

## BACKGROUND

The failure of development strategies in the nineteen-sixties and seventies to improve the living conditions of the poor led to the concept of integrated rural development (IRD). Several donor-supported IRD projects have been implemented in Nepal from the late seventies onwards, but experiences with these have not been encouraging. IRDPs used the contemporary keywords of rural development, such as target group orientation, poverty alleviation, self-reliance, institution building, and sustainability, in their plan documents. The approaches undertaken in practice, however, did not match the concept.

Invariably IRDPs followed top-down, service delivery-oriented sectoral development approaches which focussed on district line agencies. Projects were preoccupied with establishing their own infrastructure — both physical and institutional — which resulted in almost all the responsibility for development in the project area being taken over by donors. There were pressures to disburse funds, bring about quick results, and achieve physical targets. As a result, there was little room for introducing or establishing the long-term processual and institutional changes necessary for a broad-based self-sustaining process of development. Consequently, projects failed to achieve the objective of improving the living conditions of the poor majority.

Rural development and poverty alleviation (RD/PA) efforts in all other developing countries confirm the experiences of Nepal. The few successful examples clearly indicate the need for fundamental changes in development strategies for improving capacities/capabilities at grass roots' level, if the living conditions of the majority are to be effectively improved. The projects in Nepal, supported by the German Government, beginning with the Dhading Development Project introduced in 1983, based their approaches on these experiences. The need for reorientation was also clearly outlined by GTZ, the German Agency for Technical Cooperation, in its RRD (Regional Rural Development) concept and guidelines, which are based on GTZ's experiences in rural development support (GTZ 1988; 1993). The RRD concept outlines the simultaneous need for improving capacities in service institutions to reach the poor as well as for improving capacities at the local level (that of the intended beneficiaries) in order to increase self-reliance and improve the ability of the rural poor to access available services and/or resources.

Currently, there are five RD/PA projects of the German Government at various stages of implementation as part of its technical assistance to Nepal — Dhading Development Project (DDP), Gorkha Development Project (GDP), Rural Development through Self-help Promotion - Lamjung (RDSP-L), Small Farmers' Development Project - Technical Assistance (SFDP-TA), and Churia Forest Development Project (ChFDP). These projects are promoting the fundamental processes of building capacities /capabilities at the grass roots' level as a strategy for alleviating poverty. Among the major programmes being supported for improving capacities at local level are: institutional development of small farmers into the Small Farmers' Cooperative Limited by DDP/SFDP-TA, Rural Self-reliance (*Swabalamban*) Development by DDP, GDP, RDSP-L, ChFDP, Banking with the Poor by RDSP-L, Self-help Banking by ChFDP, Grass Root Level Institutional Development

in Gorkha by GDP, Women in Development by ChFDP, and Production Credit for Rural Women by DDP. Most of these programmes are promoted through intermediary NGOs (GTZ 1988;1993).