

JOBES for PEACE PROJECT, NEPAL PROJECT SELF-EVALUATION REPORT



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LIST of ABBREVIATIONS

ABCD	Asset Based Community Development
ADB	Asia Development Bank
CAPs	Conflict-Affected Peoples
CDD	Community Driven Development
CEE	(CHTDF) Community Economic Empowerment
CTVET	Council for Technical and Vocational Education and Training
DDC	District Development Committee
DPFC	District Project Facilitation Committee
EIIP	Employment Intensive Infrastructure Projects
FAO	(UN) Food & Agriculture Organization
FFS	Farmer Field School
FS	Financial Services
FSP	Financial Services Provider
GEP	Growth and Employment Profile
Ha	Hectare
ILO	International Labour Organization
J4P	Jobs for Peace (Project)
JFFLS	Junior Farmer Field Life School
LED	Local Economic Development
LOCA	Local Competitive Advantage
MEDEP	Micro Enterprise Development Programme
MoPR	Ministry of Peace and Reconstruction
MSE	Micro & Small Enterprise
NGO	Non-Government Organization
NPM	National Project Manager
NSC	National Steering Committee
ROAP	(ILO) Regional Office for Asia and the Pacific
TDIM	Territorial Diagnosis and Institutional Mapping
TREE	Training for Rural Economic Empowerment
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNFPN	United Nations Peace Fund for Nepal
VAHW	Village Animal Health Worker
VDC	Village Development Committee

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EXECUTIVE SUMMARY

The Jobs for Peace (J4P) project for youth employment in the Tarai districts of Parsa and Rautahat funded by the United Nations Peace Fund for Nepal (UNPFN) commenced in April 2009 and will conclude in May 2011 (a request submission to the UNPFN to extend the project conclusion date from March to May 2011 is pending and is expected to be approved shortly). The overall target output of J4P is 12,500 jobs created for youth in the 16-29 years age group to include 33% women and 40% disadvantaged group beneficiaries. The project has six output components designed along FAO and ILO employment departmental lines, five of which contribute job sub-totals to the overall target of 12,500# youth jobs, as well as one smaller output component for youth empowerment. The national implementing partner is the Ministry of Peace and Reconstruction (MoPR). Action programmes are implemented by a range of national local partners including subject-area, specialist service providers, local Non-Government Organizations (NGOs), registered youth groups including asset user groups and others.

A self-evaluation (also called an annual review) is generally conducted 12 months into implementation of projects with a 2-year implementation timeline. However, this would not have been possible for the J4P project in April 2010 as at that time as only a portion of ILO project activities were underway with some output component strategies still under formulation. At the point of undertaking this self-evaluation in September-October 2010, and with only a few months of implementation remaining for J4P, it was far too late into the project timeline to conduct an assessment of the standard type that would guide any relevant realignment of the project design and adjustment of strategies and activities that could be addressed on a timely basis.

The self-evaluation mainly focuses on the ILO and the responsive **scope** of the self-evaluation/internal review given its timing covers: (1) a technical review (at overview level) using the ILO's evaluation criteria; (2) a technical review (at overview level) of the project's 7# output components together with suggestions for strengthening the impact of activities completed/in-progress for the seven project outputs; and, (3) conclusions and emerging lessons.

The main **clients of this report** are the MoPR, FAO and ILO. The **methodology** used was a combination of desk research (mainly latest project reports, consultants' reports and the evolving project results database), informal interactions with service providers and beneficiaries, and a one-day review and brainstorming workshop with the project team and national consultants. A copy of the evaluation questions is provided in ANNEX 1. The consultant was already reasonably familiar with the J4P project having previously provided technical support on various matters to the National Project Manager (NPM) and his team during the period February-April 2010.

The main **findings** of the exercise are as follows:

- The current forecast for the outreach of job creation activities to target youth is a commendable 96% coverage of the overall project target of 12,500# youth target.
- The project is currently expected to achieve a highly satisfactory actual job creation impact of around 68% of the target of 12,500# youth: this target is over-ambitious given the level of resources provided and the short implementation timeline.
- With one exception, the project's job creation output components contributing to the project's immediate employment objective (i.e. outputs #2 to #6 inclusive) are contributing are performing well: the components are not integrated to enhance job creation impact which would have been desirable and may still be possible.
- The infrastructure works component (output #1) is out-performing all other project components as regards expected achievements compared with targets.

- The original project design has some fundamental deficiencies that should be addressed in any future replications: tighter original design and a far quicker start could have contributed to a greater scale of impact as time adequately measure it.
- The project sites selected by the local partners in the target districts are dispersed across a wide geographical area contributing considerable logistics difficulties for start-up, implementation and monitoring.
- The effort made by the National Programme Manager (NPM) and the small FAO and ILO project teams supported by national consultants and ILO and FAO technical backstops in programming all project activities and resources in difficult circumstances is to be highly commended.

The remainder of the report text body is structured as follows:

- Chapter 1 examines the project at overview level in the context of the four standard UN review framework components (relevance and strategic fit, validity of project design, management, and effectiveness and efficiency of resource use)
- An analytical overview of each of the project's seven components is provided in Chapter 2 including suggestions for strengthening final delivery and impact where relevant.
- Conclusions, recommendations and emerging lessons are elaborated in Chapter 3.

Acknowledgement:

The consultant takes the opportunity to extend his sincere gratitude to ILO Director in Nepal, Mr. Shengjie Li, Mrs. Nita Neupane (ILO Programme Officer) and Mr. Suresh Mahto (J4P National Project Manager) and his team for the opportunity to facilitate this exercise and for their kind support, assistance and guidance during the course of its completion.

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1. PROJECT REVIEW

1.1 OPERATING CONTEXT

1.1.1 National Context

Nepal is the poorest country in Asia and the fourteenth poorest in the world with over 8 million of the estimated population of twenty-seven million people living below the national poverty line and with every second child is malnourished. While remittance flows and investments in rural infrastructure have helped reduce poverty incidence from 42% in 1995/96 to about 31% in 2003/04, the poverty incidence remains high, and highest in rural areas: its distribution is very unequal, not only geographically, but also with respect to ethnicity and caste. Among socially excluded ethnic groups and castes including landless agricultural labourers, excluded indigenous groups (Janajatis), bonded labourers, construction workers, migrant workers, conflict-affected peoples, people at HIV/AIDS risk and Dalits, poverty incidence is almost double compared to the national average. Poverty, underemployment and exclusion were key drivers of the decade-long civil conflict that ended with the signing of the Comprehensive Peace Accord in November 2006, but which has been followed by a challenging political transition.

According to the Nepal Labour Force Survey 2008, only 16.9% of the estimated total labour force of 11.8 million is in paid employment with 74% of the labour force working in the agricultural sector and 87% of the labour force based in rural areas. While national unemployment is low at 2.1%, over 68% of employed persons work less than 32 hours per week. The informal sector is a crucial source of available employment opportunities for the majority of the population. Unemployment and underemployment rates are highest amongst youth in the 15-29 age groups with youth amongst the marginalized and disadvantaged groups noted above worst affected. Over 300,000 youth enter the job market annually with little current prospect of securing full-time employment (i.e. 240 paid workdays per year at least at the minimum wage rate).

An overarching development problem in Nepal (and that also addressed by the project for the target group) is high levels of underemployment due to the limited availability of productive economic and employment opportunities caused by slow and non-inclusive economic growth (Nepal's economic performance consistently lags behind that of her South Asia neighbours). Among the significant contributory factors to limited growth are a weak investment climate (inter alia due to political instability, insecurity, inflexible labour legislation, sizeable infrastructure deficiencies including roads, irrigation and energy supply, high transport costs and other) and lack of development focus on employment. Not surprisingly, outward labour migration is substantial: nearly two million Nepalese are working abroad with large concentrations in the Arabian Peninsula and Malaysia while substantially more male adults again travel annually to India for seasonal work opportunities. Remittances from migrant labour constitute the second largest sector of the economy after agriculture and substantially prop-up the sluggish economy. A major national impact of the mass outward migration of male labour is the feminization of agriculture across Nepal.

1.1.2 Target Area Context

The project's target districts of Parsa and Rautahat are situated in the conflict-affected Tarai (lowlands) region of Nepal, south and southeast of the capital Kathmandu respectively. The Tarai is densely population, housing half the nation's population, and is the traditional industrial heartland of Nepal. A large industrial corridor stretches from the east-west highway to the Parsa District Headquarters in Birgunj town while the adjacent border-crossing with India is the busiest gateway for Nepal's crucial fuel and consumer imports. However, half of the Parsa industrial corridor enterprises have closed mainly due to poorly-policed, rampant extortion by armed Tarai criminal groups and inflexible labour legislation causing investors to either retire or flee the country or relocate further

upland in Nepal's hills where the operating situation is less volatile. The industrial reverses in Parsa have added to the sizeable difficulties faced by local youth in securing gainful employment in the target areas.

Away from the remainder of the once-flourishing industrial corridor in Parsa, agriculture is the economic backbone of both districts. However, much agricultural production is subsistence with an increasing tendency for producers to sell all/part of their staple paddy crop at harvest to meet immediate consumption needs only to have purchase at higher prices later. The sluggish agricultural performance of recent years is compounded by a decline in the production of industrial crops mirroring the local industrial decline, a creeping shortage of seasonal agricultural labour because of the seasonal exodus of male workers to India, and declining soil fertility. The impact of weak agricultural growth on limiting consumer purchasing power has been offset by remittances resulting in some measure of growth in informal farm, off-farm and non-farm small enterprise activities with some multiplier employment impact.

Large numbers of marginalized and disadvantaged youth (especially young women) have very limited access to enterprise and employment opportunities and the various services that create related opportunities (technical and vocational skills training, entrepreneurship training, financial services and other). Cooperatives scarcely function effectively in either district, and with limited youth involvement. There is limited development support for youth empowerment to address youth priorities. Idle youth are easy prey for recruitment by armed criminal groups across the Tarai.

As in the rest of Nepal, local development planning in Parsa and Rautahat is mostly focusing on social programmes for poverty reduction (infrastructure and basic essential services delivered at the sector, community and households by private and NGO actors). Infrastructure works are mostly contracted to private contractors with little emphasis on labour-based approaches and community contracting to create more immediate jobs. There is a widespread absence of systemic approaches to community-driven development that would enable poor communities to make a permanent transition from high levels of vulnerability into gainful employment activities and above the poverty line. Few communities contribute related action plans to the annual local development planning process. There is reportedly creeping corruption across Nepal in the contracting by local authorities of local partners for the implementation of VDC block-grant sub-projects. Youth have almost no involvement in development decision-making. Systemic approaches to accelerating job rich and inclusive growth are also missing in Nepal's local development agenda.

1.2 AREAS of EVALUATION: an OVERVIEW

1.2.1 Relevance and Strategic Fit

This area of evaluation considers the extent to which the objectives of a development intervention are consistent with beneficiary requirements, country needs, global priorities and partner and donor policies. It also considers the extent to which the approach is strategic and the FAO and ILO use their comparative advantage.

With an intervention timeline of just twenty-four months, the project was designed as a quick-impact intervention for youth employment creation in conflict-affected Parsa and Rautahat Districts with specific targets of 33% for young women and 40% disadvantaged youth within the overall project target of 12,500# job. As per the situation overview in Section 1.1 above, the project is relevant to the target groups in the target districts because of high levels of youth un/underemployment with the inherent risk of idle and poor youth engaging in criminal activities thereby undermining the fragile Nepali peace process. There is a clear rationale and justification for the project.

The project's objectives as per the latest project logical framework revision are consistent with the needs of target youth to secure gainful employment, and responsive to the availability of local employment and self-employment opportunities mostly in the informal farm and non-farms sectors in the target districts as well as urban construction. The appropriate framework employed for designing

the project output components was the relevant employment units of the FAO and ILO where the Agencies have and can use comparative advantages.

The project has a strategic fit in the following context:

- Youth employment is a priority of the GoN under the prevailing Three-Year Interim Plan.
- The project aligns with the aims and objectives of the prevailing UNDAF.
- The project is the core project of Priority Cluster #3 of the UNPFN Monitoring and Evaluation framework and contributes to the target outcome of reduced youth unemployment amongst conflict-affected youth and improved social integration between conflict-affected youth in targeted vulnerable areas.
- The project's latest logical framework represents a strategic approach to implementation of aspects of the recently-introduced UN Policy for Post-Conflict Employment Creation and Reintegration where Nepal is one of five countries selected for rolling-out the Policy.
- Alignment with the strategic outcomes and outputs of the ILO Nepal DWCP as well as the ILO's programme and budget outcomes 2010-11 under the Employment Pillar.
- Nepal is an Asia country priority for in-progress endeavours of the Youth Employment Unit at the ILO ROAP in Bangkok for youth employment creation.
- Youth employment is an international youth priority.
- Filling the gap for strategic approaches and projects for youth employment creation in local development planning and processes.

Stakeholder needs assessments were not conducted since the project did not have any focus on national and local stakeholder capacity building. While the National Steering Committee (NSC) for the project was only recently established (and too late into the project for providing any effective guidance to the project teams), the MoPR has taken a keen interest in monitoring the project and its approach with a view to national replication/adaption for employment creation for Conflict Affected Peoples (CAPs). The main interest of the MoPR is ensuring that registered CAP youth are targeted. However, this was not known at project design stage and current MoPR CAP locational databases were not available at commencement of the project to guide related locational and beneficiary selections. At that, the project team expects that the actual uptake of registered CAP households/youth will be very marginal within the total target outreach of 12,500# youth.

The main role played by the District Development Committees (DDCs) and line departments since initially selecting the project sites in each of the districts had been consultations with relevant line agencies on the design of some relevant project output component action programmes. The J4P NPM has maintained regular liaison with the DDCs. The ILO's local social partners have also to date played some role in project implementation. The J4P project has also worked with the ILO ACTRAV (trade unions) programme on preliminary development of a sub-project for trade unions and youth employment creation within project component output #6: however, due to limited availability of remaining resources, this has been put on hold as has a similar initiative with the Birgunj Chamber of Commerce and Industries in Parsa District).

FAO has created linkages with local programmes of the World Bank's PACT programme for post-project follow-up on some of the FAO activities. The ILO J4P project team was provided with some initial advice and guidance from the ILO EmpLED project before that project concluded. The ILO SEEP project is active in remote areas of western Nepal and is using the ILO's Training for Rural Economic Empowerment (TREE) approach to rural employment creation: there is little meaningful interaction between J4P and SEEP due to a combination of extreme distance between the project locations and the different implementation strategies.

The contracts under programming by ILO for the project's small youth empowerment component (i.e. Output #7) fall within a relevant number of the following international youth priorities:

- Education.
- Employment.
- Hunger and poverty.
- Health.
- Environment.
- Drug abuse.
- Full and effective participation of youth in the life of society and in decision-making.
- Girls and young women.
- Globalization.
- HIV/AIDS.
- Information and Communication Technologies.
- Intergenerational Relations.
- Juvenile delinquency.
- Leisure-time activities.
- Youth and Conflict.

1.2.2 Validity of Project Design

This area of evaluation considers the extent to which the project design is logical and coherent.

While in hindsight the original project design as well as baselines could have been tighter (see related observations at the end of Section), the slow start to building project implementation momentum actually validated the project's original departmental/component design approach since insufficient implementation time subsequently remained to adjust the design and strategy to accommodate systemic approaches that could have added scale to the job numbers. The strategy for each of the project's job creation output components (i.e. Outputs #2 to #6 inclusive) has been subsequently elaborated/developed and implemented individually by component with little integration of relevant components where would be desirable: this however is because of the understandable pressure on the project teams to invest scarce resources in achieving job contributions from each of Outputs #2-#6 inclusive to meet their commitment to achieving the overall outreach of 12,500# jobs.

Given that this was a quick-impact youth employment project with a very short implementation period placing all involved under delivery pressure, the appropriateness and relevance of including an immediate objective and output for youth empowerment in the project design is open to question. As it has transpired, the ILO has had to reduce implementation funds originally allocated for the youth empowerment output component (i.e. Output #7) to address resource shortfalls on the project's job creation output components for which the ILO project team has understandably given priority. It would appear that the resources for this component could have been better invested in the other scarce means that would have strengthened delivery and job creation impact as noted in Section 1.2.4 below.

The operating situation as presented in the original project document and summarized in Section 1.1 of this report has continued to prevail during the course of project implementation to date. The project intervention logic remains responsive to the local operating and programme context and the logical framework has been tightened for its major job creation emphasis since project inception and now provides a clear, causal flow between revised output component strategies and the project's immediate objectives. At that, the project design is now logical and coherent: a copy of the latest project logical framework expected to prevail for the remainder of the project (UNPFN revision approval pending) is provided in ANNEX 2.

The project has one output component for creating short-term employment opportunities for needy target youth (the component does not contribute to the overall jobs target), five strategic output components for achieving the immediate objectives of creation of employment opportunities for 12,500# youth, and youth empowerment on youth-led priorities, and one output component for youth empowerment: self-evaluation findings on these seven components are elaborated in Chapter 2.

The appropriate main means of action are contracts for training services and infrastructure works delivered by national and local service providers and asset user group partners. The main risks for the project are adverse impact of the global recession on the availability of local economic and employment opportunities (this risk appears to have considerably receded) and local insecurity (reasonable security conditions have so far prevailed at the project sites). The output indicators are based on good practices and are gender- and inclusion- sensitive and do not require any change at this time. The means of results verification are cost-effective and appropriate.

The gender- and disadvantaged youth-sensitive indicators and means of verification for the project's six employment components and the employment immediate objective were tightened during logical framework revisions and now accommodate best practices and standards for employment while facilitating cost-effective and efficient measurement (ILO service provider contracts include results measurement duties pitched such that ILO's monitoring is not compromised). It will be difficult to track the actual job creation impact of the FAO's output components in the absence of a results measurement plan for same. The indicators for the project overall objective have been retained at the request of the UNPFN and together with the qualitative portion of the youth empowerment immediate objective will be difficult to measure: given the huge youth population in the two target districts, the overall contribution of the project to the percentage increase of youth participation in productive and constructive activities will be very marginal.

Project Design Observations:

The project was rapidly designed mainly by external FAO and ILO personnel to take advantage of the youth employment funding opportunity available from the UNPFN, and strangely in the case of the ILO, without soliciting inputs from key technical personnel from the ILO Offices in Kathmandu and New Delhi. Resultant shortcomings in the original design are summarized as follows:

- The intervention period selected of twenty-four months was too short (a minimum implementation period of 2.5 to 3 years is desirable for all employment creation interventions, especially to adequately measure impact and allow flexibility to accommodate systemic approaches for scale impact).
- The resources initially allocated for staffing and logistics were inadequate for effective early momentum building and delivery noting however that the UNPFN has overall budget ceiling restrictions for staffing, logistics and other operating costs: nevertheless, there is sufficient flexibility in the UNPFN budgeting process to have addressed this.
- Insufficient resources were allocated for actual creation of 12,500# jobs including desired integration of relevant project components. For example, and under project output component #2, no resources were provided for post-training follow-up with the FAO Farmer Field School (FFS) and Junior Farmer Field Life School (JFFLS) trainees to strengthen the link between training and actual productive employment creation while actual resources made available only facilitated a beneficiary outreach of 80% of the target of 2,400# youth. As a consequence, FAO expects that only about one-third of the large number of actual beneficiaries under this component will have secured employment by the end of the project. Also for example, and after completion of all contracting to secure the overall outreach to the target of 12,500#, there are no resources remaining for creating the linkages between the financial services output component of the project (i.e. output #4) and business services support for enterprise development under project output components #2, #3, #5 and #6 that would strengthen the viability of enterprises and hence jobs: all enterprises require complimentary access to business and financial services. Ideally, either the budget should have been increased, or if available UNPFN funds were limited to the level provided at the time, the number of overall target jobs should have been reduced. The ILO experienced resource deficiencies on output #5 (cooperatives) as well as output #6 (youth-led employment projects).
- The project was designed along FAO and ILO relevant employment departmental lines which were developed into the project output components. Systemic approaches that could have

better integrated relevant components to enhance employment impact while building at least some local stakeholder capacity for possible subsequent replication and upscaling were not employed in the project strategy design [e.g. area-based Local Economic Development (LED), community-driven development using Asset Based Community Development (ABCD) processes, and product-specific value chain upgrading]. By the time the project began to build momentum after a slow start, it was already too late to use systemic (a minimum of 2 to 2.5 years is required to implement same and measure results).

- In tandem with appropriate application of systemic approaches, the project design should ideally have provided guidance for the local partners and the project teams on the selection of project sites as well as guidance to the project teams on the specific baselines and assessments to be conducted. In the absence of geographical selection guidance, the local partners succeeded in scattering the project across a wide area with some quite poor access in both districts adding sizeable project team servicing difficulties to limited staff and logistics resources. A tighter approach for rural geographic selections could for example have been to select a few local economic clusters of Village Development Committee (VDCs) sub-territories (on the basis of main local market centres depending largely upon a number of surrounding VDCs and vice versa). This would have also provided a basis for targeting critical masses of youth and facilitating integration of the various employment components under systemic umbrellas.
- The original strategy for the financial services output component of the project (i.e. Output #4) of providing a guarantee loan fund for lending by selective financial services partners to entrepreneurship beneficiaries under Output #3 was inappropriate as guarantee funds have a history of poor performance in Nepal (there has been no incentive for borrowers to repay and for service providers to incur costs in chasing defaulters as the loans are guaranteed). In the interim, and in the context of pressure on the project teams to use each of the relevant output components to generate numbers for achieving the overall target total of 12,500# jobs, the strategy for Output #4 has been revamped into that of providing existing youth entrepreneurs (separate to those targeted under Output #3 and other outputs) with access to financial services to maintain/grow their businesses while contributing 1,000# jobs to the overall project target.
- The underlying project design assumption that cooperative development (Output #5) would create several thousand youth jobs was fundamentally flawed due to inaccurate local baseline information at project design stage. Subsequent field assessments by the project teams and consultants confirmed that many registered cooperatives on the local authority database were inactive or defunct while almost all target cooperatives actually had no youth members. As a consequence there was significant, 'leg-work' lead time to identifying appropriate portfolios of active cooperatives willing to accommodate youth members and in formulating meaningful cooperative development action programmes. In addition, enterprise-based cooperative development has a mixed history of success and failure in Nepal and may not always be an appropriate model for group-based enterprise activity.
- With youth employment such an important national priority and limited youth employment creation programmes under implementation apart from the ADB-CTVET Skills for Employment Programme, and these facts widely known at the time project design, the design team should have included an emphasis on and resources for relevant national and local stakeholder capacity building and ownership from an early stage towards replication and upscaling, especially with demobilization programme for some 20,000 Maoist ex-combatants looming on the horizon. With this opportunity gone, the project should ideally consider allocating some remaining resources for a carefully-crafted, end-of-project knowledge-sharing event involving national and local stakeholders and partners: related suggestions are provided in Section 3.2.4.

Baseline Observations:

The Local Competitive Advantage (LOCA) technique was inter alia used by the ILO for baseline scoping of business opportunities, vocational skills development and cooperative development. A Risk Analysis study was also undertaken by ILO to identify the most popular Micro and Small Enterprise (MSE) activities and to examine the financial risk associated with them for subsequently training and guiding business skills training and financial service providers in onward delivery of trainings to youth beneficiaries. No specific gender assessments/analysis was conducted as regards niche employment and enterprise opportunities for women, also responsive to their mobility. FAO commissioned a detailed cooperatives and needs assessment survey.

Comments on the baseline approaches used are as follows:

- LOCA is popular methodology for rapid product-specific value chain analysis as a precursor to value chain development action programme design: in this regard, the J4P exercise did not extend beyond shortlisting possible priority value chains and there was no analysis follow-up. It was also too late into project implementation at the point of the LOCA workshops to undertake value chain development initiatives which normally require 2 to 2.5 year timelines to implement. Value chain analysis exercises would ideally also have explored appropriate models including cooperatives for organizing producers in a critical mass for scale impact.
- LOCA is not a tool for scoping local labour market opportunities: this would ideally have been approached through a dedicated specialist rapid labour market study of the project sites or districts, and/or application/adaption of the ILO's Training for Rural Economic Empowerment (TREE) assessment tools for same.
- LOCA is also not a tool for scoping non-value chain MSE opportunities while the main limitations of Risk Analysis are that it does not probe niche market opportunities that can enhance the sustainability of enterprise development interventions, nor does it adequately explore the possible impact of the development of specific MSE activities on the displacement of existing enterprises and workers. Again this could have been better addressed by clustering the project sites into a few larger areas and conducting focused assessments of key local markets including adaption/upgrading of the TREE assessment tools.
- Shortcomings of the FAO cooperatives assessment included the absence of focus on how the FAO's FFS/JFFLS component of the J4P project would link into cooperatives (to provide more substance as to the next steps in securing gainful employment for FFS/JFFLS trainees post-training), and the identification/creation/strengthening of actual market linkages for target cooperatives. The main focus of assessment recommendations was on governance capacity building for cooperatives with no clear indication of how this strategy was going to translate into creating/improving jobs for youth.

1.2.3 Project Progress and Effectiveness

This evaluation component explores the extent to which a project's immediate objectives were achieved, or are expected to be achieved, taking into account their relative importance.

For the job creation output components relevant to the employment intermediate objective, and based on actual/expected service provider and consultant trainer contracting, the project will achieve 96% of its outreach target for delivering interventions to beneficiaries. The outreach per component is summarized in Table 2.1 below.

TABLE 2.1: SUMMARY of PROJECT ACTIVITIES OUTREACH

Output Component	Target # Jobs			Actual Activities Outreach					
	FAO	ILO	TOTAL	FAO		ILO		TOTAL	
				#	%	#	%	#	%
2. Skills Development	2,400	600	3,000	1,936	81%	600	100%	2,536	85%
3. Entrepreneurship	250	3,750	4,000	225	90%	3,756	100%	3,981	99%
4. Financial Services	0	1,000	1,000	0	0	1,000	100%	1,000	100%
5. Cooperatives	2,250	1,250	3,500	2,038	91%	1,400	112%	3,438	98%
6. Youth-led Projects	500	500	1,000	500	100%	600	120%	1,100	110%
TOTAL:	5,400	7,100	12,500	4,699	87%	7,356	104%	12,055	96%

Based upon progress and results feedback to date as well as the expectations of contracting-in-progress, the project teams expect to achieve 68% of the overall target of 12,500# jobs by the end of the project. The projected final job creation per component is summarized in Table 2.2 below.

TABLE 2.2: SUMMARY of EXPECTED JOB CREATION IMPACT

Output Component	Target # Jobs			Expected Job Creation Impact					
	FAO	ILO	TOTAL	FAO		ILO		TOTAL	
				#	%	#	%	#	%
2. Skills Development	2,400	600	3,000	656	27%	480	80%	1,136	38%
3. Entrepreneurship	250	3,750	4,000	167	67%	3,005	80%	3,172	79%
4. Financial Services	0	1,000	1,000	0	0	800	80%	800	80%
5. Cooperatives	2,250	1,250	3,500	1,500	67%	1,120	90%	2,620	75%
6. Youth-led Projects	500	500	1,000	333	67%	480	96%	813	81%
TOTAL:	5,400	7,100	12,500	2,656	49%	5,885	83%	8,544	68%

The project teams are to be commended for the high beneficiary outreach level given the slow project start-up and logistics difficulties. In the opinion of the writer, and if ultimately achieved, a success rate of 68% of target on actual jobs created would be highly satisfactory given prevailing development constraints in Nepal: by comparison, the UNDP MEDEP entrepreneurship programme has achieved reported success rates of around 30-35%.

As several of ILO's action programmes for some of its component outputs are only just commencing, by the time these are all completed there is unlikely to be adequate remaining implementation time to measure job creation impact and/or for activities to mature into actual jobs. In the latter case, the project has taken the reasonable measurement approach of 'jobs expected to be created'. Nevertheless, and by its conclusion based on progress to date, it is reasonable to expect the project will have accumulated a sizeable portfolio of demonstrated successes covering all seven output components.

The project's outputs and outcomes are relevant and responsive to local operating conditions including the job market where most opportunities for target youth lie in the informal sector. They also reflect FAO and ILO good practices and strategies for quick-impact, multi-component youth employment projects of this nature. While the original project document envisaged actual intervention contributions by the ILO's social partners and the youth wings of political parties to the outputs and outcomes, insufficient project resources currently remain for related partner engagement and interventions as the project teams (appropriately) gave scarce resource allocation priority to proven

job creation strategy implementation towards achieving the overall target outcome of 12,500# jobs (which have also ultimately cost more to implement than originally budgeted).

The project's outcomes and outputs also contribute to gender equality and poverty reduction via pre-set gender targets for women and disadvantaged youth beneficiary engagement under each of the project output components: these targets are on course to be achieved. Short-term employment creation under Output #1 (EIP) contributes to poverty reduction inter alia by stabilizing the immediate consumption needs of recruited youth workers and their families from highly vulnerable households in extreme poverty. The aim of Outputs #2 to #6 is to create the longer-term employment opportunities that enable target disadvantaged young women and men from impoverished households to ultimately secure the productive employment (i.e. full-time employment of 240 days/year at/above minimum wage levels under good working conditions) that will permanently move the target youth and their families above the poverty line.

Suggestions on alternative approaches to projects of this nature are provided in Section 3.3.

1.2.4 Efficiency of Resources Use

This evaluation area measures how economically resources/inputs (funds, expertise, time, etc.) are converted into results.

With the exception of the infrastructure component for which some comparable costs are available, there are no other similar projects available for which to compare costs per job created for the relevant components. At that, it would appear that resources (funds, human resources, time, expertise and so forth) have been allocated reasonably strategically with cost-effective and transparent contracting to achieve the outcomes and target results. Accordingly, the expected results justify the investments made. The project output components are elaborated in Chapter 2.

The total approved project budget is US\$2,656,000 (ILO US\$1,875,785; FAO US\$804,215). As of 30 September 2010, ILO had committed 81.1% and expended 33.1% of its budget while FAO had committed 100% and expended 66.6%. Project activities were originally scheduled for completion by the end to December 2010 with final closure in March 2011. Project activities will now extend beyond the first quarter of 2011 with final closure in May 2001 (a no-cost extension application and budget revision is pending with UNPFN)

Ideally more resources should have been provided in the original project budget in support of the following:

- Extend the implementation timeline by a minimum of six-months to accommodate the minimum implementation timeline desired for employment projects of this nature.
- Strengthen training delivery as well as post-training follow-up to enhance the job creation impact of some project output strategies that do not feature same.
- Provide adequate resources to reach target beneficiary numbers under the project output components (e.g. shortfall of resources on FAO's FFS/JFFLS action programme).
- Support integration of the project component activities to further strengthen the impact and quality of jobs.
- Build stakeholder and partner capacity for replication and upscaling given the high priority attached to youth employment by the government.
- Increase staffing and logistics support costs (resources one vehicle provided by FAO was wholly inadequate for two project teams servicing multi-component clients in a wide geographical area).

The project did not build the early delivery momentum required for allowing adequate time for impact measurement as regards actual job creation. Observations regarding project delivery that

need to be considered by FAO and ILO towards more efficient future delivery of technical cooperation programmes of this nature are summarized as follows:

- The start-up of project activities was delayed several months while ILO and FAO external technical backstops set a mutually convenient date for a technical mission to Nepal to review/elaborate project strategies for the project output components that had limited elaboration and clarity in the original project document: this could have been avoided by involving these technical personnel on strategy elaboration and work planning during the project design. As a consequence, by the end of 2009 and nine months into project implementation, the ILO only had two small infrastructure projects underway and a minimal delivery rate for the first financial year.
- The ILO technical mission team did not/adequately elaborate strategies and follow-up to roll-out action programmes for project output components #4, #5, #6 and #7. It was April 2010 before initiatives were finally underway to prepare the ground for related output strategies, and months later again before service provider contracts began to issue (some contracts have still to be issued 18 months into implementation). These delays could also have been avoided by the involvement of technical backstopping personnel in the elaboration of all project output strategies and their delivery (including detailed work planning) during project design as well as the inclusion of adequate numbers of additional national professional technical officers in the original budgeting.
- The procurement processes for the ILO's entrepreneurship training and vocational skills training components were tediously slow. As also highlighted in other recent technical cooperation project evaluation reports of the ILO in Nepal, the long-time prevailing ILO project manager's contracting limit of US\$20,000 before having to refer to ILO procurement in Geneva inter alia constrains efficient implementation of ILO technical cooperation projects involving any significant contracting.
- As there is limited flexibility under the ILO's prevailing rules and regulations to delegate significantly more administrative authority to project managers (such as for approving and justifying action programmes and activities and payments), a considerable quantity of the valuable, scarce time available to Project Managers and Country Directors is absorbed in the production/review of a lengthy and environmentally-unsound paper trail.
- The turnaround period between receipt of contractor accounts and processing of payments on ILO sub-contracts is too slow. A typical consequence for example is delayed wage payments to poor workers on infrastructure contracts resulting in implementing partner and worker dissatisfaction and frustration for all. While the prevailing ILO rules, regulations and procedures may limit the flexibility of ILO administration and finance departments to achieve additional time savings on paperwork processing, initiatives need to be urgently undertaken to improve the ILO's overall procedural efficiency in this important support area.

1.2.5 Effectiveness of Management Arrangements

This area of evaluation explores the extent to which management capacities and arrangements put in place supports the achievement of results.

The project is jointly managed by the FAO and ILO and implemented via a combination of national and international consultant trainers, dedicated service providers and local NGO and asset user groups under the direct supervision of the national FAO and ILO teams led by an ILO NPM. Overall responsibility for delivery of the project outcomes has been vested in the ILO by the UNPFN. The MoPR and the NSC have no role in implementation and only lately, an active monitoring interest.

Most ILO implementing partners have received training in their roles and responsibilities including the provision of regular information for monitoring and results measurement. Overall, cooperation with implementing partners is dynamic and reasonably efficient and all implementing partners appear to have performed/to be performing satisfactorily. ILO has optimized the use of performance-based

service provider contracting wherever possible, and all local implementing partners are enthusiastic about achieving target results. The project has not specifically required gender expertise and the use of gender mainstreaming tools since gender targets are pre-set for the outcome and output indicators. Training delivery is however male-dominated: this imbalance could have been addressed during training services procurement.

With its own sub-office in Birgunj the project teams consist of five FAO and four ILO national personnel including five professionals: since May 2010 and to expedite delivery, the ILO has added a number of national technical consultants to the team to fill the roles that should have been occupied by additional national technical personnel incorporated in the project design. The over-burdened NPM works unacceptably long hours in order to maintain delivery momentum, largely bogged-down in the mass of administrative paperwork required to activate contracts and keep contract payments and petty cash ticking over. The ILO field team maintains good and regular communications with the ILO Country Office and technical backstopping personnel in New Delhi as well as the UNPFN focal point who was also involved in the logical framework revisions. After a slow start in most cases, the ILO technical backstopping from New Delhi is now both regular and efficient. The ILO portion of the project receives regular, professional support and attention from the ILO Country Director as well as the Programme Officer and administration and finance department in Kathmandu.

ILO's very professional results database is developed for the indicators and facilitates progress tracking. The database is inter alia regularly updated via progress/final feedback from service providers (for which the service providers have received relevant training) with verification and monitoring spot checks by project staff and technical consultants. However, FAO does not yet have a final impact measurement plan for its activities.

1.2.6 Impact Orientation and Sustainability

As it stands, the project's exit strategy is to complete inputs, measure actual/expected results, complete final reporting and knowledge-sharing and close! At that, the project's main sustainability feature lies in beneficiaries taking advantage of the inputs to secure gainful wage, self and group employment activities: some of impact this will be actually measurable but in the case of beneficiaries that have not reached these milestones by the end of the project, it will be a best guess based on beneficiary expectations. Those impoverished youth beneficiaries that do secure productive employment opportunities as a result of the project can look forward to moving themselves and their immediate family close to/above the poverty line. At this point, it would appear that the project will ultimately have no unintended negative or positive impact.

With better integration, aspects of the project (especially the employment output components of the project being worked in main urban locations) would become models worthy of replication and upscaling. The rural employment approach requires an overhaul prior to any replication and upscaling and the use of systemic approaches to integrate the components and achieve greater scale impact (e.g. LED-type approaches to areas-based economic development, product-specific value chain development, ABCD). Project designs and baselines need to be tighter.

The J4P target beneficiaries are just one of a number special target groups being addressed by various ILO current/planned interventions. The MoPR's interest is in extending employment opportunities to all registered CAPs, not just CAP youth. Other standalone target groups include the parents of child labourers, bonded labourers, rural indigenous peoples, excluded castes and other. The key to unlocking employment potential at scale across Nepal is systemic approaches to accelerating inclusive growth at the level of territories (e.g. districts, critical mass economic sub-territories) supported by an enabling environment. Such umbrella frameworks would be flexible to responsively accommodate the various employment components of the type covered by the J4P project as well as other important features but targeting a common inclusive and job-rich growth goal, and available to all special target group beneficiaries, not just youth.

A pre-condition for sustainable inclusive growth processes would be creating space to add such processes as the missing link in the prevailing local development agenda in Nepal. With its own local

development delivery difficulties on the social programmes half of the local development agenda, the Ministry of Local Development (MLD) does not have capacity to take on inclusive growth and employment. The ideal vehicle (an economic development ministry) does not yet exist while the prevailing political climate has sidetracked the development agenda in the crucial political arena for the present, although development is ticking over regardless. Inclusive growth processes at say district level cannot by nature focus solely on youth since a broad collective effort is required to build and sustain momentum. At the same time such processes can provide space for the economic empowerment of hitherto marginalized and disadvantaged groups including youth via representative participation in consensus development decision-making and via improved access to the services needed to create jobs.

In short, more ad hoc special target group employment projects will only treat the symptoms but not the causes of Nepal's prevailing employment, poverty and exclusion problems. More systemic approaches are required to tackle the causes at scale accompanied by significant public-private-civil society institutional capacity building. In this regard, technical agencies such as FAO and ILO should ideally consider focusing less on demonstration technical cooperation programmes where delivery efficiency is constrained by restrictive rule and regulation and high fee levels (these should ideally be sub-contracted to professional service providers) and working more to their core strengths especially institutional capacity building and technical assistance for delivery quality assurance.

Lacking an exit strategy that leaves a mark, the project's limited remaining resources can ideally put these to good use by crafting a high-profile, knowledge sharing and brainstorming event for stakeholders and partners on systemic approaches to tackling Nepal's employment, poverty and exclusion problems at scale, how these can be systemized in local development processes including how youth empowerment and employment can be emphasized within. The event plenary would ideally focus on next steps. The project team should work closely with the ILO Director in Kathmandu and the youth employment focal point at ILO ROAP to shape this event and secure any additional resources needed for its hosting.

2. OVERVIEW of PROJECT OUTPUT COMPONENTS

2.1 OUTPUT #1 (ILO), EMPLOYMENT-INTENSIVE INFRASTRUCTURE PROJECTS (EIIP)

“Quick-impact jobs created for youth through the provision and maintenance of community infrastructure”

Indicator #1.1: At least 20,000 paid workdays created for 200# young women and men (at least 40% from socially excluded groups) in the provision and maintenance of productive community infrastructure

ACHIEVEMENTS & IN-PROGRESS: Target # workdays and beneficiaries will be substantially exceeded with special target groups' involvement percentages being met

Indicator #1.2: Actual quantifiable productive community infrastructure provided/maintained

Output #1 targets the creation of quick-impact employment for needy youth in community-based EIIP. In addition to quick job creation to stabilize the immediate consumption of impoverished youth and their families, the benefits of optimizing the use of labour-based technologies and community contracting in the provision and maintenance of productive infrastructure include contributing quality, cost-effective productive assets for local post-conflict socio-economic recovery as well as injecting wages and procurement cash into reviving fragile local economies with a multiplier employment impact. The jobs created do not contribute to the employment immediate objective overall total of 12,500# as they are not sustainable.

This is the most successful component of the project as regards achieving and exceeding its targets. The project is well on course to significantly exceed the output target of 20,000# paid workdays for 200# youth: the final expected impact is 56,000 workdays for nearly 700 workers. The original cost of the component is US\$ 265,500 while the final revised projected cost is US\$ 315,225 (the increase has been funded by a reduction in the costs of component output #4). The overall cost per workday created \$5.63 is competitive compared with similar recent ILO project infrastructure components (after factoring-in all project costs). Implemented by community asset user groups managed by target youth, the J4P EIIP portfolio of 14# sub-projects implemented by 17# asset user groups ultimately expecting to benefit over 7,000 households/40,000 beneficiaries is summarized as follows:

- 7# sub-projects (3# Parsa, 4# Rautahat) rehabilitating/upgrading 27.82 kms rural agricultural roads providing improved access to markets and basic services benefiting 5,210# households/29,600# beneficiaries. One sub-project is completed, one is about to commence and the five other projects have varying degrees of completion progress between 20-80%.
- 1# culvert construction sub-project in Rautahat benefiting 400# households/2,400# beneficiaries which is 40% complete.
- 1# completed dam construction sub-project in Parsa benefiting 400# households/2,400# beneficiaries.
- 1# fish pond rehabilitation sub-project in Rautahat benefiting 40# households/250# beneficiaries which is 60% complete.
- 1# community irrigation scheme sub-project in Parsa irrigating 70 ha cropland benefiting 85# households/500# beneficiaries which is 30% complete.
- 2# market collection centre construction sub-projects (1# Parsa, 1# Rautahat) benefiting 1000# households/4,900# beneficiaries which are 20-30% complete.
- 1# river training sub-project in Parsa benefiting 200# households/1,150# beneficiaries which are 20-30% complete.

The road, culvert, dam, irrigation scheme and market collection centre sub-projects are in locations that compliment the FFS, and business skills training of the J4P project. In the case of the EIIP portfolio, and in addition to the slow overall project start-up (for the various reasons described in

Chapter 1), additional delays accrued due to inadequate project manpower and initially only one hire vehicle (for all project component activities) to complete works technical surveys, organize and train implementing partners, and prepare contracts for sub-projects scattered across a wide area of both districts. By the time additional manpower and an ILO vehicle and driver were added, the hot and wet monsoon season had arrived halting/slowing those projects in-progress and preventing the start-up of other projects, especially roads. Some sites became inaccessible during the rains. Works progress has also periodically slowed as workers take-up more lucrative seasonal short-term farm labour opportunities.

The demand for labour on the sub-projects from needy youth has been overwhelming. The general work aim with EIIP is to provide about 100 days of work for needy youth. In order to satisfy the local demand, the community contractors agreed to add more beneficiaries and allocate less workdays (the average workdays per beneficiary on J4P EIIP sub-projects is 50-60#). All the EIIP sub-projects include occupational safety and health features as well as operations and maintenance training in support of post-project sustainability. Funds for maintenance will need to be secured through the annual district development planning processes and VDC block grant allocations.

Apart from regular implementing partner and worker discontent with slow wage payments, all parties appear satisfied with the work opportunities and the quality and relevance of the assets provide/maintained. The project component has been particularly well-supported by the technical backstop in New Delhi and the project staff are reasonably satisfied that value-for-money has been achieved. Preparations for the final project evaluation should include a technical assessment by the New Delhi technical backstop inter alia of costs per workdays created for the different types of projects as well as overall/unit costs compared with similar works projects (insofar as comparisons are available).

Additionally, and to add further value to output component #1 with a multiplier employment impact as regards linking short and long term employment, the asset ser groups have received group economic empowerment technical assistance via output component #5 to design new/follow-on employment-intensive infrastructure projects for inclusion in local annual development planning processes and budgets and/or for application submission to other available funding sources.

Suggestions for Strengthening Impact:

The ILO should ideally consider completing the following timely technical follow-ups with the 17# target asset user groups to ensure that:

- Adequate arrangements are being made with VDC secretaries and district planners to support post-project asset maintenance activities and costs for the J4P EIIP projects completed/in-progress.
- EIIP project ideas developed by the groups during group economic empowerment training are translated into short project documents with accurate technical budgets and work plan attachments, and that the groups and their projects are connected with the annual district planning and funding processes and/or alternative sources of funding for EIIP projects such the PAF.

2.2 OUTPUT #2 (FAO and ILO), SKILLS DEVELOPMENT for EMPLOYMENT

“Capacity of target youth to start/expand farm enterprise activities and to secure gainful agricultural and off-farm employment opportunities strengthened through enabling and facilitating services for farm technical skills training and upgrading, and vocational skills training and job placement services (target = 3000# youth)”

FAO Contributions to Immediate Objective I:

Indicator #2.1(a): Expected new/improved productive agri-enterprise and farm labour incomes of up to 2,400# young women and men trainees (with gender target of 33% and disadvantaged group target of 40% met)

ACHIEVEMENTS: It is expected that about one-third of the FFS/ JFFLS trainees will be benefiting from new/improved agri-enterprise and/or agricultural labour opportunities by the end of the project

Indicator #2.2: # FFS/J FFLS facilitators/coordinators trained and facilitated to deliver farming skills training to # beneficiaries

ACHIEVEMENTS: (a) 30# FFS and 50# JFFLS facilitators trained and facilitated to deliver farming skills training to 1920# beneficiaries; (b) 19# youth trained as VAHWs for remunerative services delivery to local livestock owners; and, (c) special target groups involvement percentages being met and exceeded

IN-PROGRESS: Training for 1420# youth in various agricultural skills for own-farm self-employment with special target groups involvement percentages being met

Indicator #2.3: # functional FFS and JFFLS established and # youth trained and type training

ACHIEVEMENTS: 48 # functional FFS and 24# functional JFFLS established; 1200# FFS youth and 720# JFFLS youth trained in various agri-production activities

ILO Contributions to Immediate Objective I:

Indicator 2.1(b): Expected new/improved productive wage labour incomes of 600# young women and men trainees (with gender target of 33% and disadvantaged group target of 40% met)

ACHIEVEMENTS: It is expected that about 80% of trainees will have secured productive employment opportunities by the end of the project

Indicator 2.4: 6# VT service providers facilitated to deliver various vocational training services to at least 600# young men and women for employment

IN-PROGRESS: all training interventions.

Indicator 2.5: #/Type of specialist service providers facilitated to deliver complimentary soft skills services to youth vocational training beneficiaries

STATUS: Project resources currently inadequate to cover complimentary soft skills training delivery due to adverse US\$ exchange rate: indicator will be removed in next project logical framework revision

Indicator 2.6: Actual skills development coordination and training delivery capacities strengthened in the target district

STATUS: As for Indicator #2.5 above

The total target youth jobs contribution for Output #2/skills development is 3,000# comprising 2,400# for FAO in agricultural skills training and upgrading delivered via FFS/JFFLS and 600# for ILO via vocational skills training. FAO's FFS/JFFLS training outreach totals 1,920# of which it expects one-third to secure gainful employment by the end of the project with an additional 16# VAHWs trained and all likely to secure self-employment. At that, FAO will achieve 81% and 27% of its original outreach/actual job creation targets respectively, and trainings are almost full completed. ILO has achieved its vocational skills training outreach target of 600# youth trainees and expects its service providers to achieve their performance-based job creation target of 80% job placement which will yield 480# jobs under this component. The ILO trainings are about 60% complete. Overall, output component #2 is therefore expected to contribute 1,136# jobs or 38% of the original target of 3000.

The original costs for the component were FAO US\$ 500,000 and ILO US\$ 292,000: the final projected costs are FAO US\$ 512,207 and ILO US\$ 272,035. The costs per beneficiary training outreach/expected actual jobs created are FAO US\$ 265/781 and ILO US\$ 454/567.

From discussion with the FAO project team, the main reason for the outreach deficiency was that when it came to actual training implementation, the project resources originally allocated for the component could only stretch to the actual numbers of FFS/JFFLS and VAHWs reached.

While FAO has provided a variety of interesting production trainings to trainees via the FFS/JFFLS, the component strategy per the original project design lacks clarity as to how the trainings duly mature into gainful employment in the absence of post-training activities and a results measurement plan. Typical post-training services would for example include labour/enterprise group-cooperative building, business skills training, access to financial services, creation of market linkages and so forth. The extent to which PACT will provide these and other post-training services for which FFS/JFFLS trainees is unclear or what final percentage of ultimate job creation for which beneficiaries is expected to be attributable to each of the FAO and PACT inputs. In addition, the initial selection of specific production activities lacked job/business market rationale to guide specific selections since

no assessments or analysis exercises were conducted. There was no linkage between FFS/JFFLS and the FAO cooperatives component again because of the pressure on the project team use the individual components of the project to yield job contributions for the overall total.

ILO Level -1 vocational training programmes and beneficiaries are summarized as follows:

- 40# Gabion Weaving
- 40# Hand Embroidery
- 60# Plumber
- 40# Mobile Phone Repairing
- 40# Mason
- 40# Furniture Carpenter
- 80# Building Electrician
- 40# Beautician
- 20# Village Animal Health Worker
- 60# Motor Cycle Repairing
- 20# Dairy and Sweet Technician
- 10# Computer Hardware Repair
- 20# Tile/Marble Fitter
- 80# Garment Fabrication
- 10# Lathe Operator

Training service providers and their trainees are enthusiastic with the training delivery and seem confident that the outcome of training will be a job or self-employment (actual jobs are already being created under this component). In accordance with good practices and to enhance employability, training programmes are linked with official CTVET certification. There is no linkage of self-employment training beneficiaries with the business skills and financial services components of the project and no resources remaining for same. Some earlier observer criticism of training conditions and delivery would appear to be unfounded since these are typical of the training and work conditions that most informal sector level-1 trainees can expect in Nepal: related sector improvements would require a separate long-term programme of some considerable magnitude. An ILO post-training services workshop is scheduled shortly to strengthen the capacity of training service providers to translate training into actual jobs.

Suggestions for Strengthening Impact:

Suggestions for strengthening the impact of output component #2 during the remaining life of the project are as follows:

- In order to accurately measure job creation results FAO should ideally: (1) elaborate the status of the handover of beneficiaries to PACT as regards what post-training support is additionally required to secure gainful employment for the relevant FFS/JFFLS trainees and what percentage of inputs for these jobs should be appropriately attributed to each of FAO and PACT for these jobs; and, (2) develop and implement a plan to accurately measure the employment creation impact for other FFS/JFFLS youth beneficiaries (including taking advantage of related advice and guidance from the ILO's national M&E consultant while available).
- For those FFS/JFFLS beneficiaries not addressed by PACT that have not secured employment, FAO should ideally consider completing a rapid of assessment of additional post-training services support that will enhance employability: as there are no J4P funds available for this, and in conjunction with service providers, FAO should consider developing one or more follow-up projects for submission to available funding sources (e.g. VDC block grants, PAF, other).

- The ILO should ideally complete a rapid assessment of business skills and financial services needs of self-employed vocational trainees that have opted for self-employment to enhance the viability of the enterprises wither via direct connection to service providers and/or other support programmes, and/or where fee payments for services are involved and trainees are unable to pay, to work with service providers to develop projects for submission to other available funding sources.
- Where basic equipment or starter kits would enhance the employability of trainees or the viability of their enterprises in the case of those opting for self-employment the ILO should consider working with local organizations to develop related projects for submission to other available funding sources.

2.3 OUTPUT #3 (FAO and ILO), YOUTH ENTREPRENEURSHIP

“Target youth productive farm and off-farm enterprises skills and knowledge enhanced through entrepreneurship training (target = 4000# youth)”

FAO Contributions to Immediate Objective I:

Indicator #3.1(a): Expected productive enterprise incomes of up to 225# young men and women from productive farm and off-farm enterprises (target 50% young women beneficiaries and 40% from disadvantaged groups)

ACHIEVEMENTS and IN-PROGRESS: (a) 225# members of one dairy enterprise cooperative trained in clean milk production and product diversification for hands-on application in business; (b) cooperative provided with in-kind seed capital for business expansion (chilling and testing equipment); and, (c) special target groups involvement percentages being met

ILO Contributions to Immediate Objective I:

Indicator #3.1(b):

(i) Expected productive enterprise incomes of up to 3775# young men and women from productive enterprises (target 50% young women beneficiaries and 40% from disadvantaged groups)

(ii) #/Type enterprises started/expanded by beneficiaries

IN-PROGRESS:

Business skills training and counselling services interventions in-progress

Indicator #3.2:

local BDS trainers trained and # service providers employing the trainers delivering SIYB services to # youth beneficiaries

ACHIEVEMENTS and IN-PROGRESS:

(i) ToT completed for 36# SIYB trainers; and,

(ii) 15# service provider/38# trainers delivering SIYB enterprise training services to 3756# youth beneficiaries with special target groups involvement percentages being met

The FAO is working with 225# members of a dairy enterprise cooperative to increase their incomes by improving milk collection, storage and wholesaling. Support consists of technical skills training and provision of chilling and testing equipment. It is not wholly clear where the milk will be marketed. The FAO expects two-thirds of the beneficiaries to have secured gainful employment by the end of the project.

The ILO has trained/engaged 15# service providers with 36# trainers for delivering ILO's Level -1 enterprise start-up and expansion training to 3,756# youth for a variety of popular local enterprise activities responsive to pre-assessed market opportunities including financial risk assessments. Training of service providers included sensitization to the financial risk analysis study. These ILO's service provider contracts under this component are also performance-based with service providers responsible for ensuring that at least 80% of trainees actually start/expand businesses. Common to all project implementation, the major constraint with this project output component has been the logistical difficulties of servicing the vast project area.

The actual informal sector enterprise activities include beauty parlour, candle production, agrovet, soap and surf production, retail shop, leaf plate (*Tapari*), hand embroidery work, grocery shop, readymade garment/cloth shop, vegetable shop, tailoring, basket production shop, furniture shop, bangle mobile shop and other.

As the FAO work and ILO's contracts are in-progress (overall about 50% complete), both FAO's and ILO's job creation results are not yet measurable. The FAO and ILO action programmes have a combined outreach to 3,981 target youth (almost 100% of the target outreach): assuming that the ILO's service providers reach their performance targets of 80% active entrepreneurs, then output component #3 will for FAO-ILO combined yield 3,155# jobs for the overall target (which is 79% of the overall target). There are no linkages between this component and other project components.

The original costs for the component were FAO US\$ 30,100 and ILO US\$ 500,000: the final projected costs are FAO US\$ 30,100 and ILO US\$ 495,489. The costs per beneficiary training outreach/expected actual jobs created are FAO US\$ 138/201 and ILO US\$ 132/165.

Suggestions for Strengthening Impact:

Suggestions for strengthening the impact of output component #3 during the remaining life of the project are as follows:

- The FAO should ideally assist the various component units of the milk cooperative to source funds/technical assistance for skills training including the preparation of business plans and the creation of market linkages for milk, and for access to financial services. FAO will also need to measure the impact of intervention on actual/expected net business income increases for the beneficiaries before the end of the project.
- The ILO should ideally complete a rapid assessment of beneficiaries to determine any technical skills training and access to financial services needs, and link beneficiaries to related service providers of the project, and/or where fee payments for services are involved and trainees are unable to pay, to work with the service providers to develop projects for submission to other available funding sources.

2.4 OUTPUT #4 (ILO), FINANCIAL SERVICES

Access to finance for potential young entrepreneurs facilitated through improved availability of information on financial products, enhanced capacity of FSPs to reach the target group with appropriate financial products, and through financial literacy education (target = 1000# youth)

Indicator #4.1 for Contributions to Immediate Objective I:

Up to 1400# young women and men starting/expanding businesses as a result of financial literacy education training and access to financial services (target 50% young women beneficiaries and 40% from disadvantaged groups)

Indicators #4.2:

(i) # Enterprises expecting a financial gain started/expanded by young women and men as a result of access to financial services arising from training delivered and linkages created by FSPs (i.e. enterprises separate from those of the other relevant project outputs): target 50% young women beneficiaries and 40% from disadvantaged groups

(ii) # Enterprises expecting a financial gain started/expanded by young women and men as a percentage of # target youth trained in financial literacy education

Indicators #4.3:

(i) # FSPs trained in financial literacy education, and financial risk analysis and planning for onward training of target youth

(ii) # FSPs delivering FS to target youth and 1000# target youth trained in financial literacy education (target 50% young women beneficiaries and 40% from disadvantaged groups)

IN-PROGRESS:

Preparatory activities completed with special target groups involvement percentages being met

Originally an inappropriate guarantee fund for lending to entrepreneurs under output component #3, this project component was redeveloped during the course of 2010 as a target output contributor to the overall project employment outcome target of 12,500# jobs, partly because of its potential to do so as a self-employment strategy, but also because of the need to add more youth beneficiaries via another project component because of constraints encountered in reaching the original target numbers under output component #5 (cooperatives).

The job creation strategy under output component #4 involves training of pre-selected Financial Services Providers (FSPs) to deliver savings and credit services to 1,000# existing target youth entrepreneurs through performance-based contracting of pre-selected FSPs to deliver financial services sensitization training (including financial literacy education) followed by delivery of services. Financial literacy education training includes educating youth on managing the financial risks associated with various types of enterprises including risks relevant to extracting too much funds by way of drawings for personal and family consumption needs. For existing youth entrepreneurs the aim is to use the component to both stabilize and/or expand existing enterprises.

Training of partner FSPs is in-progress to be followed by contract implementation. The performance-based contracts require service providers to meet 80% of their targets. The financial services component is not linked with other components. The revised cost for implementing the component is US\$ 200,311 making the costs per beneficiary training outreach/expected actual jobs created US\$ 201/250.

Suggestions for Strengthening Impact:

The main suggestion for strengthening the impact of financial services delivery follows the same logic of related suggestions for other enterprise development components of the project in that all enterprises require access to both business and financial services to start and expand. Therefore, to strengthen the enterprise viability of output components #2 (skills trainees opting for self-employment), #3, #4, #5 and #6, the ILO and FAO ideally need to source additional funding to create complimentary services linkages.

2.5 OUTPUT #5 (FAO & ILO), COOPERATIVES and COMMUNITY ECONOMIC EMPOWERMENT

“Cooperatives and communities strengthened to become competitive/more competitive and entrepreneurial to create more jobs and incomes, and to involve more youth members (target = 4500# youth and at least 30# cooperatives)”

FAO Contributions to Immediate Objective I:

Indicator #5.1(a):

Actual/expected increased enterprise incomes of at least 2250# youth beneficiaries from 15# cooperatives (target 33% young women beneficiaries and 40% from disadvantaged groups)

IN-PROGRESS:

2038# youth members of 30# agri-enterprise cooperatives in training for business and technical skills to increase incomes with special target groups involvement percentages being met

Indicator #5.2 (a):

- (i) #/Type of cooperative enterprises
- (ii) #/Type of cooperatives linked with the private sector

ILO Contributions to Immediate Objective I:

Indicator #5.1(b):

Actual/expected increased enterprise incomes of at least 2000# youth beneficiaries from 15# cooperatives (target 33% young women beneficiaries and 40% from disadvantaged groups)

IN-PROGRESS:

1400# youth members of 30# agri- and non-farm enterprise cooperatives in training for business and technical skills to increase incomes with special target groups involvement percentages being met

Indicators #5.2(b):

- (i) #/Type of cooperative enterprises
- (ii) #/Type of cooperatives linked with the private sector

Indicators #5.3:

- (i) 250 # community group youth members of # community groups experiencing/expecting increased business incomes (target 33% young women beneficiaries and 40% from disadvantaged groups)
- (ii) # community groups with action plans

ACHIEVEMENTS:

- (i) 199# youth members of 17# community groups cooperatives in training for business and technical skills to increase incomes with special target groups involvement percentages being met
- (ii) 17# community groups with community action plans

IN-PROGRESS:

Preparatory activities for technical backstopping of target youth enterprises and group action plans

Indicators #5.2(c):

- (i) #/Type of youth enterprises

This has been the most challenging component of the project for both FAO and ILO as regards designing responsive action programmes for cooperative youth employment. Data available from the DDC offices on cooperatives was inaccurate as many of the potential listed cooperatives are inactive while the youth membership of cooperatives in both of the project target districts is almost zero. Considerable time was therefore absorbed (and lost) especially by the ILO in identifying a core portfolio of cooperatives additional to the FAO portfolio that was also willing to extend membership to target youth, and then in designing responsive employment creation action programmes and identifying/contracting local implementing partners: this has also contributed to the need for a no-cost project time extension to complete activities.

As a consequence of the above constraints, the component will be short approximately 1,000# target youth to contribute to the overall project target outcome of 12,500# youth: however, ILO has been able to substitute this shortfall with a similar number of additional beneficiaries under Output Component #4 (see Section 2.4 above). FAO has various trainings in-progress (nearing completion) for 2,038# target youth from 30# agri-enterprise cooperatives while ILO is the process of issuing contracts to implementing partners to deliver trainings to 1,400# target youth from 30# agri-enterprise cooperatives. In some cases, and because of the lack of youth members, FAO admits it is targeting youth by proxy in some cases (i.e. where the parents are the members and targeting them indirectly targets their youth siblings). There is no link between this component and other project components.

FAO expects that approximately two-thirds of its target cooperative members will have secured productive employment by the end of the project. Assuming that ILO achieves 80% of its related target in common with other skills and enterprise development output expectations, the jobs contribution from output component #5 will be 2,479# (which is 83% of the revised component target total of 3,000#) from a combined FAO-ILO intervention outreach of 3,438# (which is 115% of the revised component target total of 3,000#).

The original costs for the component were FAO US\$ 155,000 and ILO US\$ 155,000: the final projected costs are FAO US\$ 160,796 and ILO US\$ 246,908. The costs per beneficiary training outreach/expected actual jobs created (including the ILO's asset user group outreach/outputs – see below) created are FAO US\$ 79/119 and ILO US\$ 157/194.

The main focus of the FAO and ILO responsive action programmes is on improving the management and governance of target cooperatives. The ILO is also assisting target cooperatives with market-driven business planning. The business activity focus of the ILO's cooperatives portfolio is summarized as follows:

- Agri-enterprise & Food Processing:

- Vegetable Production
- Goat farming
- Cattle/Cow & Buffalo Farming
- Cattle feed
- Poultry
- Piggery
- Fish farming
- Bee-keeping
- Elephant Foot Yum (*Oul*)
- Dairy Products
- Hygienic Meat Shop/Dry Meat
- Papad
- Pickle
- Natural Products/Renewable Energy:
 - Piggery
 - Asparagus Farming
 - Aloe Vera production
 - Briquette Production
 - Dhakki & Other Traditional Products Making
 - Incense Stick
- Non-Farm Enterprise:
 - Incense Stick
 - Surf/ Detergent Production
 - Soap Production
 - Candle making
 - Bangle (Lahthi)
 - Cycle Seat Cover
 - Dalmoth/Bhujija

Cooperatives have a mixed history of success and failure in Nepal and may not always be the appropriate approach to group-based agri-enterprise. Value chain development could have provided the FAO and ILO with other options where relevant such as groups centred around input suppliers, business and financial services providers, marketing intermediaries, community-based organizations and other.

ILO's Community Economic Empowerment (CEE) component is complete and has focused on training 199# members of the 17# community asset user group members from Output Component #1 in preparing self-employment plans to add employment value to the workdays created under Component funding #1. While some thought was initially given to targeting communities close to the EIIP interventions in output component #1 for demonstration Community Driven Development (CDD) capacity building, a minimum of two years is needed for related processes to mature and the action programme appropriately focused on Appreciative Inquiry (AI) training for empowering the youth committees of project's 17# target asset user groups engage in further community development by designing and soliciting funding for new EIIP projects.

To link short-term incomes on labour-based infrastructure with longer-term employment, the training also covered the preparation of personal self-employment plans for 199# youth members of the asset user group committees. Assuming ILO's 80% outreach job creation rate is consistent, the component will therefore contribute a further 159# jobs to the component #5's job creation target. The costs are included in cooperatives above.

Suggestions for Strengthening Impact:

The same FAO-ILO additional initiatives stressed throughout this Chapter for providing enterprise development beneficiaries with access to business and financial services equal applies to

cooperatives and asset user group entrepreneurs under output component #5. There should be some early status follow-up with ILO asset user group self-employment beneficiaries to check what has transpired since training and facilitate planning of any additional support. Suggested follow-up on new EIIP projects with the asset user groups is covered in Section 2.1.

2.6 OUTPUT #6 (FAO & ILO), YOUTH-LED EMPLOYMENT PROJECTS

“Productive employment and economic opportunities created for youth through youth-led employment schemes (target = 1000# youth)”

FAO Contributions to Immediate Objective I:

Indicator #6.1(a):

Actual/expected increased enterprise incomes of at least 500# youth beneficiaries (target 33% young women beneficiaries and 40% from disadvantaged groups)

IN-PROGRESS:

500# youth members of farmer groups and cooperatives in training for business and technical skills for self-group employment to increase incomes with special target groups involvement percentages being met

Indicator #6.2 (a):

#/Type of youth self-employment/group enterprises

ILO Contributions to Immediate Objective I:

Indicator #6.1(b):

Actual/expected increased enterprise incomes of at least 500# youth beneficiaries (target 33% young women beneficiaries and 40% from disadvantaged groups)

IN-PROGRESS:

600# youth members of groups and cooperatives in training for business and technical skills for self-group employment to increase incomes with special target groups involvement percentages being met

Indicator #6.2 (a):

#/Type of youth self-employment/group enterprises

This project component was activated via an open call for proposals from local youth and their organizations/ sponsoring organizations. FAO has contracts in-progress with local implementing partners for training of 500# youth in agri-enterprise development. The ILO has contracts in-progress with local implementing partners for business and technical skills training for 600# self-group employment target youth to increase incomes for various agri- and on-agri-enterprise activities. Quality templates for the call for proposals and related guidance notes are available for replication. There is no link between this project component and other project components.

Assuming that FAO and ILO actual job creation success rates of 67% and 80% equally apply to component #6, the jobs contribution to the overall total will be 813# (which is 81% of the component target total of 1,000#) from a combined FAO-ILO intervention outreach of 1,100# (which is 110% of the revised component target total of 3,000#).

The original costs for the component were FAO US\$ 66,500 and ILO US\$ 66,500: the final projected costs are FAO US\$ 48,500 (FAO costs were reduced as staff conducted several trainings) and ILO US\$ 100,842. The costs per beneficiary training outreach/expected actual jobs created are FAO US\$ 97/146 and ILO US\$ 168/210.

The informal sector business activity focus of the youth-led employment projects portfolio includes hand embroidery, garment fabrication, barber, beautician, mobile phone repairs, Agarbati rolling, candle-making and bamboo stick making.

Suggestions for Strengthening Impact:

The same FAO-ILO additional initiatives stressed throughout this Chapter for providing enterprise development beneficiaries with access to business and financial services equal applies to

entrepreneurs under output component #6. FAO should also ideally exploring linking FFS/JFFLS beneficiaries with cooperatives where feasible.

2.7 OUTPUT #7 (ILO), YOUTH-LED EMPOWERMENT PROJECTS

“Youth-led empowerment opportunities provided addressing youth priorities while contributing to dialogue and mutual understanding (target = 25# interventions)”

Indicator #7.1:

- (i) At least 25# youth empowerment interventions; and,
- (ii) Type interventions and #/type beneficiaries

IN-PROGRESS:

16# interventions in-progress and others under review; adverse US\$ exchange rate movements may limit scope for further interventions

This project component was also activated via an open call for proposals from local youth and their organizations/ sponsoring organizations. Quality templates for the call for proposals and related guidance notes are available for replication. The amount of funds available for the component has to be reduced as the actual cost of some other ILO components is higher than originally anticipated and priority has had to be given to the job-creation components to achieve the project target outcome of 12,500# youth. A total of 16# youth empowerment interventions are under implementation covering a variety of the international youth priorities outlined in Section 1.2.1 and other. Resources originally provided for 25# projects amounted to US\$ 133,000 which is an average of US\$ 5,320 per project. The projected actual cost of funding 16# projects is US\$ 99,840 averaging US\$ 6,240/project.

3. CONCLUSIONS, RECOMMENDATIONS and EMERGING LESSONS

3.1 CONCLUSIONS

The self-evaluation conclusions are as follows:

- The project is relevant and has a strategic fit. The project objectives are consistent with target beneficiary requirements for securing local jobs. The approach is strategic and the FAO and ILO are using their comparative advantages.
- The intervention is logical and coherent.
- With regard to the overall jobs target, the project is expected to have a highly commendable final outreach level and highly satisfactory final impact level.
- Resources appear to have been economically used for obtaining the target outputs.
- The management capacities and arrangements in place support the achievement of the results.
- The project's sustainability lies in the viability of the actual jobs created for target youth.

Other main conclusions of the exercise are included in the summarized findings in the Executive Summary.

3.2 RECOMMENDATIONS

3.2.1 General

It is recommended that FAO and ILO should follow-up on the various suggestions provided in Chapter 2 for the output components to strengthen the project's job creation impact.

3.2.2 Project Design and Delivery Efficiency

FAO and ILO should follow-up on the various relevant project design and delivery observations provided in Chapter 1.

3.2.3 Youth Empowerment

The exit strategy of the project as regards youth empowerment should focus on linking target youth and their sponsoring organizations into available local/international youth networks. The project teams should work on a related exit strategy with the Youth Employment Focal Point at ILO ROAP.

3.2.4 End-of-Project Event

To leave at least some follow-through capacity behind, the project teams should work with the ILO Country Office and the Youth Employment Focal Point at ILO ROAP to develop a productive end-of-project event for selective stakeholders, implementing partners and youth beneficiary representatives.

. A possible outline agenda is as follows:

- Overview of the J4P project including successes and emerging lessons.
- Making infrastructure projects more job-rich accessible for youth and youth-led community contractors.
- Business, financial services for youth [approaches to identifying and accessing niche business and employment opportunities, types of services, accessing services (including service

provider breakout groups on improving the quality of services, delivery coordination and job measurement accountability).

- Youth empowerment networking.
- Systemic approaches to youth employment creation.

3.3 EMERGING LESSONS

As per Section 1.2.6, the FAO and ILO should work with national stakeholders on establishing common ground on systemic approaches to employment creation at scale under the relevant Nepali umbrella of inclusive growth. A sample Inclusive Growth Framework using the Local Economic Development (LED) approach taken from a recent ILO Concept Note for the MoPR for CAPs that can be adapted for youth is attached in ANNEX 3. The whole idea here with common approaches is that by employing systemic approaches including stakeholder capacity building, projects specifically targeting youth, CAPs and other special target groups can real value for targeting other needy groups.

In situations such as the J4P project where there is neither time nor resources for using district-level systemic process approaches such as LED, the inclusive growth framework can be adapted for area-based situations. In the case of the J4P project for example, and particularly for rural areas, and as noted in Section 1.2.2 territorial features of an LED framework can be used to establish selective geographical sub-territories for more dynamic and scale targeting rather than scattering project sites with small numbers of beneficiaries here and there.

As also noted in Section 1.2.2, a tighter approach for J4P rural project site selections could for example have been to select a few local economic clusters of VDCs (on the basis of main local market centres depending largely upon a number of surrounding VDCs and vice versa). This would have also provided a basis for targeting critical masses of youth and facilitating integration of the various employment components under systemic umbrellas as per the LED Framework in ANNEX 3. Selective product-specific value chain upgrading can give employment components such as cooperative development, FFS/JFFLS and other more strategic relevance and focus while providing an appropriate integration platform for connecting producer groups with the relevant business and financial services that individual and group business require to become more competitive and profitable and also connecting with other key value chain actors. LED-type frameworks also facilitate the identification and prioritization of complimentary EIIP while ABCD approaches to community development can demonstrate more positive and practical trickle-up approaches to moving communities permanently above the poverty line where they can become clients of LED.

The skills training and MSE development components of the J4P projects are particularly applicable to the informal sector in urban areas: in future projects, these should be integrated.

ANNEX 1: EVALUATION QUESTIONS

EVALUATION AREA	STANDARD QUESTIONS	EVALUATION REPORT REFERENCE
1. Relevance and Strategic Fit	<ul style="list-style-type: none"> • Does the project address a relevant need and decent work deficit? • Was a needs analysis carried out at the beginning of the project reflecting the various needs of different stakeholders? Are these needs still relevant? Have new, more relevant needs emerged that the project should address? • Have the stakeholders taken ownership of the project concept and approach since the design phase? • How does the project align with and support national development plans? • How does the project align with and support ILO strategies, i.e., the operational objectives of the thematic programming, decent work country programmes, mainstreamed strategies and other relevant strategies and policies of the ILO? • How well does the project complement and fit with other ILO projects/programmes in the country or countries of intervention and in the region? • How well does the project fit within the broader local donor context (United Nations and non-United Nations, making reference to UNDAF and donor consultative groups, where applicable)? 	Report Section 1.2.1
2. Validity of Project Design	<ul style="list-style-type: none"> • What was the baseline condition at the beginning of project? How was it established? Was a gender analysis carried out? • Are the planned project objectives and outcomes relevant and realistic to the situation on the ground? Do they need to be adapted to specific (local, sectoral, etc.) needs or conditions? <ul style="list-style-type: none"> - Do outputs causally link to the intended outcomes (immediate objectives) that link to broader impact (development objective)? - What are the main strategic components of the project? How do they contribute and logically link to the planned objectives? How well do they link to each other? - Who are the partners of the project? How strategic are partners in terms of mandate, influence, capacities and commitment? - What are the main means of action? Are they appropriate and effective in achieving the planned objectives? - On which risks and assumptions does the project logic build? How crucial are they for the success of the project? How realistic are they? How far can the project control them? • How appropriate and useful are the indicators described in the project document in assessing the project's progress? Are the targeted indicator values realistic and can they be tracked? If necessary, how should they be modified to be more useful? Are indicators gender-sensitive? Are the means of verification for the indicators appropriate? 	Report Section 1.2.2; Review of individual project output components elaborated in Chapter 2
3. Project Progress and Effectiveness	<ul style="list-style-type: none"> • Is the project making sufficient progress towards its planned objectives? Will the project be likely to achieve its planned objectives upon completion? • Have the quantity and quality of the outputs produced so far been satisfactory? Do the benefits accrue equally to men and women? • How do the outputs and outcomes contribute to the ILO's mainstreamed strategies? <ul style="list-style-type: none"> - How do they contribute to gender equality? - How do they contribute to poverty reduction? - How do they contribute to the strengthening of the social partners and social dialogue? • What, if any, alternative strategies would have been more effective in achieving the project's objectives? 	Report Section 1.2.3

<p>4. Efficiency of Resource Use</p>	<ul style="list-style-type: none"> • Have resources (funds, human resources, time, expertise, etc.) been allocated strategically to achieve outcomes? • Have resources been used efficiently? Have activities supporting the strategy been cost-effective? In general, will the results achieved justify the costs? Could the same results be attained with fewer resources? • Have project funds and activities been delivered in a timely manner? 	<p>Report Section 1.2.4</p>
<p>5. Effectiveness of Management Arrangements</p>	<ul style="list-style-type: none"> • Are management capacities adequate? • Does project governance facilitate good results and efficient delivery? Is there a clear understanding of the roles and responsibilities by all parties involved? • Does the project receive adequate political, technical and administrative support from its national partners? Do implementing partners provide for effective project implementation? • If the project has a national project steering or advisory committee, do the members have a good grasp of the project strategy? How do they contribute to the success of the project? • How effective is communication between the project team, the field office, and the sub-regional office? How effective is communication between the project team and the national implementing partners? • Does the project receive adequate administrative, technical and, if needed, political support from the ILO field office, field technical specialists and the responsible technical unit in headquarters? • How effectively does project management monitor project performance and results? <ul style="list-style-type: none"> - Is a monitoring and evaluation system in place and how effective is it? - Have appropriate means of verification for tracking progress, performance and achievement of indicator values been defined? - Is relevant information and data systematically being collected and collated? Is data disaggregated by sex (and by other relevant characteristics, if relevant)? - Is information being regularly analyzed to feed into management decisions? • Has cooperation with implementing partners been efficient? • Has relevant gender expertise been sought? Have available gender mainstreaming tools been adapted and utilized 	<p>Covered in report Section 1.2.5</p>
<p>6. Impact Orientation and Sustainability</p>	<ul style="list-style-type: none"> • In how far is the project making a significant contribution to broader and longer-term development impact? Or how likely is it that it will eventually make one? Is the project strategy and project management steering towards impact? • What are the realistic long-term effects of the project on the poverty level and the decent work condition of the people? • How effective and realistic is the exit strategy of the project? Is the project gradually being handed over to the national partners? Once external funding ends will national institutions and implementing partners be likely to continue the project or carry forward its results? • Are national partners willing and committed to continue with the project? How effectively has the project built national ownership? • Are national partners able to continue with the project? How effectively has the project built the necessary capacity of people and institutions (of national partners and implementing partners)? • Are the project results, achievements and benefits likely to be durable? Are results anchored in national institutions and can the partners maintain them financially at end of project? • Can the project approach or results be replicated or scaled up by national partners or other actors? Is this likely to happen? What would support their replication and scaling up? • Can any unintended or unexpected positive or negative effects be observed as a consequence of the project's interventions? If so, how has the project strategy been adjusted? Have positive effects been integrated into the project strategy? Has the strategy been adjusted to minimize negative effects? • Should there be a second phase of the project to consolidate achievements? 	<p>Covered in report Section 1.2.6</p>

ANNEX 2

UNFPN – Jobs for Peace Project, Nepal Revised Project Logical Framework, 20 October 2010 (UNFPN Approval Pending)

Objectives	Measurable indicators	Means of verification (Cost-effective methods and sources to quantify or assess indicators)	Important assumptions
<p>Objective To contribute to national peace building and poverty reduction through engaging youth in productive employment activities and empowerment</p>	<ul style="list-style-type: none"> - Perceived decrease in youth-led illegal/destructive incidences in selected communities by the end of year two. - % increase of youth participation in productive and constructive activities 	<ul style="list-style-type: none"> - Perception survey - NLFS 2008 report - Progress and final reports incorporating results measurement reporting - Final evaluation mission and report 	<p>Relative peace and stability continues to prevail in the target districts</p>
<p>Immediate Objectives</p> <p>I. Targeted young women and men engaged in productive employment and economic opportunities with increased gender and disadvantaged group equality in work opportunities</p> <p>II. Youth empowered to address youth priorities while contributing to dialogue and mutual understanding for peace building</p>	<ul style="list-style-type: none"> - Productive employment opportunities created for 12,500# young men and women(including targeting 33% women and 40% disadvantaged group beneficiaries) - # Additional spin-off jobs created by beneficiary youth businesses and cooperative enterprises for youth and others - Outreach of youth-led empowerment projects (including targeting 33% women and 40% disadvantaged group beneficiaries) and impact in addressing youth priorities while contributing to dialogue and mutual understanding for peace building 	<ul style="list-style-type: none"> - Market assessments, LOCA exercises and other - Project and service provider activity and results measurement databases - Service provider/ implementing partner progress and final reports - Quantitative/qualitative assessments of the impact of youth empowerment projects - Progress and final reports incorporating results measurement reporting - Final evaluation mission and report 	<ul style="list-style-type: none"> - Relative peace and stability continues to prevail in the target districts - Adverse global economic conditions continue largely not to affect Nepal's local job market and the availability of business opportunities
<p>Outputs</p>			<p>Outputs to immediate objective)</p>
<p>Output 1: Quick-impact jobs created for youth through the provision and maintenance of community infrastructure</p>	<ul style="list-style-type: none"> - At least 20,000 paid workdays created for 200# young women and men (at least 40% from socially excluded groups) in the provision and maintenance of productive community infrastructure - Actual quantifiable productive community infrastructure provided/ maintained 	<ul style="list-style-type: none"> - Project activity and results measurement databases - Implementing partner progress and final reports - Project progress and final reports incorporating results measurement reporting - Final evaluation mission and report 	<p>- Relative peace and stability continues to prevail in the target districts</p>
<p>Output 2: - Capacity of target youth to start/expand farm enterprise activities and to secure gainful agricultural and off-farm employment opportunities strengthened through enabling and facilitating services for farm technical skills training and upgrading, and vocational skills training and job placement services</p>	<ul style="list-style-type: none"> - <u>Contribution to Immediate Objective I:</u> Expected new/improved productive agri-enterprise and farm and off-farm wage labour incomes of up to 3,000 young women and men trainees (with gender target of 33% and disadvantaged group target of 40% met) - # FFS/JFFLS facilitators/coordinators trained and facilitated to deliver farming skills training to # beneficiaries - # Functional FFS/JFFLS established and # members trained including # youth members - 6# VT service providers facilitated to deliver various vocational training services to at least 600# young men and women for employment 	<ul style="list-style-type: none"> - Project and service provider activity and results measurement databases - # FFS/JFFLS facilitator/coordinator progress and final reports - Vocational training implementing partner training and job placement progress and final reports - Service provider TVET capacity building progress and final reports - District skills development capacity building service provider's report - Project progress and final reports incorporating results measurement reporting 	<ul style="list-style-type: none"> - Relative peace and stability continues to prevail in the target districts - Farming and vocational training beneficiaries take advantage of training to increase farm incomes and secure gainful employment

		- Final evaluation mission and report	
<p>Output 3: Target youth productive farm and off-farm enterprises skills and knowledge enhanced through entrepreneurship training</p>	<p>- <u>Contribution to Immediate Objective I:</u> Expected productive enterprise incomes of up to 4,000# young men and women from productive farm and off-farm enterprises (target 50% young women beneficiaries and 40% from disadvantaged groups) - #/Type enterprises started/expanded by beneficiaries - 36# SIYB trainers trained and available for service delivery - 14# SIYB service providers facilitated to deliver SIYB Level 1 training to up to 4,000 young men and women trainees</p>	<p>- Project and BDS provider activity and results measurement databases - BDS provider progress and final reports - Project progress and final reports incorporating results measurement reporting - Final evaluation mission and report</p>	<p>- Relative peace and stability continues to prevail in the target districts - Aspiring young entrepreneurs take advantage of training to start viable enterprises</p>
<p>Output 4: Access to finance for potential young entrepreneurs facilitated through improved availability of information on financial products, enhanced capacity of FSPs to reach the target group with appropriate financial products, and through financial literacy education</p>	<p>- <u>Contribution to Immediate Objective I:</u> 1,000# existing self-employed youth experiencing/expecting to secure stabilized/ maintained/improved net business incomes (target 33% young women beneficiaries and 40% from disadvantaged groups) incomes as a results of FLE training and access to FS - Type financial services accessed by # beneficiaries - 6# FSPs trained in financial literacy education, and financial risk analysis and planning for onward training of target youth - 1,000# target youth trained in financial literacy education and provided with access to financial services</p>	<p>- Project and service provider activity and results measurement databases - Trainer/training reports - Service provider progress and final reports - Project progress and final reports incorporating results measurement reporting - Final evaluation mission and report</p>	<p>- Relative peace and stability continues to prevail in the target districts - Beneficiaries take advantage of increased access to financial services to start/expand viable enterprises</p>
<p>Output 5: Cooperatives and communities strengthened to become competitive/more competitive and entrepreneurial to create more jobs and incomes, and to involve more youth members</p>	<p>- <u>Contribution to Immediate Objective I:</u> Expected productive enterprise and wage labour incomes of at least 3,500 cooperative and community youth beneficiaries (target 33% young women beneficiaries and 40% from disadvantaged groups) - At least 30# cooperatives/groups/ associations assisted and % youth (and special target group youth) and others assisted, and % benefiting from increased incomes and employment opportunities - # Community group economic development process established - #/Type of business-led employment schemes for cooperative and community youth - #/Type of cooperatives linked with the private sector</p>	<p>- Project and service provider activity and results measurement databases - Service provider progress and final reports - Project progress and final reports incorporating results measurement reporting - Final evaluation mission and report</p>	<p>- Relative peace and stability continues to prevail in the target districts - Cooperative and community youth beneficiaries take advantage of project support to increase incomes, start viable business and obtain gainful employment</p>
<p>Output 6: Productive employment and economic opportunities created for youth through youth-led employment schemes</p>	<p>- <u>Contribution to Immediate Objective I:</u> Expected new/improved productive enterprise and wage labour incomes of at least 1,000 youth beneficiaries (target 33% young women beneficiaries and 40% from disadvantaged groups) - #/Type of youth-led employment schemes supported by the projects</p>	<p>- Implementing partner progress and final reports - Progress and final reports incorporating results measurement reporting - Final evaluation mission and report</p>	<p>- Relative peace and stability continues to prevail in the target districts - Adequate quality submissions are received through call for proposals</p>

<p>Output 7: Youth-led empowerment opportunities provided addressing youth priorities while contributing to dialogue and mutual understanding</p>	<ul style="list-style-type: none"> - #/Type of empowerment interventions (at least 25#) - Total # youth beneficiaries and % women and disadvantaged youth 	<ul style="list-style-type: none"> - Implementing partner progress and final reports - Progress and final reports incorporating results measurement reporting - Final evaluation mission and report 	<ul style="list-style-type: none"> - Relative peace and stability continues to prevail in the target districts - Adequate quality submissions are received through call for proposals
<p>ACTIVITIES: <i>Tasks to be done to produce the outputs (detailed list provided by individual output)</i></p>	<p>INPUTS: Summary of the Joint Programme budget. Total budget available for activity implementation (excl. 7% project support cost) is US\$ 2,482,243</p>	<p>Means of verification</p>	<p>Important assumptions</p>
<p>Output 1 (ILO lead) 1.1 Identify urban, peri-urban and rural target communities using poverty and income criteria 1.2 Conduct participatory meetings with community groups including youth representatives 1.3 Identify small-scale priority investments in community infrastructure and services 1.4 Organize youth project implementation teams 1.5 Design community interventions and prepare costings 1.6 Prepare and agree community contracts with youth groups 1.7 Implement sub-projects to create/maintain community assets and workdays 1.8 Monitor interventions and measure and report results</p>	<p>Estimated Budget: US\$ 315,225</p>	<ul style="list-style-type: none"> - Implementing partner contracts & ToRs - Project activity and results measurement databases - Implementing partner progress and final reports - Progress and final reports incorporating results measurement reporting - Final evaluation mission and report 	<ul style="list-style-type: none"> - Relative peace and stability continues to prevail in the target districts
<p>Output 2 (FAO lead) At least 100 FFS/JFFLS: 2.1 Identify target communities and training needs 2.2 Identify demonstration fields 2.3 Adapt existing FFS/JFFLS training material to the context of Nepal and training needs, and include OS&H component /WIND and other employment-specific training 2.4 Select and train facilitators/ coordinators 2.5 Select participants and form training groups 2.6 Provide start-up inputs 2.7 Implement the training programme</p> <p>Youth Vocational Skills Development 2.8 Develop service provider terms of reference 2.9 Issue a request for expressions of interest from experience VT service providers to deliver responsive training and follow-up job placement and counselling services to trainees 2.10 Select, brief and contract VT service providers (performance-related contracts) 2.11 Monitor service delivery quality 2.12 Measure and report results</p>	<p>Estimated Budget: US\$ 784,242 (FAO US\$ 512,207 ILO US\$ 272,035)</p>	<ul style="list-style-type: none"> - Service provider contracts & ToRs - Project and service provider activity and results measurement databases - # FFS/JFFLS facilitator/coordinator progress and final reports - Vocational training implementing partner training and job placement progress and final reports - District skills development capacity building service provider's report - Project progress and final reports incorporating results measurement reporting - Final evaluation mission and report 	<ul style="list-style-type: none"> - Relative peace and stability continues to prevail in the target districts - Farming and vocational training beneficiaries take advantage of training to increase farm incomes and secure gainful employment
<p>Output 3 (ILO lead) 3.1 Integrate SIYB approach with agriculture-based enterprises such as processing, marketing, storage, etc (FAO) 3.2 Develop service provider terms of reference (ILO) 3.3 Issue a request for expressions of interest from interested service providers for the delivery of SIYB Level 1 training to youth and follow-up business counselling services and linkages of business starters to financial services 3.4 Provide 6 Training of Trainers (ToT) on "Start</p>	<p>Estimated Budget: US\$ 525,589 (ILO US\$ 495,489 FAO US\$ 30,100)</p>	<ul style="list-style-type: none"> - Service provider contracts & ToRs - Project and service provider activity and results measurement databases - BDS provider progress and final reports - Project progress and final reports incorporating results measurement reporting 	<ul style="list-style-type: none"> - Relative peace and stability continues to prevail in the target districts

<p>and Improve Your Business" (SIYB) (ILO) 3.5 Select, brief and contract SIYB service providers (performance-related contracts) (ILO) 3.6 Monitor service delivery and measure and report results</p>		<p>- Final evaluation mission and report</p>	
<p>Output 4 (ILO lead) 4.1 Complete a study mapping the supply of financial services relevant to enterprise start-up and expansion by target youth including packaging of local FS availability information (FSPs, types of savings, loan, leasing, insurance and other products) 4.2 Complete a baseline survey to assess financial literacy and behaviour level of the target groups 4.3 Based on the results of the mapping study in 4.1 above, select local FSPs for the provision of financial services to target youth and complete awareness-raising activities to acquaint target FSPs with good practices and peer experiences in the provision of finance for young entrepreneurs 4.4 Adapt training material on financial education based on existing ILO material 4.5 Provide training, technical assistance and guidance to FS providers to facilitate/provide access to finance for target youth, financial product diversification, elaboration of operational guidelines for conducting financial literacy education and other 4.6 Contract FSPs for onward delivery of financial literacy education training and services to target youth providing responsive technical assistance and monitoring support during implementation as necessary 4.7 Monitor interventions and measure and report results</p>	<p>Estimated Budget: US\$ 200,311 (ILO)</p>	<p>- Project and service provider activity and results measurement databases - Service provider progress and final reports - Project progress and final reports incorporating results measurement reporting - Final evaluation mission and report</p>	<p>- Relative peace and stability continues to prevail in the target districts</p>
<p>Output 5 (ILO lead in close collaboration with FAO) Cooperative Enterprise 5.1 Complete business and employment growth and youth membership increase needs and solutions assessments for target cooperatives in the project locations (FAO & ILO) 5.2 Design and implement an action programme of responsive interventions to strengthen the capacity of target cooperatives to increase incomes for members and increase youth membership (FAO & ILO) 5.3 Train/contract service providers and implement interventions (FAO & ILO) 5.4 Link target cooperatives with business-led initiatives for youth employment 5.5 Monitor interventions and measure and report results (FAO & ILO) Community Group Economic Development (ILO) 5.6 Identify/select target community groups 5.7 Provide capacity building training to groups and individuals to develop group action plans and group member personal self-employment plans 5.8 Provide follow-up advice and guidance to target groups on the implementation of group action plans including the creation of funding linkages for group action plan interventions 5.9 Provide follow-up advice and guidance to group members to develop self-employment activities 5.10 Measure and report results</p>	<p>Estimated Budget: US\$ 407,704 (ILO US\$ 246,908 FAO US\$ 160,796)</p>	<p>- Service provider and implementing partner contracts & ToRs - Project and service provider activity and results measurement databases - Implementing partner and trainer progress and final reports - Project progress and final reports incorporating results measurement reporting - Final evaluation mission and report</p>	<p>- Relative peace and stability continues to prevail in the target districts</p>
<p>Output 6 (ILO lead) 6.1 Organize application package, final criteria, selection committee and call for proposals</p>	<p>Estimated Budget: US\$ 149,342 (ILO US\$ 100,842)</p>	<p>- Service provider and implementing partner</p>	<p>- Relative peace and stability continues to</p>

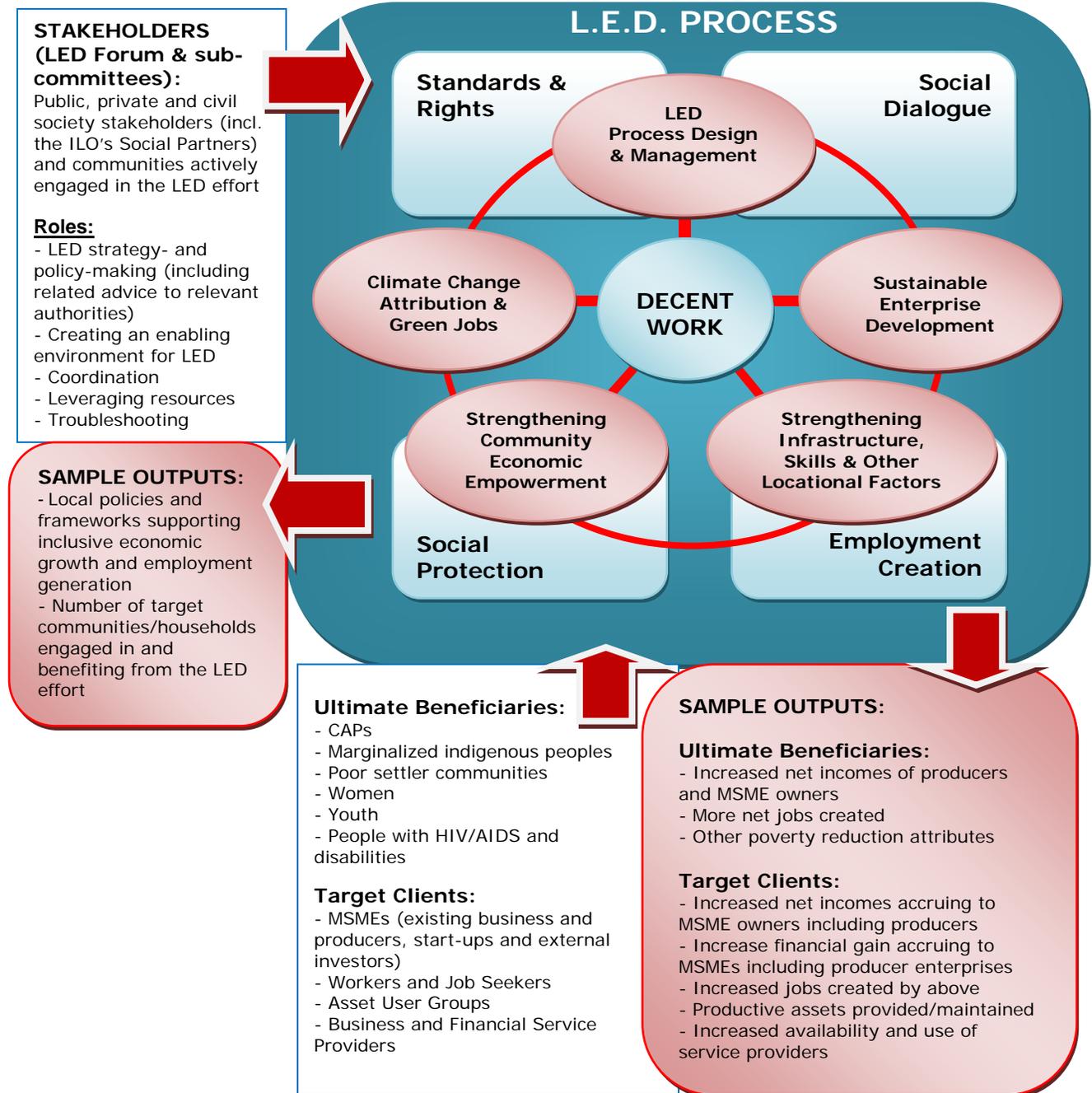
<p>6.2 Select the successful applications through short - listings and final approval of the selection committee. 6.3 Issue grant agreements to the selected applicants 6.4 Supervise implementation and provide technical support as needed for the implementation 6.5 Measure and report results</p>	<p>FAO US\$ 48,500)</p>	<p>contracts & ToRs - Project and service provider activity and results measurement databases - Implementing partner progress and final reports - Project progress and final reports incorporating results measurement reporting - Final evaluation mission and report</p>	<p>prevail in the target districts - Adequate quality submissions are received through call for proposals</p>
<p>Output 7 (ILO lead) 7.1 Organize application package, final criteria, selection committee and call for proposals 7.2 Select the successful applications through short - listings and final approval of the selection committee, with specific attention to link to JFFLS participants, and to promotion of environmental and heritage and conservation projects (with FAO inputs) 7.3 Issue grant agreements with selected applicants 7.4 Supervise and monitor implementation 7.5 Assess impact of projects</p>	<p>Estimated Budget: US\$ 99,830 (ILO)</p>	<p>- Implementing partner contracts and progress and final reports - Project progress and final reports - Final evaluation mission and report</p>	<p>- Relative peace and stability continues to prevail in the target districts - Adequate quality submissions are received through call for proposals</p>

ANNEX 3

OVERVIEW of INCLUSIVE GROWTH through LED APPROACH

1. LED PROCESS FRAMEWORK

The diagram of a typical LED process framework with five components that will be employed by the project anchoring Decent Work as the core strategic objective of LED and the EmpCAP project is provided below:



1.1 LED Process Design and Management

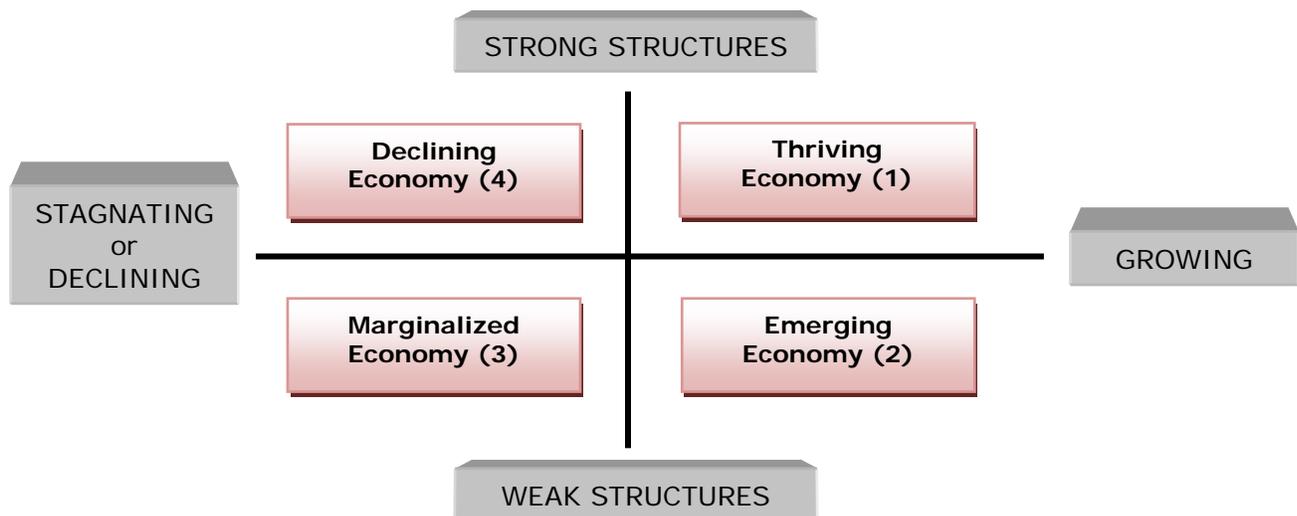
Under this component of the LED Framework, stakeholders are provided with the skills and means for LED strategy-making in order to grow the local economy so as to create productive employment opportunities for CAPs and other special target groups. A key role of the LED Forum will be contributing to the local development process by advising the District Development Committee on job-rich LED strategies and responsive priority programmes and resource allocations. LED skills development for key stakeholders includes capacity building in results measurement and reporting applying the Donor Committee for Enterprise Development (DCED) Standards.

A vital resource in support of job-rich and LED strategy-making as well as specific job creation intervention design is preparation of the rapid district Growth and Employment Profile (also known within the ILO as ‘Territorial Diagnosis and Institutional Mapping’ – TDIM). This is living document periodically updated that commences with priority employment-related rapid assessments and studies applying a variety of ILO tools and methodologies including product-specific value chain analysis, local market farm, off-farm and non-farm small enterprise and job opportunities (using ILO TREE assessment methodologies and including a financial risk assessment of enterprise opportunities), business, financial and training service provider capacity assessments, employment intensive infrastructure assessments, institutional mapping and assessments, various locational resource, economic activity, CAP/other special target group population mapping (including a livelihood mapping of actual target district CAPs), existing relevant programme and project mapping and other. In the case of CAPs, this enables the EmpCAP project to identify key areas of employment-creation intervention responsive to the locational and well-being status of the target district CAP population.

The Growth and Employment Profile (GEP) together with sensitizations of local stakeholders on the LED process and CAP project as well as quick-impact employment creation interventions are the CAP project entry-points in target districts.

TYPE of LED APPROACH

LED processes are developed and managed responsive to the specific features of local economies with no one-fit-all LED scenario. However, LED situations can be divided into four general types on a matrix using two criteria: firstly, the overall strength or weakness of economic structures (with respect to producers and business, and with respect to supporting institutions), and secondly, the progress status of the local economy. Such a combination matrix generates the following scenarios for territorial economies:



The four types of economies that emerge from the above are:

- (1) **Growing district economy with strong economic structures** (typified by a long history of economic development, competitive value chains/clusters with highly functional producer-firm relationships, and developed locational factors).
- (2) **Growing district economy with weak economic structures** (typical of a local economy in the early stages of growth driven by an emerging value chain/cluster but with business and financial services and locational factor deficiencies).

- (3) An **emerging district economy with weak economic structures** (typified by limited local production activities, shallow business sector, merging sectors with limited activity but some growth potential including subsistence agriculture and where the main sources of income include such as remittances, development aid flows and government transfers).
- (4) A **stagnating or declining district economy with strong economic structures** (typified by the loss of a major industry or the decline of a major business sector or sectors, or perhaps that never had a competitive edge and stakeholders are not or are having difficulty in addressing this).

The majority of district economies in Nepal have features most resembling the Type 3 economy above with additional challenges to inclusive growth posed by locational underdevelopment and high poverty levels of ultimate target groups. LED process and intervention approaches responsive to Type 3 economies are where local stakeholders need to recognize that their economies are weak and poorly performing, and possibly even fundamentally unwell (given the prevailing extreme poverty levels in the CHT) and that an LED process that leads to **radical change in the local economy** needs to be initiated.

Changing the way in which local economies are managed and developed means enabling stakeholder capacities to use integrated market system approaches under the LED umbrella to consistently align behind the overall LED strategy that places local producers and enterprises in clearly-defined, dominant, niche market positions and subsequently sustains these positions through systemic competitiveness in an environmentally sound and 'job-rich' manner. The ideal dominant, niche position for local producers and enterprises is outgrower contracts for specific crops provided by major firms. However, very little if any of this type of market relationship exists in Nepal, and the next best substitute is a strategic relationship between producers and major wholesalers (such as that which the Ramechhap LED Forum and ILO were able to broker in 2007 for Ramechhap junar producers with Major Kalamati Market wholesaler actors).

1.2 Sustainable Enterprise Development

Options available to the EmpCAP project for the development of sustainable group and self-employment enterprises under the LED umbrella include the following:

- Pursuant to priority analysis exercises, product-specific value chain upgrading action programmes targeting CAP producer groups involving development/strengthening of local business and financial services (including such as agricultural technical skills training, cooperative/group building including management and business skills, and so forth) for services delivery to target CAP groups.
- The development/strengthening of local Start and Improve your Business (SIYB) service providers for onward business skills training and counselling services delivery under performance-based contracts to existing and starter CAPs to develop sustainable enterprises responsive to local market opportunities conducted within the GEP and avoiding displacement of existing enterprises and workers: this will include linkages with technical skills development services where relevant to the development of specific enterprise activities.
- Pursuant to sectoral assessments, the development/strengthening of local financial services providers for onward services delivery under performance-based contracts to the above target CAP producer groups and self-employment actors including financial literacy education training.

1.3 Strengthening Infrastructure, Skills Development and Other Locational Factors

Addressing infrastructure deficiencies will be an LED priority in most CAP districts. Typical infrastructure supporting sustainable economic growth and improved living conditions for target populations includes such as infrastructure for access to markets/services (roads, pathways, collection/assembly centres and so forth), infrastructure for environmental conservation and upgrading that maintains/enhances the natural resource base and contribute to climate change mitigation and adaption while addressing disaster risk reduction (for example, watershed management, water harvesting, reforestation/reclaim of degraded land, flooding and landslide prevention and other), and socio-economic infrastructure at the community/inter-community level (such as irrigation, storage, animal stalls, improved farming terraces, schools, health and community facilities and so forth).

The provision and maintenance of such infrastructure optimizing the use of labour-based technologies and community contracting is a rich source of immediate jobs for target CAPs, especially as a supplementary income where the development of enterprise opportunities requires time to mature and/or where stabilization of the immediate consumption needs of impoverished CAP communities is a high priority. The EmpCAP project will inter alia provide local stakeholders and target CAP communities with menus of project options for worthy community infrastructure projects that can be implemented using labour-based approaches and included in project portfolios that from part of annual local grants or for submission to other available funding sources. EmpCAP will also provide Employment-Intensive Infrastructure Projects skills training to local stakeholders and community contractors as well as resources for demonstration projects

targeting CAPs. The ILO's Integrated Rural Accessibility Planning (IRAP) tool will also be demonstrated with stakeholders in localities with concentrations of CAPs towards improving the participatory planning and implementation of local infrastructure projects.

The LED focus on technical and vocational skills development will be on skills development that benefits the local economy. Following job market and service provider assessments within the GEP, and any responsive development/strengthening of training service providers and sectoral coordination, selective service providers will be contracted under performance-based contracts for onward training of target CAP beneficiaries. Technical and vocational skills training and upgrading for CAP trainees will be complimented by additional soft skills training in such as conflict resolution and peace-building, life skills, literacy, entrepreneurship skills, occupational health and safety, HIV/AIDS awareness and prevention and so forth.

1.4 Strengthening CAP Community Economic Empowerment

Where spatial communities in target districts comprise all/mostly CAP households, EmpCAP will have the option of developing Community Economic Empowerment (CEE) processes using Asset Based Community Development (ABCD) approaches that focus on community strengths, assets and opportunities as opposed to the traditional community development paradigm of needs and deficiencies. The outcome of ABCD processes inter alia includes action plans for employment creation that can be funded directly by EmpCAP or included in annual DDC planning budgets and resource allocations as appropriate. Action plans will also address essential services and disaster risk reduction. EmpCAP will support the development of local service providers to deliver ABCD processes to target CAP communities.

Very poor CAP communities and beneficiaries may require immediate cash/in-kind transfer consumption stabilization (ideally useful labour works projects) prior to sensitization on enterprise and job opportunities (responsive to GEP assessments), transfer of livelihood/enterprise development trickle-up assets, and access to small enterprise and skills development services (including skills for improved and better quality food production). EmpCAP successes under this model of development (known as 'CEE trickle-up') will be shared with local development partners and donors for replication and upscaling.

1.5 Climate Change Adaption and Green Jobs

The main emphasis of this component during the initial years of building LED process momentum in target districts is developing capacity amongst LED stakeholders to keep the very live and topical issue of climate change in focus and to incorporate mitigation and adaption measures as well as green job creation into LED strategies. Examples of such measures leading to more green jobs covered in other LED process framework sections above include increased infrastructure provision and maintenance applying labour-based technologies, ecosystems, water and hazard management services, creation of sustainable enterprises and jobs in and markets for the supply of renewable energy technologies, farming skills development focusing on organic fertilizer and pesticides and so forth.

2. DECENT WORK and LED PROCESSES

2.1 ABOUT DECENT WORK

As a core strategic objective of LED, Decent Work (DW) has four pillars as shown in the diagram in Section 1 above – labour standards and rights, social dialogue, social protection and employment. In recent years, Decent Work has been added as a target output for MDG #1, *"to make the goals of full and productive employment and decent work for all, including women and young people, a central objective of our relevant national and international policies and our national development strategies"*. DW is defined as *"productive work that delivers a fair income, provides social protection, and allows women and men to participate meaningfully in development processes"*.

A pro-poor ultimate vision for creating productive employment for target beneficiaries could for instance be that one or more sources of wage labour and/or other income amount to the equivalent of 240 paid annual workdays per target individual at the prevailing minimum levels applicable to an individual's type of work and skills levels.

While LED can function as an integrating process for bringing the DW Agenda to the local level, it's important that stakeholders and practitioners not to be overawed by the scale, and to focus mainly on the employment pillar while incorporating aspects as of the other pillars as opportunities arise during the course of strategy-making and action programme design. Initial capacity building of LED Forum members and other stakeholders on DW can mainly focus on relevant aspects of the employment pillar with a brief overview of the other three pillars. A short summary the four pillars and aspects thereof relevant to CHTDF LED processes follows in Sections 2.2 to 2.5.

2.2 EMPLOYMENT PILLAR

As the main emphasis of LED is on productive employment creation for ultimate target groups, the employment pillar of the Decent Work Agenda has most relevance, in particular, enterprise development (including business and financial services), employment-intensive infrastructure development, cooperative development and skills development.

2.3 LABOUR STANDARDS and RIGHTS PILLAR

This pillar covers the ILO conventions on labour standards and rights including C169 on the rights of indigenous and tribal peoples and the elimination of child labour (the latter relevant to the CHT where there is a relatively high incidence of child labour amongst ultimate target groups). As district LED efforts gain momentum and pursuant to labour market studies, one could possibly envisage an action programme covering skills development and cooperative building for agricultural labourers: this could include interventions for educating farm workers and employers on standards and rights as well as good and safe working conditions, a fair wage, gender equality and equal pay and so forth.

2.4 SOCIAL PROTECTION PILLAR

Aspects of the Social Protection pillar relevant to LED processes include working conditions (including home workers) with special emphasis on occupational safety and health (OSH), and HIV/AIDS in the workplace. As with child labour and gender equality, these topics can be mainstreamed in support project trainings such as in agriculture and so forth. Social protection is also concerned with such as health insurance: this is usually covered within LED under the development of financial services under the employment pillar.

2.5 SOCIAL DIALOGUE PILLAR

While the ILO's main work under the Social Dialogue pillar lies in promoting social dialogue between the ILO's tripartite partners (workers, employers and governments), all other forms of social dialogue promotion are also relevant. In LED processes, the ILO's social partners are represented in LED Forums where public-private-civil society social dialogue takes place and is promoted.

3. LED PROCESS MANAGEMENT

3.1 LED PROCESS SEQUENCING

A gradually approach to building LED momentum will be appropriate in most Nepali districts responsive to limited LED absorption capacities of stakeholders and locational underdevelopment. LED processes generally consist of four sequencing phases as follows:

- (1) Entry Phase: typically lasting 9-12 months and consisting of formation of the LED Forums and initial LEDF working groups, initial LED training, quick-win interventions and GEP preparations to facilitate LED strategy-making for the next LED process phase;
- (2) Momentum-Building Phase: more of what works and diversification of action programmes within the components of LED: the duration depends upon the developed/underdeveloped status of the target territory and LED absorption capacities of local stakeholders (in Nepal, this phase could be expected to take at least 3-4 years to mature in most districts if not longer);
- (3) Upscaling Phase: the duration is also not fixed but 3-4 years again would not be unexpected for many Nepal districts; during this phase, stakeholders will also be looking at some strategic moves such as mobilization of own LED resources, building strategic regional partnerships/cooperation alliances, support to policy-making, inward investment promotion targeting firms that can add value to the local economy, central government anchors/other support for LED processes and so forth; at all times during the first three phases, LED strategy is a perspective of where LED stakeholders want to be on creating a key competitive advantage, and where they are any one point time as regard achieving this and what more needs to be done.
- (4) Competitiveness Phase: systemic competitiveness has an infinite timeline; it kicks-in when stakeholders have clearly created a unique competitive advantage and the challenge becomes that of keeping producers and enterprises in the dominant, niche market positions that have been created for them (and this requires a constant, collective upgrading effort on the part of stakeholders); this is also the time where strategic regional cooperation alliances and policies may

become especially relevant; stakeholders will require advanced specialised training to acquire systemic competitiveness skills.

3.2 ROLE of LED FORUM

LED efforts in target districts are managed by an LED Forum consisting of small number of public-private members (say not more than seven members selected from amongst key decision-making representative institutions/organizations and local development opinion leaders, Peace Committee Secretary in Nepal, and ideally also include a mix of women and youth representation). Other key stakeholders should ideally be accommodated in the LED efforts via LED Forum sub-committees/working groups responsible for the overall design, implementation and monitoring of LED action programmes, interventions and activities: such groupings should be flexible and can be sub-divided merged, etc., by the LEDF as appropriate.

The **role of the LEDF** includes the following:

- LED strategy- and policy-making and related recommendations including resource allocations to DDCs.
- Building LED momentum.
- Creating an enabling environment for LED.
- Establishment and tasking (terms of reference) of LEDF working groups including enabling business, financial and other services for community economic and process development.
- Coordination.
- Resource leveraging (in addition to seed capital from technical cooperation projects).
- Measuring and reporting LED effort results.
- Trouble-shooting.

The LED Forums should ultimately evolve into a legitimate role with a DC mandate covering the above role.