

C. ONGOING RURAL DEVELOPMENT PROJECTS

1. INTEGRATED RURAL DEVELOPMENT PROJECTS (IRDP)

Integrated Rural Development Projects presently constitute the most important programme in rural development. There are eight IRDPs, seven as envisaged in the Sixth Plan and the Dhading District Development Project, which is in a preparatory phase. They cover 23 districts (partially in the case of IHDP), and are in different phases of implementation. Profiles of these projects are given in Appendix I. A brief summary of each is given below.

a. Integrated Hill Development Project (IHDP)

With the conviction that "a road project without the overall concept of integrated development would make as little sense as an integrated development project without a road", the IHDP started in 1974 with Swiss assistance as a complementary project to the Lamosangu-Jiri Road consecutively started with Swiss assistance. Formal agreement for the project was signed in 1975. Covering Dolakha district of Janakpur Zone and part of Sindhupalchowk District of Bagmati Zone, the main object was to improve the living standards of the people in the project area through increase in food production and generation of off-farm employment. Restoring the ecological balance was one of the long-term objectives. Later the scope of the project was enlarged to embrace the health and education sectors.

The project envisaged gradual integration of project activities into the existing institutions at the local, district and national levels so the local people could carry on the activities. The Tuki System which uses progressive farmers in agricultural extension is its unique feature. The project has envisaged three phases: development phase, consolidation phase and phasing out of foreign assistance. The project has completed the first two phases and is about to enter the final phase. However, the project still has a long way to go to accomplish the objectives.

b. Rasuwa/Nuwakot Integrated Rural Development Project (R/NIRDP)

Though the second project of its nature, the R/NIRDP, supported by the World Bank and the UNDP, is considered to be the precursor of the IRDPs, giving a lead to other donors to follow suit. Initiated in 1976, the project covers Rasuwa and Nuwakot districts of the Bagmati Zone, with 29,000 total households. With the overall objectives of balancing economic growth with income distribution, ensuring more equitable regional development and making past investment in roads productive, the project is designed to increase agricultural and livestock production, provide health services and village water supplies, improve communications and develop cottage industries. The responsibility for implementation of specific components of the project rests with designated project officers

from the concerned ministries and agencies. The overall responsibility for coordination is vested in the Ministry of Panchayat and exercised by a Project Coordinating Committee (PCC). There have been several changes in the coordination structure, the latest innovation being the IRDP Coordination Board headed by the Minister for Panchayat and Local Development. This institutional arrangement applies to all the IRDPS. World Bank assistance to this project was terminated in 1983 after a seven-year period, two years beyond the stipulated time span. HMG is carrying on the project, with its own resources in a limited way. Negotiations are in final stages with the World Bank to undertake the second phase of the project.

c. Sagarmatha Rural Development Project

Sagarmatha IRDP, begun in 1979 with assistance from the Asian Development Bank, IFAD and EEC, covers Sirha, Saptari and Udaypur districts of the Sagarmatha Zone with a population of 847,900. Strengthening the production, employment and income generating base in the project area are its objectives, and the project includes almost all the components of the rural economy, infrastructure, productive sector and social services. Though situated in a comparatively good location - the major area is in the plains - the project had start-up problems and implementation delays. Real work started in 1980/81 only. The scope of the project was revised in 1984 and the closing date of assistance which was due on 31 March 1985, has been extended to December 1987.

d. Mahakali Hills Rural Development Project

Mahakali IRDP, started in 1979 with the World Bank and UNDP assistance, covers Baitadi, Darchula and Dadeldhura districts of Mahakali Zone with a total number of 53,000 households. With the principal objective of raising agricultural production to levels whereby farmers could fully meet family subsistence needs, the project, while comprising almost all components of the rural economy, has given less emphasis to physical infrastructure than the Sagarmatha IRDP. Situated in an inaccessible hilly region, the project suffers from communication difficulties. Implementation has been slow. The project has been revised and the closing date of assistance has been extended to February 1986, about two years beyond the stipulated date.

e. Karnali-Bheri Integrated Rural Development Project (K-BIRD)

The K-BIRD Project with Canadian assistance was started in 1981. It covers three districts - Jumla, Dailekh and Surkhet - in Karnali and Bheri Zones with a population of 384,405. Promoting integrated self-sustaining development projects and activities which will contribute towards the economic and social betterment of the residents are its objectives. The project has stressed the institutional aspect as much as its hardware components, which embrace all the important sectors of

the rural economy. One special feature of this project is the demarcation of the village, district and trans-district components of the programme.

The Integrated Village Development (IVD) component** is considered the "cornerstone" of the project. The pre-project activities are another notable feature. Realising that "the time lapse between planning and implementation of rural development can frequently cause loss of critical political support and lack of confidence", interim projects were identified during planning work and implemented through the local Panchayat. The project assistance period was limited to three years. Faced with the common problem of implementation delays, the project was extended by one year to July 1985. Agreement is underway to launch the second phase of the project with the same donor. This is in conformity with the stipulation made in the original plan of operation which pointed out the need "for further funding of the 15 to 20 years programme seen as the minimum sustained effort required to achieve the goal."

f. Rapti Integrated Rural Development Project (Rapti IRDP)

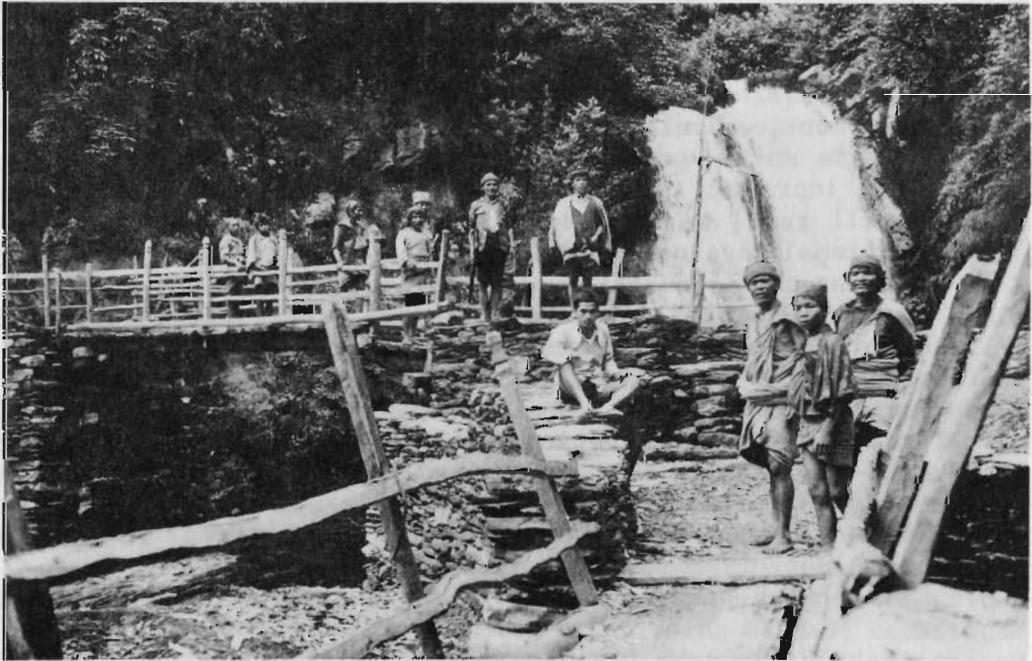
Rapti IRDP was started in fiscal year 1980/81 with USAID assistance. It covers all five districts of Rapti Zone, with a population of 850,000. With the objective of improving the quality of life, including income, productivity, employment, nutrition, control of population growth and education of the rural poor, the project is comprised of programmes to improve farming systems, renewable resource management, small rural works, employment and skills development and institutional development at the local level. It has been recognised during the formulation of the project that "five years of proposed activity must be part of a longer 15-20 year intensive development effort". Acknowledging that rural development is a "political-economic process", the project has stressed the need to increase and broaden local participation in the planning, implementation and enjoyment of the benefits of development." Like other IRDPs, it has had its share of start-up difficulties. USAID involvement in the project has been extended by one year up to September 1986. A second evaluation is planned for the near future. The future of this project is now dependent on its findings and recommendations.

g. Koshi Hills Area Development Project (KHARDEP)

The KHARDEP, started in the last year of the Fifth Plan 1980 with British assistance, covers four districts of Koshi Zone:

** The objective of IVD is to offer immediate improvements in the management of Panchayat affairs, in village services such as drinking water, irrigation, and trails, and in crop production and animal care, while at the same time creating the basis for the longer run welfare of the Panchayat. The responsibility for implementing this programme would go to the District Secretariat.

Terathum, Sankhuwasabha, Bhojpur and and Dhankuta. The project has the objective of strengthening local services and promoting balanced economic and social development of Koshi Hills area. To deriving maximum benefit from the Dharan-Dhankuta road and its extension, under construction with British assistance, was the principal aim. The project, like other IRDPs, is multi-sectoral involving nearly all components of the rural economy. The project has the advantage of getting support from another British-aided project -- Pakhribas Agricultural Centre -- located in the project area. During the two-year period of investigation and preparation of the project (1977-79), a few small projects largely in irrigation, drinking water supply and trail improvement were undertaken. They were implemented through the local institutions under the direction of the MPLD. This provided some valuable experience for the project. The project completed its stipulated period of British assistance in 1983/84, and was extended by one year to July 1985. Negotiations are going on to take up another phase of the project.



Wooden Bridge constructed in Dhading -
A Confidence Building Project Financed by the
DDDP and local contributions.

h. Dhading District Development Project (DDDP)

The DDDP, in any real sense, is yet to start. However, it was assumed to have started in 1983, because pre-project activ-

ities were undertaken during the project preparation phase. During the two years which constituted this period, 450 small projects -- so-called confidence-building projects -- covering every ward of 50 Village Panchayats within the district were implemented through the local Panchayats with the support from the project. The agreement for the implementation of the full-scale project is expected to be signed shortly between HMG and the government of the Federal Republic of Germany, and the project will begin this year, the beginning of the Seventh Plan. Its coverage is limited to one district, Dhading (population 250,000) adjoining the R/NIRDP area in the east. With the long-term objective of improving the living conditions of the population and the ecological rehabilitation in the district, the project has set the immediate objective of increasing the capabilities of the local institutions in planning, making decisions, implementing and maintaining development activities with the active participation of the beneficiaries. The project is more process-oriented than project-oriented. As such it does not specify the programme objectives beyond general categories like ward-level projects, development supportive infrastructure, credit, and alternative sources of income. Significant provision has been made for institutional support and human resources development. The institutional aspect of this project is unique - "DDDP does not intend to establish its own separate project infrastructure as is common in IRDPs. Instead DDDP will establish a supporting system integrated in, and working through existing structures in line with rules and regulations of the Decentralisation Act, 1982" (DDDP - Programme for 1985-90, MPLD April 1985). Another notable feature is its flexibility. The programme report notes, "since the proposed programme is mainly a support of a process of interaction, and this process itself will change over time, the programme must be flexible enough to allow for adaption and change". The project, on the whole, looks pragmatic.

i. IRDP Comparison and Contrast

The IRDPs come under the overall administration of the MPLD. However, with each component being implemented more or less independently by the respective sectoral agency, the MPLD has at best a coordinating role. For this purpose there is an IRDP Central Coordination Board and a Project Coordinator for each project.

While the principal goal of all the IRDPs is to raise the income and living standards of the people in the project area, there is noticeable variation in specific objectives. Some of them have set the limited objectives of raising production and generating employment (Mahakali IRDP, Sagarmatha IRDP). Some have more comprehensive objectives such as assisting the local population and institutions in their efforts to improve their living conditions and to re-establish ecological equilibrium on a sustainable basis (IHDP). The K-BIRD has set the objective of increasing the capacity to implement a series of integrated self-sustaining development projects and activ-

ities which will contribute towards the economic and social betterment of the area residents. Getting maximum benefit from the roads also constitutes a major objective for KHARDEP, IHDP, and R/NIRDP.



Well under construction in Rapti IRDP

Despite variation in scope and emphasis on objectives, project content among all IRDPs includes agriculture, livestock, irrigation, village and cottage industries, forest, soil conservation, drinking water, education, rural works and local institution development. Wide variation in financial allocation among different sub-sectors exists (see Table 3.1).

The difference in project implementation process is prominent. The process being adopted in the Dhading Project is at one extreme, in terms of association with local institutions. Following the Decentralisation Act and Rules, the DDDP has located the project office at the office of the District Panchayat and the DDDP team works in close cooperation with District Panchayat and District Administration. People's participation is well practised in this project though it is still in the preparatory and formulation phase, with confidence-building activities already in operation. Whether this approach will be maintained during the full-scale implementation of the project has yet to be seen. At the other extreme are the KHARDEP and IHDP in which the association

Table 3.1: Financial Breakdown (Source: MPLD)

	IHDP	R/N	K-BIRD	Rapti	KHARDEP	Mahakali	Sagarmatha	Dhading
Total investment (10.6 NC)	77.73	135.99	156	478.17	170.59	161.4	450.12	9.4
Actual expenditure upto 2040/41 (%)	76.3	119	20	20	67.4	31.1	49	23.9
Agriculture development		11.04	5.2	13.7	9.7	7.6	3.4	-
Livestock development		4.5	4	4.4	?	4.5	4.1	-
Irrigation		11.05	0.69	12.9	0.6?	8.2	34.3	-
Co-operative - Rural Market - Credit AIC		9.6	5.5	4.6	3.7	6.3	1.9	-
Forestry		3.9	2.7	11.9	.1	?	2.8	-
Erosion control		7.8	1.3		?	3.5	8.7	-
Cottage industries	2.4	1.1	1.8	4	6.3	2.4	3.9	-
Trail and tracks, roads development	?	10.2	0.7	10.5	14	?	30.5	-
Health - Family Planning	2.8	4.3	1.3	?	3.5	10.8	3.9	-
Drinking Water	12.8	8.2		?	?	?	1.3	-
Education	7.4	?	1.7	4.2	2.5	1.3	1.6	-
Panchayat and Local Development	?	3.9	16.94	9	0.4	1.4	?	-
Public Works, Construction	11.4	?	2.3?	4.6	?	?	?	-
Project Monitoring and Evaluation	?	0.7	?	9.7	?	2.3	?	-
Co-ordinator's Office	?	4.2	17.4	6	?	8.2	3.3	-
Administration	16.1	?	?	?	?	?	?	-
Contingencies	?	15.1	?	?	33.76?	35.3	?	-

of the local institutions and sectoral agencies is limited. Even the line agencies are not all actively associated. There has been some improvement in the past year. One noticeable point regarding degree of association is the bilateral-aided projects with heavy input from the expatriates are less integrated with the local institutions than the multilateral-aided ones with fewer foreign experts.

Variation in the implementation process aside, there is yet some difference in approach. While some IRDPs have used service centres for delivery of inputs and services, IHDP has introduced the Tuki system which uses progressive farmers in propagating improved methods and distributing inputs. Dividing the methods into three parts, K-BIRD has adopted the "Integrated Village Development" (IVD) approach at the village level, the other two being District Programme and Trans-District Programme. In local contribution also, there is difference in approach. While some projects insist on local contribution for initiation of a project, some consider the process cumbersome and not cost-effective. One emerging common feature among these projects is the adoption of the Small Farmer Development Project (SFDP) approach in addressing the poorer residents of the project area.

2. DISTRICT PLAN PROGRAMME

The present nomenclature (District Plan) was introduced during the Sixth Plan for the local development grant programme initiated in the Second Plan. This programme is handled by local political institutions: the District Panchayat in the case of district level activities and the town and village Panchayats for town and village activities. The grant goes to the District Panchayat, then part is allocated to the village Panchayats under its jurisdiction. The Town Panchayat receives its grants directly. HMG has adopted broad criteria for allocation of grant funds, with the resource-poor districts being given some preference. Conditions have been laid down for matching the funds with local resources, ranging from 15 to 75 per cent of the total cost of a project (low for the mountainous region and high for the Terai plains). This also varies according to the nature of the project, the ratio being higher for the social sector. This provision is not being properly followed by the Panchayats.

The District Programme is carried out entirely according to the wishes of the local institutions more or less reflecting the priorities of the people. The projects undertaken usually provide drinking water, trails, suspension bridges, school buildings, and minor irrigation. Viewed in the context of the overall development plan, this programme is modest. Only during the Sixth Plan was the grant increased significantly to a meagre 2.75 per cent of public sector outlay. Insignificant though this programme is in terms of investment, it has created many simple infrastructures which have contributed to making the lives of the rural people a bit easier. The most important contribution of this programme is, however, the development of the capability to handle a development programme at the district and village level. Without this institutional background, decentralisation could not even be contemplated.



Handloom Weaving Demonstration to Women's Group. SFDP - Tupuche, Nuwakot

3. SMALL FARMERS DEVELOPMENT PROGRAMME (SFDP)

The Small Farmers Development Programme (SFDP) is an innovation devised by FAO/UNDP under the Asian Survey for Agrarian Reform and Rural Development in 1973. The concept of the SFDP is that small farmers as individuals are weak and exploited; however, if they are helped to acquire a group consciousness, they can exert influence in the community. The strategy of the programme is to help small farmers organise into groups of 8 to 20 members, "in which participation is direct and not through representatives, in which procedures and management are non-formal, and in which several functions of common interest are performed." While the group organisation is essentially based on voluntary action of the small farmers, they need help and guidance. A group organiser with necessary training and background is provided for this purpose. He is the motivator in the process of organisation. He also helps them in the planning and execution of their activities. The activities consist of individual family or group enterprises. Major projects are usually inter-group enterprises. The activities are essentially income-raising and financed with loans from the Agricultural Development Bank (ADB/N). Saving, one principal feature of SFDP, is used to give credit to the members, usually for social purposes. (Pradhan - 1980).

The satisfactory operation of two pilot projects in 1975/76, in Dhanusha and Nuwakot districts, generated enthusiasm to extend the

programme which now covers 196 Panchayats in 46 districts embracing 33,811 households organised in 3,504 groups.** It has now become an essential component of IRDPs. In fact, SFDP has been accepted as a strategy for rural development.

4. WATERSHED MANAGEMENT PROJECTS (WMP)

Watershed management projects are another category of multi-sectoral projects designed for rural development with the focus on improvement in physical environment. The Trisuli Watershed Project was the first such project undertaken in 1967. Designed to establish, by resource evaluation and demonstration, the most suitable approach to the protection and development of the hill areas, the project carried out some erosion control work in the tributaries of the Trisuli River along the Kathmandu-Trisuli road. The other main components of the project were the construction of wells for drinking water supply and demonstration trials of crop and livestock production.

The Department of Soil Conservation and Watershed Management which was set up in 1974 undertook the Phewa Watershed Project (PWP) as its first activity. The project covers the valley encompassing Phewa Tal in Pokhara Valley south of the Annapurna range. The project consisted of two phases: 1974-81 was devoted essentially to planning and demonstration and the implementation phase started in 1981 is due to be completed this year.

The project objectives are to demonstrate on a sub-district scale the economic and social advantages of improved land-use practices and to reduce erosion in the catchment to tolerable limits. Major components of the project are forestry, livestock, agriculture and horticulture, water supply and watershed management. The Conservation Committee at the Panchayat level, consisting of local representatives, has been quite effective in ensuring community participation in planning, implementation, operating and maintaining the projects. Coordination between the line agencies is achieved through a "Watershed Committee" chaired by the Chief District Officer (CDO) with representation from concerned agencies and the Panchayat Committees.

The Tinau Watershed Project has a very comprehensive objective - "the conservation, development and effective utilisation of the area's natural resources, the productivity increase and generation of income and productive employment, the fulfillment of basic needs, and the improvement of the socio-economic situation of the population of that area". Support to district and village Panchayat projects is a major component of its programmes - "The support aims at fast relief for the most urgently felt needs of the population which shall increase the trust and confidence of the people. In addition the programme is

** The investment during the last fiscal year (1983/84) was Rs. 42.37 million, and the collection was Rs. 14.9 million. The overdue amount is about Rs. 8.95 million (13.82 per cent) which is very low compared to the overall performance of ADB/N. The most encouraging feature of the project is the generation of savings of Rs. 1.4 million from SFDP members at the end of the first quarter of 1984/85.

hoped to initiate self-reliance and self-propelled development within the Panchayat" (General Work Plan 1983-88). In accordance with HMG's decentralisation efforts, TWP plans to financially and technically support the secretariat of the District Panchayat (LDO) in executing development programmes. It will concentrate on the construction of rural water supply schemes and to a lesser extent, the improvement of trails through the construction of local bridges (HMG/SATA - 1983).

Resource Conservation and Utilisation Project (RCUP) is a much larger watershed project. The project consists of two principal components. The first constitutes support for a range of conservation and development activities in two major river catchments of the Kali Gandaki covering parts of Mustang and Myagdi districts, and the Gorkha region drained by the Buri Gandaki River and two smaller streams, the Daraundi and Chepe Khola. The second component consists of an education and training programme aimed at developing the technical and managerial staff needed for a long-term programme to arrest environmental degradation. Justifying the multi-sectoral approach, the Project Paper states, "As part of its holistic approach to resource conservation RCUP recognises the importance of agricultural improvements. In order to complement the agricultural component of the project, it is intended that early attention will be directed to upgrading existing irrigation systems in the region as well as undertaking the building of new irrigation projects." (USAID, 1980).

5. COMMUNITY FORESTRY DEVELOPMENT PROJECTS

The Community Forestry Development and Training Project initiated in 1979 is a very important project of direct relevance to rural development. Besides increasing the supply of forest resources for hill communities, it aims to reduce environmental degradation and conserve soil and water resources. The thrust of the project is to introduce improved land use and forest management practices. The Community Forestry Development component is being carried out in about 400 Panchayats in 29 hill districts. The project consists of field activities and supporting activities. The main field activities include: nursery construction and seedling production, demarcation, plantation and protection of Panchayat Forests and Panchayat Protected Forests, seedling distribution for private planting, preparation of management plans, trail planting of important tree species and fodder grasses, and pre-testing and distribution of improved wood burning stoves. Training of Nursery Foremen, Plantation Watchers, Stove Promoters and Installers, and production and distribution of extension, training and publicity materials constitute other activities. According to the Interim Project Results and Recommendations (1980-84), "Community forestry is a viable option for reforestation and management of the forest resources in the Hills. Despite many administrative, technical and logistic problems, the progress during the first four years of the project indicates that both the administrative capabilities and the interest of the people exist to implement community forestry." The most encouraging aspect is the fact that in many districts requests by Panchayats for participation exceed the presently targeted numbers. As this programme has been, promising most of the IRDPs have incorporated a community forestry development

component. The weakness in implementation of this project, as pointed out in the above report, is the lack of quality improvement corresponding to the growth in work quantity. The report cautioned against overly rapid expansion of the programme at the cost of proper supervision and extension.

6. OTHER RURAL DEVELOPMENT PROJECTS

The Hill Food Production Project (HFPP) and Hill Irrigation Development Project (HIDP) are two other multi-sectoral projects of relevance to rural development. The first started in 1982 under the Ministry of Food and Agriculture with World Bank assistance, and covers four districts: Gorkha, Lamjung, Syangja and Tanahu. Besides the agricultural component (livestock included), the project incorporates minor irrigation, trails and bridges. The institution envisaged under the project to provide the thrust is the Agricultural Service Centre, as tried in R/NIRDP. The other project is under the Ministry of Water Resources, Department of Irrigation, and is supported by R/NIRDP. The other project is under the Ministry of Water Resources, Department of Irrigation, and is supported by the Asian Development Bank. It is spread over four districts: Kaski, Palpa, Parbat and the hilly region of Nawalparasi. The main components of this project are irrigation, agriculture, erosion control, track improvement and fuelwood and fodder development. Both projects are focussed on increasing food production in the hills.

The Settlement Programme is another activity of multi-sectoral nature involving the rural population. Though this programme started with the launching of the First Plan itself, it was carried out in a more organised way after 1965 with the establishment of the Nepal Resettlement Company. The process of settlement of people on new land includes, besides clearing the forests, establishment of physical infrastructure, provision of basic social and economic services such as drinking water, primary health and education, and provision of agricultural credit and inputs. Both the Department of Resettlement and the Nepal Resettlement Company are engaged in settling the migrant population from the hills, the former dealing mainly with squatters and the latter engaging in clearing new forest lands. While the settlement programme has been a continuous activity, the performance has been erratic due primarily to delay in allocation of forest lands. The World Bank was initially associated with this programme, but gave it up due to poor performance.

The Remote Area Development Programme, initiated in 1970, is addressed to the needs of the sparsely populated remote northern areas which, in the ordinary course of development, are left behind. This programme has introduced development projects such as trails, suspension bridges, drinking water, and construction of gumba (Buddhist place of worship). The committee which administers the programme consists of the representatives of the remote areas (one each from one Development Region) and is headed by the Minister for Panchayat and Local Development. It invites, often through personal contacts with the people in the areas, suitable projects, scrutinises them and approves them for implementation. The LDO gets the projects implemented through the local Panchayats. It is more a social than an economic programme.