

ANNEX 6 EXAMPLES OF BEST PRACTICE AND WORST PRACTICE IN NEPAL

In Nepal the support to the water and sanitation sector contains examples of both best and worst practices. Finland has supported the sector since 1989. The fourth Finnish supported project, the Rural Village Water Resources Management Project (RVWRMP), which is presently ongoing, was identified and prepared over several years. However, not much updating or new preparation was done in spite of the changing situation in the country. Eventually, the project commenced in October 2006. Although the project document does not include an inception phase the project started with a three months inception phase, apparently so that shortcomings in the preparation phase could be rectified.

The project document covers environmental considerations (which were a cross-cutting issue at that time) but does not refer to the cross-cutting issues that are the focus of this evaluation although by the time the project started human rights, womens rights, inclusion and good governance had become very topical issues in the country and inclusion a central goal in the government's policies.

However, with the active involvement of the adviser from the Embassy a Gender Equality and Social Inclusion Strategy was developed for the project during the inception period. In preparation of the Strategy the project first carried out a Gender and Social Discrimination Study to explore the actual situation in the project area and to identify the practices, values and norms used to justify and rationalize discriminatory practices. The strategy crosscuts all project activities including recruitment of project staff. In addition and in line with the rights based approach, close attention has been paid to the most poor and vulnerable in terms of community contributions and ensuring paid work opportunities to the most excluded groups. While the previous water sector projects focused in their gender approach on integrating women into the project work the RVWRMP takes a much wider approach in accordance with the Government's underlying policy of inclusion. The Project also initiated a study on Social Inclusion and Gender and published the results recently to improve the strategy and the action plan. RVWRMP has also developed a rather comprehensive and participatory monitoring system for the project.

The active involvement of the Embassy, the process of preparing the strategy and applying the rights based approach to an extent and the strategy itself are good examples of a best practice. However, a serious shortcoming is that no resources were allocated for implementation of the strategy because the consideration of cross-cutting issues was not properly included in the preparation phase of the project. The project has managed to somewhat revise the budget and limited resources have been found and allocated to the implementation of the strategy from other activities.

In accordance with the rights based approach the process of adding the cross-cutting issues to the project and developing the strategy has been as important as the end results. The participatory process has already sensitized stakeholders widely. One reflection is that the Strategy has received praise also from the Government at central and local level. The strategy is a concrete example of an approach to implementation of the policies. In the interviews during the field mission representatives of the Ministry of Local Development (MLD) stated that inclusion and the cross-cutting issues are policies that the Ministry follows in all their projects and programmes, and the example of RVWRMP is used in implementation.

Against this glaringly good example it is amazing that in the preparation of the latest project in this sector, the Rural Water Supply and Sanitation Project-Western Nepal (RWSSP-WN) all the same shortcomings in project preparation have been repeated in spite of the efforts of the Embassy to have proper preparation and inclusion of cross-cutting issues from the very beginning. The best practices of RVWRMP should have led to the situation where the lessons learned would have been taken into account in the preparation.

The project is a replication of an earlier project which was prepared already in 1999. Thus the project document was outdated from the very beginning. The appraisal in 2004 noted that the project document required substantial modification before it could be used for tendering. No modification was made but implementation was also delayed. In October 2006 a one man mission was commissioned to update the project document. The ToR was very brief and essentially only said that: "The objective of the assignment is to update the Project Document of August 2004, in order to start the competitive tendering". The ToR did not mention cross-cutting issues in any way. The timeframe for the assignment was minimal. The assignment did not result in a satisfactory project document.

There were some further delays because of the political situation in the country. Eventually some further changes to the project document were made at the desk in the MFA. Lessons learned from RVWRMP and particularly the

inclusion of cross-cutting issues were not taken into account notwithstanding comments to that end by the Embassy. The project document dated March 2008 states that there has not been sufficient time to take lessons learned from RVWRMP although that project's Inception Report had been completed already in the beginning of May 2007 and the essential approach was described therein.

In the interviews representatives of MLD were asked why the project was approved in its original shape although the Ministry stressed that inclusion is a cross-cutting policy of MLD and that RVWRMP was used as an example in other projects. The explanation was that RWSSP-WN was to be a replication project and that Finland had urged the early implementation of the project. Obviously a decent appraisal would have resulted in a major revision of the project or would even have called for a new project design. It also seems that Finland wanted to save in the project preparation costs.

An exceptionally long eight months inception phase was added to the project apparently to mend the lacking planning phase. The intention is that during the inception period lessons learned from the RVWRMP and previous water sector projects will be incorporated as relevant. It seems very clear that an eight months inception phase will by far exceed any savings that were aimed at during the preparation phase. Furthermore, the project will face the same difficulties as RVWRMP in that resources for cross-cutting issues and any new elements will have to be found as savings or cuts from other project components. Once again the implementation of cross-cutting issues is not properly resourced.