx	465,000.00	418,500.00	Pending	60 min	Ken B. G.	Landslide problem
5	JUL-85	322,000.00	270,000.00	Completed	70 min	Man B. G.	Working
6	JUN-85	297,000.00	252,000.00	Completed	90 min	Ken B. G.	Working all road
7	xxxx	320,000.00	270,000.00	Pending	xxxx	None	Mayor cancelled
8	xxxx	507,100.00	250,000.00	Dropped	xxxx	xxxx	Dropped
9	MAR-85	709,000.00	250,000.00	Completed	NA	None	Open for road
10	xxxx	172,750.00	100,000.00	Dropped	xxxx	xxxx	Dropped
11	MAR-83	166,670.00	142,670.00	Completed	120 min	Man B. G.	Working all road
12	MAY-83	120,000.00	98,000.00	Completed	xxxx	Man B. G.	Partly working
13	APR-84	75,300.00	79,100.00	Completed	xxxx	NA	Working on road
14	MAY-83	16,000.00	12,000.00	Completed	NA	None	Bridge on the road
15	-	628,400.00	570,000.00	Ongoing	NA	NA	Not started
16	-	1,026,480.00	766,000.00	Ongoing			
17	-	372,113.00	302,400.00	Not started			

TABLE G

Implementation status of small rural works, as of: III, 76

PROJECT NO. 757-0129

RURAL AREA DEVELOPMENT: RAPTII ZON Salyan District

No/Type	Project	Pauchayat	Wards	Local Population	Area	Length	Cost	Actual Cost	Remarks
1 SI	Inulagadalot SI	Lotbhara	2	Salyan	HH 40	12 Ha.	21000	10000	
2 DWS	Limitakura DWS	Dhaladze	7,8	Salyan	200	6 Laps	50000	20000	
3 DWS	Phalabang DWS	Phalabang	4,5,6,7,8	Salyan	1000	21 Laps	100000	100000	
4 DWS	Lotraula DWS	Lotraula	1,2,4,7	Salyan	1000	19 Laps	70000	100000	
5 SI	Darakot SI	Darakot	1,2,7	Salyan	HH 60	35 Ha.	50000	20000	
6 T	Bhalukhola-Chaurahari T	Several	Several	Salyan	800	50 Ha.	50000	100000	
7 SI	Sitalpati SI	Dhalanga	3,4,7	Salyan	HH 200	20 Ha.	20000	20000	
8 SI	Mohla SI	Pipalmeta	8,9	Salyan	HH 150	20 Ha.	20000	20000	
9 DWS	Ruhanitol DWS	Siyalalaura	2	Salyan	200	4 Laps	50000	50000	
10 SI	Bone SI	Bone	6	Salyan	HH 50	20 Ha.	10000	10000	
11 SB	Thangneinoia SB	Bachlata	7	Salyan	100	25 Ha.	50000	50000	
12 SB	Novi Thola SB	Pipalmeta	HA	Salyan	200	40 Ha.	100000	100000	
13 DWS	Clewang DWS	Adish, Dhalanga	1	Salyan	100	7 Laps	50000	50000	
14 SB	Bairwa Gangrahi SB	Harikanda/Gangrahi	8	Salyan	100	20 Ha.	50000	50000	
15 DWS	Lotbang Jhampa DWS	Kribing	7	Salyan	200	5 Laps	50000	50000	
16 DWS	Polchaur DWS	Yatra	9	Salyan	200	1 Laps	10000	10000	
17 DWS	Kalagaon DWS	Kalagaon	3	Salyan	100	4 Laps	50000	50000	

TABLE 6

Costs in Repair projects

No	Month	Original Budget	Actual/AFF	Status	Time Spent	User Committee	Remarks
1	JUN-83	58,794.00	55,294.00	Completed		NA	Working all time
2		371,581.00	318,050.00	Ongoing	40 min	Karna P Chand	20% work completed
3		1,212,792.00	1,147,858.00	Completed	140 min	Dhan R Bhander	Only tape work completed
4	APR-85	451,760.00	393,240.00	Completed	140 min	Shova Ram Phand	Working
5		263,000.00	190,000.00	Ongoing		Top B.Chand	Redesigned for completion
6	MAR-85	1,970,850.00	500,000.00	Completed		None	Open for completion
7		675,850.00	547,712.00	Ongoing		Not formed	Work not started
8		675,850.00	599,599.00	Ongoing		Not formed	Work not started
9	JUL-84	246,000.00	214,000.00	Completed	120 min	Billi B.Bhandari	Working all time
10	MAR-82	32,535.00	32,535.00	Completed		NA	Work for completion
11	APR-82	104,470.00	104,470.00	Completed		NA	Open for completion
12	JAN-85	313,000.00	313,000.00	Completed		Rasham B.Khatre	Open for completion
13	APR-83	120,847.00	113,007.00	Completed	120 min	Prishna L. Budhath	Working
14		327,852.00	327,852.00	Ongoing		None	20% work completed
15	MAR-83	202,851.00	175,192.00	Completed	240 min	Sher B. Gharia	Working all time
16	MAR-83	70,123.00	60,563.00	Completed	60 min	Bal B. Lame	Working all time
17	JUN-83	123,005.00	106,235.00	Completed	60 min	Liladhar Basnet	Working all time

2. Implementation Constraints

a. Districts not following Implementation Guidelines

The Phase I Project established standards and implementation guidelines and sent these to LDOs and DTOs. However, the guidelines for implementation of rural works projects have often been ignored. The political pressure of local village politics has been a major factor influencing project selection and implementation.

b. Lack of User Group Active Involvement

The poor record of operation and maintenance has been noted for several of the rural works projects. The HMG maintenance budget is very limited for all types of the rural works projects. Neither have local beneficiaries used fee systems to generate maintenance for most of the projects. The notable exceptions are for some drinking water supply and irrigation projects. Due to lack of maintenance many of the projects are not functioning at full capacity and some of them have even completely ceased to function.

c. Delayed Project Implementation

It has been observed that implementation of most of the rural works projects has been delayed. Also, in many cases the construction quality and standards have not been maintained. The several apparent reasons for this are:

- 1) delayed budget release;
- 2) lack of effective manpower in the districts;
- 3) inadequate construction supervision;
- 4) insufficient project monitoring and feedback;
- 5) delayed transportation and procurement of imported construction materials to the site;
- 6) uncoordinated administrative processes within and among PCOs and LDOs.
- 7) lack of timely communication between line agencies in district and central levels.

d. Shortage of Trained Technical Manpower:

On the whole the districts in the zone have a shortage of trained technical personnel. As a result, some of the technical equipment provided are not used properly even though the districts now have the minimal engineering equipment required for the survey and design of the rural works projects.

Although the PCO in cooperation with USAID or other support agencies has conducted some technical training programs for the overseers and supervisors involved in the implementation of the rural works projects these limited training programs have been not adequate. This is due to the limited number of courses, the short training period (usually 3 to 15 days), and the lack of expert trainers.

3. Strategy for RDP Rural Works Program

a. Simplified Design and Implementation Responsibility

The following plans and procedures for the management of Rapti Development project supported rural works construction activities attempt to simplify responsibilities for the project implementation, which will permit identification and implementation of rural works projects without requiring series of approvals from central offices and the PCO office. The project strategy is to assist with the implementation of the Decentralisation Act and By-Laws so that district HMG offices, local communities, local groups and also private local contractors can perform their duties and responsibilities better. To this end, the RDP will help to improve communication channels, financial decision authority at the local level, efficient fund disbursement methods, personnel training and village and district level planning.

USAID in the past has followed the HMG requests for having construction done by HMG line agencies through participatory labor contribution by the beneficiaries. Now, as described below, all rural works projects under the Rapti Development Project will be fully undertaken by joint responsibilities of district line agencies, and local panchayat community or user's group in line with the recently enforced Decentralisation By-Laws.

b. Fewer types of Rural Works Projects

The following types of rural works projects will be undertaken under the Rapti Development Project.

1) Irrigation

These will be small irrigation projects ranging in sizes from 10-50 hectares in command areas and more than 100 hectares in Dang Valley. The projects will be strictly for rehabilitation and improvement of existing community managed projects. This will ensure Users' Group active involvement in the planning and construction of irrigation project. No new irrigation projects will be funded by the Rapti Project. An integral part of these small irrigation projects will be the agriculture extension component, which will enable the farmers to optimize use of the improved and rehabilitated irrigation facilities. For most purposes, these projects will be the responsibility of Users' Groups from identification through operation and maintenance. The

irrigation inventory of the Panchayat Resource Inventories (PRI) is identifying the high potential production and irrigated areas where this activity will be focused. It is recommended that assistance in cash and technical will be provided by a Private Voluntary Organization (PVO) in cooperation with the District Technical Office and the Agricultural Development Bank of Nepal. This will build upon the model established under the Phase I Rapti Project grant to CARE/Nepal for irrigation improvements of SFDP sites.

2) Suspension Bridges and Trails Connecting the Bridge

These will be new construction, rehabilitation and improvement of wooden or steel bridges having a span generally not exceeding 50 meters in length and situated on main or secondary trails connecting villages within the same panchayat or different panchayats. Construction of the larger network of bridges situated on main trails in the zone will be the responsibility of suspension bridge project division of MPLD/HMG.

The types of bridges to be supported under the Rapti Project will be planned, built and maintained under the responsibility of District Technical Office. The knowledge and technology of local people in the bridge construction will be reinforced by providing technical support, materials & financial support. It is recommended that support for this activity be provided by the some PVO who supports the irrigation program.

c. Clearer Procedures for Construction Implementation

The following implementation procedures will be used for all types of rural works projects:

- 1) Project Selection: Project selection must follow the project selection criteria and will be initially based on the District Panchayat approval of the rural works activities for support by the project. This will be confirmed by LDO and checked with periodic plans submitted for such rural works activities.
- 2) Approval: Prior approval of designs, cost estimates, construction schedules and operation and maintenance plans will be required for all rural projects. Preparation of feasibility study to include socio-economic analysis, designs, cost estimate, and construction plans will be carried out by District Technical Office with support from the involved PVO. For example, all irrigation projects (irrespective of the sizes) will be surveyed, designed and cost estimated by PVO at DTO staff working together with local groups/users. The design should be formally approved by the DTO and by LDO. A copy of the approved design package will be submitted to PCO and USAID/N. The cost

estimate will be broken down by types of work requiring project support & works which will be supported by beneficiaries in terms of labor, cash/or kind.

- 3) Procurement: Procurement of imported construction materials will be the responsibility of LDO and DTO offices. Except for the purchase of cement, all materials will be purchased based on the approved design of the individual project. This will be specifically applicable for procurement of prefabricated bridge parts from the engineering workshops in Tulsipur, Nepalganj or Butwal.
- 4) Construction Modes and Supervision: Construction supervision will be the responsibility of LDO and DTO offices. At least one supervisor will be posted at a rural works project site for day to day operation of the construction work. The supervisors are already available at district technical offices. Currently, there are 5-6 site supervisors in each DTO under the Rapti IRD Project. These supervisors will be employed for Rapti Development Project. The project will provide 6 months training course for the site supervision & overseer in first two years of project implementation.

Initial responsibility for the construction will be carried out by LDO/DTO jointly for project undertaken through labor contract or muster roll. For any rural works projects undertaken through local contractors, LDOs would have to submit copies of the construction contracts to PCO and USAID for the review of the reimbursement claim and auditing.

On the site construction management will be the joint responsibility of local users group and the site supervisor. Beneficiaries should be clearly told and briefed as to what works will be paid by the project and what the beneficiaries will have to perform voluntarily. An agreement should be made in this respect between LDO office and users group prior to any investment of the project funds for the particular project. All irrigation projects should have at least 20% of the cost come from the project beneficiaries in form of labor or cash. In case of suspension bridges, as the expected benefits are spread over many villages or panchayats, the cost of the bridges will be fully funded by the project.

d. Monitoring and Completion

Field visits to construction activities to assure that they are being carried out in a technically sound and timely manner will be carried out jointly by LDO and DTO office staff. PSO and USAID staff will carry out monitoring visits when issues

arise. Issues would either be identified from implementing agencies or progress reports. Trimester progress reports will be prepared by District Technical Office. Copies of the trimesterly progress report should be sent to PCO and USAID/N. USAID will carry out monitoring to see that project funds are being spent according to agreed upon PILs and approved design.

Verification of the completion of the rural works projects will be checked by PCO. Formal certification will be required for construction carried out by contractors, and the responsibility for this will be identified at the time of contracting. Contracting may be done for suspension bridges.

e. Better Operation and Maintenance Arrangements

Operation and maintenance arrangements of the rural works should come from local users group. This should be possible since the resulting facilities of rural works projects, e.g., irrigation projects directly benefits to land owners. Examples exist in Rapti Zone and elsewhere in Nepal where user fee systems, operated by strongly led local beneficiaries groups, have successfully operated and maintained these types of project. Therefore, maintenance budget will not be given priority for project support, but support for strengthening local groups will be provided through other project components..

4. The Rural Works Program

a. Construction

AID will contribute approximately US\$ 1.40 Million and local beneficiaries will invest in-kind costs of approximately US\$ 0.215 Million for the improvement of existing farmer managed irrigation projects in the zone and for the new construction and improvements of suspension bridges. These costs are based on the analysis made on 6 completed irrigation projects and 6 completed trail suspension bridges in the zone under the Phase I Rapti Project. With these planned investments it is expected that approximately 2,600 hectares land will be fully irrigated throughout the year. Similarly, approximately 1,536 meters of steel bridges and approximately 180 meters of wooden bridges will be constructed or improved by the end of the project. The proposed RDP construction program is presented in Table 7.

The assumed cropping pattern after irrigation in low land is main paddy followed by wheat cultivation or maize followed by paddy cultivation. Similarly, the assumed cropping pattern would be paddy followed by wheat or irrigated maize followed by millet and mustard (vegetables) cultivation in upland areas.

As said before, all irrigation projects will have at least 20% of the project construction cost come from the project beneficiaries in form of labor, cash or kind. In case of bridges, as the expected benefits are spread over many villages or panchayats, the cost of projects will be fully funded by the project.

b. Equipment

AID will provide support to district offices for purchase of office equipment, technical materials and some motorcycles required for successful implementation of rural works activities.

c. Personnel

AID will support line agency staff (District Technical Offices and Local Development Offices) for program activities. The USAID contribution will be approximately 50% of program costs the life of the project..

d. Training

Table 2 presents the planned in-country training proposed for personnel working in LDO & DTO offices. Similarly, it is proposed that AID also provide approximately 80 persons months of participant training (third country & US) in support of the rural works program.

e. Technical Assistance

To support implementation of the rural works program it is estimated that approximately 10 person months of short-term expatriate assistance and 120 person months of long and short-term local Nepalese technical assistance will be required. This will be provided by a Private Voluntary Organization, like CARE/Nepal. Additional assistance will be provided by Peace Corps Volunteers, as shown in Table 11.

Table 7

RURAL WORKS PROJECTS

CONSTRUCTION OUTPUTS

<u>IRRIGATION</u>	<u>DANG</u>	<u>SALYAN</u>	<u>PYUTHAN</u>	<u>ROLPA</u>	<u>RUKUM</u>	<u>TOTAL</u>
FY 88	-	-	-	-	-	-
FY 89	-	30 ha	30 ha	30 ha	30 ha	120 ha
FY 90	150 ha	50 ha	50 ha	50 ha	50 ha	350 ha
FY 91	150 ha	50 ha	50 ha	50 ha	50 ha	350 ha
FY 92	250 ha	60 ha	60 ha	60 ha	60 ha	490 ha
FY 93	250 ha	60 ha	60 ha	60 ha	60 ha	490 ha
FY 94	250 ha	50 ha	50 ha	50 ha	50 ha	450 ha
FY 95	150 ha	50 ha	50 ha	50 ha	50 ha	350 ha

<u>STEEL/WOODEN BRIDGE</u>	<u>DANG</u>	<u>SALYAN</u>	<u>PYUTHAN</u>	<u>ROLPA</u>	<u>RUKUM</u>	<u>TOTAL</u> <u>PROCESS</u>	<u>APPROX. LENGTH</u> Steel Bridge/Wooden Bridge
FY 88	-	-	-	-	-	-	-
FY 89	1	1	1/1	1	0/1	4/2	(192 meter/24 meter)
FY 90	-	1/1	1	1/1	1/1	4/3	(192 meter/36 meter)
FY 91	1	1	1/1	1	1/1	5/2	(240 meter/24 meter)
FY 92	-	1/1	1	1/1	1/1	4/3	(192 meter/36 meter)
FY 93	1	1	1/1	1	1/1	5/2	(240 meter/24 meter)
FY 94	-	1/1	1	1/1	1/1	4/3	(192 meter/36 meter)
FY 95	-	1	1	1	-	3/0	(144meter/ 0 meter)

VI. Private Sector Development

a. Program Description

The objective of this program is to stimulate the development of micro and small enterprises to provide inputs, storage and processing, marketing and related services for agricultural and forestry development in the Rapti Zone. The specific outputs for the Zone by the end of project will be:

- o Established a Private Enterprise Unit (PEU) in Tulsipur (using the base provided by the Phase I Appropriate Technology Unit) that has prepared approximately 50 feasibility studies for local small scale private enterprises.
- o Created approximately 25 new small enterprises based on feasibility studies prepared by PEU.
- o Created approximately 1,000 new household and micro enterprises involving nurseries, cereal and vegetable seeds, feed production, and other small scale production and processing through assistance under the technical components.

In the Phase I Rapti Project, an Appropriate Technology Unit (ATU) was established under the Agricultural Development Bank in Tulsipur. The ATU has proven to be a very successful model for testing and disseminating new technology in the Zone. It has also demonstrated potential as a model for encouraging private sector development. The ATU has prepared feasibility reports and assisted with financing for the installation of 57 improved water turbines for grinding and milling cereals and oilseeds, of 127 biogas plants, of 34 diesel-powered shallow tubewells, 13 handpowered rowerpumps, 605 improved stoves, and 411 metal seed storage bins, and has helped establish several workshops that produce, install and maintain stoves, biogas plants, tubewells, metal storage bins, etc. With a slight modification of orientation and of staffing ATU can be an even more important catalyst for stimulating private sector development in Rapti.

The RDP will assist the ADB to make the necessary adjustments for the ATU to become a more effective private enterprise development unit. A preliminary assessment of the local private sector development potential and a preliminary definition of the nature and scope of future PEU operations has been undertaken by a U.S. Private Voluntary Agency in November 1986. This assessment has made important recommendations which will serve as the basis for modifications to be made to establish the PEU and the RDP funding in support of PEU activities.

A chief constraint to private investment in Rapti (and indeed for Nepal) for many agro-based ventures is that India has the same agricultural raw materials or access to them, and, because of a superior industrial base, can in many instances process these

agricultural products and transport them to Rapti more economically than they can be produced in Rapti. Thus, the first step in a program to encourage private investment in Rapti will be to determine the relative comparative advantages Rapti has in terms of production costs and market access for possible small-scale agro-based enterprises. The kinds of investments likely to be identified include: the production and marketing of cereal and vegetable seeds and of fodder and fruit tree seedlings; the marketing of chemical fertilizers, farm tools and equipment, and veterinary products; the breeding of improved livestock; and processing of various agricultural products such as ginger, chhuri, mustard, honey, dried and canned fruits and vegetables, leather products, and timber for pulp and paper, plywood, furniture making; etc.

The second step will be to establish a forum for discussion of potential investment ventures with interested entrepreneurs. For this a private sector development working group is proposed to be established in Rapti. This group, under the chairmanship of the Zonal ADB Manager in Tulsipur, will include representatives of the commercial banks and the PCO, several local government leaders, and several prominent local entrepreneurs who will represent local business groups in Rapti. The Manager of the PEU will be the Secretary for this working group. The working group will meet monthly to discuss new ideas, the constraints to private sector development, and the status of specific new ventures.

b. Recommendations for the Private Enterprise Unit

The design team from Partnership for Productivity recommended that:

- o AID support a modest 6 year small-scale private sector development program under Rapti II that involves the ATU and the ADBN as key players, and that AID consider a an expanded program under a separate project. Under the ATU, now called the PEU (Private Enterprise Unit) Rapti II would work with approximately 28 Small Farmer Development Programs;
- o The ATU shift its focus from an essentially technology driven to a market driven strategy;
- o The ATU maintain the most important aspects of its technology appraisal functions;
- o The ADBN use the ATU/Tulsipur as a modeling environment to test strategies for use in additional ATU/PEU programs.
- o AID provide micro and small enterprise program development support to the ADBN for an expanded ATU/Small-scale private sector development plan.

The Rapti Private Enterprise Unit (PEU) should employ a variety of tools and approaches to implement a modest small-scale private sector development program. The challenge is to use the experience and strengths already present, and to add only what is necessary to move on to the next step. The key features would be as follows:

1. Small Enterprise Mapping:

Small enterprise mapping is a systematic survey of village clusters or some other defined, relatively small area. In the Rapti Zone, the Small Farmer Development Programs are ideal units of definition. The purpose of mapping is to identify possible new or expanded businesses that would not be obvious otherwise. It is a tool to bring fragmented information - anecdotal, survey, or research - together to make decisions regarding what kind of enterprise support to provide. It forces the program to link production ideas with local, near, and distant markets so that sales potential becomes the key decision factor. Localized over-production of crops and manufactured goods is the bane of income generating projects worldwide. It also forges links between different sizes of business, another key deficiency of many programs which work with only one scale of enterprise in direct contradiction to how trade and manufacturing really work.

The objective of enterprise mapping is to bring into focus opportunities and constraints that do not emerge with a less systematic approach. It is the art of seeing something that isn't there yet. The basic technique are presented in the PFP report "Small-Scale Private Sector Development in the Rapti Zone".

1. Technology Testing and Adaptation:

The PEU will continue its function of technology testing, adaptation, and problem solving. Little basic R&D will be conducted in the field; this is done where the technology was developed or will be arranged by the ADBN's central ATU. Because of the enterprise mapping, technology testing is very focused and emphasizes solving problems in the field. Based on the types of enterprises selected for support, the PEU may need some additional equipment.

The PEU's technology component has to have the means to generate technology and product options. It will be assuming a limited product development function. It has to be able to answer the question, 'what are the twelve products that can be made with limies in a small-scale, decentralized fashion ?'

Two ways to do this are proposed. The first is that the program employ a technical advisor who has the connections to get this information so that the mapping exercise can get off to a good start. The second is to develop a simple roster of short-term consultants available in local, near, and more distant areas.

3. Technical Consulting:

The PEU will need technical help to translate ideas into practice. The help can come from any quarter, including farmers, housewives, business people, technical programs, professionals etc. The PEU program should have funds available to hire these people on a short term, as-needed basis. The PEU will develop a roster of consultants that identifies their skill, availability, and fees, and will use it to employ short term help.

The main problem with developing this type of data base is that it gets too large and irrelevant information seeps in. Discipline is required to keep the roster useful. Its not easy, but its possible.

4. Small Enterprise Training:

The PEU will offer micro and small enterprise support training to its own staff, extension agents, staff from other programs and other ATUs. The training will emphasize the fundamentals of small business analysis, working with clients, technology choice, management, bookkeeping, quality control, and marketing.

The basic outline should be as follows:

I. Overview

- working with entrepreneurs
- appraising the enterprise idea
- defining the business
- identifying the steps in the process

II. Identifying the Product

III. Marketing the Product

- to whom and where will it be sold
- competition
- marketing strategy (promotion, distribution, and sales)

IV. Analyzing the Production Process and Technologies

- What to do
- How to do it

V. Simple Input Analysis: can the enterprise get what it needs

- What to do
- How to do it

VI. Simple Financial Analysis

- What will it cost
- Can it pay for itself
- What to do
- How to do it

VII. Enterprise Management

- books
- separating personal and business capital
- projecting
- growth strategies

The training program should be designed in response to the enterprise mapping exercise which indicates the skill pool in the area, the needs, and the points requiring special emphasis. The ADBN has developed some excellent training materials which could be used for this purpose. Each of ADBN Group Organizers receives some training in this area.

5. Promotion:

The program won't work without some old fashioned advertising. Promotion is needed 1) to interest people in expanding or setting up businesses, 2) for some of the speciality products which may be produced, and 3) for the services which the PEU can provide. Promotional materials can also be used in training.

Product advertising will be done in ways familiar to the area. Promotion for participation is primarily the responsibility of field extension agents and their supervisors. A new means for effective promotion of this type is the use of video. Playing and screening equipment has been miniaturized to the point where it can be carried to remote areas easily, and can be powered by battery or solar charger.

The great value of video is its attention-getting quality, and its ability to let people travel without going anywhere. For the PEU, a series of videos will be made on the enterprise opportunities which have been identified in a given area. The process will be demonstrated, as will the benefits and the risks. Wherever possible, people already using the technology will demonstrate it and explain both the benefits and risks involved. Potential clients will see people just like themselves explaining how they got started. The videos can also carry messages from people potential clients. More detailed versions can be used to teach processing or small-scale manufacturing skills. Overall, the medium has demonstrated that it can catch people's interest so that they take the next step and get more information. Several organizations have used it in family planning programs, and a group in Turkey has used it for rural enterprise promotion.

6. Lending Assistance:

The PEU will work with ADBN staff to secure loans for micro and small enterprise activity. When a PEU staff member determines that an enterprise is viable, the Bank will extend the loan. There will be no need to redo the analysis. The precedent for this is with water-turbine installations where ATU staff determine feasibility and then the Bank extends a loan. In this way, the Bank's reach is extended, and there is not a duplication of effort. Loan repayment will be directly to the Bank.

VII. MULTI-DISTRICT SUPPORT - THE PROJECT COORDINATOR'S OFFICE

A. Functional Roles of the PC

Section IV. has enumerated specific strategies for improving the efficiency, effectiveness and sustainability of the productive sector programs planned under RDP. Many of these strategies can be carried out directly by the line agencies as part of their regular programs. There are four areas, however, where fulltime cross-cutting multi-district support is indicated.

It is recognized that the current Rapti Phase I PCO now covers most of these functions in some manner. The main difference for multi-district support under the Phase II Rapti Development Project will be that implementation responsibility is explicitly with the district offices and coordination responsibility is with the Local Development Office. This is in line with HMG Decentralization policy and procedure. As a result, the project office in Tulsipur will be a support office rather than a coordination office. However, it is recommended that the name not be changed.

The four support areas are: technical support, training support, financial management, and monitoring.

1) Technical Support

Technical assistance needed to support project implementation in the five districts cannot practically nor economically be disaggregated and provided separately to each district. Implementation effectiveness and efficiency thus calls for a zonal support office where technical support personnel would be based. The Technical Analysis identifies the type and amounts of short and long term, expatriate and Nepalese, assistance that are needed for each of the project components. This assistance will be on an ad hoc basis to respond to specific needs (i.e. an assessment of district revenue potential), on a periodic basis (i.e. for annual assistance to the District panchayat in determining the feasibility rural works programs, or annually to AIC to monitoring fertilizer supplies), and on a continuing basis as enumerated in the Technical Analysis. Again, for many of these needs cost considerations suggest that they be met on a multi-district rather than single district basis, although this rationale should not be a standard assumption.

2) Training Support

The Technical Analysis identifies strong needs for training support of local programs on a vastly accelerated scale. Basic management and organizational skills are needed at all levels, and specific problem-solving and administrative skills are indicated for specific positions. Specific needs assessments must be undertaken for all types of positions or roles, and trainings developed to meet those needs to the extent possible.

Given the existing workload of the LDO, it is not realistic to assume that his office would be able to cope with the need. For certain skills training, there are also efficiencies to be obtained from inter-district courses, i.e. for District Officers. The Agriculture Training Center in Nepalgunj, the Panchayat Development Training Center in Nepalgunj, the Women's Training Center in Surkhet, and the Small Farmer Development Program Training Centers in Nepalgunj and Bhairawa are good locations for some of this training, and can provide backstopping to district and multi-district training efforts. Linkages can and should be established with these--and other--institutions, but they are not staffed nor equipped to handle to necessary coordination and scheduling that must occur. Table 2 provides a list of training that has been so far identified by the project analyses to be organized by the PCO and conducted at the zonal level.

3) Financial Management

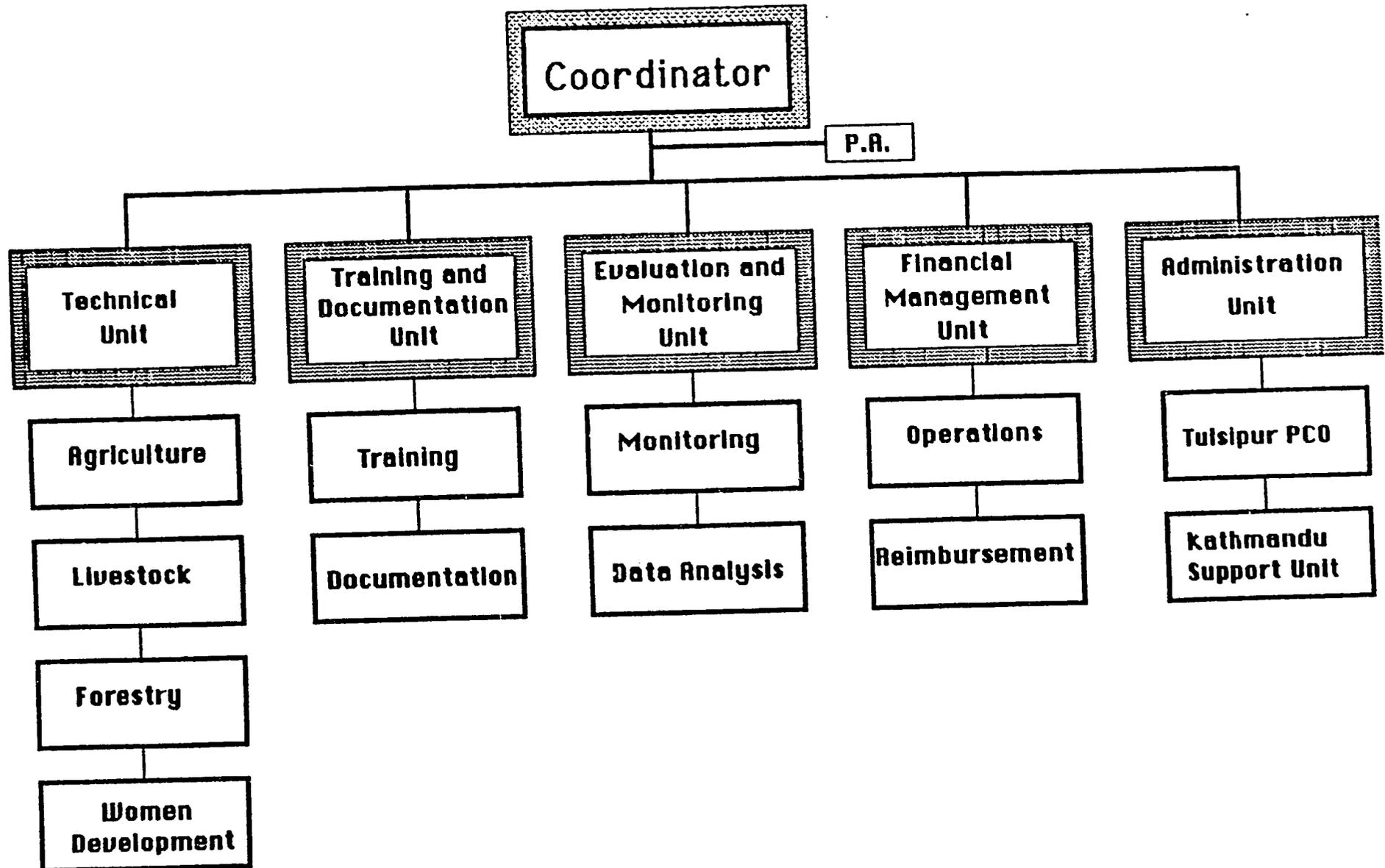
The third area for multi-district support assumes a continuing USAID presence and is thus for financial accountability. As stated earlier, the flow of funds is the fundamental constraint to effective program implementation. The Financial Management Technical Analysis has analyzed existing systems and proposed changes, additional support and training to improve performance in this important area. The Financial Management Unit in the PCO will be restructured according to the recommendations of this analysis.

4) Monitoring

Again combining emerging needs of the districts with those of USAID and central HMG ministries, the fourth identified need is for improved planning and particularly monitoring and evaluation. The Monitoring and Impact Assessment Plan for RDP prepared by Douglas Smith provides the plan for the revised monitoring and evaluation system for RDP. The main change for the PCO will be that monitoring will be project monitoring, not normal HMG monitoring. In keeping with the district focus of RDP all standard HMG monitoring and reporting will be done by the district offices. The PCO with the technical assistance will be involved only in project monitoring as presented in the RDP Monitoring and Impact Assessment Plan.

Table 8

Project Coordinator's Office Organization



B. Structure and Staffing of PCO

The proposed revised structure of the Rapti Development Project Coordinator's Office is presented in Table 8. The four main units under the office director correspond to the four functional areas of responsibility identified above. The fifth unit is for Administration. The total proposed staffing for the PCO is about 50 persons. The proposed staffing pattern (broken out by HMG and contract personnel) is shown in Table 9. The core HMG staffing will be supplemented by long and short term technical assistance as shown. The recommended technical assistance to the PCO, as taken from the recommendations of the project analyses, is shown in Table 10. The existing office facility in Tulsipur will be adequate for the planned staffing of the PCO under RDP. In addition, the reduced HMG staffing will mean that several of the long term contract staff can be provided housing in the PCO compound, thereby reducing rental costs in Tulsipur paid by the project and economizing on the contract support costs for the project.

Table 9

Proposed Staffing Plan - Project Coordinator's Office

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Person Years
Technical Support Unit									
1. HMG Staff									
a. Women Development Officer									8
b. Agricultural Officer									8
c. Livestock Officer									8
d. Forestry Officer									24
e. 2 Senior Assistants									
2. Contract Staff									
a. Farmings Systems Expat.									7
b. Ag. Ext. Agronomist Nepali									8
c. Livestock Advisor Expat.									6
d. Livestock Advisor Nepali									4
e. Agro-Forestry Adv. Expat.									6
f. Agro-Forestry Adv. Nepali									6
g. Community Forestry Nepali									
Total HMG	6	6	6	6	6	6	6	6	48
Total Contract	5	6	7	7	7	6	5	4	47
Training & Documentation Unit									
1. HMG Staff									
a. Training Officer									8
b. 3 Assistants									24
2. Contract Staff									
a. Soc.Sc./Training Nepali									2
Total HMG	4	4	4	4	4	4	4	4	32
Total Contract	1	1	0	0	0	0	0	0	7
Evaluation & Monitoring Unit									
1. HMG Staff									
a. Eval. & Monitoring Officer									8
b. Data Analyst									8
c. Senior Assistant									8
2. Contract Staff									
a. Monitoring Adv.-Fertilizer									9
a. P & M Data Analyst Nepali									8
Total HMG	3	3	3	3	3	3	3	3	24
Total Contract	2	2	2	2	2	2	2	2	16

Table 9

Proposed Staffing Plan - Project Coordinator's Office

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Person years
Financial Management Unit									
1. HMG Staff									9
a. Reimbursement Officer									9
b. Operations Accountant									32
c. 3 Accountants									
2. Contract Staff									
Total HMG	5	5	5	5	5	5	5	5	40
Total Contract	0	0	0	0	0	0	0	0	"
Administration Unit									
1. HMG Staff									9
a. Administration Officer									15
b. 2 Senior Assistants									30
c. Secretarial Unit (5)									30
d. General Services (12)									64
e. Garage/Drivers (8)									16
e. Communications (2)									
2. Contract Staff									
Total HMG	30	30	30	30	30	30	30	30	230
Total Contract	0	0	0	0	0	0	0	0	"
Project Coordinator									
a. Personal Assistant									9
TOTAL HMG STAFF	50	50	50	50	50	50	50	50	400
TOTAL CONTRACT STAFF	8	9	9	9	9	8	7	6	65
TOTAL PSD STAFF	58	59	59	59	59	58	57	56	465

Table 10

Illustrative Technical Assistance Plan

Position	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Person Years
Chief of Party (Farming Systems)									7.0
Sr. Livestock/Fodder Advisor									6.0
Agro-Forestry Advisor									4.0
Total Expatriate Technical Assistance	3.5	4.0	4.0	3.5	2.0	2.0	2.0	1.0	17.0
Senior Manager (Kathmandu)									8.0
Agricultural Extension Advisor									8.0
Livestock Extension Advisor									8.0
Community Forestry Advisor									8.0
Monitoring Advisor -- Fertilizer Supply									8.0
Training Advisor									2.0
Agro-Forestry Advisor									6.0
Computer Data Analyst									8.0
Total Nepali Technical Assistance	7.0	56.0							

Table 11

Illustrative Peace Corps Assistance Plan

Position	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Person/No. Years	PCVs
A. Agriculture and Livestock									8.0	4
1. Dang - Production Systems Site									6.0	3
2. Dang - Technical Resource Center									6.0	3
3. Pyuthan - Production Systems Site									8.0	4
4. Salyan - Production Systems Site									6.0	3
4. Rolpa - Horticulture									6.0	3
5. Rukum - Horticulture/Musikot Farm								4	40.0	20
-- Subtotal Agriculture and Livestock --	2	4	6	6	6	6	6			
B. Forestry									8.0	4
1. Dang - Community Forestry									4.0	2
2. Dang - Agro-Forestry									8.0	4
3. Pyuthan - Community Forestry									8.0	4
4. Salyan - Community Forestry									8.0	4
5. Rolpa - Community Forestry									8.0	4
6. Rukum - Community Forestry								5	44.0	22
-- Subtotal for Forestry --	5	5	6	6	6	6	5	5		
C. Local Development Office									2.0	1
1. Dang - DTO Rural Engineering									4.0	2
2. Dang - Planning & Data Analysis									4.0	2
3. Dang - Women in Development									4.0	2
4. Pyuthan - DTO Rural Engineering									2.0	1
5. Pyuthan - Planning & Data Analysis									4.0	2
6. Pyuthan - Women in Development									2.0	1
7. Salyan - DTO Rural Engineering									5.0	3
8. Salyan - Planning & Data Analysis									8.0	4
9. Salyan - Women in Development									4.0	2
10. Rolpa - DTO Rural Engineering									8.0	4
11. Rolpa - Women in Development									2.0	1
12. Rolpa - Planning & Data Analysis									6.0	3
13. Rukum - DTO Rural Engineering									8.0	4
14. Rukum - Women in Development								8	64.0	32
-- Subtotal for Local Development Off --	8	8	8	8	8	8	8	8		
D. Agricultural Development Bank									8.0	4
1. Dang - Private Enterprise Develop.									4.0	2
1. Pyuthan - Private Enterprise Devel.									12.0	6
-- Subtotal for Ag. Development Bank --	1	1	1	1	2	2	2	2		
Total Peace Corp Volunteer Assistance	16.0	18.0	21.0	21.0	22.0	22.0	21.0	19.0	160.0	80.0

VIII. PROJECT ADMINISTRATION

A. Project Management

Although Rapti Phase I was carefully not called an "integrated rural development" project by AID, it fully fit the HMG definition and was thus subject to all HMG policies and structures regarding IRDs in Nepal. The Phase II Rapti Development Project will also be characterized this way by HMG so that HMG IRD policies are still applicable. Indeed, the HMG Inter-Ministrerial Integrated Rural Development Board has recently redefined second phase rural development projects, so that a production-focused program like RDP is clearly in line with the HMG IRD focus.

Thus, after carefully examining the possible options for project management, this analysis has concluded that the only viable option is to have MPLD be the lead agency nationally and to support district implementation through a streamlined office in Tulsipur under the administrative direction of MPLD. The other models did not fit project implementation needs and are not in line with HMG structure and policy. This project management support structure builds on the infrastructure and implementation experience in the Zone, will permit continuity in operations between projects, requires little management change on the part of USAID and GON, and fits GON policy. This structure is also supported by the Technical Analysis since it permits simultaneous coordinated support for agricultural, livestock and forestry production and provides a direct link with the LDO and the District Panchayats who will be increasingly important as Decentralization takes hold.

The PCO will be supported by a contractor that will provide technical assistance as outlined above and detailed in the in the Technical, Financial Management, and Monitoring Analyses. It is recommended that this contractor be a joint venture between a U.S. and local Nepali firm, since a major portion of the assistance needed can be recruited locally.

At the national level, the Ministry of Panchayat and Local Development will serve as the lead agency for the project. The USAID Project Office will work directly with MPLD for overall project management, and also with the Ministries of Agriculture, Forestry, and Finance and the National Planning Commission on issues relating to project implementation. The USAID Project Office will provide direct support for technical assistance contracting, procurement, participant training and project monitoring, and will manage with the appropriate GON departments the overall planning and budgeting process for RDP.

B. Project Contracting

The Phase I project was designed with a very deliberate choice to have two technical assistance contractors resident in Rapti Zone and for the USAID mission to provide independent short-term assistance as well. The rationale behind this choice was that technical assistance contractors tend to take on lives and identities of their own, often overshadowing the key HMG role in project implementation. This strategy appears to have worked; the team has heard of other USAID projects referred to as "the (prime contractor) project", but Rapti is always Rapti. It is an HMG project.

It is very important that RDP retain this sense of HMG ownership. Nonetheless, USAID and HMG must face the fact that USAID will not be able to provide the intense professional staff and other support for RDP that it provided for the Phase I Project. New means of structuring and using contractor support must be considered for RDP, not only for providing technical assistance to the PCO, but for also providing more general administrative, procurement, and participant training support in Kathmandu.

This broader role of a contractor is also required because of the the large number of short-term individual consultants and sub-contracts recommended in the various analysis. The short-term consultants must be supervised, even though they will work in different districts and/or different sectors. If the long-term personnel are from the same contractor (prime or joint venture), and if all have a vested interest in ensuring quality contractor performance, this supervision is more apt to take place..

The major advantage of this mode is that it provides USAID/Nepal with streamlined management and the option of freeing up current USAID/RD staff for other purposes. In addition, given the difficulty of recruiting HMG staff for Rapti Zone, and the continuing concerns about facilities and incentives, it provides great flexibility to hire and support qualified Nepalese who might otherwise not be available to work in the Zone.

The major disadvantage of this mode is that it runs the risk of turning the project into "the (prime contractor's) project", thus diffusing any HMG ownership. It is also riskier in the sense that HMG and AID, having chosen one prime contractor, would have to ensure that the contractor performed. If a poor contractor were chosen, very little additionality would be provided HMG's efforts.

It is important to note for this and other project analyses that the proposed program outputs or targets and budget levels are meant to be flexible. The final Project Paper design must avoid proscribing a "blueprint" for the next 8 years in Rapti Zone. The program targets are given for guidance and funding allocation purposes. It is understood that the RDP will support HMG policy and make every effort to conform to HMG periodic and annual plans, particularly the annual District Development Plans.