



# Enabling State Programme



---

## SIXTH REPORT

31 January 2004

---



## ENABLING STATE PROGRAMME

...towards 'pro-poor' governance in Nepal

### INTRODUCTION

1. This report covers the period August 2003 to January 2004 and outlines the achievements of ESP by looking at progress on the ESP Workplan agreed with DFID Nepal in October 2003 and ESP activities undertaken during the period including the monitoring of ESP satellite projects. Two papers were also produced during the period relating to issues arising from the OPR in early 2003. These relate to ESP lesson learning and ESP networks.

2. Included with this report are the following annexes:

**ANNEX I:** *ESP Workplan Oct 03 to Jan 04*

**ANNEX II:** *ESP Satellite Projects - Progress Report Jan 04*

**ANNEX III:** *Status of ESP Activities Jan 04*

**ANNEX IV:** *Rapid Lesson Learning Review of ESP Activities Aug 03*

**ANNEX V:** *Promoting and Developing ESP's Embryonic Networks - Aug 03*

### ESP WORKPLAN

#### Implementation

3. During the reporting period, the majority of activities identified in the ESP Workplan were completed (see *Annex I*). DFID Nepal and the PMO have agreed to approve a project addendum and ESP Advisory Body that has already received approval from DFID London. In addition to this other key outputs that were achieved included: (i) scrutinising ESP's inception period activities as part of a general lesson learning exercise, (ii) identifying and building on the emerging ESP networks, and (iii) assessing the impact of ESP dissemination (this is currently ongoing).

### ESP SATELLITE PROJECTS

#### Approval and Start-Ups

4. Two new ESP satellite projects amounting to £1,744,854 were approved during the reporting period. The Nepal Police Development Project (£887,310) has already started and has made significant progress. The Department of Prison Management Project (£857,544) is due to start from the first week of February 2004.

5. It should also be noted that the FNCCI Anti-Corruption Project which was approved earlier in 2003 formally started from 1 January 2004.

#### Monitoring

6. ESP professional staff undertook monitoring visits of on-going satellite projects. During the reporting period six monitoring visits took place. The visits were

useful not only in assessing project progress but also in giving some practical advice to the projects. ESP also conducted financial monitoring and on-the-spot checks of satellite projects. The progress achieved by satellite projects and issues raised in the monitoring visits are in *Annex II*.

### **Support**

7. ESP professional and administration staff are providing significant support to the Strengthening of the Prime Minister's Office Project and to the Nepal Police Development Project. This has increased the workload of ESP professional staff. It is hoped that the intensity of such support will be reduced as the projects matures.

### **ESP NEW EXPLORATORY ACTIVITIES**

8. Because of uncertainties re ESP following the OPR, the need to get approval for redefining ESP, and with DFID Nepal country assistance strategy still being decided, no major exploratory activities were undertaken during the reporting period.

9. However, some small initiatives were supported. These included (i) running public lectures focusing on sharing international experiences in respect of current political issues, (ii) workshops relating to governance themes, (iii) publication of a book, and (iv) an exercise in project scoping (see *Annex III* for status of ESP activities). These and other activities undertaken during the reporting period are explained below.

### **Sharing international experience on current political issues**

10. ESP is facilitating discussions among political actors on Nepal's current major political issues. The idea is to provide a common platform for political parties to engage in meaningful dialogues. Civil society organisations are encouraged to organise such forums. Depending upon the agenda for discussion international expertise has been invited to contribute on such occasions.

11. As part of this initiative, ESP invited Yash Ghai, Professor of Law at the University of Hong Kong, who also chairs the Constitutional Review Committee in Kenya, to lead a talk programme on changing democratic structures in multi-ethnic states (19/24 October 2003). Senior politicians, academics, lawyers, and political activists participated in the programme. Synopses of his papers were published in the *Himal* magazine and also in the *Kathmandu Post*. Mr Ghai also interacted with senior political leaders at separately organised meetings.

12. This programme was followed by a second on affirmative action (16/18 November 2003). Three internationally renowned scholars were invited, Neera Chandoke and Gopal Guru from the University of Delhi, and Nico Steytler from the University of Western Cape in South Africa. This programme attracted senior political leaders, professionals, and social activists and ESP was able to facilitate a widely participated public interaction.

13. More interactions with international experts are planned for the future. Themes to be covered include decentralisation, federalism, diversity, and electoral reform.

14. ESP also supported national level efforts to promote a better understanding of the role of political parties. The Ganesh Man Singh Academy received support for the

organisation of an interaction on 'defining the role of emerging political leaders'. Some 40 second-generation leaders from all major political parties attended this programme. GMA indicated that there is demand for more such programmes.

### **Televised public hearing on corruption**

15. ESP has supported Nepal Society Development Centre (NSDC) in carrying out a televised public hearing on corruption. The programme is currently being broadcast on Nepal Television every fortnight. Themes covered by this programme include corruption cases involving policy and operational level actors. The programme is beginning to show its impact. For example, the programme revealed that 'Kinley' bottled water was not safe enough for drinking. At a hearing involving this product, the Director General of the Department of Commerce promised publicly to look into this matter. In the meantime, the Department has banned the sale and distribution of this product. Other issues raised at this programme are being followed up.

### **Support to National Vigilance Centre**

16. The newly created National Vigilance Centre (NVC) approached ESP for support in carrying out their anti-corruption mandate. After a preliminary assessment of needs, ESP and NVC agreed seek the services of NASC in undertaking a project scoping exercise and preparing a project document. However, the Chief Officer of NVC has now been transferred to another department and no replacement has as yet been appointed. The project scoping exercise is now on hold awaiting the appointment of a new NVC Chief.

### **Support to NFDIN**

17. The National Foundation for Development of Indigenous Nationalities (NFDIN), a government body submitted a proposal on institutional strengthening of NFDIN to ESP. ESP will take forward the TORs for the project design in consultation with DFID.

### **Publication of Handbook on Conflict in Nepali language**

18. Despite the growing interest of a large number of Nepalese people to better understand the current conflict, very little literature exists on the subject. Whatever does exist is in the English language. There is therefore a need for Nepali language literature if more people are to understand the conflict properly and to think about its resolution.

19. The main objective of the handbook is to offer a basic theoretical and practical understanding of the conflict and its management. The handbook gives definitions and basic characteristics of conflict including its relationship with society and politics, its development and impact on the environment, and its types and nature. The book also gives experiences from other countries, outlines interrelations between conflict, human rights and humanitarian aid. It covers risk management during conflict, explains different tools and techniques of conflict analysis, and gives indicators, different methods and techniques of conflict management.

### **Online Discussion on Democratic Structure and Constitution**

20. ESP has been supporting Integrated Organisation System (IOS) to run an online forum on democratic structures and the constitution. The objective of this

forum is to initiate a dialogue for safeguarding and strengthening democracy and democratic rights of people through the informed debate on the merits of a democratic constitution. To date the online participation has been very encouraging and at the end of the support, IOS will produce a report for wide dissemination.

### **Community Enabling Centres**

22. This exploratory activity is basically an experiment in trying to establish (i) a better provision of basic services, and (ii) more honest and accountable local government. At the end of the experiment ESP and those involved with CECs will have a better understanding of practical governance issues at the local level. ESP will be supporting a publication to disseminate findings to a wide audience.

23. CECs have compiled and published a district level citizen's charter in close coordination with the government and non-government agencies for public information. A monitoring visit was conducted with DFID Nepal. During the visit the team observed mobile service camps, a mobile library for the community and an orientation training programme on service delivery for front desk government staff (see visit report by DFIDN Dec 2003).

24. CECs have so far organised more than 120 mobile service camps jointly with line agencies and VDCs in the five experimental districts. Communities have benefited from various agriculture, health and other government services on their doorstep. About 2500 local volunteers have been mobilised at local level and have been given an opportunity to orient themselves on the development process.

25. The government has recognised the CEC concept and Chief Secretary circulated a memo to concerned ministries to support the CEC efforts in line with the "HMG directive 2056 BS" at the local level. There are indications of development of better trust between GO and NGOs at district level.

26. CECs have collaborated with other DFIDN supported projects such as the Community Literacy Project and the Livelihood and Forestry Programme. This involved running a mobile library and other community activities.

27. The experimental phase for the CECs will end in February 2004. Final evaluation will be conducted as per the TORs suggested by DFIDN. DFID will need to take a timely decision for future support of CECs after the evaluation has been completed.

### **ESP SHARING INFORMATION WITH DFID NEPAL**

28. As part of a process to improve communications and share information ESP has involved DFID Nepal advisers in the development of ESP initiatives. The Social Development Adviser is providing significant inputs to the ongoing Dalit Empowerment and Integration Project (DEIP). Additionally, the same adviser has been significantly involved in the formulation of Janajati Empowerment Project. The DFID Conflict Adviser has also been consulted in respect of conflict related proposals. As part of an information sharing exercise with DFID Nepal, ESP organised a presentation on the work of Community Enabling Centres. In addition to this, the ESP supported video documentary entitled '*Mother, Sister and Daughter*' (relating to domestic violence) was shown to DFID Nepal staff.

## ESP MANAGEMENT

### Staff Changes

29. On 24 September 2003, in line with recommendations from the OPR, the role of ESP Manager was formally taken over by a Nepali. The Deputy Programme Manager, who had been acting-up since June 2003 because of the indisposition of the existing Programme Manager, was appointed the new manager. The former programme manager has been appointed ESP Satellite Projects Support Manager.

30. In view of problems that have arisen in respect of the financial management of ESP satellite projects, it was decided to reallocate responsibilities within ESP. The idea is to release the ESP Administrator from day-to-day management of ESP responsibilities so that he can fully concentrate on the key responsibility of supporting ESP satellite projects. Other ESP staff have now been trained and have taken over a number of administrative duties of ESP. Additionally, with the reduction in the number of project documents being prepared and books being published, the ESP Editor has been given a ten-days-a-month contract.

### Staff Development

31. ESP staff members have been given training opportunities. One programme coordinator attended a three week long course on Planning and Administering Good Governance at AIT Bangkok. In addition, the Senior Programme Coordinator will be attending a Governance Induction Course in March 2004 in London. A suitable course will be arranged for a second programme coordinator who was unable to attend a course on Project Management in the Netherlands because of time constraints. Other appropriate training programmes will also be sought out for professional as well as administrative/support staff. The total budget required for five staff (three professionals and two administrative/support) will be £30,000 for 2004/2005.

## ESP AT A GLANCE

32. In January a new ESP brochure, *ESP at a Glance*, was published outlining the achievements of ESP since its inception and giving details of all the projects that have been developed through the ESP process. It is being widely distributed and is also available through the ESP website (with includes copies of all six periodic ESP progress reports).

## ESP FUTURE CHALLENGES

33. Because of its strong networks, ESP has been approached by a variety of stakeholders to support them in a number of pro-poor governance interventions. With the change of ESP's mandate it will be a major challenge to manage the expectations of ESP partners. The changes will inevitably result in disappointment for some of ESP partners. Hopefully ESP will successfully explain its new mandate to them.

34. Recently DFID Nepal produced its latest three-year Country Assistance Plan for Nepal. This has implications for ESP. Some of the key activities in which ESP was involved have now been moved to the 'social inclusion' (as opposed to the

'governance') section of the plan. Similarly, 'conflict', formally another critical aspect of governance, has been classified as a separate section. ESP's role in future will therefore be limited, now mainly focusing on political reform, corruption reduction, and community level justice.

35. Increasing the number of exploratory activities will also be a major challenge for the ESP because of the narrower focus. In view of the complexity of governance issues, it will be appropriate to give some flexibility to ESP so that it can respond to those governance areas that do not directly fall under CAP's governance priority. In this way ESP can continue its experimental and higher risk-taking approach to understanding better governance issues in Nepal.

36. Speeding up the disbursement of ESP satellite project funds is critical for project success. During this reporting period there have been some problems in respect of the timely release of project funds. Discussions with DFID Nepal and DFID East Kilbride are currently underway to find ways to improve a fairly protracted disbursement process.

37. The formation of an ESP Advisory Committee is a major component of ESP's reformulation. Given the Advisory Committee will require the selection and then involvement of a number of stakeholders, the process of agreeing the committee's make-up and operation will be a major challenge.

**SHAIENDRA D. SIGDEL**  
**Programme Manager**

**31 January 2004**

## ANNEX I: ESP WORKPLAN OCTOBER 2003 TO JANUARY 2004

<b>PROGRAMME MANAGEMENT (including implementing recommendations from OPR)</b>					
<b>TASK</b>	<b>OPR Ref</b>	<b>RESPONSIBLE</b>	<b>TIMING</b>	<b>COMMENTS</b>	<b>PROGRESS</b>
1. Obtain DFID and PMO approval for Programme Addendum.		SS – DFID SDS/SS - PMO	December 03	Includes agreement on composition and TORs for Advisory Committee.	<b>Approved by DFID London. Already shared with Chief Secretary and PMO Secretary. Awaiting DFIDN formal notification to PMO.</b>
2. Form Advisory Committee		SDS/SS	January 04		<b>Will be formed after formal request from DFIDN. Already started</b>
3. Introduce systems (involving amending project documentation, job descriptions, and monitoring criteria and arrangements) to capture lessons being learned, and the effects of satellite projects on Change Advocates. This should include finding out who is most positively influential in either executing organizations or target groups.	3.9 3.11	SDS	January 04		
4. Scrutinise the inception period (1998-2000 inclusive) activities and exploratory activities as part of general lesson learning. Interview people who have been significantly instrumental in their implementation or follow-up and assess their potential as a Change Advocates.	3.11	SDS (consider contracting out)	December 03		<b>Completed</b>
5. Synthesise and analyse the results of some of the ESP sponsored research, video programme and publications development and draw lessons on how change happens and on the linkages between different elements governance in Nepal.	3.15	SDS (consider contracting out)	January 04		<b>Report due by mid February</b>
6. Determine how embryonic networks emerging from ESP activities can be built up and introduced to others (e.g. World Bank's group of reform-minded officials, ADB's Policy Discourse Group, British Council's alumni network).	3.11	SDS with HG.	January 04	Will be informed by Lesson Learning exercise.	<b>Completed</b>

<b>PROGRAMME MANAGEMENT (including implementing recommendations from OPR)</b>					
<b>TASK</b>	<b>OPR Ref</b>	<b>RESPONSIBLE</b>	<b>TIMING</b>	<b>COMMENTS</b>	<b>PROGRESS</b>
7. Develop a strategy for improving the image of ESP in the eyes of the Government.	3.2	SDS	January 04	Briefing notes to be prepared first (task 11)	<b>Rapport building - PMO project working as a medium to build the image of ESP. Organised series of workshops for HMGN secretaries, all of them of them chaired by Chief Secretary</b>
8. Identify regional or international networks and specialists (experienced resource persons, from the academic, public, private or civil society sectors) to work alongside Nepali professionals in fields where local experience is lacking (e.g. lobbying and advocacy strategies especially in public policy; public awareness and scrutiny of public finance budgets for services; dealing with political parties, campaigning and creative use of media).	4.7	SS	December 03		<b>Already started</b>
9. Carry out induction programme for new ESP programme manager covering DFID's Governance work: its policy development process and its application at country level (particularly re local partners unfamiliar with democratic norms and cultures and re innovative approaches to making governments responsive to the poor).	5.9	SS	Programme to be arranged by December 03		<b>Programme will be arranged after the appointment of new Programme Manager</b>
10. Prepare staff development plan for the ESP team.		SDS/SS	December 03	Plan for 2004	<b>Started</b>
11. See item 7 above					
12. Consider possibility of a temporary attachment of an experienced DFID Administrator to ESP (to help improve administrative procedures).	5.11	SDS/PA	December 03		<b>Under discussion</b>
13. Provide ESP with access to the Governance Resource Centre	5.13	SS	November 03		<b>Opportunity being explored</b>

<b>PROGRAMME MANAGEMENT (including implementing recommendations from OPR)</b>					
<b>TASK</b>	<b>OPR Ref</b>	<b>RESPONSIBLE</b>	<b>TIMING</b>	<b>COMMENTS</b>	<b>PROGRESS</b>
14. Produce a short paper on principles to be followed, to guide ESP on what the programme should cover (based on the CAP). This will involve discussion with the Livelihoods Adviser, Conflict and Social Development Advisers.		SS/SDS RC MS HW	December 03		<b>Still to be actioned</b>
15. Providing ESP with relevant DFID guidelines on Governance and other relevant issues.	5.13	SS	November 03		<b>Started</b>
16. ESP's six monthly reports should be submitted to DFIDN with a cover-sheet drawing the attention of particular advisers to relevant parts of the report, or asking them specific questions on issues raised in the text. The six monthly reports should also cover the relationship between DFID and ESP (i.e. report on the extent to which the OPR recommendations are being effectively implemented).	5.18	SDS	From January 04		<b>Report to be submitted to DFIDN by end of January 04</b>
17. DFID advisers' induction programmes to feature a visit to ESP.	5.19	SS	October 03		<b>Started in September 03</b>
18. The ESP manager (and one Programme Co-ordinator, on a rotating basis) to attend selected session(s) of the DFID Nepal quarterly meetings (and to present a brief issues-based report with any key questions for consideration by advisers).	5.20	SS	From December		<b>Still to be actioned</b>
19. The roles and responsibilities of staff in respect of approving, spending and accounting for resources to be re-defined, with issue of internal guidance to ensure clear separation of duties.	Fin rev 3	SDS/PA	October		<b>Already started</b>
20. An Authority to Engage (ATE) form based on the DFIDN model should be introduced for all future procurement.	Fin rev 20	SDS/PA	October		<b>Already started</b>
21. Redefine financial delegations to ESP by an exchange of minutes, clarifying distinctions between satellite projects, exploratory activities etc. (Longer term aim – increase significantly the delegated financial authority of the ESP Programme Manager.	5.17	SS	November		<b>Still to be actioned</b>

PROGRAMME CONTENT(Key Issues Only)					
PROJECT		RESPONSIBLE	TIMING	COMMENTS	PROGRESS
Community Mediation project: 1. Agree strategy for expansion (including co-ordination with other donors) 2. Complete project document for follow -on project		SS	December 03		<b>Concept note for three months expansion submitted to DFIDN Consultants will be recruited from first week of February 04 with the final report expected by March 04</b>
Community Enabling Centres: 1. Extend current exploratory activity for 3 months (to end February 2004) 2. Prepare TOR for review/evaluation and development of concept note for up-scaling		SS	February 04		
3. Carry out review/evaluation		SDS	December 03		
4. Prepare project document (if evaluation positive)		SB/SS	December 03		
National Vigilance Centre: 1. Develop small "exploratory" assistance project to help Centre clarify its objectives and intended ways of working.		SB/SS	January 04 February 04		<b>Change in Secretary so no action is recommended</b>
Civil society and anti-corruption activities; 1. Design project to support civil society anti-corruption activities (especially in the 10 districts where CIAA is to be strengthened)		SDS/SB	December 03		<b>Draft project document ready by mid February 04</b>
Janajati project: 1. Finalise project document		SDS/RC/SS	December 03		<b>Project document submitted to DFIDN</b>
Political issues: 1. Following sessions on sharing inter national experience in changing democratic structures and in affirmative action, organise further sessions on electoral reform and on decentralisation and diversity.		SDS/SS	January 04		<b>Third public lecture on Decentralisation being planned for February 04</b>
Political parties: 1. Explore opportunities for working with political parties in partnership with NDI (new country director) and (if positive) develop project document.		SDS/SS	January 03		<b>On hold given current climate re political parties</b>

SS Stephen Sharples SB Santosh Bisht RC Rebecca Calder MS Mark Segal  
 HW Helen Wedgwood SDS Shailendra Sigdel HG Hiramani Ghimire PA Phanindra Adhikary

Note: 1. SDS may allocate responsibilities within the ESP team 2. Work should be completed by the end of the month shown. It may start earlier.

## **ANNEX II: ESP SATELLITE PROJECTS PROGRESS REPORT JANUARY 2004**

### **A. Community Mediation Project (CMP)**

A1. The Community Mediation Project (CMP) is due to complete its three years at the end of February 2004. All project activities including the refresher training and the documentation were continued during this quarter. Some additional activities such as training for trainers (TOT), collection of case study and enterprise development training for women were organized targeting poor and disadvantaged. The objectives of these trainings were to help the poorest and the disadvantaged people to have access to justice through human rights and mediation committees. A total of 4848 individuals participated in these trainings. A video documentary of the CMP was also developed with the aim of influencing the wider donor community and the government about CMP approach and its achievement for future coordination and support.

A2. Two workshops were conducted in August and November 2003 to address some of the important issues identified by the OPR. The aim was to have discussions on some of the challenges of the project and to recommend options for future expansion.

A3. CMP has resolved 1603 local disputes and has been able to establish 45 VDCs level and 405 ward level Human rights and Mediation Committees (HRMC) in 45 VDCs of three districts within three years. Similarly, 45 women's committees have been formed in three districts. A total of 4093 members are affiliated in these committees.

A4. CMP OPR report of April 2003 has recommended CMP to expand on the basis of its achievement. Therefore, DFID/N has decided to expand the project either to other districts or to increase the number of VDCs of the on going project districts. However, the project approach (working modality) needs to be reviewed as recommended by the OPR team. For this reason, the existing project period of the CMP has been extended up to May 31, 2004.

A5. Current issues include:

- Slow disbursement of fund
- Government readiness to recognise the established mediation committees and bringing them under LSGA seems
- CVICT openness in cooperating and supporting other national level partners (those who will be involved in implementing the project).

### **B. Dalit Empowerment and Integration Project (DEIP)**

B1. The Dalit empowerment and integration project (DEIP) began in September 2003. It aims to empower Dalits and integrate them into the mainstream of society. The project has completed the recruitment of all project staff except a driver at central level. The consortium of national level Dalit NGOs has been formalized and held two meeting respectively. The consortium Dalit organizations will be involved in implementing project activities at national and district level in line with their expertise.

B2. A seven members DEIP project advisory Committee (PAC) has already been constituted. The first meeting of the advisory committee was held with the purpose of reviewing the progress made by the project and to approve the quarterly plan of action.

B3. The DEIP project has been fully set up in the DNF office complex. The detailed Terms of Reference (TOR) have been developed for DEIP operational system, Management audit, Dalit advocacy strategy, Dalit integration research study, and the training for trainers (TOT). The draft version of the operational system including programme as well as financial management has been developed. This will be finalized by the end of January. The first round workshop of the management audit is underway.

B4. One and a half day workshop was organized with the participation of DEIP team members, DFID/ESP representatives and DNF executive members to discuss and clarify the concepts and approaches of empowerment, inclusion and integration.

B5. The DEIP team has developed criteria for district selection which will be shared with the PAC and the Consortium members for endorsement and discussion soon.

B6. Current issues include:

- DEIP has taken new working modality for the implementation of this project. Although, the DFID/N has contracted out the project to DNF (Dalit NGO federation), the TMS (Total Management Service) will have the overall responsibility for ensuring the quality implementation of the project and managing the project day to day activities on behalf of DNF.
- Six national Dalit NGOs as consortium members are going to be the main implementing agencies for national and districts based activities. Therefore, to make the new working modality a success, all of these relevant stakeholders need to have mutual trust and understanding between each other. Their working relationship with each other will very determine the success of the project for future.
- An inception review workshop of the DEIP project has made some revisions in the concept of integration and has brought some changes in the log-frame. For this reason, it may take some time for the project team to internalize the new concept and to implement in the practical term.

### **C. Department of Prison Management Project (DOPMP)**

C1. Department of Prison Management Project (DOPM) focuses on introducing the new concepts of open prison and community services for petty offenders. Both of these alternatives are being introduced in order to reduce the overcrowding of the Nepal's prisons and to promote human right based rehabilitation approach to offenders. One of the major components of the project is to strengthen the institutional capacity of the department itself with various training for the jailors. This project also emphasizes co-ordination between the judiciary, police and the prison authority for better managed prison system in Nepal. Penal Reform International (an international organizations working in prison system) will be an implementing agency on behalf of the Department of Prison.

C2. Current issues include:

- Bringing clarity within the Ministry, Department and the PRI about issuing an ordinance or amending the laws or changing the appropriate regulations for the implementation of the community services still needs further discussion.
- The DOPM project needs positive support and cooperation from judiciary to introduce and execute the concept of open prison and the community services.

#### **D. Self-Reliant Development of the Poor by the Poor Project (SDPPP)**

D1. The purpose of this project is to develop sustainable self-reliant cooperatives focusing on economic and social improvement. This will contribute to establish, institutionalise and recognise as a means of effective 'pro-poor' governance by empowering people at demand side.

D2. The project has contributed to uplift economic status of poor people from the investment in agriculture and off farm activities. More than 60 % of women involvement in various community activities raised their confidence and meaningful participation at local level. The project success in developing trust among local people was revealed by a number of requests for the project extension from the adjacent project VDCs.

D3. During the monitoring visit with DFID in November 2003, line agencies appreciated good working relationship with the project in Makwanpur district. Experts from the line agencies are mobilised in various trainings organised by the project. It is also observed that one IGG member was able to make more than Rs 15000 profit from one cropping season. There are several such cases in the project area due to the introduction of new farming technology and poor peoples access to seed money. Most importantly, to date the project is able to keep running of its activities at the community level even in conflict affected area without much disturbance. However Maoist made clear that they will not accept frequent staff changes and visits from outsiders in their area.

D4. Despite significant involvement of women's in the project activities, very few women assumes leadership and decision making position both at community level and staffing. Staff development activities for the project staff is lacking. Sharing workshop and cross visits among the ESP satellite projects will be beneficial.

D5. In the current quarter, delayed fund transfer from DFID has affected project implementation at districts. There is a need of joint meeting between DFID, ESP and the project management to correct timely fund disbursement in future.

#### **E. NGO Federation Project (NFP)**

E1. The purpose of this project is to assist non-government organizations to be better managed, more accountable, and to improve their abilities to network, and to advocate for pro-poor reform.

E2. More than 10 trainings and workshops on management and development approaches were conducted to NGO personnel. Public debate on role of civil society on peace was organized, which was participated in by the government, politicians and intellectuals. Thirty NGO personnel are also studying the management course with Open University, London through British Council, Nepal.

E3. An orientation programme on code of conduct was organized to NGO representatives from more than 30 districts. Resource centre at Kathmandu is operational. An operational guideline for resource centre is prepared following the regional consultation. Update of NGO database and district profile is on progress. NGO bulletin has been published regularly. Website has been developed and information update is available for wider circulation. However issues have been raised to improve communication between the project and district chapters.

E4. In the current quarter, fund disbursement to the project from DFID has been delayed for a month. There need a joint effort between ESP, DFID and the project to improve for timely fund disbursement.

#### **F. Strengthening the Prime Minister's Office Project (PMOP)**

F1. The project on strengthening the PMO has started since January 2003. One of the initial activities of the project is to see the merger of the PMO and the Cabinet Office. Accordingly, the Project commissioned Management Association of Nepal (MAN) to undertake a rapid study on different aspects of the proposed merger in terms of organization and management. MAN submitted their report in June 2003. Following this, HMGN have decided to merge the two offices in September 2003. The new office has been named "Office of the Prime Minister and Council of Ministers (OPMCM)".

F2. The project also foresees IT support and improvement in physical facilities at the PMO. These activities have started. A technical study on the need for IT facilities at the OPMCM has concluded that they could be shared also by the NPC, which is located in the immediate neighbourhood. Both offices have agreed to work out cost-sharing mechanisms for the use of these facilities. Other activities implemented under the project include workshops on reform issues in governance and financial sector. HMGN secretaries and other high-level officials participated in these workshops.

F3. The Steering Committee of the project has decided to form a 'project management team' with Acting Secretary at OPMCM, Janak Raj Joshi as its convenor. Other members are Hiramani Ghimire, ESP Sr. Programme Coordinator and Binod Bahadur Khatri, Project Coordinator. The team will initiate all activities foreseen by the project, seeking approval from the Steering Committee where necessary. This arrangement is expected to expedite the implementation of project activities.

F4. Development of standard operating procedures (SOPs) in government offices is one major component of the project. Upon initial inquiry, the project management team found that the SOP expertise is not available in Nepal. It was therefore decided to approach DFID/ESP for their assistance in locating an international expert who would be able to provide short-term training to government staff in this area. In the meantime, the Steering Committee has decided to look into the question whether process innovation would meet the need for SOPs in government activities.

F5. The project management team has worked out a TOR for a study on improving service delivery standards within the government. This has been announced in national newspapers for the selection of a competent agency to undertake the study.

F6. A need for some budget adjustments has arisen in the project. The immediate need is for a vehicle. Originally, no budget was allocated for it. When the project was conceived some three years ago, movement in and around Singh Durbar was not a problem. The situation has changed. Given the restricted movement of people, and especially the ban on entry of hired vehicles into the Singh Durbar premises, the project is facing problems. However, no additional allocation of financial resources would be necessary. Money saved in refurbishment could be used for this purpose.

**G. Nepal Police Development Project (NPDP)**

G1. The Nepal Police Development Project (NPDP) is awaiting for the official launch. A number of preliminary activities have already begun towards achieving its purpose of putting in place mechanisms to ensure the Nepal Police is more responsive to community needs and more accountable for the way in which it meets these needs. As a major activity, a Police Inspectorate has been set up.

G2. On the official launch of NPDP, the Ministry of Finance had shown initial reservations. The stated reason was that the defined communications channel was not used. However, after a discussion with DFIDN and ESP, they have now basically agreed to move ahead.

**H. FNCCI Anti-Corruption Project (FACP)**

H1. The FNCCI Anti-Corruption Project, which was approved in October 2003 as the first major initiative to tackle the very large problem of business related corruption, was launched on 15 December 2003. The project aims to work with the main stakeholders in reducing corruption through interventions on the 'supply side' of corruption. METCON, the implementing agency for this project, set up their offices at FNCCI on 1 January 2004. Working modalities between FNCCI project Director and the implementing team have been agreed upon except in some cases where the Project Director is consulting with FNCCI authorities.

H2. No funds have yet been disbursed for the project. This should happen soon. In the meantime, ESP has approached DFID finance unit to conduct training for the project staff on managing the imprest account.

**ANNEX III: STATUS OF ESP AS OF 31 JANUARY 2004**

	<b>ON-GOING PROJECTS</b>	<b>AGENCY</b>	<b>STATUS</b>	<b>REMARKS</b>
1	Community Mediation Project started March 2001  [ Actual: £ 340,000/3 years ]	CVICT and Ilam, Jhapa and Saptari Districts	Operational - in 43 VDCs of the three districts; 32 women advocacy committees have been formed; all community level training has been completed according to schedule; refresher training for mediators and TOT for women are currently ongoing at the field level	73% (£249,349) of project budget released; OPR completed in April 2003. Discussing going on with other donors/parties for expanding community mediation project to other districts. Second annual report submitted.
2	Self Reliant Development of the Poor by the Poor Project Started January 2002  [ Actual: £ 2,800,000/6 years ]	RSDC and 5 Districts	Operational in 60 VDCs of Makwanpur Sarlahi; Dhanusa, Kapilbastu and Mahottari (12VDCs in each district)	10% (£280,180) of project budget has been released. Despite of the conflict situation the project activities are able to keep going at community level without much impediments
3	NGO Federation Project started October 2002  [ Actual: £ 732,000/3 years ]	NGOFed	Various management trainings to NGO executives have been conducted. Establishment of resource centre in Kathmandu is on progress. Code of conduct for NGO is established.	25% (£186,896) including £68,039, for OU course of project budget spent. Established resource centre in Kathmandu and operational guideline is prepared. Code of conduct for NGO is established. 30 NGO personnel are attending management course conducted by OU and British Council
4	Strengthening Prime Ministers Office Project started January 2003  [ Actual: £ 698,000/2 years ]	PMO	Operational	As an important activity, the PMO and CS are formally merged into a single entity - OPMCM. Rationalisation and office improvement underway
5	FNCCI Anti-Corruption Project Launched  [ Actual: £196,000/2 years ]	FNCCI	Operational	Formally launched on 15 December 2003 with project starting on 1 January 2004 Initial project activities started
6	Dalit Empowerment and Integration Project  [ Estimate: £1,212,685/3 years ]	Dalit NGO Federation	Project approved by DFIDN 7 May 2003	Selection of implementing agency completed. Starting date 1 Sept, 03
7	Nepal Police Development Project  [ Actual: £ 837,310/1 year }	Nepal Police	Operational	As a major activity, a Police Inspectorate has been set up. Other activities have started.
8	Department of Prison Management Project  [ Actual: £ 857,544/2 years ]	DOPM	Project approved by DFIDN 15 August 03	Waiting for formal endorsement from HMGN. Expected starting date 15 September 2003

	<b>DEVELOPING PROJECTS</b>	<b>AGENCY</b>	<b>STATUS</b>	<b>REMARKS</b>
9	Janajati Empowerment Project (£1,500,000/3 years)	NEFEN	Final Project document is forwarded to DFID for approval	Final project document ready by 1 October 03
10	Community Enabling Project (CEP)	Yet to be identified	Consultants being recruited for independent evaluation	The pilot phase is extended further 3 months till the end of February 04. The future expansion will be based on the final evaluation report to be completed within February 2004.
11	Civil Society Anti-Corruption Project	Pro-public	Project design is on progress.	Project will be designed to be implemented in 10 districts where CIAA is proposed to be strengthened. Project document is expected to complete in February 2004.
	<b>ONG OING EXPLORATORY ACTIVITIES</b>	<b>AGENCY</b>	<b>STATUS</b>	<b>REMARKS</b>
12	Dialogue for Constitution (£ 3000/3 months)	Integrated Organisation System	Online discussion on dialogue for constitution: Framework of a democratic constitution	Aims to produce a report highlighting key findings of discussion on framework of a democratic constitution.
13	Need Assessment of Conflict Victims in the Maoist Affected Area	MKIDS/RPP	Draft report received, Requires major changes. Revised report expected by the end of January	
14	Public Hearings on Corruption Reduction (£ 18,000/6 months)	Nepal Society Development Centre	A televised public hearing programme on corruption reduction	Oct 03-April 04
15	Research study on Alternative Dispute Resolution practices in six districts of eastern and western region	CIVICT with the support of independent consultants	Findings will be disseminated in a book form to the wider audience. People will be aware of the prevailing practices of dispute resolution in different communities in Nepal	Book will be published in February 2004
16	Publication of handbook on conflict in Nepali language	Dr. Bishnu Upreti	Draft document will be submitted to ESP for comment by the end of January 2004.	Hand book will be published and circulated to wider audience at project VDCs, related organizations and NGOs working in the conflict area.
17	National Foundation for Development of Indigenous Nationalities (NFDIN)	NFDIN	NFDIN, a government body responsible for Indigenous Nationalities approached with their proposal to ESP for their support. TOR for the project design is forwarded to DFID.	DFID and ESP reached understanding to support NEFIN and NFDIN separately for institutional strengthening.

	<b>OTHER ACTIVITIES (COMPLETED)</b>	<b>AGENCY</b>	<b>DETAILS</b>	<b>REMARKS</b>
18	Inclusion in Nepali Democracy	Social Science Baha	International Conference attended by 200 participants	Final conference report being awaited
19	Identifying key media issues relating to women	ASMITA	Survey has identified several potential issues impacting women's reach in the media.	Book published and ASMITA is disseminating it
20	Detailed research studies on the current conflict and the Maoist movement	Deepak Thapa	Book published in August 03	Book will be distributed to a wider audience
21	Research study on land rights advocacy	Community Self Reliance Centre	A national level action group has been formed in joint collaboration with various stakeholders for providing opportunity to the land rights movement.	Final report published and disseminated in July 2003. CARE and Action Aid are positive on supporting the network. ESP may also join in this collaborative effort
22	Seminar on value based governance	Cabinet Secretariat	Seminar completed	
23	International Seminar on democratic structure by Prof Yash Ghai	NCCS	Seminar completed	Report submitted to DFIDN
24	International seminar on Affirmative Actions by Nico Styler, Neera Chandoke and Gopal Guru	Social Science Baha	Seminar completed. Draft Report received	

**ANNEX IV:**

**ENABLING STATE PROGRAMME**  
*...towards 'pro-poor' governance in Nepal*

## **Rapid Lesson Learning Review of ESP Activities**

### **PART ONE: Summary of lessons**

#### **Outputs and outcomes**

1. Projects with objectives that directly benefit the poor and marginalized, including women, have a better chance of success, and therefore, may lead to pro-poor change.
2. While dissemination of information is crucial for activating agents of change at different levels, it does not necessarily invoke a positive response in them. The meaning of what is being disseminated and its relevance to a particular context are very important.
3. Over emphasis on targeted outputs can affect expected project outcomes, as it creates pressure on project management and can lead to sub-optimal projects.

#### **Change advocates**

4. 'Change advocates' do not necessarily become 'change agents' when they reach power positions.
5. Development of change advocates is strongly related to governance issues being debated.

#### **Involvement and ownership of stakeholders**

6. Direct involvement of stakeholders is better than involvement through a 'representative' agency, although it is not always practical.
7. The use of external expertise becomes more meaningful when it is sufficiently backed by local expertise.
8. National ownership of projects can be enhanced through broadening the understanding of stakeholders' involvement to cover their participation not only in developing a particular project but also in prioritizing areas of ESP work.

#### **Process management**

9. Defining strategic focus and streamlining programme activities into it can increase ESP's productivity.

#### **Innovation management**

10. Research focused on practical problems generates wide public interest.

#### **Use of consultants**

11. A selective use of consultants based on the nature of project can lead to enhanced effectiveness

### **Project implementation arrangements**

12. The option of a separate 'implementing agency' is emerging as more effective than others, especially when multiple actors are involved in project submission.
13. The implementing agency approach may not be suitable for government agencies as it could affect power relations.

### **Project monitoring**

14. Monitoring by ESP staff contributes towards (i) enhancing effectiveness and (ii) giving new insights into ESP's approach to promoting pro-poor governance.

## **PART TWO: What is it about**

### **Background**

1. The Enabling State Programme (ESP) is an eight-year programme which formally started in January 2001 following an inception period from March 1998 to December 2000. The eight years of the programme were originally envisaged to run over two four-year stages. An output-to-purpose review (OPR) was conducted in February 2003. The OPR recommended, among others, that a (rapid) lesson learning review be carried out to cover both the inception period and the first two years of the programme.

2. The original aim of ESP was to develop and support change advocates to influence those with power and decision-making responsibilities to act more in favour of the poor. This would be part of a shift towards pro-poor governance. Pro-poor change advocates were to be identified through the satellite projects developed by ESP once the projects had been operational for a reasonable time (e.g., at the first major review of the project). As a precursor to this exercise, ESP attempted to carry out a base-line study on change advocates but encountered difficulties on establishing agreeable objective criteria for such advocates. This happened because there were different perceptions of who was a change advocate.

3. Following the ESP OPR, it is now accepted that focusing on individual pro-poor change advocates identified through satellite projects is a too narrow approach. There are other factors which can influence pro-poor change agents to act. These include institutions, pressure and interest groups, and networks. In other words there is a need to examine the process of pro-poor change, of which individual pro-poor change advocates can only play a part. This broader perspective will contribute to the reformulation of ESP. Additionally, ESP activities other than the satellite projects themselves can provide useful lesson learning in respect of pro-poor change. These activities are carried out as ESP exploratory work and include research, workshops, print and video publications, as well as exploratory work that evolves into mini-projects. This wider range of ESP activities will also contribute to the reformulation exercise.

4. ESP carried out more than 27 pieces of exploratory work during its inception period (see **Table 1**) and has carried out more than forty-five project and other activities since its formal launch (see **Table 2**). To date no formal lesson-learning exercise has been undertaken in respect of any pro-poor change processes. There is now a need to carry out this exercise, which will include an assessment of any impact on pro-poor change the ESP work has had, the identification of factors leading to successful pro-poor change, and the identification of factors obstructing pro-poor change. The codification of the lessons learned will give a useful indication of how pro-poor change can happen in Nepal. This will usefully inform the reformulation of ESP.

### **Objectives of the Review**

5. The objectives of the rapid lesson learning review are to:
- a. Identify the ESP process factors that positively influence pro-poor change with evidence drawn from ESP work undertaken to date;
  - b. Identify the ESP process factors that negatively influence pro-poor change with evidence drawn from ESP work undertaken to date;
  - c. Develop a set of indicators for assessing whether or not ESP work is facilitating pro-poor change;
  - d. Select examples of ESP work to provide the basis for a number of case notes of 'best' ESP practice for use in briefings to potential ESP partners under a reformulated ESP.

### **Approach**

6. The review is based on:
- a. Examples from the satellite projects, mini-projects and other exploratory activities carried out by ESP between 1998 and 2003 (see **Table 3**); and
  - b. Discussions with ESP staff.

### **Time**

7. The review was carried out from 15 April -14 May 2003.

## **PART THREE: Lessons learned**

### **Outputs and outcomes**

8. As the OPR itself shows, ESP has achieved - and even exceeded in some cases - most of its quantified targets. All ESP interventions carried out during 1998-2002 were based on ideas received from Nepali stakeholders. A large number of project ideas/proposals were presented in response to ESP's call for project ideas in the national press. Most of them were directly or indirectly related to pro-poor governance defined in terms of seven capability areas. Out of all submissions, ESP picked up 27 activities (workshops, research, and mini-projects) during the inception phase. Since its launch, 46 activities have been taken on board consisting of satellite projects, mini-projects, and exploratory activities (research, publication, video documentaries, and workshops). Three of them have been taken over by DFIDN. Four projects were rejected, and two proposed initiatives have discontinued. Not all

these outputs have led to ESP's defined outcomes, which basically refer to change towards pro-poor governance. In fact, it is too early to assess ESP's real impact. Among the selected satellite projects, Community Mediation Project (CMP) and Self-reliant Development of the Poor by the Poor Project (SDPPP) have contributed more meaningfully to pro-poor change than others. CMP focuses on improving the delivery of justice particularly for the poor. This should be achieved through the development of community mediation at a local level. In this sense, CMP recognises the need to constructively engage with the informal, community level, justice delivery institutions and processes and VDCs as well as the more formal justice delivery forums to increase safety, security, and access to justice for rural people, especially women and members of marginalised groups. SDPPP on the other hand aims to address rural poverty, especially among disadvantaged communities, by enhancing their organisational capabilities. Its emphasis is on harnessing potentials for self-reliant development. Both projects focus on the poor and marginalised with a view to enhancing their human capabilities.

9. Two of the selected mini-projects, Dalit Commission Project (DCP) and a video documentary on governance in the Karnali zone, have a similar approach. DCP intends to promote Dalits' human rights through, among others, a legislative instrument on the National Dalit Commission. In the meantime, a Dalit Empowerment and Integration Project has been developed and is now under implementation. The video documentary on governance places the poor, marginalised, and other disadvantaged communities, including women, in the centre-stage to study governance problems in the Karnali zone. It is a telling commentary on the neglect and deprivation of the Karnali people. The video documents how an unresponsive governance system is being tolerated by a society, which itself needs to be reformed. High-level policymakers, including the prime minister and NPC members, have expressed the need to act on this documentary.

10. The action research on service delivery through Community Enabling Centres (CECs) and the study on development of women's leadership in major political parties (carried out by IHRICON) provide examples for exploratory activities with distinct pro-poor outcomes. The CECs are set up as interface between citizens and service delivery agencies at the district headquarters. They are also facilitating interactions between service delivery agencies in the district HQ and recipients of their services in the community. Very importantly, CECs have been able to bring the agencies themselves to the village depending upon the 'economies of scale' of proposed services. Alternatively, they collect all 'demands' of specific services from the community and approach relevant line agencies for action on these demands. The range of services is broad. As a result, the poor and marginalised without any 'connections' are also benefiting from the CEC services. The IHRICON study, which covered five major political parties, underlines the socio-cultural and politico-economic factors responsible for women's under-representation in Nepali politics. Based on empirical evidences the study also analyses the legal provisions that promote or obstruct women's leadership role in politics. One of the outcomes of the study was an 'all-party declaration on enhancing political leadership of women' signed by top leaders of political parties. The declaration includes, among others, a commitment to secure a minimum 33 per cent reservation for women in all political posts to be filled through elections. However, no action has been initiated in this regard. One of the reasons is the political uncertainties that currently engulf Nepal.

11. As indicated earlier, some activities have failed to achieve their objectives. The District Periodic Planning Project (DPPP) and the project on drafting a Governance (Public Administration) Bill carried out by Centre for Studies on Democracy and Good Governance (CSDG) are examples. DPPP's stated objective

is to strengthen HMGN's efforts for decentralisation and local self-governance. For this purpose, DPPP plans to enable 25 DDCs to use a more systematic approach for needs-based planning and development. This was expected to lead to higher numbers of pro-poor projects at the district level. At the same time, it would strengthen HMGN's decentralization initiatives. After the dissolution of local bodies by HMGN in July 2002, the project has been suspended. The CSDG project prepared a draft 'Governance Bill' and completed its assignment in technical terms. However, the draft has not been adopted, although the Tenth Plan document speaks of the need to introduce such legislation.

12. Also some exploratory activities have had disappointing results. The initiative on strengthening the Employees Provident Fund (EPF) is a case in point. In this case, the Board of Directors did not want to invest anything in the proposed development plan although they saw its merits. It appears that they were interested only in external (in this case DFID) support for the development plan. When they failed to achieve it, they decided not to take the plan forwards.

14. From these examples, one could draw, at the outcome level, the following conclusions:

### **Lessons**

- a. *Projects with objectives that directly benefit the poor and marginalized, including women, have a better chance of success, and therefore, may lead to pro-poor change (e.g., CMP/SDPPP/CECs).*
- b. *While dissemination of information is crucial for activating agents of change at different levels, it does not necessarily invoke a positive response in them. The meaning of what is being disseminated and its relevance to a particular context are very important (e.g., Karnali video).*
- c. *Over emphasis on targeted outputs can affect expected project outcomes, as it creates pressure on project management and can lead to sub-optimal projects.*

### **Suggestions**

- a. *ESP's dissemination activities will become more effective if they have in-built mechanisms for feedback on whether they are creating intended impacts.*
- b. *As government policies substantially influence project outcomes, projects designed within the macro-policy framework have a better chance of success. This also means that projects need to be abreast of policy changes in order to be able to take sound decisions (e.g., DPPP).*
- c. *Projects must be technically sound. However, technical expertise needs to be combined with practical perspectives (e.g., EPF).*

### **Change advocates**

15. ESP has adopted a change model with significant emphasis on change advocacy. The purpose is to address the twin problems of a practical understanding of governance and the creation of a desire for change among key decision-makers. Ideally, they should come from ESP satellite projects. But they could also be identified elsewhere. Accordingly, ESP commissioned in November 2001 a baseline study on change advocates/potential change advocates, which identified some 95 change advocates, including potential change advocates. Three major problems have characterised the work in this regard. First, a great degree of subjectivity needed to be allowed in the identification process, including in assessing and

interpreting the evidences. This affected the reliability of the work. This was specific to change advocates identified from beyond ESP satellite projects. Second, and with regard to the satellite projects, not many change advocates could be identified as activities under these projects are just beginning to take place. Besides, development of change advocates is associated with the issues one is trying to address. 'Ripe' issues (i.e., issues are already being debated in society) have a greater chance of attracting change advocates than others. Finally, the exercise on identification has been more or less Kathmandu-centric. The study was thus not of much help.

16. Three conclusions may be drawn from this exercise:

### **Lessons**

- a. *'Change advocates' do not necessarily become 'change agents' when they reach power positions.*
- b. *Development of change advocates is strongly related to governance issues being debated.*

### **Suggestion**

- a. *Change advocacy requires sustained efforts, which could be more effectively carried out by institutions than individuals*

### **Involvement and ownership of stakeholders**

17. ESP processes on projects development and management define stakeholder participation as the central element in developing a project. This approach has been taken to (a) use locally available expertise in defining problems and identifying solutions, and (b) ensure local ownership of the project. Nepali-owned ideas should be guiding project activities. The strong emphasis put on Nepali-owned ideas and national ownership also aimed at encouraging DFIDN and other donors to support ESP-developed projects.

18. ESP's partners have therefore a strong role to play. For example, the Prime Minister's Office is expected to be involved in prioritizing and selecting satellite projects. Quality improvement in draft project documents is a further activity foreseen for the PMO.

19. Judging from the selected ESP initiatives one could say that these design considerations have not been fully implemented. One example is the PMO's conspicuous absence in identifying and selecting potential projects. This has not happened even for projects to originate in HMGN agencies.

20. The nature and intensity of involvement of prime stakeholders have varied in different projects. CMP was designed by CVICT, a national-level NGO with substantial experience in the related field. They involved its prime stakeholders consisting of community members and VDC officials. Also district level and national level stakeholders were consulted during its design. CMP also goes beyond the formal requirements of stakeholder involvement. This is why women, poor and other marginalized groups are involved during the design of community level programmes, and also during monitoring and periodic participatory evaluations of the project. In addition, they participate in the setting up of ward level community mediation forums and defining strategies for building or strengthening their organisations. Locally elected bodies, local NGOs, and professional organisations are other stakeholder groups that can provide their inputs in the project process. In SDPPP, participation of

stakeholders has been more 'representative' than 'direct', and therefore less intensive. During the design phase, DDC and VDC officials were consulted, with wider opportunities made available for the general public during implementation. PRA has been adopted as a tool for this.

21. In the Dalit Commission project, which aimed at promoting Dalits' human rights through, among others, a legislative instrument on the National Dalit Commission, the Commissioners themselves took the lead in major activities, such as the assessment of the impact of conflict. Professional experts were engaged in drafting the Dalit Commission Bill. But its contents were widely discussed among its prime stakeholders. In the same manner, a local NGO with access to grassroots information was engaged in carrying out research and preparing the video documentary. The exploratories on CECs and women's political leadership are based on direct participation of stakeholders.

22. In contrast, the CSDG project appears to be de-linked from its stakeholders. Although MOGA did request ESP to provide support to this project, they were not actively involved in later stages. CSDG prepared a draft of the Governance Bill involving experts but not direct beneficiaries. This could be the reason why HMGN ministries sent lukewarm comments, if at all, on the CSDG draft. DPPP was more participatory than CSDG both in design and implementation. However, it failed to enlist the participation of prime stakeholders to the desired level.

24. The EPF initiative could not attract external support. After going through ESP's file notes (24 July 1999) on the initiative, one fails to understand why ESP supported the strengthening proposal in the first place.

25. From these examples, the following conclusions may be drawn in respect of the importance of stakeholders' involvement in project activities.

### **Lessons**

- a. *Direct involvement of stakeholders is better than involvement through a 'representative' agency, although it is not always practical.*
- b. *The use of external expertise becomes more meaningful when it is sufficiently backed by local expertise.*
- c. *National ownership of projects can be enhanced through broadening the understanding of stakeholders' involvement to cover their participation not only in developing a particular project but also in prioritizing areas of ESP work. This approach can make ESP's partners like the PMO more responsive to what ESP is offering in terms of opportunities to initiate and manage change.*

### **Suggestions**

- a. *While stakeholder involvement is fundamental to a project's success, it does not guarantee a positive outcome. In this sense, it needs to be combined with other positively contributing factors.*
- b. *Involvement of stakeholders can also be increased indirectly through specific institutional arrangements, such as the creation of advisory panels.*

### **Process management**

26. ESP has tried to attract ideas for pro-poor change in all seven governance areas, as set out in DFID Governance TSP. In order to give opportunities to all potential partners, ESP called for applications through major national broadsheets.

The response was overwhelming, with some 600 project ideas submitted to ESP. After a careful scrutiny, ESP could take only 18 per cent of all submissions forwards. This was a disappointment for most of the potential partners. This process became more manageable after six strategically important areas were agreed with DFIDN in September 2002.

27. NGOs/CBOs were the most dominant among institutions who responded to ESP's call. They accounted for 84 per cent of the sources of project ideas. Government agencies (central and local) constituted a meagre 7 per cent. Five per cent of all project ideas came from the private sector.

28. A project idea submitted to ESP is subjected to staff scrutiny, which often leads to consultations at different levels. The whole process involves over 30 steps, which should be reduced, which need to be reduced. These steps often take over a year to formulate a project for consideration by DFIDN. This is a problem, especially from the perspective of the project's potential beneficiaries. The recent OPR has identified this as a problem contributing toward shortfall in ESP expenditures. For government projects, the approval process also involves several government agencies increasing the lead time further. In the meantime, ESP has started to consult with DFIDN at earlier stages of a developing project. This has had positive results in terms of predictability of an exercise in project formulation.

29. The following conclusions may be drawn from this experience:

#### **Lesson**

- a. *Defining strategic focus and streamlining programme activities into can increase ESP's productivity.*

#### **Suggestions**

- a. *Involvement of DFIDN at earlier stages of project development can (i) reduce lead time and (ii) avoid disappointment among potential partner.*
- b. *Potential partners in the government can be identified and encouraged to develop projects through a more pro-active approach. For this, priority agencies will have to be identified based on the strategic focus.*

#### **Innovation management**

30. All of ESP's exploratory activities are part of innovation management. They consist of research (including action research), publication, video documentaries, seminars/conferences, and use of international expertise. Some of these activities lead to satellite projects while others promote better understanding of governance issues.

31. ESP shares findings of these activities with its partners and also with the general public. For example, all ESP publications are in high demand, which could be ascertained through press reviews and the distribution list. However, there is no mechanism for lessons learned during project implementation to be incorporated into project documents and monitoring arrangements.

32. Results of some of ESP's innovative works have also been used by other agencies. For example, MGEP (mainstreaming gender equity project) under UNDP used the 'all party declaration on enhancing women's political leadership' (see para

10) for their sensitisation works during the now postponed parliamentary elections. Of course, they were also seeking credit for that.

33. ESP is seeking access to DFID governance resource centre in order to widen its knowledge base. This is yet to happen.

34. Conclusions on innovation management are that:

#### **Lesson**

a. *Research focused on practical problems generates keen interest among people across the board*

#### **Suggestions**

- a. *Direct involvement of ESP staff in some core research programmes can enhance its overall capacity to manage innovative schemes.*
- b. *Access to DFID information resources can also enhance ESP's capacity in this regard.*
- c. *A well-defined mechanism for incorporation of lessons learned during project implementation into the ESP process can correct anomalies, if any, in time and also be a reference point for future activities.*

#### **Use of consultants**

31. ESP mostly uses the services of local consultants for its exploratory activities. They are also engaged in project scoping and development. The purpose is to benefit from local knowledge in terms of practical approach to improving governance and to ensure national ownership. Accordingly, ESP has developed a list of some 30 individuals offering consulting services in a wide range of governance fields, and an equal number of organizations. It uses them regularly. One important advantage of using them is that they have wider access to information. Difficulties have been encountered in terms of their abilities to undertake critical analyses and to meet requirements related to specifications and standards of project documents.

32. ESP works also with international consultants. While they bring with them new perspectives, quality of their work is not necessarily better as ESP's work (strengthening PAC) with the Westminster Foundation in London shows.

33. One could conclude from this that:

#### **Lesson**

a. *A selective use of consultants based on the nature of project can lead to enhanced effectiveness*

#### **Suggestion**

a. *If local consultants receive some 'customised' training/orientation from DFID/ESP, their productivity will increase.*

#### **Project implementation arrangements**

37. ESP has adopted three types of implementation modalities. First, the agency concerned (or the project proposer) implements the project itself (e.g.,

CVICT/SDPPP). Second, the proposer implements the project with basic management responsibilities being carried out by a project coordinator recruited jointly by ESP and the agency concerned (e.g., PMO/Nepal police). And third, a separate 'implementing agency' is recruited for managing the project (e.g., NGO Fed).

38. In each case, management arrangements will have to be agreed upon while developing the project.

39. Although it is a bit early to draw any conclusion from the ongoing projects, one could tentatively say that:

### **Lessons**

- a. *The option of a separate 'implementing agency' is emerging as more effective than others, especially when multiple actors are involved in project submission.*
- b. *The implementing agency approach may not be suitable for government agencies as it could affect power relations.*

### **Project monitoring**

40. Since July 2002, ESP has taken over all project monitoring responsibilities for satellite projects from DFIDN. Project monitoring covers two areas, the financial aspects and the programme aspects. ESP Programme Administrator has all financial monitoring responsibilities. In respect of the programme monitoring aspects of projects, other ESP professionals have been allocated these responsibilities.

41. With the ESP takeover, project monitoring has become more effective. Given the relatively small number of projects, ESP professionals are managing their jobs well. Once the number of projects increases, additional measures will have to be taken on project monitoring.

42. From the experience so far, one could draw the conclusion that:

### **Lesson**

- a. *Monitoring by ESP staff contributes towards (i) enhancing effectiveness and (ii) giving new insights into ESP's approach to promoting pro-poor governance.*

### **Suggestions**

- a. *Too much involvement in project monitoring can take away staff time from design and development of new projects.*
- b. *While frequent and intensive monitoring is essential during initial phases of a project, it can be relaxed during later stages to allow project managers more space in decision-making.*

## LESSON LEARNING - Table 1

	INCEPTION PERIOD ACTIVITIES (1998/2000)	TYPE
1	Improving procedures to encourage foreign investment	Workshop
2	Establishing a project screening process for NPC	Project Scoping
3	Strengthening policy formulation through better information systems in the PMO	Project Scoping
4	Understanding the roles NPC, PMO, CS and MOF in development planning	Research
5	Strengthening the industrial sector in Nepal	Research
6	Improving HMGN strategic planning (within line ministries)	Research
7	Improving corporate governance within public enterprises	Research
8	Establishing an independent development think tank in Nepal	Feasibility Study
9	Establishing a standards and qualifying body for accountants and auditors	Project scoping
10	Developing a contributory social security scheme in Nepal through EPF	Project Scoping
11	Understanding political elites in Nepal	Research
12	Understanding the state of the media in Nepal	Assessment
13	Enhancing women's participation in local and district level governance	Assessment
14	Assessing the needs of parliamentarians for better contribution to democracy	Assessment
15	Encouraging participation in the election process	Mini-project
16	Training of election officials (in collaboration with other donors)	Mini-project
17	Comprehensive election news coverage during the 100+ day campaign	Mini-project
18	Coverage of proceedings during the first session of the new parliament	Mini-project
19	Raising the awareness of women to participate in the election process	Mini-project
20	Identifying effective ways to support the decentralisation process in Nepal	Project scoping
21	Young people's ideas on how civil society can play a role in poverty reduction	Workshop
22	Examining and assessing rural self reliance programmes through video	Mini-project
23	Donor involvement in law, justice and human rights in Nepal	Assessment
24	Assessing legal aid provision for the poor and disadvantaged	Research
25	Young people's idea on how to provide justice to the poor and disadvantaged	Workshop
26	Understanding Nepalese views on corruption and its reduction	Workshop
27	Young people's ideas on corruption and how to reduce it	Workshop

## LESSON LEARNING - Table 2

	PROGRAMME ACTIVITIES (2001/2003)	TYPE
28	Governance (Public Administration) Bill Project	Project (F)
29	E-governance in Mechi Zone	Mini-project (F)
30	Development of masterplan for Karnali Zone	Mini-project (F)
31	District Periodic Planning Project	Project (F)
32	Supporting national voter education poster campaign	Mini-project (F)
33	National Peace Dialogue through Civil Society	Mini-project (F)
34	Human Rights Protection	Mini-project (F)
35	Developing an IT master plan for local government	Mini-project (F)
36	Video documentary on violence issues confronting women	Mini-project (F)
37	Analysing the methodology of corruption	Mini-project (F)
38	Community Mediation Project	Project (O)
39	Self Reliant Development of the Poor by the Poor Project	Project (O)
40	NGO Federation Project	Project (O)
41	Strengthening Prime Ministers Office Project	Project (O)
42	Dalit Commission Project	Mini-project (O)
43	Dalit Support Project	Project (O)
44	FNCCI Anti-Corruption Project	Project (P)
45	Nepal Police Development Project	Project (P)
46	Penal Reform Project	Project (D)
47	Parliament Research and Information Centre (PRINCE) Project	Project (D)
48	Institutional strengthening of key media organisations	Project scoping
49	Janajati Empowerment Project	Project scoping
50	Establishing an independent institute for policy studies	Project scoping
51	Strengthening Auditor Generals Office	Research
52	Improving management and administration of political parties	Exploratory
53	Increasing women's participation in the major political parties	Exploratory
54	Public Accounts Committee Project	Scoping (H)
55	Strengthening the State Affairs Committee	Scoping (H)
56	Assessment study on VDC capacity in relation to sectoral devolution	Research
57	Identifying key media issues relating to women	Research
58	Research studies on the current conflict and the Maoist movement	Publication
59	Increasing involvement in ESP by HMGN agencies	Assessment
60	Improving service delivery through Community Enabling Centres (CECs)	Action Research
61	Promotion of local level investigative journalism	Action Research
62	Research study on land rights advocacy	Research
63	Provision of legal aid for the poor	Research
64	Project screening process by the National Planning Commission	Taken by DFIDN
65	Civil Service Reform Project	Taken by DFIDN
66	Strengthening Commission for the Investigation of the Abuse of Authority	Taken by DFIDN
67	Central Department of Public Administration Project	Project (R)
68	National Association of VDCs in Nepal Project	Project (R)
69	Human Rights Education Project	Project (R)
70	Chartered Accountant Curriculum Development Project	Project (R)
71	Women Empowerment Project	Project (R)
72	Liberalising FDI rules and regulations to facilitate increased investment	Stopped
73	Establishing a WTO cell in FNCCI to advise private sector	Stopped

(F) Finished  
(O) Operational  
(P) Pending  
(D) Being developed  
(H) On hold  
(R) Rejected

**LESSON LEARNING - Table 3**

ACTIVITIES SELECTED FOR LESSONS		
1.	Governance (Public Administration) Bill Project	Project
2.	District Periodic Planning Project	Project
3.	Self Reliant Development of the Poor by the Poor Project	Project
4.	Community Mediation Project	Project
5.	Video documentary on violence issues confronting women	Mini-project
6.	Dalit Commission Project	Mini-project
7.	Development of masterplan for Karnali Zone	Mini-project
8.	Enhancing women's participation in local and district level governance	Exploratory activity
9.	Improving service delivery through Community Enabling Centres (CECs)	Exploratory activity
10.	Promoting public-private partnership in Kavre	Exploratory activity
11.	Developing a contributory social security scheme in Nepal through EPF	Exploratory activity

**Enabling State Programme  
August 2003**

**ANNEX V:**

**ENABLING STATE PROGRAMME**  
*...towards 'pro-poor' governance in Nepal*

## **Promoting and developing ESP's embryonic networks**

(Concept paper based on OPR recommendations)

### **Background**

1. The Enabling State Programme (ESP) was officially launched in January 2001. It was preceded by a two-year inception period. The logic of ESP is based on the notion of change advocates: individuals positively disposed towards pro-poor change. However, the notion of change advocates remains elusive. Two attempts to identify change advocates (one in 2000 and one in 2001) have failed to come up with any practical solutions. They were acknowledged to be subjective, and Kathmandu-centric. Besides, criteria for defining an individual as change advocate proved difficult to establish. As a result, no action was taken on the results of the 2001 survey of change advocates. Not many change advocates are yet being identified from satellite projects either.

2. While identifying change advocates in an undefined territory has proved impractical, it could be realistic to locate them in some of the ESP-supported activities. During the inception period (1998-2000), ESP carried out 27 initiatives, which basically focused on promoting a better understanding of governance issues in Nepal. Since its launch, some 50 initiatives have been undertaken. They include satellite projects, 'mini-projects', and exploratory activities. Change initiatives of these projects could be linked to each other. Against this background, ESP's output-to-purpose review (February 2003) has suggested, among others, considering "how embryonic networks emerging from ESP activities and projects can be built up, strengthened and introduced to others". The idea is to create synergies to push the agenda of pro-poor change forward.

3. In line with the suggestions of the OPR report, ESP carried out a lesson learning exercise from 15 April - 14 May 2003. This came to some important conclusions, two of them in respect of change advocacy. First, change advocacy requires sustained efforts, which could be more effectively carried out by institutions than individuals. And second, development of change advocates is strongly related to governance issues being debated. These conclusions also lead us to think that depending on the issues under debate ESP initiatives could be further linked to efforts carried out by other agencies. This paper is an attempt to identify emerging ESP networks and suggest some measures to develop - and use - them.

### **Objectives**

4. The overall objective of strengthening the "embryonic networks" is to contribute to enhancing the quality of governance through facilitating pro-poor change. Specific objectives are:

- To learn from each others' experiences in pro-poor change;

- To institutionalise the process of sharing information among network members;
- To complement each others' work in the area of pro-poor governance;
- To introduce ESP networks to other development agencies for creating synergies; and
- To create pressure for action through combined efforts and joint voice.

## Constituents

5. The networks are emerging out of a number of ESP activities. Basically, they consist of:

5.1 *Steering committees*, which are part of every project supported by ESP. Basically, a steering committee is responsible for providing strategic directions to the project. It brings in expertise and experiences from various sectors and also contributes to ensuring stakeholders' participation in and ownership of project activities.

5.2 *Advisory committees* that are part of management arrangements in some projects. Unlike the steering committees, advisory committees are not involved in line management. However, they influence project decisions using their technical capabilities and other inputs. The Community Mediation Project (CMP), for example, has an advisory committee consisting of representatives from the Nepal Bar Association, judiciary, media, Nepal Police, and civil society organisations. ESP's project activities with the Nepal Police or the Department of Prison Management (DOPM) could interact with this committee on relevant issues. Similarly, SDPPP has an advisory committee consisting of representatives from several HMGN ministries, including ministries of local development and agriculture.

5.3 *Consortia* of stakeholders joining hands to address a specific problem. The Dalit Empowerment and Integration Project (DEIP), which brings six pro-Dalit organisations, including the Dalit NGO Federation, is an example. To these six national-level organisations are a large number of local/community-based Dalit organisations are affiliated.

5.4 *Community Enabling Centres* (CECs) that have set up as interface between service delivery agencies at the district level and the citizenry. Initiated as exploratory activities, these CECs are showing encouraging results in terms of better services from line agencies of the government.

5.5 *Action groups* emerged out of ESP activities. The national action group on land rights advocacy formed under the CSRC (Community Self-Reliance Centre) initiative, also an exploratory activity, provides an example. The action group is already active in its advocacy role and has been developing working relationship with local bodies (DDCs, VDCs, and Municipalities) and NGOs.

5.6 *Emerging groups* that are forming within ESP's initiatives on improving the performance of political parties. ESP is working with Ganesh Man Academy and Foundation for Parliamentary Studies and Development in assisting political parties to become more responsive to the political agenda. ESP's preliminary work on an independent policy research institute in Nepal has involved more than 20 stakeholders, including political parties and government agencies.

5.7 It needs to be mentioned here that the OPR recommendations see some external groups as important partners of these networks. Examples are World Bank's 'group of reform-minded technocrats', ADB's 'policy discourse group', and British Council's alumni network. However, the 'groups' of both WB and ADB are yet to take off the ground. BC's alumni network is important. But its primary interest may not lie in pro-poor governance. In this sense, it may be difficult for ESP to work with these groups.

## Rationale

6. One of the objectives of ESP is to develop by 2005 a 'critical mass (i.e., 50) of Nepalese key players' who would be able to develop practical understanding of pro-poor governance. These key players are supposed to act as 'change advocates' and identify reform areas with home-grown potential. As indicated earlier, it has been too difficult to identify individual change advocates. Besides, 'advocacy' carried out by individuals is less likely to have a strong impact than advocacy carried out by groups. Against this background, ESP could consider working with institutional members of its networks advocating change.

7. ESP-promoted networks offer better prospects for change advocacy than individuals do. First, they have a longer-term perspective. ESP would find it more practical to work with them on a sustained basis. They can be better mobilised for sector-specific changes. Generally, networks are more resourceful than individuals both in terms of financial and physical capacities. They can therefore 'invest' in change issues, at least in the short range.

8. Networks provide an institutional framework for advocacy. In this sense, they enjoy higher public recognition than individuals. External support provided to them for advocacy functions is seen as legitimate whereas support to an individual or a particular organisation may be seen as a 'special favour'. Besides, networks gain legitimacy through representing a cross-section of people they work with. Networks also offer an advantage in terms of adopting an interdisciplinary approach to problem-solving. They can be a counter measure to what is often referred to as 'discipline bias'.

9. Change advocacy itself requires networking among like-minded groups and institutions. In some cases, institutional linkages may have to be established with international partners. Besides, pro-poor change (ESP's important remit) requires change-actors to influence policy-makers. Influencing policy-makers presupposes some kind of 'collective action' based on specific issues. As networks have a natural tendency to grow through partnership with others they can play an effective role in inducing change.

10. Networks can play an important role also in disseminating what ESP has been doing and, more importantly, what ESP has learned during the implementation of its programmes. At the same time, they can give feedback on ESP's processes and programmes.

## Approach

11. ESP networks should consist of institutions at different levels. Management of these networks will be participatory. Ownership of programme activities will be taken by partner organisations. ESP will be playing a facilitating role, if necessary.

12. As these networks are still at an 'embryonic' stage, some of them may have to be 'developed' into institutions capable of working for pro-poor change. In this sense, ESP will also have an influencing role.

13. The networks should manage their organisation on their own. However, they should be in a position to receive minimum inputs from ESP to run basic operations needed to influence the change agenda. Publications, deliberations, and meetings are examples.

14. It is easy to create networks. Ensuring their effectiveness and sustainability is difficult. Therefore, ESP will have to be involved in monitoring the achievements of these networks. Network members will also participate in this process.

### **Challenges of a network-based system**

15. Managing networks oriented towards pro-poor governance is a difficult job. The basic problem is of resource generation (i.e., funding). If external agencies – ESP in this case – provide financial support generously, networks will develop a dependency syndrome. Capacity development will be constrained. On the other hand, in the absence of external funding, networks will have a very limited, if at all, capacity to respond to the need for change. A judicious balance needs to be achieved in this regard. The level of support should match the capacity of a particular network, which is difficult to measure.

16. Common understanding of governance problems – and opportunities - among network members represents a further challenge. They may have different perceptions of the elements of pro-poor governance and the approaches to initiate and lead changes.

17. Accountability could also become a challenge for a network-based system. People want to be personally credited for achievements. However, they do not want to be held accountable for failures. Failures are often attributed to 'others' or 'the system' at best. The preference for personal identity over group identity leads to such discrepancies.

18. Each of the network members has a defined mandate and therefore a specific field of activities. This creates among them a bias for action in their particular areas of interest whereas the network as a whole needs to be balanced in its activities. In other words, competition for resources will have to be managed.

### **Overcoming challenges**

19. ESP and the network members should work on the principle of shared learning, in order to mutually benefit from each others' experience in initiatives towards pro-poor governance.

20. Network members should be encouraged to promote group identity rather than individual identity.

21. An evaluation and feedback mechanism needs to be in place so that network members could be developed into what are known as 'learning organisations' (Peter Senge).

22. As a nodal agency for all these activities, ESP needs to allocate a moderate amount of human and financial resources for networks management.

**Enabling State Programme  
August 2003**