



Government of Nepal  
Ministry of Physical Planning and Works  
Department of Roads  
Geo-environment and Social Unit (GESU)



# Draft

**INTERIM GUIDELINES FOR  
ENHANCING POVERTY REDUCTION  
IMPACT  
OF ROAD PROJECTS**

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## **Foreword**

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## **ACRONYMS**

ACRP	-	Acquisition, Compensation and Resettlement Plan
ADB	-	Asian Development Bank
BOQ	-	Bill of Quantity
CBO	-	Community Based Organization
CDO	-	Chief District Officer
CPR	-	Complementary Poverty Reduction
DDC	-	District Development Committee
DFID	-	Department for International Development
DOR	-	Department of Roads
DRSP	-	District Road Support Program
EIA	-	Environmental Impact Assessment
EIRR	-	Economic Internal Rate of Return
EPRIRP	-	Enhancing Poverty Reduction Impact of Road Projects
FAR	-	Financial Administration Regulation
FfW	-	Food for Work
FGD	-	Focus Group Discussion
GAP	-	Gender Action Plan
GESU	-	Geo-environment and Social Unit
GON	-	Government of Nepal
GTZ	-	German Cooperation for Development
HDR	-	Human Development Report
HDI	-	Human Development Index
HPI	-	Human Poverty Index
IEE	-	Initial Environmental Examination
IG	-	Income Generating
ISA	-	Initial Social Assessment
Km	-	Kilometres
LARP	-	Land Acquisition and Resettlement Plan
LCS	-	Labour Contracting Societies
LDO	-	Local Development Officer
LRCC	-	Local Road Coordination Committee
MDG	-	Millennium Development Goals
MED	-	Micro-enterprise Development

MOF	-	Ministry of Finance
MOPPW	-	Ministry of Physical Planning and Works
MOWCSW	-	Ministry of Women Children and Social Welfare
NGO	-	Non-governmental Organizations
NIG	-	Non Income Generating
NPV	-	Net Present Value
NRB	-	Nepal Rastra Bank
OVOP	-	One Village One Product
PAF	-	Poverty Alleviation Fund
PIA	-	Poverty Impact Analysis
PIP	-	Project Implementation Plan
PIR	-	Poverty Impact Ratio
PMO	-	Project Management Office
PRA	-	Participatory Rural Appraisal
PRC	-	Poverty Reduction Component
PRP	-	Poverty Reduction Program
PRSP	-	Poverty Reduction Strategy Paper
PWD	-	Public Work Directives
RAP	-	Rural Assess Program
RCG	-	Road Construction Groups
RCIW	-	Rural Community Infrastructure Works
RMDC	-	Rural Microfinance Development Centre
RDP	-	Road Development Program
RMDP	-	Road maintenance Development Project
RNDP	-	Road Network Development Project
SA	-	Social Assessment
SAP	-	Social Action Plan
SDC	-	Swiss Agency for Development & Cooperation
SHG	-	Self Help Group
SRN	-	Strategic Road Network
STI	-	Sexually Transmitted Infections
TA	-	Technical Assistance
TOR	-	Terms of Reference
UNDP	-	United Nations Development Program
VDC	-	Village Development Committee

VPDP	-	Vulnerable People Development Plan
VRCC	-	Village Road Coordination Committee
WB	-	World Bank

## **Glossary of Terms**

<b>Community Consensus</b>	It is a process to get community approval on the decision to be taken that directly or indirectly affects the community.
<b>Complementary Activities</b>	The complementary activities of road project to improve the living conditions of the poor people engaged as road construction group or residing along road corridor.
<b>Consultant</b>	A person or a firm appointed by the executive/implementing agency to provide specific technical services in the project e.g. feasibility studies, social and environmental assessment, engineering design, tendering assistance and supervision of construction.
<b><i>Dalit</i></b>	The term ‘Dalit’ denotes as “Those communities who by virtue of atrocities of caste-based discrimination and untouchability, are most backward in social, economic, educational, political and religious fields, and are deprived of human dignity and social justice”.
<b>Disadvantaged Group</b>	Group of poor people who are lacking education, money, skill and opportunities due to socio-cultural, caste/race/ethnic, sex, economic, political, physical and geographic constraints.
<b>Encroacher</b>	People who have trespassed into public/private/community land to which they are not authorized.
<b>Enforcement</b>	To translate decisions into action by means of legal authority or economic inducement or social pressure.
<b>Executing Agency</b>	An agency responsible for the overall management of a project including production of project outputs, achievement of project objectives and accountability for the use of government resource.
<b>Focus Group Discussion (FGD)</b>	It is a technique to get information and data for planning and resolving problems from a particular group. A FGD is organized to get an in-depth and long term understanding of issues from the group’s perspective.
<b>Guideline</b>	A recommended set of procedures that should be taken to comply with. It is suggestive not mandatory.
<b><i>Haat Bazaar</i></b>	A periodic market in the rural area where mainly agricultural and basic consumption commodities are transacted.
<b>Implementing Agency</b>	The agency responsible for the procurement and delivery of

	project inputs and their conversion to project output.
<b>Janajati/Adivasi (Ethnic/Indigenous People)</b>	According to the official definition stated by the National Foundation for Development of Indigenous Nationalities Act 2002, “Indigenous people/nationalities are those ethnic groups or communities enlisted in the Appendix I Schedule of the Act who have their own mother tongue and traditional customs, distinct cultural identity, distinct social structure and written or oral history of their own”.
<b>Landless Agriculture Labourers</b>	A person who does not hold agricultural land himself or jointly with any family members, but work as agriculture labour.
<b>Local Body</b>	“Local Body” means Village Development Committee, Municipality or District Development Committee.
<b>Local Road Coordination Committee (LRCC)</b>	It is a committee at local level for project coordination, facilitation and playing catalytic role in the smooth functioning of the project.
<b>Marginal Farmer</b>	A farmer whose land holding is less than 0.17 hectare (5 <i>Kattha</i> )
<b>Micro-enterprise Development</b>	It is an income generating micro project or small business that is run by an individual or group of people as a vocation.
<b>Micro-finance</b>	Micro-finance is the provision of broad range of financial services such as deposits, loans, payment services, money transfer and insurance to poor and low income households and their micro-enterprises. Micro-finance services are provided either by rural banks or cooperatives or NGOs with Nepal Rastra Bank’s license or informal sources like money lenders.
<b>Naike/Sahajkarta</b>	<i>Naike/Sahajkarta</i> is the person who leads and works on behalf of the group who is either selected by the group itself or assigned by some one who has the authority.
<b>Project Affected Families (PAFS)</b>	All members of a households residing under one roof and operating as a single economic unit who are adversely affected by the project or its components
<b>Project Affected People</b>	Any person or persons of households who are affected by the project activities
<b>Project Manager/Project In-charge</b>	The person appointed by the executing agency responsible for the day to day management of a project.

<b>Public Audit</b>	An examination of the account and business transaction by the public for the purpose of independently verifying the work done.
<b>Road Construction Group (RCG)</b>	It is a group of people organized to work in road construction and other activities as assigned.
<b>Seriously Project Affected Families (SPAFS)</b>	Families who lose 25 percent or more of their land or income or residential houses because of project activities
<b>Social Action Plan (SAP)</b>	It is an action plan to address social issues arising from project implementation and mitigation and upliftment programs to be carried out by the project.
<b>Social Assessment</b>	It is a tool to examine and identify the key social issues likely to arise from project implementation and identification of mitigation measures to be integrated in the project design.
<b>Social Mobilisation</b>	It is a process to educate community and mobilize them to identify their needs themselves and empower them to meet those needs by their own initiative there by benefiting by their own endeavours.
<b>Social Mobiliser</b>	A person appointed by the executing agency responsible to carry out social mobilization activities of the project as designated by the Project Management Office.
<b>Social Screening</b>	It is a method to examine at the field level to identify as to what impact the project will bring on social, economic and environmental aspects of community life.
<b>Squatters</b>	People who are occupying land in violation of laws of the country who are not entitled to compensation, but may be entitled to resettlement assistance.
<b>Stakeholders</b>	Any person, group or company that has an interest in or will be affected by the activities or impact of a project. Stakeholders always include project beneficiaries and project affected persons.
<b>Supervisor</b>	A person designated by the Project Management Office or Office In charge to supervise the execution of works at one or more sites with authority defined by the Project Manager.
<b>User's Committee</b>	A group of persons formed in the project area to take responsibility to complete a specific works and to take overall responsibility for the operation and maintenance of the

completed works. The works are executed through an agreement with the implementing agency.

**Vulnerable Groups**

Poor and socially excluded groups including women/widow/aged family headed households, including project affected poor family, ethnic/indigenous, dalit and other disadvantaged and minority groups in the area.

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**INTRODUCTION, CONCEPTS & POLICIES AND  
STRATEGIES**

## **CHAPTER 1: INTRODUCTION**

### **1.1 Guidelines Rationale**

Nepal is one of the poorest countries of the world having a low per capita income. The per capita Gross National Income (GNI) of Nepal is estimated at US\$ 270 in 2005. This is considerably lower than the average figure of US\$ 580 for all low income countries. Poverty in Nepal is widespread. In 2003-04 approximately one in three persons in Nepal was below the poverty line. Poverty is more severe in rural areas. There is also evidence that suggests that the underprivileged social groups are the most impoverished. Poverty in Nepal is not only linked to low consumption levels, but it also has several other dimensions ranging from the poor nutritional status to the exclusion from economic, social and political processes.

In the backdrop of the above, the Poverty Reduction Strategy and the Tenth Plan of the Government of Nepal (GON) have emphasized the need for addressing the issues related to the chronic poverty and social exclusion. Another important developmental issue faced by Nepal is the Millennium Development Goals (MDGs). The MDGs have become a central feature in international development policy. As a signatory of the Millennium Declaration, Nepal is committed to achieving the MDGs. Of the eight MDGs the first goal is linked to the eradication of hunger and poverty. Transport sector consumes a considerable part of the overall infrastructure investment in Nepal. The current estimate is that the transport sector received about 12 percent of the FY 2007/08 national development budget allocation. A majority of the transport sector budget is expended in the improvement and maintenance of roads. Roads have added significance in Nepal as it being a landlocked country. Also a number of recent studies, mainly in the late 1990s and early 2000s, conducted in different parts of the world have found positive links between the development of road infrastructure and poverty reduction. Therefore, there is a need to explore poverty reduction potentials of every road sector investments in line with the GON's poverty reduction strategy.

The concept of poverty reduction through road projects is new within Department of Roads (DOR). The department does not have clear guidelines, systems, methodology and human resources to address poverty related issues in its operations. DOR is a key government agency that is responsible for construction and maintenance of the country's road network. Therefore, it is important that DOR supports GON's poverty reduction strategy by enhancing poverty reduction impact of its projects. This necessitates the development of the guidelines to enhance poverty reduction impact of road projects.

### **1.2 Objectives of the Guidelines**

The objectives of the guidelines are:

- i. To develop new procedures, in line with the Law and the national policy, and to complement the methods and procedures as provided in the Public Works Directives (PWD) to enhance poverty reduction impact of DOR road projects.
- ii. To familiarize DOR officials on basic poverty concepts, its measurement, links between road sector investment and poverty reduction, scopes of enhancing poverty reduction impact within DOR road projects.

### **1.3 Information Sources**

The guidelines are prepared by mainly reviewing the existing planning, implementation and monitoring and evaluation procedures of road projects as provided in the PWD. The document has only proposed additional measures and procedures where it is felt that the PWD methods and procedures are deficient to enhance poverty reduction impact of roads projects. Experience from different DOR or other agency executed road projects in Nepal, as provided in different project reports, and other relevant DOR guidelines/procedures were considered while developing the guidelines. The document also used generic guidelines/toolkits, mainly published by bilateral and multi-lateral donors, in the enhancement and assessment of poverty reduction or social impact. Relevant references have been provided at the end of each chapter so that the issues can be pursued further if the need be. The implementation of an Asian Development Bank assisted pilot project entitled "Enhancing Poverty Reduction Impact of Road Projects- ADB TA 4760 (2006/2007)" had also assisted the development of the guidelines. The project was first of its kind in Nepal and the lessons learnt from the pilot project are incorporated in the guidelines.

### **1.4 Limitation of the Guidelines**

The guidelines have following limitations:

- i. As the name suggests, the document contains interim guidelines. DOR's experience in enhancing poverty reduction impact through road investments is limited. Also the concept of poverty is complex and it is often defined in a multi-dimensional context. The design of poverty reduction interventions in a project or program requires a thorough analysis of the poverty, socio-economic and physical contexts. Therefore, the interventions are expected to be project specific depending on the outputs of the contextual analysis. The development of the guidelines is a step forward towards the development of complete guidelines. It is expected that the guidelines will be improved further when DOR gains sufficient experience in this area and when such a need arises.
- ii. The guidelines are suggestive, neither exhaustive nor mandatory. The document only identified the approaches and activities in different stages of the project cycles that are additional to the PWD and are necessary to enhance poverty reduction impact of road projects. Therefore, the guidelines should be considered as an addendum to the PWD.
- iii. Users of the guidelines may find that some parts of the guidelines are not comprehensive and the guidelines do not provide the full guidance on some issues. This is due to the fact that not enough experience/knowledge is available on all aspects of poverty reduction through road intervention issues.

### **1.5 Structure of the Guidelines**

The guidelines have two main parts and they are further divided into 9 chapters, including this chapter. The first part deals with the different aspects of poverty including its definition, Government of Nepal's (GON's) poverty reduction policies and strategies, and links between the road development and poverty reduction. The second part contains the detailed guidelines, mainly the measures that are additional to the PWD, which are essential to enhance the poverty reduction impact of road projects. There are a number of appendices in the guidelines that

provide the detailed aspects of the some of the issues that could not be covered in the main guidelines. The following summarily describes the contents of the chapters and appendices:

- Chapter I:** Provides the justification for the development of the guidelines; specifies the objectives and limitations of the guidelines and introduces the document structure.
- Chapter II:** Introduces different aspects of poverty: its definition and measurement, poverty situation in Nepal and GON's poverty reduction policy and strategy.
- Chapter III:** Presents the conceptual framework of road development impact; highlights the links between road development and poverty reduction; elaborates scopes of poverty reduction within DOR road projects and Elaborates the conceptual links.
- Chapter IV:** Highlights the importance of the PWD stated project cycle stages in order to enhance road project's poverty reduction impact.
- Chapter V-VII:** Assesses the importance of different steps at different stages of the road project and suggests additional measures that are required to enhance the poverty reduction impacts of the project.
- Chapter VIII:** Describes the scopes of Complementary Poverty Reduction (CPR) measures in a road project. Also highlights international and Nepalese good practices.
- Chapter IX:** Details the implementation arrangements and the roles and responsibilities of different stakeholders. Also lists the relevant legal instruments.
- Appendices:** There are a total of 34 appendices in the guidelines. They range from guidance notes to the details of projects with good practices to format for labour payment in a labour-based road project.

## **1.6 User of the Guidelines**

These guidelines are intended for use by DOR officials in the implementation of Strategic Road Network (SRN) linked road projects. DOR consultants who will be involved in the design and implementation of road projects with poverty reduction emphasis are also considered to be one of the target groups. The local bodies and NGOs may find some parts of the guidelines beneficial in the formulation of road projects to enhance poverty reduction impact.

## CHAPTER 2: POLICIES AND STRATEGIES FOR POVERTY REDUCTION IN NEPAL

### 2.1 The Definition and Measurement of Poverty

Poverty is measured using both absolute and relative terms. Relative poverty is about where people at the bottom stand relative to people elsewhere in the income distribution, usually around the middle. This means that a relative poverty-stricken person is poor in comparison with a majority of others in the society, but his level of living usually does not constitute an immediate threat to life or health. In developing countries poverty is mainly defined in an absolute term, which is defined on the basis of a minimum subsistence level. Again there is a difference between how poverty is defined at the international and national levels. There are two international poverty thresholds defined on the basis of income: \$1 per person per day (lower poverty threshold) and \$2 per person per day (upper poverty threshold) after making an adjustment for Purchasing Power Parity (PPP)<sup>1</sup>. The national poverty line is defined, which is arguably a more precise measurement, is the cost of a bundle of products to sustain a minimum standard of living. In Nepal the poverty line estimate is based on the Cost-of-Basic-Needs (CBN) method. The Nepal Living Standard Survey (NLSS-

#### Box 1: Estimation of the poverty line in Nepal

- Nepal Central Bureau of Statistics uses Cost-of-Basic Needs (CBN) method for the estimation of the national and regional poverty lines.
- The per capita per day nutritional requirements for an average Nepali household is determined. The estimated requirement was 2124 kcal per person per day.
- Then the cost of a bundle of food items to provide this nutritional requirement is calculated. The cost was NRs. 4,966.4 in 2003-04 prices.
- Finally the non-food consumption of the households is determined, costed and added with the cost of the food bundle. The non-food consumption was NRs. 2729.4 per person per year in 2003-04. In 2003-04 the poverty line of Nepal was estimated at NRs. 7695.7.

**Source:** Poverty Trends in Nepal (1995-96 and 2003-04), Central Bureau of Statistics, 2005

#### Box 2: Livelihood assets, their definitions and examples

- **Human Capital:** skills, knowledge, ability to work and good health that together enable a person to pursue different livelihood strategies and achieve livelihood objectives (e.g. training a poor person will increase his/her human capital).
- **Social Capital:** social resources (e.g. network and connectedness, membership of formalised groups etc.). For instance, if a person becomes a member of a formal group that facilitates co-operation among the members, his/her social capital increases.
- **Natural Capital:** represents natural resources from which resources flows and services that are useful for livelihoods are derived. There are wide varieties of natural resources that form the natural capital (e.g. public goods like atmosphere, private goods like land etc.).
- **Physical Capital:** comprises basic infrastructure and goods that are needed to support livelihoods (e.g. affordable transport, secure shelter etc.)
- **Financial Capital:** represents the financial resources that can be used for achieving livelihood objectives. Financial capital is of two types - financial stocks or liquid assets (bank deposits, livestock, jewellery etc.) and regular flow of money (e.g. pensions, remittances etc.).

**Source:** Sustainable Rural Livelihoods: What Contribution We Can Make? Department for International Development (DFID), UK, 1998

<sup>1</sup> Upper and lower threshold figures of \$1 and \$2 are measured at 1985 purchasing power parity prices. The most recent recalculation available is for 1993. This suggests figures of US\$1.08 and US\$2.15 for lower and higher poverty lines respectively (World Bank, 2001).

II) 2003-04 estimated the poverty line at NRs.7696 per person per annum. This means that any person with the consumption below this threshold level will be regarded as a poor person.

Poverty has multi-dimensional facets. Poverty is often defined as the lack of a range of livelihood assets as well as lack of opportunities to acquire or access them. The most common asset types are: human, social, natural, physical and financial capitals (See Box 2).

## **2.2 Poverty in Nepal**

The poverty incidence in Nepal is high. The 2003-04 Nepal Living Standard Survey (NLSS-II) shows that although the poverty has declined dramatically between 1995-96 and 2003-04, approximately 31% Nepalese were below the national poverty line in 2003-04. Poverty is more prevalent and severe in rural areas where its incidence was more than three times that of urban areas in 2003-04. The rate of reduction of poverty is also lower in rural areas compared to urban areas; the rate of reduction of the proportion of people below the poverty line between 1995-96 and 2003-04 was 56% in urban areas, the same figure was only 20% in rural areas. There is also evidence that the underprivileged social groups are the most impoverished.

Poverty in Nepal is pervasive and multi-dimensional. There are a number of interlocking problems faced by the poor, which are also mutually reinforcing. The problems include, among other, low income and consumption, poor nutritional status, low educational attainment, low access to social and economic facilities and services, low access to economic opportunities, vulnerability to external shocks, and exclusion from economic, social and political processes. Nepal's Human Development Index (HDI) in 2006 was 0.527 that ranked Nepal at 138<sup>th</sup> among 177 countries. The figure is the lowest HDI figure among South Asian countries barring Pakistan.

## **2.3 Policies and Strategies for Poverty Reduction**

The Tenth Plan, which is also the poverty reduction strategy, is the GON's principal policy and strategy document for poverty reduction. The plan has a span of five years (2002-07). The plan document concludes that the past development efforts could not meet the targets of poverty reduction. The results of the analysis conducted while drawing up the plan also shows that poverty is widespread in rural areas, deeper and more severe among disadvantaged groups (e.g. women, ethnic groups and Dalits) and people living in backward areas (e.g. mid and far western and mountain areas). The objective of the plan is to bring about a remarkable and sustainable reduction of poverty during the plan period. Apart from the reduction of consumption related poverty incidence, the key goals and targets of the plan included increasing the Gross Domestic Product (GDP) growth rates, improvement of the social and physical infrastructure indicators including increasing the number of districts with road access. The plan is based on a "four-pillar" poverty reduction strategy:

- (i) **High, sustainable and broad-based economic growth:** The plan adopted a growth strategy that benefits all income levels and marginalized groups. It is fundamentally based on two components: achievement of the targeted growth in agriculture sector, which engages more than 65 percent of the population, and private sector led non-agriculture sectors growth.
- (ii) **Social sector development:** the development of human resources is seen as an instrument for poverty reduction and the improvement of quality of life in rural

areas. The strategy included the improvement of access to social and economic infrastructure.

- (iii) **Targeted programs for excluded groups:** It seeks to address the gender and ethnic/caste-related disparities and facilitate social inclusion by mainstreaming such efforts. An important facet of the strategy is to comprehensively address the issues under all the four-pillar of the poverty reduction strategy rather than relying on targeted programs.
- (iv) **Good governance:** This pillar is seen as the one where effective actions will make the plan different from the previous plans. The strategy encompasses a broad spectrum of public actions including accelerating decentralisation for better delivery of services and beneficiary/community participation.

## **2.4 Economic Growth and Poverty Reduction**

Growth is necessary for a sustained poverty reduction. However, the relationship between growth and the poverty reduction is complex. Growth that improves income distribution strengthens the links between growth and poverty reduction. Therefore, the poverty reduction strategy of the developing country governments needs to be the growth that addresses the issue of income inequality as well. One of the four pillars of GON's poverty reduction strategy is to achieve growth that benefits disadvantaged groups including the poor.

## **2.5 Further References**

UNDP (2006) *Human Development Report, 2006*, UNDP

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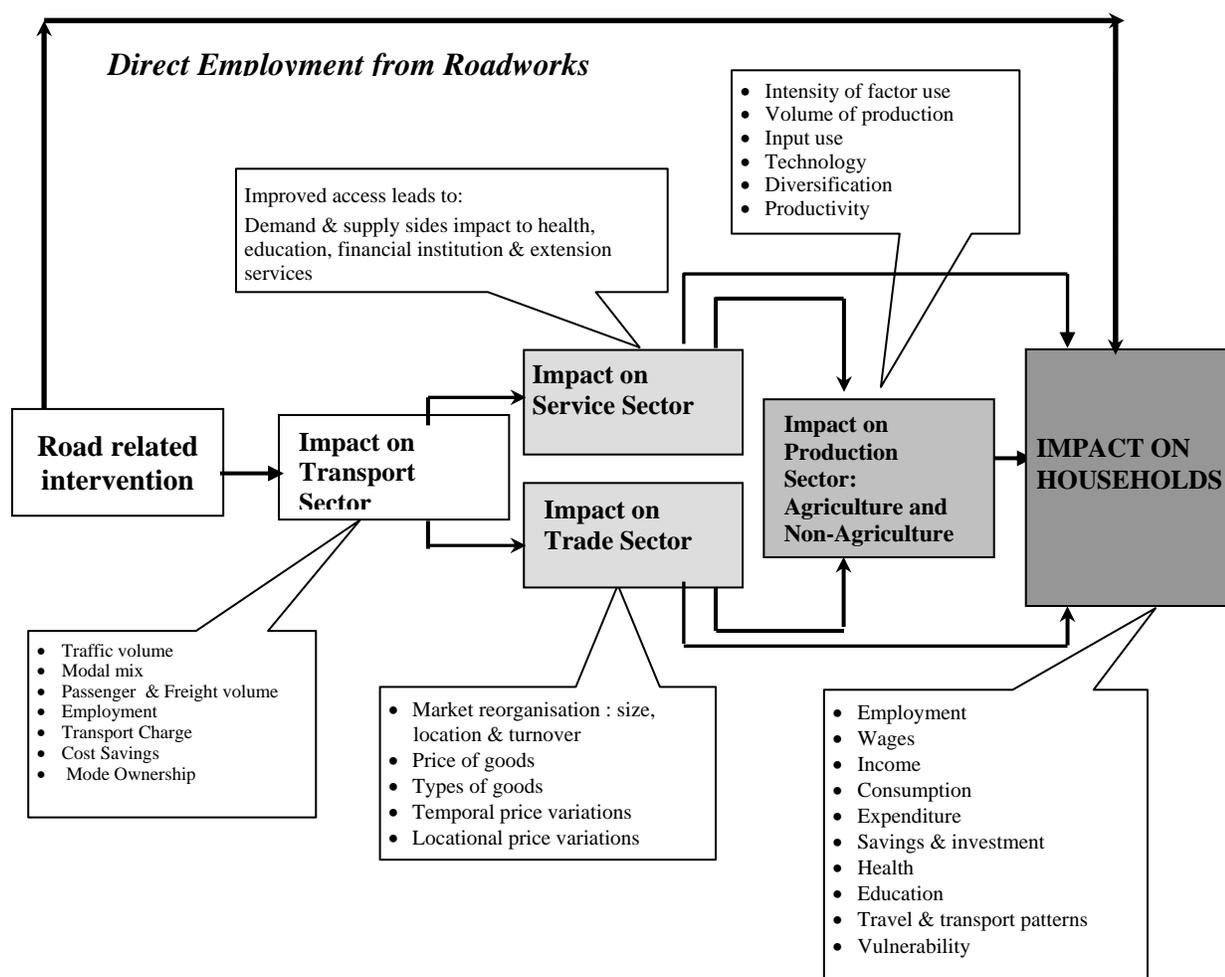
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## CHAPTER 3: LINKS BETWEEN ROAD DEVELOPMENT AND POVERTY REDUCTION

### 3.1 Road Development Impacts: The Conceptual Framework

The relationship between road investment and the subsequent impact is complex. Road infrastructure improvements are likely to have a wide-range of direct and indirect social and economic effects and impact<sup>2</sup> ranging from direct employment generation from roadworks to production sector impacts.

**Figure 1: Road Development Impact Schema**



**Figure 1** shows the relationship between the road infrastructure development and the subsequent impact. The most direct effect of the road construction will be the generation of employment through physical works. The second immediate effect is the improvements of transport sector

<sup>2</sup> The terms “effect” and “impact” are often used interchangeably. However, they are used to distinguish between the short to medium-term effects (also known as the outcomes) of road improvements from their longer term developmental impacts. The latter only come about over time when the short-term effects are sustained.

which will lead to: (i) an increase in the volume of traffic, passenger and freight; (ii) changes in modal mix and freight composition; (iii) changes in vehicle ownership patterns; (iv) a reduction in transport charges; and (v) a reduction of seasonal variations in traffic flows.

These travel and transport changes will also ease access and enhance mobility to social and economic facilities and will have an effect on service and trade sectors. If these effects are sustained, through road maintenance, then over time there will be a wider development impact on the local productive economy. Thus, local agricultural and non-agricultural production will benefit from easier access to inputs and the resultant outputs/surpluses will be more easily marketed. In time this may lead to an intensification of factor use in agriculture production and structural diversification.

### Box 1: Poverty Effects and Impacts of a Road Development

#### Short-term positive effects:

- Access to markets for agricultural produce;
- Access to the villages by government health officials and service providers;
- Availability of temporary unskilled jobs for villagers; and
- Opportunity to provide food and restaurant services for construction crews.

#### Long-term positive impacts:

- Access to long distance transport services (personal mobility)
- Access to long distance markets (buying and selling);
- Easier access to health facilities and medical treatment;
- Increased access to agricultural extension services, including veterinary services for livestock;
- Reduced environmental pressure due to reduced reliance on non-sustainable extraction of wildlife and forest products;
- Increased access to education;
- Increased opportunity for the development of tourism (both domestic and foreign);
- Diversification of income sources;
- Increased participation in rural electrification schemes; and improved social control (poaching and drug traffic);
- National integration through rural-urban linkage increase in land value;
- Gradual financial deepening and monetization in the economy.

#### Short-term negative effects:

- Loss of field space and limitation of crop types;
- Social disruption during construction resulting from interaction with workers from outside;
- Girl trafficking
- Increased risk of contracting STDs and HIV/AIDS;
- Traffic accidents
- Physical disruption resulting in dust, noise and refuse;
- Potential safety hazards to villagers unfamiliar with heavy equipment;
- Aesthetic appearance of the road under construction (especially quarries), effecting tourism potential; and
- The potential exists for outside exploitation of villagers by entrepreneurs.

#### Long-term negative impacts:

- Economic exploitation – due to linguistic and educational background, poor groups are unable to compete effectively with other socio economic groups;
- Girl trafficking
- Smuggling of forest products
- Traffic accidents
- Loss of livelihood of poor (e.g. porters and owners of small land holdings and assets)
- Vulnerable groups – while it is probable that ethnic minority groups will experience many positive benefits from the project, they still are at a relative disadvantage as regards language and education;
- Gender – increased economic activity may place additional burdens on women; and
- Increased noise and pollution will occur as a result of better roads and heavier traffic.
- Increased risk of exposure to negative influences from towns and cities for drugs and sex traders for poor rural women and youth.

Importantly, the above effects and impacts will affect and involve the households living in the road corridors to varying degrees and lead to changes in household welfare and ultimately levels of poverty. These household improvements are likely to encompass both economic and non-economic attributes, e.g. changes in household income and consumption, levels of education, travel and transport patterns, and have a differential impact on different members of the

household. However, road development may also be associated with the negative effects and impacts. Box 1 provides a list of positive and negative effects and impacts of road development.

### 3.2 Road Development Impacts on Poverty Reduction

Road transport, like any other forms of transport, is a means for poverty reduction. Transport cannot reduce the poverty alone. However, it can play a vital complementary role. A good road network system supported by an appropriate level of transport services can lower costs and prices. This enhances economic opportunities for the poor and helps to reduce poverty. Application of appropriate policy instruments so that road sector investment can have maximum impact on poverty reduction is also common (e.g. in some developing countries like China road investment is targeted toward the poorer part of the country).

### 3.3 Poverty Reduction Scopes of DOR Road Projects

It is not always necessary to focus the development of roads overwhelmingly on poverty. It rather needs to be scoped in a way that the poverty reduction opportunities can be achieved at the optimum level. Table 1 depicts the poverty reduction scopes in DOR road projects.

**Table 1: Poverty Reduction Scopes within DOR Road Projects**

Opportunities	Problems	Potential within DOR road projects
1. Direct employment generation for the poor from roadworks using labour-based (L-B) methods	<ul style="list-style-type: none"> <li>Type of road works may restrict the extensive use of labourers</li> <li>Unavailability of labourers</li> <li>Quality maintenance and time bound of the project may bias against L-B methods</li> <li>Poor quality and defect remedial problem, more supervision requirement and unavailability of appropriate equipment for the works may bias against L-B method</li> </ul>	<u>Significant</u> potential for some type of road works
2. Employment generation for the poor from the transport services operations.	<ul style="list-style-type: none"> <li>Principally private sector operations and therefore, little scope for public sector to intervene other than formulation and enforcing regulations in the case of market failures.</li> </ul>	<u>Insignificant</u> given that any interventions may distort the market. However, there is some opportunity to support the non-government organization in organizing transport operations by the poor.
3. The Other livelihood opportunities created by the road sector, especially in the trade and production sector	<ul style="list-style-type: none"> <li>Production sector requires the access to the factors of production. The poor usually do not have access to them and therefore, is unlikely to be able to exploit the opportunities.</li> <li>The poor may not have the financial capital and the management capacity to exploit the road development related opportunities.</li> </ul>	<u>Significant</u> if an additional poverty reduction components is designed and implemented with appropriate delivery of the support mechanism to help the poor in the exploitation of the opportunities.
4. Enhancement of physical access of poor and vulnerable people to different social and economic facilities and services (e.g. health, education, financial institutions, extension services) and reduction of adverse impacts on the poor and vulnerable.	<ul style="list-style-type: none"> <li>The poor and vulnerable people are not often identified as the potential road users and beneficiaries given their apparent invisibility.</li> <li>The poor and vulnerable people's needs are not often assessed adequately and therefore the interventions are often inappropriate to satisfy their demand</li> <li>The poor and vulnerable are often the victims of the adverse impact of the road development.</li> </ul>	<u>Significant</u> if appropriate planning procedure is adopted at the planning stage of the project and also an appropriate monitoring and evaluation framework is developed to assess the impact of road investment on the poor and vulnerable groups.

### 3.4 Labour-Based Approach and its Suitability in Roadworks

One of the instruments commonly applied in the road sector in many developing countries, including Nepal, to reduce poverty is the use of labour-based (L-B) approach in roadworks. L-B approach generates direct income earning opportunities for the poor. Studies in different countries show that L-B approach is cheaper, both in financial and economic terms, than its equipment-based counterpart in countries where the wage rate is low. A study in Uganda<sup>3</sup> calculated the “break-even<sup>4</sup>” wage rate at \$4.0 per day. However, there are a few limitations in the use of L-B methods including its unsuitability in for some work items, non-availability of labourers and in some cases the cost of a work item may be higher than its machine-based counterpart. The L-B approach is most suitable for projects that involve low work volume implemented by small-scale contractors. The time limitation may often determine the suitability of a particular approach. Table 2 shows the suitability of L-B approach for different roadwork types and items.

**Table 2: Suitability of L-B Approach in Roadworks**

Type of Road	Type of roadwork	Suitable	Suitable Roadwork Items for the Use of L-B Approach
National Highways	Development	*	<ul style="list-style-type: none"> <li>Road carriageway development related work items (e.g. earthwork, stone chipping, gravelling, laying of bituminous concrete etc.)</li> <li>Slope protection and bio-engineering related work items (e.g. turfing, stone pitching, gabion wall, wire netting)</li> <li>Access road construction to neighbouring communities related work items</li> <li>Historical ,cultural and religious sites protection related work items</li> <li>Development and maintenance of other road or trading infrastructure (e.g. construction and maintenance of bridges/culverts, <i>haat-bazaars</i>, small market stalls etc.).</li> <li>Environment protection related roadworks (planting and caretaking of trees, restoration of gravel pits)</li> <li>Road maintenance (e.g. reshaping, re-gravelling, pothole patching, repair of drains, culvert cleaning, grass cutting)</li> </ul>
	Maintenance	**	
Feeder Road/ Urban Road	Development	*** (feeder roads) ** (urban roads)	
	Maintenance	***	

**Notes: \*\*\* - Most suitable; \*\* - Moderately suitable; \* - Least suitable**

### 3.5 Further References

Asian Development Bank (2001) *Moving the Poverty Reduction Agenda Forward in Asia and the Pacific*, ADB, ADB, Manila

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<sup>3</sup> An Opportunity For Employment Creation - Labour-based Technology in Roadworks: The Macro-Economic Dimension, International Labour Organisation, February 1999

<sup>4</sup> The maximum limit to which wages can be raised before labour-based methods become financially or economically uncompetitive compared to the equipment-based approach.

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# **THE GUIDELINES**

## CHAPTER 4: ENHANCING POVERTY REDUCTION IMPACTS OF ROAD PROJECTS WITHIN THE FRAMEWORK OF PUBLIC WORKS DIRECTIVES

### 4.1 Importance of Different Stages of a Road Project Cycle with Enhanced Poverty Reduction Objective

There are 14 project stages in the PWD. Table 3 illustrates the importance of the steps from the perspective of enhancing poverty reduction impacts in a road project.

Table 3 shows that out of these steps five stages are likely to be of high importance in order to enhance project's poverty reduction impacts. The stages are: project identification, feasibility studies and social assessment, the project implementation plan, construction of works and reporting, monitoring and evaluation. Out of the remaining nine stages, only two stages can be considered to be of low importance. The rest are of medium importance. They are: project appraisal and budget approval, engineering design, pre-construction activities, procurement of works, accounting and inventory procedure, appointment of consultant and technical audit.

**Table 3: Importance of Different Project Cycle Stages in a Road Project with an added Poverty Reduction Emphasis**

PWD Project Stages	Importance
1. Project Identification (pre-feasibility studies)	***
2. Feasibility Studies & Social Assessment	***
3. Environmental assessment	*
4. Project Appraisal and Budget Approval	**
5. The Project Implementation Plan	***
6. Engineering Design	**
7. Pre-construction Activities	**
8. Procurement of Works	**
9. Construction of Works	***
10. Post-construction Activities	*
11. Accounting and Inventory Procedure	**
12. Reporting, Monitoring and Evaluation Procedures	***
13. Appointment of Consultant	**
14. Technical Audit	**

Notes: \*\*\* - high; \*\* - medium; \* - low

## CHAPTER 5: PRE-FEASIBILITY STAGE AND ENHANCING POVERTY REDUCTION IMPACTS

### 5.1 Pre-feasibility Stage & Additional Measures to Enhance Poverty Reduction Impact

The PWD have prescribed 13 steps that are to be followed in the pre-feasibility stage of the project cycle. Table 4 presents the importance of these steps to enhance poverty reduction impacts of the potential road project. Of these 13 steps, a majority of the steps (eight steps) can be considered to be highly important in relation to the enhancement of poverty impact of the potential road project. The steps that are of high importance include project identification team, use of existing data, additional data collection, initial social assessment, benefits and cost estimates and roads and recommendation. All other steps barring two steps (technical assessment of alternatives and consultation with other agencies) carry low importance. The following proposes additional measures, in whichever steps the PWD proposed measures are found deficient, that are required to be adopted at different steps in order to enhance the project's poverty reduction impact.

**Table 4: PWD Steps and Their Importance in Road Projects with Enhanced Poverty Reduction Objectives in the Pre-feasibility Stage**

PWD Steps	Importance of different steps
1. Project identification team	***
2. Initial definition of the project	*
3. Use of existing data	***
4. Site Visit	***
5. Additional data collection	***
6. Technical assessment of alternatives	**
7. Environmental screening	*
8. Initial social assessment	***
9. Consultation with other agencies	**
10. Institutional requirements	*
11. Benefit and costs estimates	***
12. Implementation arrangements	***
13. Reports and recommendation	***

Notes: \*\*\* - high; \*\* - medium; \* - low

#### Step 1 - Project identification team

The PWD guidelines concerning the institutional arrangements for conducting the pre-feasibility stage investigation and team composition are adequate. However, it is necessary to carefully consider whether the team members have adequate social expertise that will be required for the poverty and poverty linked issues related analyses. In the case of non-availability of such an expertise within the team, a professional with adequate social and poverty expertise needs to be appointed even if it requires seeking help from the private sector.

#### Step 2 - Initial definition of the project

The PWD suggested ways to develop an initial description included the sector plan and other sources including the DDC, VDCs, political representatives. The requests from the civil societies (e.g. NGOs) should also be considered as they mostly deals with the poor and vulnerable groups and therefore, they are often in a better position to assess needs of the poor.

#### Step 3 - Use of existing data

The PWD have proposed to use existing data to minimize cost. It also suggested a list of data sources. In order to propose measures that will enhance poverty reduction impact of the potential road project, collection of demographic, social and economic data, disaggregated by social class, gender and other vulnerable groups disaggregated, will be necessary. This will facilitate the assessment of the needs of the poor and other vulnerable groups, and thereby help in the design of measures to address their needs. Appendix 1 describes the availability of different secondary data and their sources.

#### **Step 4 - Site visit**

The PWD requires a joint visit to the project site by the project identification team members. The objective of the visit is to supplement existing data sources by the collection of locally available data and information through local agencies and stakeholders. In a road project with an additional poverty reduction objective the following additional points need to be kept in mind while visiting the site:

- Have the poor and disadvantaged people are adequately consulted?
- Have field data collected by the team are poverty and social class disaggregated?
- Has the team adequately identified the potential issues linked to the poor, women and socially disadvantaged people that are needed to be addressed in detail during project preparation?
- Has the team collected sufficient data that will help the tem to examine the poverty reduction scopes in the potential project and its potential implications in project's broad objectives?
- Has the team gathered enough data that will aid the team in the identification of issues to organisation, management, institutions and marketing aspects of the potential project if added emphasis on poverty reduction is placed in the project?

#### **Step 5 - Additional data collection**

Directives provides in the PWD on this step are adequate. The collection of additional data will only be undertaken if: (i) it is not possible to extract the required information from the secondary data and from the data collected during field visit; (ii) if such data is crucial in deciding whether the project should proceed or not.

#### **Step 6 - Technical assessment of alternatives**

The PWD have mentioned that the intention of this step is to generate technically feasible alternative schemes. Guidelines have been provided by the PWD. An additional criterion is relevant while generating a list of alternative schemes in a project with added poverty reduction objective: are these technically feasible schemes the best schemes when considered from a poverty reduction point of view? A multi-criteria analysis principle can be established to generate a list of alternative schemes. The following criteria have been proposed for such a multi-criteria analysis: (i) technical feasibility; (ii) direct employment generation opportunities for the poor. L-B approach provides high employment generation potential for the road projects. Appendix 2 provides a flow chart which may be used to decide whether L-B approach is suitable for the physical implementation of the scheme or not; (iii) potential of serving the poorer and disadvantaged areas; (iv) potential of serving both the genders equitably; (v) potential of using

local resources (both labour and construction material); (vi) potential of undertaking complementary poverty reduction activities within the project corridor. Such an analysis would help to generate alternative schemes with high poverty reduction potential.

### **Step 7 - Environmental screening**

The objective of the environmental assessment is to determine the level of environmental assessment that will be required in the project preparation stage. The provisions made in the Environmental Protection Act, 2053 and the Environmental Protection Regulation, 2053 are to be followed in deciding the level of environmental assessment for all road project including a road project with an additional emphasis on poverty reduction.. Appendix 3 provides a summary overview of the Act and the Regulation.

### **Step 8 - Initial social assessment (ISA)**

The objective of the ISA is to determine the pertinent social issues that need to be addressed in the project preparation phase. Appendix 4 provides guidance notes on ISA for a road project with an added poverty reduction emphasis.

### **Step 9 - Consultation with other agencies**

The PWD required to hold consultations with other agencies as the their plan may affect the project and have named the agencies that include other sectoral and the DDCs/VDCs in the project area. However, there may be a number of non-government agencies, community based organizations (e.g. Local Road Users' Committee) and financial institutions (e.g. Grameen Bikash Bank; Krishi Bikash Bank) that are working and supplementing government efforts to the reduce poverty in the project area. It is suggested that these institutions/agencies should also be included in the consultation process.

### **Step 10 - Institutional requirements**

This step in the PWD requires reviewing the institutional aspects of the project in order to make further recommendations for institutional studies that will be required to be taken up in the feasibility phase.. The guidance provided in the PWD appears to be sufficient and therefore, no further guidance is required.

### **Step 11 - Benefit and costs estimates**

The requirements in this step included the identification of benefits and the number of beneficiaries. This step also requires the estimation of approximate costs for different alternatives. For a project with to enhance poverty reduction impact the benefits need to be disaggregated by social class and gender groups. Also the number of beneficiaries should also be presented in a disaggregated fashion so that the project's potential impact on the poor, women and other disadvantaged groups can be assessed in general terms.

### **Step 12 - Implementation arrangement**

The PWD has suggested reviewing the alternatives for project implementation. The guidance provided in the PWD appears to be sufficient for this step.

### **Step 13 - Reports and requirements**

There are three pre-feasibility stage reporting requirements in a project, as outlined by the PWD, including the presentation of investigation findings, recommendations on the alternative to be

selected and scope of work to be completed in the project design phase. The guidance provided in the PWD is adequate for this step .

## **5.2 Pre-feasibility Stage Checklist**

1. Does the project identification team have expertise to undertake socio economic analysis linked to the poverty, gender or socially disadvantaged groups related issues?
2. Has the poor, women and other socially disadvantaged people been adequately consulted?
3. Have all relevant agencies including NGOs, CBOs and financial institutions been adequately consulted?
4. Have the data been collected and analyses been conducted in a social class and gender groups disaggregated fashion?
5. Are the list of technically feasible schemes the best schemes when considered from a poverty reduction point of view?
6. Has the ISA identified issues that need to be examined in-depth in the feasibility phase including the issues linked to the poor, women and disadvantaged groups?
7. Has the project benefits been estimated for different social class and gender groups and been presented in a disaggregated fashion?

## **5.3 Further References**

ADB, (1994) *Handbook for Incorporation of Social Dimensions in Projects*, ADB, Manila

ADB, (2001) *Handbook on Poverty and Social Analysis*, ADB, Manila

Government of Nepal (2002) *Public Works Directives*, GON, Kathmandu

## CHAPTER 6: FEASIBILITY STAGE AND ENHANCING POVERTY REDUCTION IMPACTS

### 6.1 Additional Actions Required in the Feasibility Stage

The PWD have identified 15 steps in the feasibility stage of a public works project. Table 5 identifies the importance of each of the steps in a poverty focussed road project. Table 5 shows that a majority of the steps, 10 out of the 15 steps, are important in relation to a road project with added emphasis on the reduction of poverty. Of the remaining five steps, two steps can be considered to be of medium importance. They are: development of project works, and initial implementation plan and schedule.

#### Step 1 - Preparation of the Terms of Reference

The guidelines provided in the PWD appear to be adequate for a common road project.

However, the following points

need to be considered while preparing the TOR for a poverty focussed road feasibility study:

- (i) The objective of the feasibility study should be to assess the technical, economic and social feasibility of the project;
- (ii) All the analysis should be done and the results be presented, as far as possible, in a gender and social class disaggregated manner;
- (iii) The PWD mention the requirements to investigate feasible alternatives taking into account a number of factors including the socio-economic factor. It is important the TOR explicitly mentions the investigation of alternatives taking into consideration the two additional factors as well as the factors mentioned in the PWD: choice technology in roadworks (labour-based vs. equipment based methods) and enhanced poverty reduction aspects (e.g. inclusion of different complementary poverty reduction measures in the project);
- (iv) The study should conduct a distribution and poverty impact analysis of the investment and comments on the project's poverty reduction potential; and

**Table 5: Steps in PWD and Their Importance in Enhancing Poverty Reduction Impact in Pre-feasibility Stage**

PWD Steps	Importance of different steps
1. Preparation of the Terms of Reference	***
2. Appointment of feasibility study consultants	***
3. Development of project objectives and scope	***
4. Data collection	***
5. Development of project works	**
6. Stakeholder participation	***
7. Preliminary engineering	*
8. Preliminary cost estimate	*
9. Economic and financial analysis	***
10. Identification of institutional and training requirements	***
11. Proposed implementation modalities	***
12. Proposed funding modalities	*
13. Assessment of project risks	***
14. Initial implementation plan and schedule	**
15. Feasibility report	***
Notes: *** - high; ** - medium; * - low	

- (v) It is to be mentioned explicitly in the TOR that the social benefits and costs of the potential project needs to be identified, measured and valued (wherever feasible). If such benefits and costs can be valued then they should be included in the economic analysis of the project. In case they can only be identified and cannot be measured and valued in quantitative terms then they will be presented in qualitative forms, potentially in a matrix form.

Appendix 27 presents a TOR from for the preparation of an infrastructure project in Bangladesh with added emphasis on poverty reduction.

### **Step 2 - Appointment of feasibility study consultants**

The PWD provides comprehensive guidelines on feasibility study consultant selection. There is a dedicated chapter (Chapter 15) on the appointment of consultants for carrying out different activities that include feasibility studies. Chapter 15 of the PWD covers a number of topics including consultant selection methods, the preparation of the TOR, short-listing procedures, the evaluation of technical and financial proposals. It also provides the additional requirements for donor-assisted projects. However, one additional point is pertinent in the consultant selection process for a project with enhanced poverty reduction objective is: the consultant's feasibility team should include personnel with capabilities and experience of tackling complexities in the preparation of such a project. They may include the socio-economist, the poverty analyst, the gender specialist, the transport economist, with experience in distributional and poverty impact analysis apart from economic analysis, and the labour-based road construction specialist. It is difficult to provide guidelines on their roles and responsibilities as they will be governed by the extent of the poverty reduction objective the project seeks to achieve. It is also required that the above mentioned specialists are given due importance in the technical evaluation of consultants proposals (e.g. the weights assigned against them should be commensurate with their responsibilities).

### **Step 3 - Development of project objectives and scope**

The PWD provide adequate general guidance on this step. The development of a local framework has been emphasised in the PWD; the components of the logical framework have also been defined. The PWD mentions that the project objectives should be based on the sector policies of GON and requirements of the concerned donor. It is not expected that a DOR road project will have overwhelming poverty reduction objective. The extent of emphasis on the poverty reduction aspect will be dependent on the project's scope. For example, a national road project with extensive support to the labour-based contractors in Uganda formulated the objective of the project as:

*“The promotion of labour-based contracting methods to improve the interface between major national roads and district roads, thus directly or indirectly contributing to the government's goal of reducing poverty through the provision of adequate transport infrastructure.”*

It is advised that the objectives of the project should be formulated based on a detailed problem analysis – preferably in the form of problem tree that identifies the core and root problems based on the assessment of different problems. The methodology for the development of logical framework and the problem analysis is available in ... [to be added???].

### **Step 4 - Data collection**

Feasibility studies require a wide variety of information which has been rightly mentioned by the PWD. The PWD have provided the general guidelines for the data collection and a list of typical data requirements. Following additional guidelines will apply for a road project with added emphasis on the poverty reduction aspects should

- The studies should make optimum use of secondary data sources in the poverty and social analysis. A list of secondary data and their secondary data sources for such an analysis is provided in Appendix 1.
- Given that poverty has multi-dimensional facets, data collection should involve both qualitative and quantitative data. While the focus of collection of quantitative data is to establish the physical facts (e.g. average household income in the project area), the focus of qualitative data collection is on the understanding the processes, behaviour and conditions as perceived by the individuals or groups under consideration. If designed properly, the qualitative data will also provide insight into how the local communities or households perceive the potential project. The results of the qualitative data analysis may also help in the in-depth understanding the results from the quantitative data analysis. A balanced use of these two methods will help in designing the project components that addresses the needs of the people in the project area.
- Any data, both qualitative and quantitative, collected for the feasibility studies should be social class and gender disaggregated, wherever applicable;
- Inputs from the team members who will be responsible for the social and poverty analysis of the project are crucial. Adequate resources, both time and financial, should be allocated for the collection of data that will be required for the formulation of components to address the poverty reduction issues within the project.

### **Step 5- Development of project works**

The directives provided in the PWD seem to be adequate for this step. .

### **Step 6 – Stakeholder participation**

This is one of the most important steps in the feasibility stage for a road project with an added poverty reduction emphasis. It is often observed that even if a project undertakes stakeholder participation in the design stage of the project, the project design does not address the needs of the poor and satisfy their demands. This is as the poor are generally overlooked in the participation process and often, the rich and influential people, due to their connection with the officials leading the project design process, take control of the process. Therefore, care must be taken so that the poor, vulnerable and other excluded groups are adequately consulted, their needs are sufficiently assessed and project design meets their demands. Appendix 5 provides guidance notes on stakeholder participation, principally dealing with the issue of inclusion of poor and vulnerable groups in the participation process.

### **Step 7 - Preliminary engineering**

The objective of the preliminary engineering design is to establish the technical feasibility and initial cost estimates of viable alternatives. Directives in the PWD appear to be adequate for this step. However, it is necessary to keep in mind the choice of technology in the implementation of the project infrastructure. This is as the cost of implementation using the L-B approach may be considerably different from its equipment-based counterpart. It is recommended that the choice of two technologies in physical implementation of the infrastructure should be considered as two

alternatives. This will help in making an informed decision on the selection of the best alternative.

### **Step 8 - Preliminary cost estimate**

The PWD have provided seven items to be included in preliminary cost estimates. These seven items are restricted to engineering aspects related costs only. However, for a road project with an additional objective of poverty reduction, the costs of social interventions should also be part of the overall project cost. Therefore, it is recommended that the costs of social interventions (e.g. NGO service charges if it is planned to engage an NGO in project activities, costs for training on income generation activities for the poor) should be included in the preliminary cost estimate as well if the potential project is expected to include such activities.

### **Step 9 - Economic and financial analysis**

The directives in the PWD for the conventional economic and financial analyses are adequate. Besides provisions made in the PWD, an additional distribution and poverty impact analysis is required to assess the distributional and poverty impact of the potential investment. The following briefly explains the concepts of distribution and poverty impact analysis.

#### **Distribution and poverty impact analysis**

In a poverty focussed road project it is necessary to demonstrate distributional effects of the investment and its contribution to poverty reduction. However, such an analysis is complex and will require the measurement of benefits from the investment across all final product sectors. Therefore, the analysis takes a partial equilibrium approach– that concentrates on the primary impacts incurred by transport users, operators and government. The approaches that are widely used in the distributional and poverty impact analysis are provided below. Appendix 6 provides guidance notes on the distribution and poverty impact analysis.

#### **Analysis of distribution of benefits**

A number of methods that differ in data requirements and complexity are available for the analysis of distribution of benefits. The most straightforward and relevant road investment related method deals with the presentation of the cost-benefit analysis by impact groups (users, operators, government etc.). The results of the analysis help to understand the distribution of benefits among different social and gender groups (e.g. poor, women). The main advantage of the method is that the method can be considered as an extension of the economic appraisal which is routinely conducted in the project's appraisal phase. The method does not require any extra information beyond what is required for a good conventional financial and economic analysis. The method is recommended by the major multi-lateral banks (e.g. World Bank, Asian Development Bank).

#### **Measuring the Poverty Impacts of investment**

The distribution analysis, described above, can also be extended into a poverty impact analysis. Whereas the distribution analysis requires the estimation of the gains or losses to broad groups, the poverty impact analysis requires a further estimation of the proportion of the net economic benefits going to the poor. The method hinges on the calculation of the Poverty Impact Ratio (PIR). The PIR is defined as the total economic benefits going to the poor as a proportion of net project economic benefits. If the value of the PIR is higher than the proportion of population below the poverty line within the context of the country or an

area, then the project investment can be considered to have positive poverty reduction impact or vice versa.

### **Step 10 - Identification of institutional and training requirements**

The PWD have provided three steps in the identification of institutional requirements: (i) an evaluation of existing DOR institutional structure; (ii) an appraisal of the staffing and budget requirements for the potential project; and (iii) an assessment of the additional staffing requirements after comparing (i) and (ii). This generic methodology in the assessment of institutional requirements seems adequate for any type of project, including a road project with an objective of enhancing poverty reduction impact.

However, the directives provided in the PWD concerning training requirements appear to be deficient. The PWD only stipulates the assessment of training requirements for existing or additional DOR staff. A road project with an additional emphasis on poverty there is a need to broaden the scope for the training. The needs of the following groups also require to be assessed and training provisions are to be made in the project.

- Local government officials
- Contractors for carrying out labour-based roadworks
- Construction groups
- *Naike/Sahajkarta*
- Beneficiaries (especially the poor and vulnerable groups) .
- Any other groups expected to be involved in the project activities.

### **Step 11 - Proposed implementation modalities**

Directives provided in the PWD on this step are comprehensive. However, the following guidelines will complement the provisions already made in the PWD:

- While making the assessment whether DOR regular units can manage the project of an additional project unit is need, the pertinent point to be carefully considered is whether the regular DOR units are willing, have the strength and have the capacity to manage a road project with added complexities due to the inclusion of poverty reduction as one of its objectives.
- Potential structures of two co-ordination committees, one at the central level and one at the district level, for a project with an added poverty reduction objective are being proposed; they are presented in Appendix 7.

### **Step 12 - Proposed funding modalities**

Directives as specified in the PWD can be considered complete for all type of road projects including a road project with an objective of enhancing poverty reduction impact.

### **Step 13 - Assessment of project risks**

A road project with an additional objective of poverty reduction will be more riskier than a conventional road project due to: (i) the project will be more complex in nature and will involve several additional actors (e.g. NGOs, CBOs); (ii) social interventions do not follow the simple “input-output” path like in physical interventions; their outputs may not be visible and sometimes, are hard to define, let alone measure; (iii) the number of assumptions will be higher and the assumption made during the design phase may turn out to be completely wrong during

implementation. Therefore, this step is considered to be a highly important one during the project design phase. The following guidelines, additional to the PWD, are proposed:

- i. There is a need to carry out in-depth risk assessment for all the project risks. The risk analysis needs to be assessed at two levels: strategic and component levels. The risk assessment will include the identification of risks, their impact (what impact a particular risk will have on the overall performance of the project) and their probabilities of occurrence.
- ii. Register the risks and propose measures to mitigate them. The risks can be registered in a matrix form. A sample risk assessment matrix is provided in Table 6.
- iii. Cost the mitigation measures and include them in the project cost.
- iv. Make provisions in the project monitoring plan to monitor the risks from time to time so that the additional mitigation measures may also be taken during the project implementation to lessen their effects.

**Table 6: Risk Assessment Matrix**

Risks	Mitigation measures	Risks	
		Impact	Probability
<b>Strategic-level Risks</b>			
i. Increased mobility may not increase access to services by poor men and women.	A local government strengthening component is included in the project to enhance the 'voice' of local government and local people to demand local service availability.	High	Medium
ii. The poor may not be able to respond to the opportunities created by the project given that they have least productive assets.	A component namely "Complementary poverty reduction measures" is included in the project. The component is expected to focus on pro-poor targeted infrastructure development and to generate significant employment and income generation opportunities for poor men and women.	High	Medium
iii. Other sectors may not respond to the opportunities provided by improvements in the transport sector.	Local government strengthening component is expected to mitigate against this risk as it will enhance coordination between sectors	Medium	Medium
<b>Component-level Risks</b>			
iv. Road Safety Component Improved roads increases road accidents especially affecting women and children	The project supports the road safety awareness activities including enforcement of safer driving through police	Medium	Low
v. Road Upgrading Component The upgraded roads may not be maintained	The department will set up a maintenance unit at its headquarters and a maintenance management system will be developed under the project  The project will provide maintenance funding in a sliding scale and in the last year of the project the government will provide full maintenance funding.  The government will increase its countrywide	High	Medium

	maintenance funding by 10% every year.		
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### **Step 14 - Initial implementation plan and schedule**

The PWD have suggested a content list for the initial implementation plan and schedule. Requirements for the development of a detailed plan after the project's approval has been emphasised in the PWD. The suggested contents of the plan seem adequate for a road project with an emphasis on poverty reduction.

### **Step 15 - Feasibility report**

The PWD have emphasised that the contents of the feasibility report should be compatible with the Financial Administration Regulation (FAR) Schedule 4 "Basic for and method of project approval" relating to FAR Section 23(1). The directives concerning the feasibility report in the PWD seem adequate and therefore, no additional guidelines are necessary for a road project with enhanced poverty reduction objective.

## **6.2 Environmental Assessment**

The Environmental Protection Act 2053 (1997) (EPA) defines the term "environment". The term environment normally includes: (i) biophysical environment (e.g. land, water, atmosphere etc.); (ii) socio-economic and cultural environment; (iii) man made environment (e.g. buildings, structures etc.). GON has also enacted the Environment Protection Rules, 2053 (1997) (EPR). The EPA covers environmental and social aspects in development projects including road projects. The Act requires a development project to carry out environmental assessment (EA), either in the form of Initial Environmental Assessment (IEA) or Environmental Impact Assessment (IEA). The PWD has dedicated a full self-contained chapter on EA. The chapter provides step by step process in the EA. The guidance on EA provided in the PWD is sufficient for a road project with an additional poverty reduction objective.

## **6.3 Social assessment**

The PWD has envisioned SA as an integral part of the planning process and have recommended conducting SA in parallel with the feasibility study and environmental assessment procedures. However, SA may be conducted as a part of the feasibility study. Unlike the environmental assessment, which is regulated by the Environmental Protection Act 2053 (1997) and supporting rules, there are no supporting legal provisions that provide regulations and guidelines for SA. The PWD has dedicated a full chapter on the social assessment (SA). The chapter covers different aspects of SA in a project including the steps involved in SA. The guidance provided in the PWD is adequate for the carrying out SA related tasks. However, Appendix 8 presents guidance notes on this issue that summarises the issues that are important in SA and presents the summary step by step procedures for carrying out SA including the objectives for different steps and potential methodologies to be used.

## **6.4 Feasibility Stage Checklist**

1. Is the TOR sufficient comprehensive enough to carry out a feasibility study of a road with an added poverty reduction objective?

2. Does the feasibility team include experts to tackle the poverty, gender, distributional and other socio-economic issues that will be required to design a project with an enhanced poverty objective?
3. Have the consultants developed a comprehensive logical framework matrix and has the objective been developed using an appropriate analytical method?
4. Are data collected for the feasibility studies and the results presented in a social class and gender group disaggregated fashion?
5. Have the poor, women and other socially disadvantaged groups adequately consulted and their views taken into consideration while designing the project?
6. Has the issue of technology choice (labour-based vs. equipment-based), in the implementation of roadworks, taken into consideration in generating viable project alternatives?
7. Has the cost of social intervention, if the project proposed so, taken into consideration in the preliminary cost estimation?
8. Has the distributional and poverty impact analysis been conducted as a part of the economic and financial analysis and the results presented?
9. Does the scope of the training is broad enough to cover additional training requirements in a road project with an added poverty reduction objective?
10. Have feasibility studies identified project risks adequately, assessed their impacts and probabilities properly, and developed and presented a risk assessment matrix?
11. Has the SA explored the issues linked to the poor, women and vulnerable groups in-depth and have the findings from the SA taken into consideration in the project design?

## **6.5 Further References**

Asian Development Bank (1997) *Guidelines for the Economic Analysis of Projects*, Asian Development Bank, Manila.

Asian Development Bank (2001) *Handbook for Integrating Poverty Impact Assessment in the Economic Analysis of Projects*, Economics and Development Resource Centre (EDRC), Manila

Fujimura M and Weiss J (2000) *Integration of Poverty Impact in Project Economic Analysis: Issues in Theory and Practice (EDRC Methodology Series Number 2)*, Asian Development Bank, Manila

Gannon G, Liu Z (1997) *Poverty and Transport (Discussion Paper No. TWU-30)*, World Bank, Washington D C [Also available online at <http://www.worldbank.org/transport/publicat/twu-30.pdf>]

World Bank (2005) *Notes on Economic Evaluation of Transport Projects: Distribution of Benefits and Impacts on Poor People (Transport Note No. TRN-26)*, World Bank, Washington DC

## CHAPTER 7: OTHER STAGES AND ENHANCING POVERTY REDUCTION IMPACTS

### 7.1 Project Appraisal and Budget Approval (Stage 4)

The objective of the project appraisal is to review findings of the feasibility study, social and environmental assessments in order to approve the project. The PWD has provided a list 12 issues the project appraisal process needs to examine. There is no additional issue that needs to be examined at this stage for a road project with an emphasis on poverty reduction. However, all the relevant issues mentioned in the PWD need to be assessed from poverty, women and other disadvantaged group's perspective. Chapter 6 detailed the aspects that are to be looked into from the perspective of a road project with an enhanced poverty reduction objective. For instance, the PWD has directed the assessment of project beneficiaries at project appraisal stage. For a project with an additional poverty reduction objective, the social class and gender aspects of the project beneficiaries need to be examined thoroughly.

**Table 7: Additional Points for Examination in the Appraisal Phase**

Items	Additional points
1. Project development objective	<ul style="list-style-type: none"> <li>• Has the objective been developed based on detailed problem analysis?</li> <li>• If the objective of the project contains any poverty reduction feature, how logical is the objective when considered from the project components' point of view?</li> </ul>
2. project description and components	<ul style="list-style-type: none"> <li>• Does poverty reduction feature in the project description? Is so, do the project components subscribe to the description.</li> </ul>
3. Sector plan and priorities and how the project fits with them	<ul style="list-style-type: none"> <li>• No additional point needs to be considered.</li> </ul>
4. Project beneficiaries	<ul style="list-style-type: none"> <li>• Does the feasibility report provide enough information to assess to what extent the poor, women and other socially disadvantaged groups will be benefited from the potential project?</li> </ul>
5. Project rationale, alternatives considered, lessons learned and reflected in the project design	<ul style="list-style-type: none"> <li>• Does the feasibility study considered full range of alternatives especially the alternatives linked to the choice of technology in roadworks, complementary poverty reduction measures?</li> </ul>
6. Cost estimate	<ul style="list-style-type: none"> <li>• Does the cost estimate include the cost of social interventions, if such measures are included in the project design?</li> </ul>
7. Economic and financial analyses	<ul style="list-style-type: none"> <li>• Has distributional and poverty impact analysis been conducted? If so, would the potential project have positive poverty reduction impact on poverty?</li> </ul>
8. Social and environmental assessment	<ul style="list-style-type: none"> <li>• Have all the issues linked to the poor, women and disadvantaged groups been examined in-depth in the social and environmental assessment? If so, have the findings been reflected in the project design?</li> </ul>

9. Implementation arrangements for procurement, coordination, information dissemination	<ul style="list-style-type: none"> <li>• Has the project devised proper implementation arrangements for the poverty reduction related components? Has the project developed a comprehensive information dissemination strategy, especially the dissemination information targeted for the poor and disadvantaged groups?</li> </ul>
10. Institutional arrangements for operations and sustainability	<ul style="list-style-type: none"> <li>• No additional point needs to be considered.</li> </ul>
11. Critical risk and sustainability issues	<ul style="list-style-type: none"> <li>• Have all the project risks, especially those risks linked to the direct poverty reduction components, been adequately assessed, registered and mitigation measures proposed?</li> </ul>
12. Funding requirements	<ul style="list-style-type: none"> <li>• No additional point needs to be considered.</li> </ul>

## 7.2 Project Implementation Plan (Stage 5)

The objective of the Project Implementation Plan (PIP) is to provide all relevant project details (e.g. its description, project management arrangements, monitoring and evaluation procedures etc.) so that it acts as a guiding documents by all directly related to the project (e.g. the Project Manager, executing agency, implementing agency etc.). The PWD have mentioned that the PIP should be prepared in two stages for central level projects: (i) A preliminary PIP before the appraisal and approval of the project; (ii) A detailed PIP after the approval of the project. However, for district level projects preparation of a preliminary PIP will be sufficient. The PWD have provided a list of 17 items that will be required to be in a PIP. They are:

### **Project Description**

1. Introduction
2. Project objective and scope
3. Detailed project description
4. Financial & economic analysis
5. Assumption and risks
6. Detailed Financing Plan

### **Implementation Arrangements**

7. Organization responsible for the project
8. Responsibilities and authorities of the implementing agencies
9. Terms of reference
10. Participation of stakeholders and other agencies
11. Project accounting, disbursement and auditing arrangements
12. Arrangements with the donor

### **Implementation Plan**

13. Plan and schedule of each component
14. Specific actions

### **Monitoring and evaluation**

15. Project impact indicators

16. Project progress and financial indicators

17. Loan covenants in donor assisted projects

The list provided in the PWD is exhaustive and there will be no additional requirements for a road project with an added poverty reduction impact.

### 7.3 Engineering Design (Stage 6)

The PWD have prescribed 12 steps in the engineering design. While preparing engineering design, drawings, specifications, cost-estimate, contract packages and bidding documents care must be taken that works to be done through labour-based approach engaging poor labourers through User's Committee or NGOs/CBOs or contractors should be specified. The design work should identify the requirements for such approach and approvals and clearances should be taken from the concerned authority prior to the commencement of the construction work.

**Table 8: Engineering Design and Enhancing Poverty Reduction Objective in a Road Project**

Step	Activities	Special attention required?	Comments
1	Preparation of TOR for Engineering Design	Yes	Among other tasks the following tasks need to be included in TOR: (i) The Consultant should explore the suitability of the use of L-B approach, both from cost and technical perspectives, in implementation of the proposed roadworks or road infrastructure related works. If such an approach is found suitable then the Consultants will propose engineering design which is conducive to such an implementation method; (ii) the Consultant while involved in the design activities (mainly during the field surveys, material investigations) will interact with the poor and other vulnerable groups to assess to what extent they will be affected by the construction activities and operation of the works and will take mitigation measures to lessen or alleviate their grievances.
2	Appointment of Engineering Design Consultant	No	
3	Field surveys and investigation		The issues linked to the construction activities and operation of the works affecting the poor and vulnerable groups should be explored in depth and actions are to be taken, which are practicable, to lessen or alleviate their grievances.
4	Adoption of design criteria and standards		
5	Design studies	No	

Step	Activities	Special attention required?	Comments
6	Preparation of drawings, specification and BOQ	Yes	The work specification should be technology neutral. The work specifications will not favour any particular technology (e.g. the specification should not mention completion of an item using a particular method)
7	Preparation of engineer's estimate	No	
8	Preparation of contract packages	Yes	The contracts should be packaged, if found practicable, in a way so that they are favourable for implementation by small-scale L-B contractors or similar other methods (e.g. use of Labour Contracting Societies – see Section ???)
9	Development of procurement method and form of tendering	No	
10	Preparation of programme	Yes	If the Consultant finds it feasible to use L-B approach in the implementation of roadworks or road related infrastructure works and the design prepared accordingly, then the work programme should be developed correspondingly. For instance, implementation of roadworks using L-B methods may take longer.
11	Preparation of bidding documents	No	
12	Approvals	No	

#### 7.4 Pre-construction Activities (Stage 7)

The PWD have prescribed five principle pre-construction activities as shown in the following table. The comments on these steps in relation to an additional poverty reduction objective in a road project is provided in Table 9.

**Table 9: Pre-construction Activities and Enhancing Poverty Reduction Objective in a Road Project**

No.	Activities	Comments
1	Land acquisition	Land Acquisition Act, 2034 makes provisions for acquiring land and related compensation payments. Activities linked to land acquisition should follow the provisions made in the Act. However, additional actions should be undertaken within the provisions made in the Act so that the poor and disadvantaged people are fairly treated in the process of acquiring land and compensation payment. Appendix 9 provides guidance notes on land acquisition issues.

2	Coordination with other government agencies and utilities	It is proposed that national and district level coordination committees to be formed to facilitate project implementation. Appendix 7 provides the proposed structure of the committees with their roles and responsibilities.
3	Management of sources of materials	The PWD guidelines appear to be comprehensive in this regard.
4	Approval of other government agencies	The PWD guidelines appear to be comprehensive in this case also.
5	Information Program	<p>The PWD requires the Project Manager to provide project related information to residents and stakeholders. The information ranges from project objective to expected outputs and benefits, and traffic diversion routes. In a road project with an additional objective of poverty reduction, it is necessary to use an improvised approach in information dissemination given that the members of poor and vulnerable groups are illiterate and a normal information dissemination approach may not work. The Project Manager needs to explore appropriate methods he would employ to disseminate the project information (For instance, a project in Bangladesh used traditional singers in markets to convey the project messages across to people from different social classes and gender groups). The main message the project needs to disseminate to the poor and vulnerable groups are:</p> <ul style="list-style-type: none"> <li>(i) employment opportunities for the poor within the project including the opportunities in roadworks;</li> <li>(ii) NGOs involvement in the project (if applicable);</li> <li>(iii) Complementary poverty reduction measures in the project and the scopes of involvement of the poor and vulnerable groups; and</li> <li>(iv) Other relevant information for the poor and vulnerable groups.</li> </ul>

### 7.5 Procurement of Works (Stage 8)

The PWD have dedicated a chapter on the procurement of works and have detailed the procedures for bidding and awards of contract for the construction of works or supply of construction materials. Procurement of public works, goods and service requires to be done as per clause 8 of the Public Procurement Act 2063 which specifies six procurement methods: (i) Open tendering at international level; (ii) Open tendering at National level; (iii) Sealed quotation; (iv) Direct purchase; (v) Through participation of User's Committee and beneficiaries; (vi) Force account

A road project with an objective to reduce poverty through the project interventions might need the engagement of different project implementation channels including the NGOs, User's Committees, CBOs etc. The Public Procurement Act 2063 has allowed the engagement of the User's Committee, beneficiary groups (e.g. CBOs) and NGOs in the road construction works. The following section describes the engagement of NGOs, CBOs and users' committees for roadworks.

### 7.6.1 Procedure for employing NGOs, CBOs and user's committees for roadworks

The Public Procurement Act, 2063 has made provisions for carrying out construction work using users' committees or beneficiary groups; Clause 44 of the Act stipulates that user's committee or beneficiaries group can be used in the construction work if such implementation modalities are found to be: (i) cost effective; (ii) of good quality; and (iii) sustainable. The Act made another provision for the use of users' committee or beneficiary groups if the main objective of the project is to promote employment generation.

The Act also made provisions (Clause 46) for employing NGOs to carry out a number of activities if such a modality is considered to be efficient and cost effective. The activities included public awareness training, orientation, empowerment and mainstreaming. The detailed procedures are to be spelled out in the Regulations that is expected to follow the Act. However, based on current practices, recommended guidelines have been developed for employing NGO, CBOs and User's Committees, which is available in Appendix 10.

### 7.6 Construction of Works (Stage 9)

A total of nine activities have been identified by the PWD in the construction of works stage. The activities range from general obligations of the employer, contractor and consultants to construction supervision procedures to payment procedures to defect liability period activities to coordination with government agencies and utilities. The PWD procedures are generic and are applicable for general roadwork types. L-B methods in roadworks might be employed in a road project with an objective of enhancement of poverty reduction impact. This is as there is overwhelming evidence of advantages of the use of labour-based methods over equipment-based methods in roadworks in developing countries. A number of studies<sup>5</sup> in Asia and Africa have concluded that the advantages are not only limited at the project (micro) level (e.g. the financial cost advantage of labour-based methods), but also relevant at the macro-economic level (e.g. the higher multiplier effects of labour-based methods over equipment-based methods). Section 3.4 (???) referred to a study (IT Transport, 1999) that showed that the "break-even" wage rate, which provides an estimate of the labour wage rate at which the costs of both the methods becomes equal, for Uganda is \$4.0. The average wage rate of unskilled labourers in Nepal is considerably lower than \$4.0 per day. Also the L-B approach has the potential of generating 18 times more employment than its E-B counterpart. This means that the use of labour based methods is cheaper and such methods have the potential of generating more employment opportunities, especially for the poor.

The PWD have not covered the issues linked to the construction works using labour-based approach. While Table 10 provides the list of activities and issues in the preparatory and construction phase of the roadworks using the L-B methods, Appendix 11 details the steps in the achievement of activities.

#### Table 10; L-B Approach in Road Construction – Activities and Issues

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<sup>5</sup> Taylor G and Bekabye M, (1999) *An Opportunity for Employment Creation, Labour-based Technology in Roadworks: The Macro-Economic Dimension*, International Labour Organisation, Geneva.

IT Transport (2003) *Cost Comparison Study: Mozambique Regional Roads*, IT Transport, Ardington

Stiedl D (2002) *Cambodia Cost Study Status Report : A comparison of labour and equipment based approaches to rural road construction (Draft)*, ILO ASIST-AP, n.p.

<b>Preparatory activities</b>	<b>Construction activities or issues</b>
<ol style="list-style-type: none"> <li>1. Hiring of NGOs (See section 7.6)</li> <li>2. Social mobilization, users group formation and registration</li> <li>3. Fixation of zone of influence</li> <li>4. Identification of poor, disadvantaged and vulnerable groups for labour work and complementary poverty reduction activities (A sample format for identification through wealth ranking is given in Appendix 12)</li> <li>5. Procurement and supply of tools and construction materials</li> <li>6. Labour camp management</li> <li>7. Labour insurance provision</li> </ol>	<ol style="list-style-type: none"> <li>1. Labour group formation</li> <li>2. Selection of <i>naike/sahajkarta</i></li> <li>3. Training to the groups</li> <li>4. Work assignment</li> <li>5. Working period</li> <li>6. Work measurement, evaluation and payment</li> <li>7. Campaign against alcohol drinking and gambling</li> <li>8. Child labour issues</li> <li>9. Gender issues</li> <li>10. Sexually transmitted infections and HIV/AIDS</li> <li>11. Selection of <i>naike/sahajkarta</i></li> <li>12. Human and drugs trafficking</li> <li>13. Road accident and safety measures (social approach)</li> </ol>

Guidance Notes on conducting construction through L-B approach is given in Appendix 11.

### 7.7 Post-construction Activities (Stage 10)

Six activities have been mentioned in the PWD that are to be completed in the post-construction phase of the project. They are:

- i. Project completion reports;
- ii. As-build drawings;
- iii. Settlement of claims and final payments to contractors
- iv. Planning and implementation of operation and maintenance
- v. Evaluation of project performance
- vi. Monitoring and evaluation of project benefits and impacts

Apart from the above activities The project manager and the department should make arrangement for time and resources for carrying out these activities.

#### **i. Resolution of claims and any other outstanding contract/matters**

##### **a. Settlement of claims**

The project manager should take necessary actions to settle the claims as provisioned in the contract documents.

##### **b. Public Audit**

A public audit should be carried out on all the construction works carried out under L-B approach. Guidance Notes on public audit and its procedure is given in Appendix 13.

##### **c. Decommissioning of work camps**

After the project work camp site should be properly decommissioned and should return to as close to their original condition as possible.

**d. Conversion of road construction group into CBO and cooperatives**

After the completion of all the construction work the RCG involved in project should be registered with the District Administration Office as a Community Based Organization (CBO) or Cooperatives as per the demand of RCG. This will lead the group towards sustainability.

**e. Follow-up by NGO**

The NGO hired to implement poverty reduction activities should regularly monitor and support the project beneficiaries even after the project for: (i) group sustainability, (ii) micro-finance, (iii) micro enterprise development, (iii) marketing support and (iv) others as required.

**f. Project completion report**

The report should be prepared by the NGOs, CBOs and project manager. In this report the following information should be included;

- Description of different activities in chronological order
- Organisation arrangements including User's committee, NGOs/CBOs, Contractors and coordination with other ministry and local bodies and lesson learned
- Whether or not the original project objectives have been achieved
- Whether or not the land acquisition, resettlement problems, social inclusion and preference to disadvantaged groups have been achieved
- Summary of social impacts monitored during implementation
- Performance of NGOs, CBOs, User's Committees and contractors
- Recommendations for future actions for the project focusing on poverty reduction aspects
- Verification of social cost and benefit analysis

**ii. Implementation of operating and maintenance procedures to ensure the sustainability of the intended project benefits**

Road maintenance is a function of keeping the road ways, road side structures, cross drainage structure and other facilities in the best possible condition to ensure reliable and safe transportation along the road ways.

DOR and its 25 division offices are the responsible agencies to maintain the roads. A system of carrying out planned maintenance is established in 25 division road offices in a sustainable way. The planned maintenance approaches of the Department include;

- a. The length worker system for routine maintenance
- b. The cyclic approach and major works Programs for recurrent maintenance
- c. An Emergency Maintenance Plan for the rainy season

Besides these approaches, road neighbour involvement is also vital for road maintenance for the reason that deterioration of the road has been caused more by the community

actions than other factors. Guidance Notes on road neighbours involvement in road maintenance is given in Appendix 14.

**iii. Post evaluation of the implementation and impacts of the project**

See section 7.10.4 of this chapter.

**7.8 Accounting and Inventory Procedures (Stage 11)**

The detailed accounting and inventory procedures is given in the PWD (11). The project should follow the same procedures for maintaining the account and for inventory. However, specific procedures and formats supplied in these guidelines should also be followed.

**7.9 Reporting, Monitoring and Evaluation Procedures (Stage 12)**

This stage is one of the most important stages in the project cycle of a road project with added emphasis on poverty reduction. The PWD have defined the reporting as the process of collection of various data about project activities, interpreting and summarising them into information and presenting the information in a form which can be understood by the higher level officials of GON and donor agencies. Monitoring is defined as the process of determining the progress of the project from reports and other sources. It can be said that reporting is a part of the overall monitoring process. Monitoring helps in identifying and undertaking remedial measures that are required in an ongoing project. The PWD defined evaluation as the process of determining the relevance, efficiency and effectiveness of the project in achieving its objectives, especially longer-term and broader objectives. The next sections examined the adequacy of the PWD in reporting, monitoring and evaluation terms for a road project with emphasis on poverty reduction.

**7.9.1 Reporting**

The PWD has provided a list of reports that are required to be produced in a road project. The report name, its purpose, authority responsible for the report, authority that will receive the report and time of reporting are also provided. The reports cover a number of broader areas including financial, physical progress, employee, consultants and contractors evaluation. The additional information requirements in progress reports are generally mentioned in a project's logical framework. The logical framework of a project usually stipulates which Objectively Verifiable Indicator (OVI) should be verified using progress reports. Therefore, a complete logical framework will dictate the additional reporting requirements of a project with emphasis on poverty reduction.

**7.9.2 Monitoring**

**i. Pre-Construction Phase Monitoring**

The monitoring activities to be carried out during pre-construction phase are given in **Figure 2**.

<b>Figure 2: Pre-Construction Phase Monitoring Activities</b>	
<u>Employment in Road Project</u>	<u>Complementary Poverty Reduction Activities</u>
<ol style="list-style-type: none"> <li>1. To ensure the process of awarding the tender contract on the basis of free and fair competition.</li> <li>2. To ensure that the tender offering least price is accepted.</li> <li>3. To ensure labour availability survey has been properly conducted.</li> <li>4. Socio-economic baseline of selected and control households have been prepared.</li> <li>5. To ensure the employment of women, vulnerable and other disadvantaged groups</li> <li>6. To ensure that the verification of land property, crop, business and livestock damages are properly assessed and compensated prior to the commencement of construction activities.</li> <li>7. Timely reporting.</li> </ol>	<ol style="list-style-type: none"> <li>1. To ensure that the procedure for hiring NGO has been completed.</li> <li>2. To ensure that the listing of potential households for complementary activities and selection of target households have been completed.</li> <li>3. To confirm the scope of complementary packages.</li> <li>4. To ensure socio-economic baseline survey of selected and control households completed</li> <li>5. Verification of all necessary sub-plans within the frame work of social development plan have been identified and prepared.</li> <li>6. To ensure budgetary provision and cost estimate is reflected in design work</li> <li>7. Timely reporting</li> </ol>

## ii. Construction Phase Monitoring

Construction phase monitoring is more comprehensive. At the field level both consultant and NGO should monitor the implemented activities during construction phase. Compliance monitoring should be done by the project office, division office at the project level and DOR, GESU at the central level to ensure that works are being implemented satisfactorily. Some of the key activities to be monitored during this phase are given in **Figure 3**.

There are instances that Community Based Performance Monitoring (CBPM) is more effective for the kind of social mobilization activities that are envisaged in the guidelines. For this type of monitoring an effective co-ordination among different responsible agencies or persons at the project level is necessary.

To achieve the above objectives and ensure maximum community participation and transparency among different parties involved in the formulation and implementation of the work, the LRCC should take the sole responsibility, and social mobiliser, technician, site supervisors and representatives should develop CBPM system and constantly monitor it and present the monitoring report to the concerned officials.

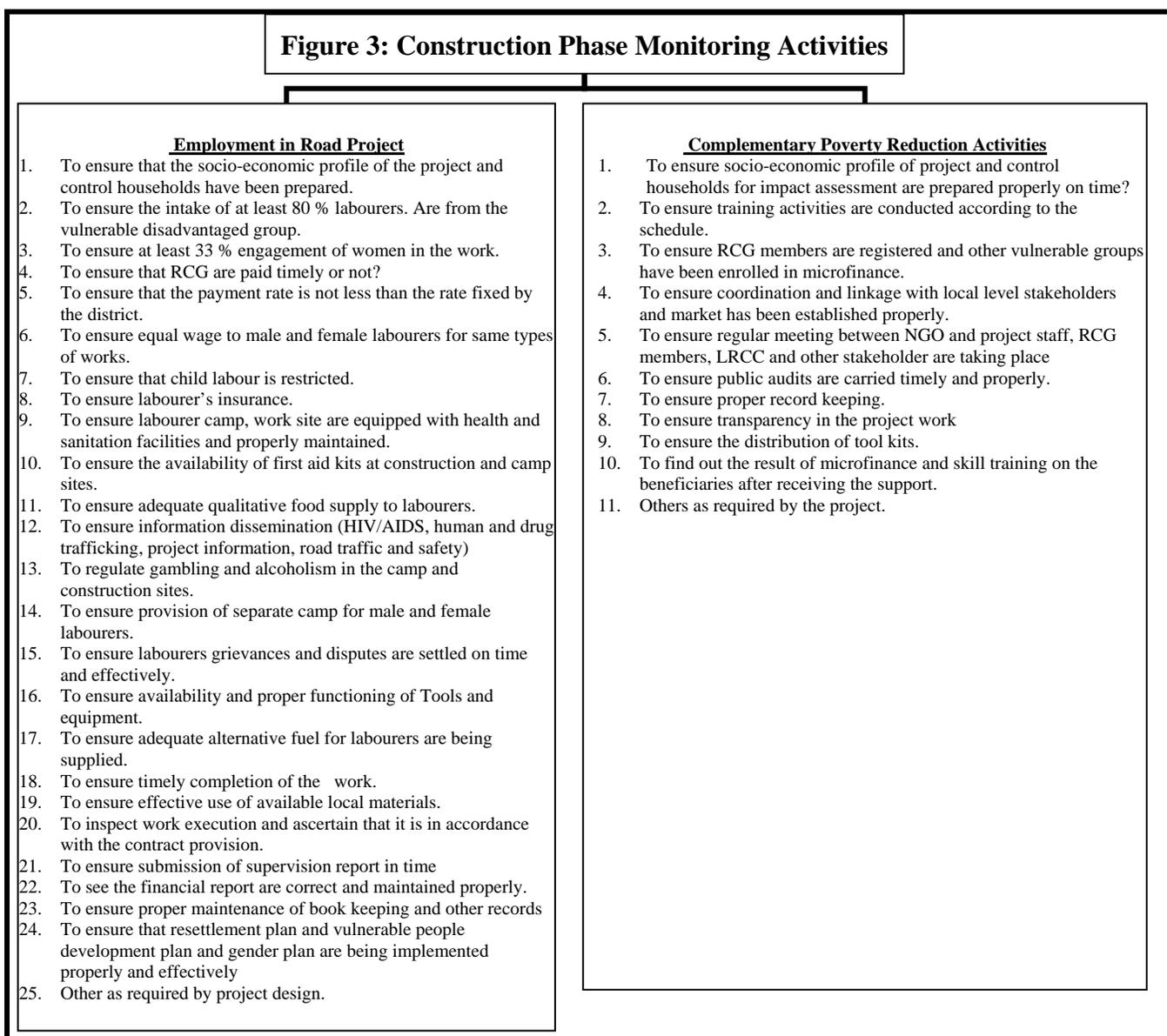
### 7.9.3 Evaluation

The PWD have mentioned two types of evaluation: on-going evaluation and ex-post evaluation. Both of them are important in the context of a road project with an added poverty reduction objective.

#### On-going Evaluation

The purpose of the on-going evaluation is to provide feedback to the policy makers and programme managers on the project's achievements so that policy objectives, arrangements or allocation may be adjusted accordingly. In a donor assisted project there may be scopes for yearly review or mid-term evaluation which are usually undertaken by the donor agency representatives, with the help of independent consultants. The on-going evaluation doesn't follow any particular format – it depends on the requirements of the funding agencies. However,

the on-going evaluation generally seek the answer the following questions: (i) is the project progressing as planned? (ii) is the project in the process of achieving its intended purposes? (iii) are there any need of re-adjustments? (iv) if so, what adjustments are needed? (v) if adjustments are needed what implications it might have on the project completion time and resource requirements? On-going evaluation is not intended to use primary data collected during the evaluation period, rather it depends on the information collected by the project and information gathered during short field visits. [a sample TOR needs to be included]



### Ex-post or Impact Evaluation

Ex-post evaluation, which is often referred as an impact evaluation, conducted after the project completion, deals with the effects and impact of the project. All road development benefits do not occur immediately after a road is improved. There is a time lag between the improvement of a road and the benefits to occur. It is difficult to suggest the exact time frame of the benefits to

occur. Different sectors within the road corridor make adjustments with the opportunities created by the road development. The rates of such adjustments are dependent on the socio-economic attributes within the road corridors (for instance, the rate of response for a road corridor with high agriculture potential will be different from the rate of response of a road corridor without such potential). However, it is a usual practice to capture the road development effects (benefits/dis-benefits that occur within the short to medium time frame) usually between 2-5 years after the development of roads. Any benefits/dis-benefits captured after this time frame can be considered as the project's impact. Therefore, any reference to the ex-post evaluation may either be an effect evaluation or an impact evaluation, depending on the time-frame of conducting the ex-post study after the project's completion.

The ex-post evaluation study try to answer a number of questions: (i) How did the project affect the beneficiaries? (ii) Were the improvements a direct result of the project, or would they have improved anyway? (iii) could the programme be modified to improve impact? (iv) were the project costs justified? In the case of a road project with an emphasis on poverty reduction one of the interests would be to assess the impacts on the poor and vulnerable people within the project area. However, the aforementioned questions cannot be simply by capturing the changes occurred on the project beneficiaries. There may be other factors which may have influenced the measured outcome. Therefore, fundamental challenge in an impact evaluation is to estimate the *counterfactual* – what would have happened in the absence of the interventions. There are a number of methodological and technical challenges that are to be overcome to assess the impact of a road project. Appendix 15 presents guidance notes on the ex-post evaluation.

## Main Challenges

There are a number of methodological and technical challenges that are to be overcome for the assessment of impacts of a road project. Commonly used methodologies used in many countries for the social and poverty impact assessment are often incomplete and therefore, overestimate or underestimate the benefits/dis-benefits of the road investments. The main challenges in devising and implementation of an impact evaluation methodology are:

### 1. The methodological challenge of isolation and attribution of a road's impact

1. **The methodological challenge of isolation and attribution of a road's impact:** this means establishing the counterfactual and thereby apportioning the project benefits;
2. **The methodological challenge of having appropriate data collection procedures and instruments:** this challenge links to the development of appropriate evaluation indicator, the design appropriate data collection instruments and the collection of good quality data.
3. **The methodological challenge of defining and measuring of poverty and other social welfare measures:** Given that poverty is multi-faceted, this challenge related to the defining poverty and the indicators
4. **The technical challenge of integrating and analysing the primary and secondary data:** To code, input, organize and analyze the vast amount of primary and secondary data that are generated from a poverty and social impact study.
  - To devise an appropriate method for data analysis to avoid biases due to their non-random generation;
  - To devise and implement a method for matching treatment and control groups that forms the basis of evaluating the outcome indicators using double differencing techniques.

- To devise and implement appropriate data analysis methodology to take care of attrition bias – bias generated due to the dropping out of people with certain characteristics in the subsequent surveys in the case of panel data.
- Registering the location (geo-referencing) of the sampled households or other sampled units in the case of panel surveys – potentially with the help of Geographic Information Systems (GIS).

Guidance notes on this issue are provided in Appendix 15. (Being updated)

### **7.12 Appointment of consultant (Stage 13)**

For the appointment of the consultant the provision made in the Public Procurement Act 2063, chapter 4 articles 29 to 39 require to be followed. The Act stipulates that the consultant should only be hired if the manpower available in the agency is not competent to carry out the intended activities or if the consultant is to be procured through foreign aided resources. The first step to hire the consultants is to make public notification soliciting the letter of intent from the individual, firm, agency or company willing to render the services and to make the list of prospective candidates. For detail consult the Public Procurement Act 2063 and the articles specified above.

### **7.13 Technical audit (Stage 14)**

Technical audit is required for the technical works of the project and the PWD have adequate provision for that. The work that is carried out through L-B approach and complementary poverty reduction activities need public audit. Its procedures and tools are given in Appendix 13.

### **7.14 Checklist**

- 1 Are vulnerable groups targeted as beneficiaries?
- 2 Have the project risks on the vulnerable groups been analyzed and measures suggested?
- 3 Are vulnerable groups consulted and their concern taken into account?
- 4 Are the poverty reduction activities carried out by the contractors, NGOs/CBOs and User's Committee during construction clearly specified and scheduled?
- 5 Are RCG and User's Committee registered ?
- 6 Are requirements, approval and clearances for L-B approach identified and incorporated in the engineering design?
- 7 Are works divided into packages for execution?
- 8 Has the acquired land been adequately compensated?
- 9 Has coordination with different concerned agencies been established and their approval taken?
- 10 Has existing quarry sites investigated for construction materials?
- 11 Has information collection and dissemination mechanism been properly developed and ensured?
- 12 Has procurement of works been done through free and fair competition?
- 13 Is zone of influence fixed?
- 14 Are labourers identified and grouped?
- 15 Is *naike/sahajkarta* selected?

- 16 Are labourer's insurance, safety and welfare measures addressed properly?
- 17 Is arrangement for meetings and workshops done?
- 18 Are store and tools, site work and record keeping properly managed?
- 19 Is labourer's camp properly arranged?
- 20 Is participation of women and other vulnerable groups of the project area ensured?
- 21 Are child labours restricted?
- 22 Are work examined, certified and payment made timely?
- 23 Are women paid equally for same work as their male counterparts?
- 24 Is awareness campaign on different social issues launched?
- 25 Is public audit conducted?
- 26 Are work camps decommissioned?
- 27 Are measures for sustainability of complementary poverty reduction (CPR) programs taken?
- 28 Are CPR activities reported in chronological order?
- 29 Are CPR activities monitored regularly community based performance monitoring (CBPM; preferably)
- 30 Are performance, benefit and impact of CPR activities evaluated?

## **CHAPTER 8: COMPLEMENTARY POVERTY REDUCTION ACTIVITIES AND GOOD PRACTICES IN ROAD PROJECTS**

### **8.1 Scopes of Complementary Poverty Reduction (CPR) Activities within a Road Project**

#### **8.1.1 Donor's approaches to different road projects in Nepal and good practices**

Nepal has some experience in the introduction of measures to reduce poverty in road projects. A number of recently undertaken road projects<sup>6</sup> have introduced the concept of complementary poverty reduction (CPR)<sup>7</sup> measures along with the infrastructure development works to enhance the poverty reduction impact of the investment. Some of the main features of the projects are:

- The interventions are designed based on the assessment of demand with inputs from communities;
- The poor, women and vulnerable people are organised into groups and these groups have participated in the physical construction and maintenance the roads.
- NGOs are also being involved in the organisation of groups comprising poor and vulnerable people along the road corridors and to extend micro-finance services to these groups. The NGOs are providing income generation and other training so that the poor and vulnerable groups can reap benefits from mobility and access improvements that are brought about by the new/improved roads.

The CPR measures were introduced in the backdrop of evidence that suggest that involvement of the poor and vulnerable people in roadworks is not sufficient for a sustained poverty reduction. This is as a majority of them expend the cash they earn from the roadworks related short-term employment within in a short-time of completing the jobs. The CPR measures undertaken in Nepal can be divided into two broader groups:

#### **a. Training on Income Generating Activities (IGAs) and Extension of Micro-credit**

While the objective of the IGAs is to enhance the livelihood skills of the poor and vulnerable people, the objective of the extension of micro credit is to provide them with financial capital to enable them to effectively use it together with their newly acquired skills to generate additional income. The IGAs are broadly divided into the following categories:

- Improved agriculture and livestock practices (e.g. vegetable and cash crop, cattle raising)
- Micro-enterprise and job skills (e.g. carpentry, plumbing, food processing repairing of electronics goods).
- Marketing and community development activities (e.g. setting up of market stalls, establishment of nursery, plating fruit trees along the road alignment)

#### **b. Non-income generating activities**

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<sup>6</sup> The notable projects are: DFID assisted Rural Access Programme, GTZ assisted Green Road project, Swiss Agency for Development and Cooperation (SDC) assisted District Road Support Program (DRSP), World Bank assisted Road Maintenance and Development Project (RMDP) and Asian Development Bank (ADB) assisted Road Network Development Project (RNDP)

<sup>7</sup> known by different names in different projects

The objective of the non-income generation activities is to improve the social, physical and human capitals of the poor and vulnerable groups. They include:

- Literacy and numeracy courses
- Training on Hygiene and sanitation
- Training on safe motherhood practices.
- Social awareness campaign on issues like domestic violence, child labour, human trafficking, communicable diseases and HIV/ AIDS, girls' education, alcoholism, prostitution, drug abuse, dowry, child marriage.

Appendix 16 presents the main features of some of the road projects in Nepal which can be considered as good practices.

### **8.1.2 The Pilot Project and Lessons Learnt**

DOR has recently implemented a pilot project in three eastern districts of Nepal entitled "Enhancing Poverty Reduction Impact of Road Project (EPRIRP)". The pilot project is a part of Road Network Development Project (RNNDP) and is being implemented in three road sections that are being developed. The main objective of the pilot project is to familiarize DOR on poverty reduction activities in road projects. The project spans over a period of 16 months and has commenced in early 2006.

The key activities that have been carried out under the pilot project are:

- Identification and selection of poor and socially disadvantaged households residing along the corridor of selected road sections (a minimum 100 in each road section)
- Organize them in groups to provide microfinance training and services
- Provide training on life skill and income generation activities to enhance their livelihood

Four local NGOs affiliated to Rural Microfinance Development Centre (RMDC) were mobilized by ADB to implement the pilot project activities in five different road sections.

The successful implementation of the pilot has shown the following key broad findings:

- Involvement of local NGOs was found effective in the extension of micro-credit, the provision of skill training and small infrastructure development
- DOR and NGO officials have strengthened each others efforts and the combination DOR and NGO combination appears to have worked well. Therefore, NGOs can be involved in future projects to enhance poverty reduction through road interventions
- The intended beneficiaries have responded positively and appeared to have benefited from the project.
- Development of other infrastructure (e.g. Haat markets, community cooperative building etc) along with the road has been found to have complemented the road investment.

Appendix 17 provides an overview on the pilot project.

## **8.2 International good practices**

International experience of poverty reduction linked road investment only dates back to the late 80s. Since early 90s a number of studies conducted in different parts of the world have

established positive links between road development and poverty reduction. There has been an added interest in targeting the poor through road investment in the backdrop of poverty reduction as being the overarching objective of the developing country governments and the adoption of Millennium Development Goals (MDGs) as the central feature of international development policy. To enhance poverty reduction impact of road investment, following three broad strategies are undertaken:

- Targeting geographical areas with high proportion of poor people as a road investment strategy to maximise the impact on poverty;
- Project level interventions to maximise the involvement of the poor in the construction and maintenance of roadworks; and
- Complementary project level interventions to help the poor and disadvantages portion of the population in taking full advantage of the road investment related mobility and access improvements.

**Targeting the poor geographical areas as an road investment strategy:** This strategy was adopted by China under a World Bank assisted Roads Improvement for Poverty Alleviation (RIPA) project covering a period 1995-98<sup>8</sup>. The following summarises the road selection process:

- Investment was targeted only on state-designated ‘poverty counties’. These counties were selected on the basis of per capita income.
- Priorities for road investment were established by a screening, selection and ranking process. This process is applied to the government-designated poor counties to give RIPA-designated counties. The screening process used a combination of economic and social development criteria.
- Having selected RIPA counties the next stage was to identify an initial basket of priority road segments for improvement. This was based on a series of policy priorities (e.g. provide new all weather roads to all administrative villages and townships, rehabilitate and upgrade, as necessary, connecting links to market centres).
- This RIPA Systems-Initial Basket was subject to further screening on the basis of system cost-effectiveness per capita and inaccessibility. The overall ranking for implementation was subject to a further cost-benefit appraisal that recognised three types of benefits – economic, accessibility and other social. Roads selected for investment were required to have an Economic Internal Rate of Return (EIRR) over a project specified threshold value. The threshold EIRR value was different for different type of roads (for example the threshold EIRR value for a full access road was 10%).

**Project level intervention to maximise the involvement of the poor in the construction and maintenance of roadworks:** One of the examples of this strategy is the Labour Contracting Societies (LCS) which are used in the construction and maintenance of roads infrastructure by the Local Government Engineering Department (LGED) in Bangladesh. LCS comprise a group of 70-30 landless labourers whose main source of income is manual labour. Bangladesh’s

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<sup>8</sup> Road improvements for poverty alleviation in China. EASTR Working Paper No.1 Transport sector Unit, East Asia and Pacific Region by Hajj, H. and V. S. Pendakur, World Bank, Washington, DC, 2000

experience in the use of LCS as a mode of carrying out infrastructure related works goes back to early 80s. The financial limit of LCS executed work can go as high as Taka<sup>9</sup> (approximately US\$ 7,500). Although LCS were initially involved was limited to the earthwork and pipe culvert installation, over the years their involvement has been expanded. LCS are now involved in a scores of construction and maintenance activities including earthwork, pipe casting and culvert installation, road maintenance operations, tree plantation, tree caretaking, and other construction activities. LCS may be all-male, all-female or mixed. LCS are trained on social, technical and management issues. Also it is necessary for the LCS members to save a portion of their wages. Appendix 18 provides a brief on the Bangladesh LCS.

**Complementary poverty reduction measures:** Complementary poverty reduction measures were or have been incorporated in several road or road infrastructure projects in Bangladesh to enhance poverty reduction impacts of road investments. One of them is the Swiss Agency for Development and Cooperation (SDC) assisted Noakhali Rural Infrastructure Development and Maintenance Project (NRIDMP) implemented in the southern part of Bangladesh between 1998-2004. The project was executed by the Local Government Engineering Department (LGED). “Complementary poverty reduction measures” was one of the eight components of the project. The project had a provision for socio-economic monitoring and evaluation (SEM&E). Under the SEM&E several studies were conducted to assess the projects effects and impacts. The project also used LCS in the maintenance of project roads. SEM&E study results show that, in overall terms, the project had positive impact on poverty. The poor are benefited from the employment generated by taking part in the construction and maintenance of roads and related infrastructure and the IGA related training provided by NGOs under the project. There were also a number of lessons learnt from the projects. Appendix 19 provides a brief note on the complementary poverty reduction activities in the NRIDMP.

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<sup>9</sup> Bangladesh currency

## **CHAPTER 9: PLANNING, IMPLEMENTATION AND MONITORING ARRANGEMENTS, AND ROLE AND RESPONSIBILITIES**

### **9.1 Planning, Implementation and Monitoring Arrangements**

DOR shoulders the overall responsibility of the management of the Strategic Road Network (SRN). Therefore, it is responsible for the planning, implementation, monitoring and evaluation of any project linked to the particular type of network. The overall management of any road project with added poverty reduction objective will also be the responsibility of DOR. DOR can outsource some of the planning, implementation and monitoring and evaluation related responsibilities to others (e.g. Design and Supervision and Monitoring Consultants (DSMCs), NGOs), while keeping the overall responsibilities. The smooth planning and implementation of the project will be dependent on the fulfilling of roles and responsibilities of different actors. Figure 4 shows the relationship between different actors at different levels of hierarchy. The responsibilities at the central level of the DOR will be limited to the formulation of policies and strategies and ensuring that adequate budget provisions are made for the project. The field level offices will mainly be responsible for the implementation of projects with assistance from other actors including the DSMC, NGOs and other stakeholders including Local Road Coordination Committee. Figure 5 provides the details of the field level project implementation institutional arrangements.

### **9.2 Different Partners, their Role and Responsibilities**

The major actors at the physical implementation level of the project include the following:

- Project Management Office (PMO)
- Design and Supervision and Monitoring Consultants (DSMC)
- Non-Governmental Organizations (NGOs)
- Contractors
- Local Road Coordination Committee (LRCC)
- Road Construction Groups (RCGs) or Users' Committees
- User's Committees
- CBOs
- Naik/Sahajkarta

Appendix 20 provides the details of their roles and responsibilities

There are also other key stakeholders linked to the planning, implementation and monitoring of the road projects with an emphasis on poverty reduction. Table 11 provides a list of them at different levels.

### **9.3 Legal Instruments**

It is important that project activities are carried out in conformity with the relevant acts, regulations, policies and guidelines of the GON. The following provides a list of relevant acts, regulations, policies and guidelines:

- Public Road Act, 2031
- Environmental Protection Act, 2053 and Environmental Protection Regulation, 2053
- Forest Act, 2049
- National Parks and Wild Life Conservation Act, 2030 and its Regulation
- Mountain National Park Regulation, 2031
- Buffer Zone Management Regulation, 2049
- Land Acquisition Act , 2034 and its Guidelines
- Financial Administration Regulation, 2056\*
- Explosive Material Act, 2018
- Local Self-governance Act, 2055
- Public Procurement Act, 2063
- Institution Registration Act, 2034
- Cooperative Act, 2048
- Social Welfare Act, 2049
- Construction /Entrepreneurs Act, 2055

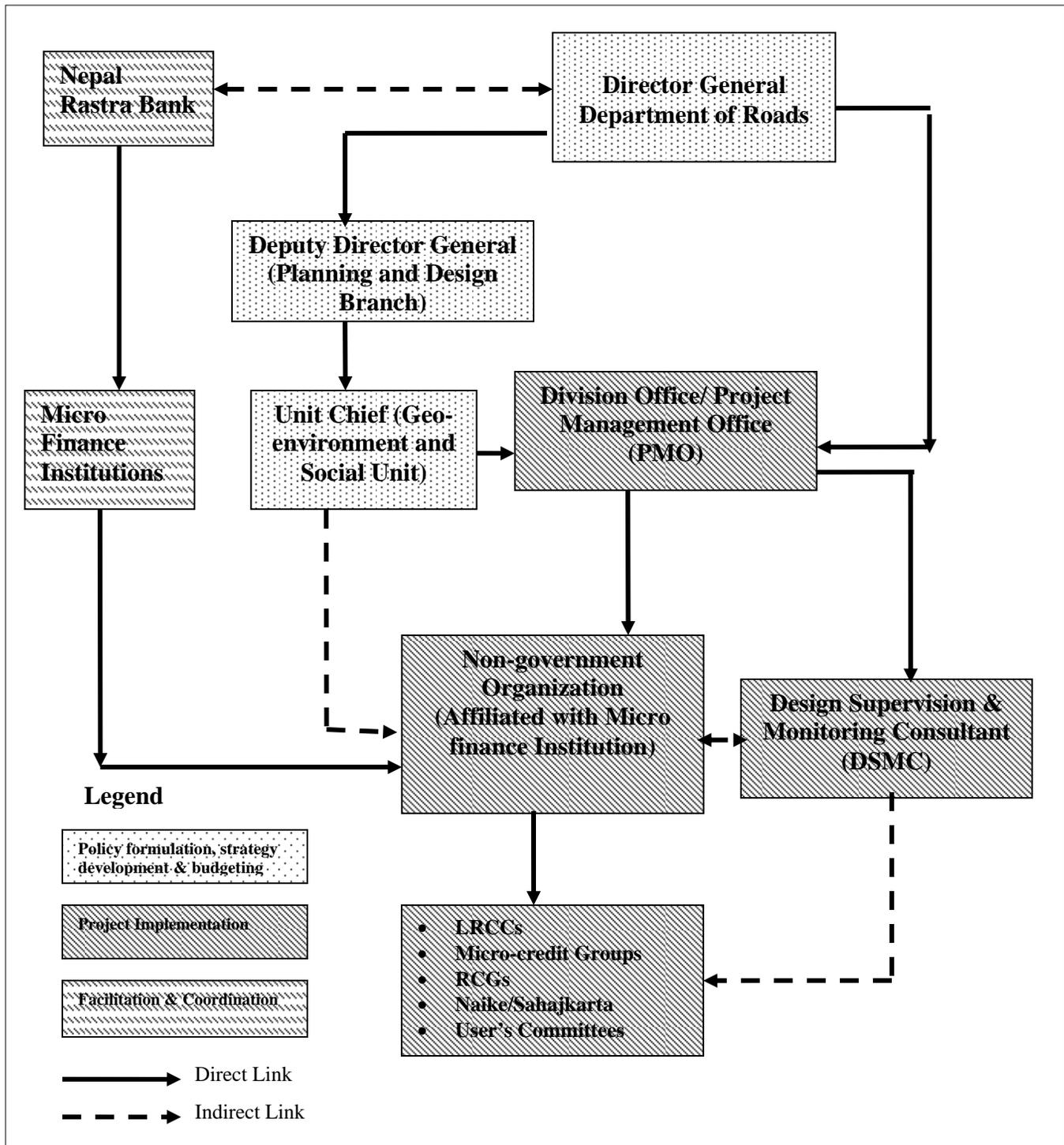
\* Public procurement act 2063 has been promulgated. Now the financial administration regulation requires to be reviewed and issued in accordance with the provision of the act.

Detailed notes on them are provided in Appendix 3.

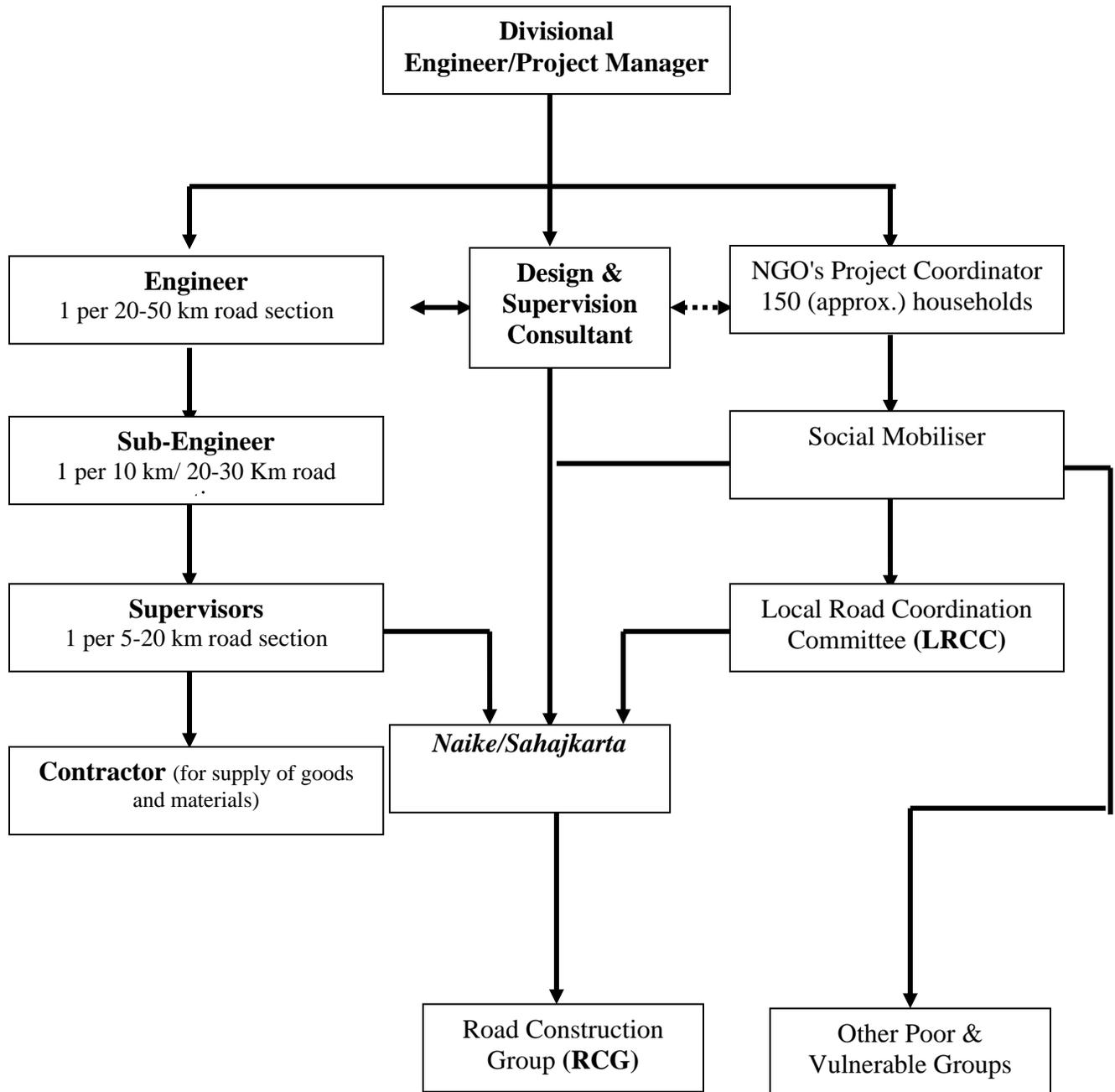
**Table 11: Other Key Players**

Central Level	District Level	Local Level
<ul style="list-style-type: none"> <li>• Ministry of Physical Planning and Works</li> <li>• Ministry of Local Development</li> <li>• Ministry of Environment, Science and Technology</li> <li>• Ministry of Forest and Soil Conservation</li> <li>• National Planning Commission</li> <li>• Ministry of Finance</li> <li>• Nepal Rastra Bank</li> <li>• Department of Roads</li> <li>• Geo-environment and Social Unit</li> <li>• Department of Archaeology</li> </ul>	<ul style="list-style-type: none"> <li>• DDC/VDC/Municipality</li> <li>• District Administration Office</li> <li>• District Forest Office</li> <li>• District Land Revenue Office</li> </ul>	<ul style="list-style-type: none"> <li>• Micro-credit Agencies</li> <li>• Compensation Determination Committee</li> <li>• Coordination Committee</li> </ul>

**Figure 4: Institutional Relationships Among Different Actors in a Road Project with an Enhanced Poverty Reduction Objective**



**Figure 5: Institutional Arrangements for the Field Level Implementation of Road Projects with an Enhanced Poverty Reduction Objective**



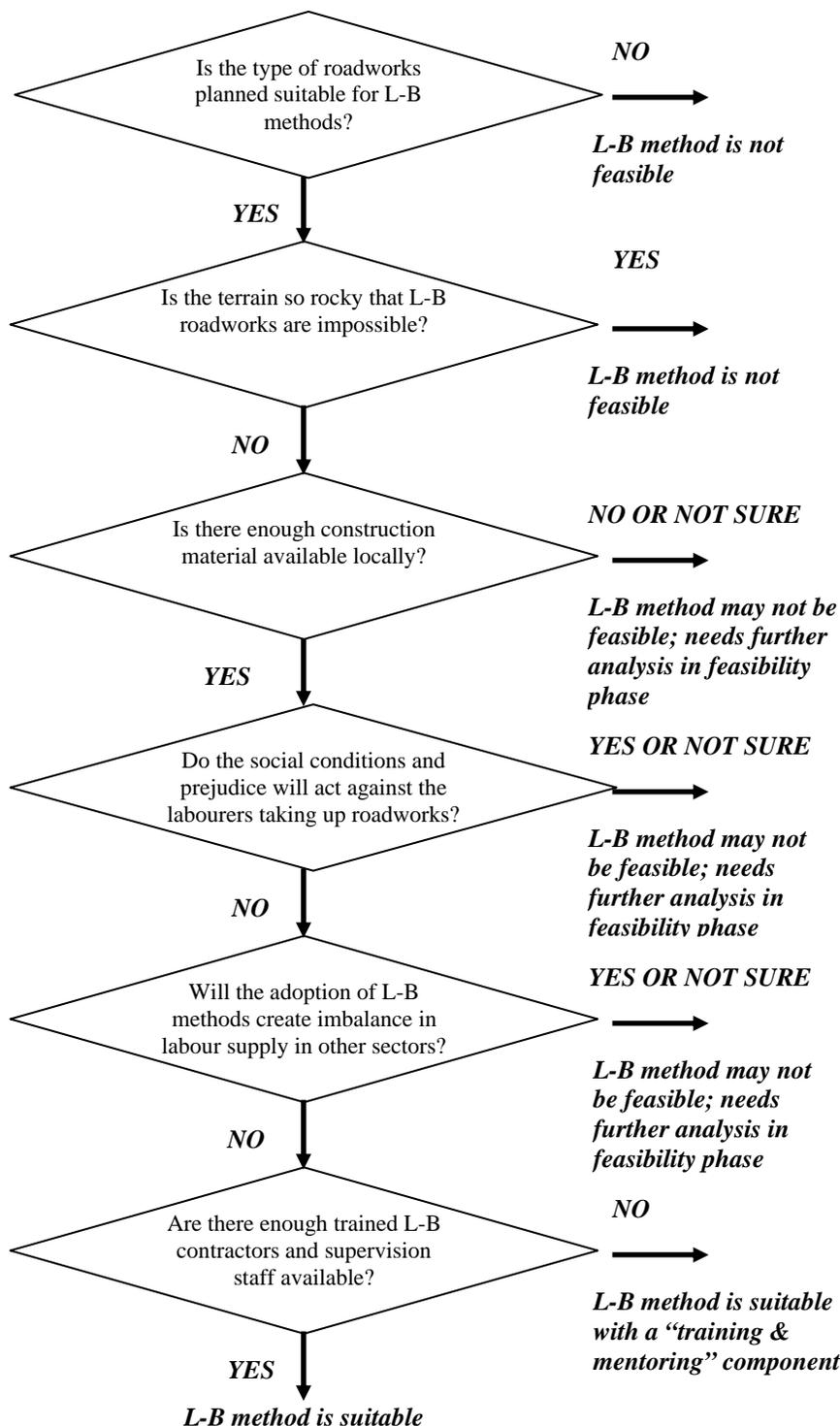
# **APPENDICES**

## Appendix 1

## Potential Secondary Data Sources

Publication Types	Potential Sources
Demographic Data	Central Bureau of Statistics (national) District administration (local)
Poverty and living standard	Central Bureau of Statistics (national) District administration (local)
Road sector data	Department of Roads (DOR) Department of Local Infrastructure Development and Agriculture Roads (DoLIDAR) Municipalities
National Plan and Policies	National Planning Commission
National Policy on Gender and Social Inclusion	Ministry of Women, Children and Social Welfare National Planning Commission
National Labour Policies and Labour Issues	Ministry of Labour National Planning Commission International Labour Organisation NGOs working in labour issues Donor and consultants reports
National Policies on Dalits	National Dalit Commission
National Policy about on Nationalities	Nepal Federation for Nationalities
National Act and Regulations	Nepal Law Book Management Committee
National policy and strategy for Strategic Road Network	Ministry of Physical Planning and Works DOR
National Strategy for Rural Infrastructure	Ministry of Local Development DoLIDAR
Information on Microfinance	Nepal Rastra Bank (Nepal National Bank) Microfinance wholesalers (e.g. RMDC) NGOs and Cooperatives Donor agencies
Human Development Report	United Nations Development Programme (UNDP)
Millennium Development Goals related information	National Planning Commission UNDP
Experience on Labour-based Approach and Poverty Reduction Components in Road Projects	Department of Road Department of Local Infrastructure Development and Agriculture Roads (DoLIDAR) Donor Agencies, Multilateral Banks etc. ( e.g. SDC,GTZ, DFID/RAP, JICA , ADB, WB etc) Consultants Local NGOs
Experience and Practices on Environmental Issues, policies, guidelines, strategies and other publications	Ministry of Population and Environment, Ministry of Forest, Land Conservation Department, Donor Agencies, Multilateral Agencies, Bank etc ( e.g. IUCN, ICIMOD, SDC,GTZ, DFID/RAP, JICA, WB, ADB etc) District level line agencies and NGOs, donors and consultants reports
Experience and Practices on Social and Resettlement Issues, Policies, Guidelines, strategies and other publications	Department of Roads, DoLIDAR, Donors and consultants reports

**A Decision Flow Chart on the Potential Use of L-B Approach**



## Appendix 3

## Legal Instruments

## Road Development Related Legal Instruments

Instruments	Comments
Public Road Act, 2031	<ul style="list-style-type: none"> <li>• The principal legal document which makes provisions for road construction, maintenance and extension.</li> <li>• The Act defines the public road, road limit (right of way) and classifies the road into four categories and prohibits any type of structures to be constructed within the boundary (right of way) of the road.</li> <li>• The Act has also provisioned for realizing betterment tax from the beneficiaries.</li> </ul>
Environmental Protection Act, 2053 (EPA) and Environmental Protection Regulation, 2053 (EPR)	<ul style="list-style-type: none"> <li>• The Act and supporting regulations (with amendment 1999) are legal documents that guide environmental and social aspects in development projects including road projects.</li> <li>• The Act requires that environmental assessment, either in the form of Initial Environmental Examination (IEE) or Environmental Impact Assessment (EIA) should be carried out for all potential projects that meet the criteria of Schedules 1 and 2 of the EPR.</li> <li>• An additional notice published by the Ministry of Population and Environment (MOPE) in the Nepal Gazette on 23 August, 1999 that provided some clarifications on the projects that are not listed in the Schedules 1 &amp; 2 of the EPR.</li> </ul>
Forest Act, 2049	<ul style="list-style-type: none"> <li>• The Forest Act, 2049 (amendment 2055) makes several provisions for the protection of the forest and wild life.</li> <li>• The Act classifies the forest into different categories: national forests, community forests, leasehold forests, private forests and religious forests.</li> <li>• The Act empowers the government to delineate part of the national forest which has environmental, scientific or cultural significance as “Protected Forest”.</li> </ul>
National Parks and Wild Life Conservation Act, 2030 and relevant Regulation	<ul style="list-style-type: none"> <li>• The Act is also relevant to projects whose activities may have implication on the National Parks and Wildlife.</li> </ul>
Mountain National Park Regulation, 2031 ???	<ul style="list-style-type: none"> <li>• The Regulation deals with: (a) the Langtang National Park; (b) Sagarmatha National Park; and (c) Rara National Park.</li> </ul>
Buffer zone Management Regulation, 2049	<ul style="list-style-type: none"> <li>• The Regulation is relevant for the projects in the buffer zone area.</li> </ul>
Land Acquisition Act, 2034 and its Guidelines	<ul style="list-style-type: none"> <li>• The Land Acquisition Rules, 2026 and The Land Acquisition Act, 2034 with the amendment, 2049 empowers government to acquire any land by paying compensation for public use. This Act is supplemented by guidelines.</li> <li>• Two sets of guidelines are relevant and significant to land acquisition. They are the land acquisition guidelines of 1989 issued pursuant to sections 16 and 17 of the land acquisition Act, 2034. The guidelines specify two categories of affected families: project</li> </ul>

	<p>affected families (PAF) and seriously project affected families (SPAF).</p> <ul style="list-style-type: none"> <li>• The guidelines provision for the establishment of an acquisition and rehabilitation committee also known as Compensation Determination Committee (CDC)</li> </ul>
Financial Administration Regulation, 2056	<ul style="list-style-type: none"> <li>• The Regulation relates to the financial functions and duties of offices and office bearers;</li> <li>• In the backdrop of enactment of the Public Procurement Act 2063 The regulation requires to be reviewed to make it consistence with the public procurement Act 2063</li> </ul>
Explosive Material Act, 2018	<ul style="list-style-type: none"> <li>• The Act is relevant if the construction activities require the use of explosive and shipment of explosive materials from one place to other.</li> <li>• As per the Act prior approval will be required from the Chief District Officer (CDO) is needed to purchase and transport the explosives.</li> </ul>
Local Self-governance Act, 2055	<ul style="list-style-type: none"> <li>• The Act provides greater political and financial autonomy to local level institutions.</li> <li>• The Act empowers the local bodies to formulate and implement periodical and annual plan within their respective jurisdiction. It also envisages to devolve sectoral development functions to be planned and implemented by these local bodies in their areas.</li> </ul>
Public Procurement Act, 2063	<ul style="list-style-type: none"> <li>• It is the key legal document that guides government procurement of goods, services and works.</li> <li>• It establishes different procedures for public procurement</li> </ul>
Institution Registration Act, 2034	<ul style="list-style-type: none"> <li>• The Act relates to the registration of institutions.</li> <li>• The Act defines the term “institution” as those organization, association, federation, club, mandal, assembly, council, study centre and friendship association, etc. established to promote social, religious, literature, cultural, scientific, educational, intellectual, philosophical, physical, economic, professional, and philanthropic activities</li> <li>• As per the Act no institution can be established and run without a registration.</li> </ul>
Cooperative Act, 2048	<ul style="list-style-type: none"> <li>• With the objective of providing services and facilities to the members to promote their financial and social development based on cooperative principle primary cooperative, subject wise cooperative, district cooperative federation and central cooperative union can be established under the provision of the Act.</li> <li>• A petition duly signed by members with two copies of by-laws, work program, description of shares accepted by the members requires to be filed in registrar office for registration.</li> <li>• The registrar after examining all papers if satisfied can issue the registration certificate</li> <li>• The Act among other things makes provisions for being the members of the cooperative, membership termination, working procedures, financial sources and its management, procedures for the saving, and integration and division of cooperative institutions etc.</li> </ul>

Social Welfare Act, 2049	<ul style="list-style-type: none"><li>• Objective of the Act is to define social welfare and to regulate such activities to be launched either by the government or social organisations.</li><li>• The Act defines social welfare activities as the activities to render services to the weak, helpless and disabled and enabling disadvantaged group for social and financial development</li><li>• The Act has made provisions for the government to launch social welfare activities through concerned government ministry and social organisations</li></ul>
Construction /Entrepreneurs Act, 2055	<ul style="list-style-type: none"><li>• The Act relates to the registration and construction entrepreneurs and their classification.</li><li>• The Act defines the public construction work and bars undertaking public construction contracts without obtaining a license for that purpose.</li><li>• But the Act allows the implementation of public construction work through user's committee or through public participation as provisioned in the prevalent laws.</li><li>• The Act has classified the construction entrepreneurs into four groups and fixed financial ceiling other qualifications for each category.</li><li>• Some provisions of the Act are appeared to be in contrary to the provision of public procurement Act, 2063. Therefore, there is a need to review the Act.</li></ul>

## **Guidance Notes on Initial Social Assessment**

### **What is initial social assessment (ISA)?**

Initial Social Assessment (sometimes also referred as the Initial Poverty and Social Analysis) is conducted to determine the pertinent social (as well as poverty) issues that need to be addressed by the project, mainly in the feasibility phase. It precedes the Social Analysis that is conducted in the feasibility phase of the project cycle.

### **What issues ISA address?**

The issues ISA should mainly address are the following:

- (i) Identification of the major population groups that may be affected positively and negatively by the project;
- (ii) Identification of specific social issues, especially issues that are linked to the poor and vulnerable groups, that need to be explored in-depth in the social analysis (SA)
- (iii) Preparation of the ToR for SA
- (iv) Identification and assessment the alternatives of conducting the SA (e.g. consultants, NGOs etc.)
- (v) Assessment of the time, resource and costs of conducting the SA to be included in the total cost of project design.

### **What type of expertise is required for conducting an ISA?**

The complexity of the project and the skills and experience of other members within the team will determine the expertise of the specialist who will conduct the ISA. However, a road project is not expected to a very complex project and therefore a poverty and social development specialist with a graduate/postgraduate level qualifications and appropriate experience seems to be sufficient for conducting the ISA.

### **The ISA Process**

ISA is carried out through field-based consultation with primary stakeholders (e.g. beneficiaries, local key informants like DDC/VDC/concerned district level agencies, local NGOs/CBOs) and secondary stakeholders (e.g. Departmental Heads of the related departments, sectoral agencies). The mode of consultation will include individual interviews, group discussions, focus group discussions (FGD), participatory rural appraisal (PRA), and public meetings. The following list provides the issues that may be discussed in the consultation process for a project with an added emphasis on poverty reduction:

- Identification of social impacts and issues
- Community perception of the project
- Identification of priority and needs of the poor and vulnerable groups and an assessment of project impact on them
- Identification of impact of land acquisition, especially on the poor and vulnerable groups
- Identification of issues of involuntary resettlement
- Identification of local employment opportunities from roadworks
- Identification of gender issues linked to the road project

- Protection of cultural property
- Issues linked to Road traffic, accident and safety measures
- Trafficking (women, children), HIV/AIDS and communicable disease, Gambling, prostitution and alcoholism
- Pollution (air, noise, environment) and its impact on the population living in the road corridor especially on the poor and vulnerable.

### **ISA Reporting requirements**

The main questions the report should address are:

- What are the broad social consequences of the proposed road investment, especially on the poor and disadvantaged groups?
- What are the issues that need to be addressed more in-depth in the social analysis in the feasibility phase?

The main contents of the report will include:

- Background of the proposed project.
- Methodology of conducting the ISA.
- Impact of investment on major population groups especially on the poor and vulnerable people.
- A ToR for social analysis with a list of social issues, particularly the issues that are linked to the poor and vulnerable people, that need to be addressed in-depth.
- Implementation modalities of conducting the social analysis with the potential time and resource costs.
- Summary findings on the issues including the potential of enhancing employment generation opportunities in roadworks and the complementary interventions for the poor.

## Appendix 5

## Guidance Notes on Stakeholders Participation

## Who are Stakeholders?

Stakeholders are groups of people who share a common interest. Within any of these groups there are sub-categories of stakeholder with differing interests. Stakeholders are divided into two broad groups: primary stakeholders, who expect to benefit directly from, or be adversely affected by, the interventions (e.g. communities which are directly affected by the project, Department of Roads); and secondary stakeholders with intermediary roles in the project (e.g., other ministries, donors). Often community participation is misconstrued as stakeholder participation. However, community participation is only a part of the Stakeholder consultation (Box A provides briefs on community participation).

## Why Stakeholder Consultation is Required ?

Stakeholder consultation is required to:

- Assess the concerns from different sub-sectors (e.g. district level government institutions, social institutions, local people, project affected families, poor and vulnerable groups including women in the area about the likely effect from the project activities)
- Assess the scope of different sectors involvement in the implementation of the project
- Identify the demand of different stakeholders including poor and vulnerable groups to ensure their benefits from the project
- For participatory planning and appraisal of project activities **[Box B]**
- Mobilize local people in the project activities
- Establish legitimacy of the project

Stakeholder participation does not automatically guarantee the involvement of all stakeholders in the decision making process, and it is often the case that the poor and disadvantaged groups are left out of the process with the result that the design of the project fails to address their needs. For a road project with an added poverty reduction objective it is necessary to carry out in-depth investigations to assess: (i) project's impact on poor and vulnerable groups (ii) effect of project on women and other minority groups (e.g. caste and ethnic groups, women headed households, households having disabled family members, households having aged persons as family head) (iii) information related to local labour (iv) scope of implementing poverty reduction activities and choice of community and (v) potential activities.

**Box – A: Community Participation**

Involvement of local community in project activities with specific role and responsibilities is community participation. Community participation is a key to implement the project successfully. Community participation ranges from the level of information sharing to empowerment for decision making and shared control. Generally, projects to be implemented at the local level (e.g. drinking water, irrigation, poverty reduction) require broader participation of the community. Some of the benefits of community participation that help to successful project implementation are (i) Generating interest among the community on project activities (ii) identification of the felt needs of the community (iii) community resources mobilization (iv) reducing conflict during project implementation (v) increasing the speed of implementation (vi) establishing the legitimacy of program (vii) reducing resistance to decisions (viii) increasing local people's awareness about their authority and responsibility etc. There are several tools and techniques used to create community participation. Some of the key approach and tools are (i) social inclusion (ii) transparency (iii) awareness raising (iv) public sharing (v) dissemination, (vi) seminar and workshops, (vii) community consultation and meetings (viii) survey and assessment .

## Methods of Stakeholder Consultation

Several methods are applied for different types of stakeholder analysis during the pre-feasibility, feasibility and during the implementation phase. Types of stakeholders and methods of consultation may be different depending upon the scope of the projects. Some of the types of stakeholder consultation its method is given in the table:

**A Sample of Stakeholder Consultation by Type of Stakeholders and its Method**

Stakeholder Types	Methods/ Techniques	Objectives	Activities to be Carried out	Advantage	Disadvantage
Local community	Focus Groups Discussion [C]	To collect information from the community ( poor and vulnerable group) for different purposes (e.g. to assess their concern linked to the project, felt need, demand, willingness to be involvement in the project activities)	People representing different community are be consulted and discussed	An effective technique for soliciting general views of the communities Can also be used to explore in-depth an issues links to the community	Poor and vulnerable people may not be able to express their concerns during FGD
Local community	In-depth interview with selected stakeholders (e.g. the poor or women)	To collect information from poor and vulnerable group for different purposes (e.g. to assess their concern linked to the project, felt need, demand and willingness to be involvement in the project activities)	People having specific concern and the people who can not express or participate in FGD are to be consulted and interviewed to assess their concerns and views	An effective technique of collecting information from poor and vulnerable groups	It may require field detailed observation and take long time to get information
Local community	Public hearing and community meeting	To collect information from the community likely to have specific impacts due to the road (e.g. water logging)	People having specific concern are invited to attend a local level meeting through notification. In such meetings the community express their concern possibly with their views also towards addressing the issues.	An effective technique of getting community consensus on project related matters and solving the issues	It may take long time to arrange the public meetings
Representatives from different	Joint or group meetings	To collect information from	Information about the land ownership	A helpful methods of	Information obtained from

Stakeholder Types	Methods/ Techniques	Objectives	Activities to be Carried out	Advantage	Disadvantage
institutions (secondary stakeholders)		different institutions (e.g. land measurement office, land revenue office, district administration office to discuss on acquisition and resettlement issues related to the project)	pattern, local peoples vulnerability, likely effect to the vulnerable groups due to acquisition, average local rate of land etc.	assessing information from the stakeholders on the project related issues	the local level institution may not match with the reality on ground (e.g. land price may be high at local market compared to government rate)
Community organization (	Joint or individual meetings with local NGOs, CBOs, Cooperatives	To collect information on the availability and performance status of such organizations to see the possibilities of involving them in the project activities	Information on different types of local level organizations, their performance status, area of experience, institutional strength, scope of involving in the project etc to be assessed in consultation with the representatives, local people and government agencies	A helpful method to assess the possibilities of locally available organization in the project activities	Institutions potential for the project activities may not be available in some cases.

### Box B: Participatory Planning and Appraisal

Participatory planning is the collective effort of government and community that determine the success of project rather than the impact of external investment. It is a systematic approach to appraise the project activities based on group inquiry and analysis. Participatory planning is an essential component of the complex projects having extensive scope of community participation (e.g. irrigation, drinking water, urban development microfinance and poverty reduction). Generally, participatory planning is carried out through meetings, workshops and discussions. Some of the key stakeholders to be involved in participatory planning in the road projects with poverty components are (i) vulnerable people (e.g. poor, women, caste and ethnic minority groups, disabled persons, labour households) likely to have project's effect (ii) local level line agencies (iii) VDC representatives (iv) local NGOs and CBOs (v) local financial institutions including microfinance and cooperatives (vi) private sector organization (e.g. business groups, trade associations and professional groups)

### **Box –B: Focus Group Discussion**

Focus Group Discussion (FGD) is a technique to get information from the stakeholders about the key issues from a general perspective. This technique is quite popular to solicit in depth qualitative information during different stages of project cycle (e.g. pre-feasibility, feasibility, implementation, monitoring, evaluation and post evaluation from general social perspective. FGD can be carried out by using checklist both among homogenous as well as heterogeneous group of diverse socio-economic background depending upon the types of information required and nature of the project. Generally 5 to 15 persons are gathered for focus group discussion. However, practically such number used to be determined from the availability of participants during the discussion sessions. The potential stakeholder for focus group discussion on the poverty reduction activities of road project are vulnerable group in the area (e.g. poor, women, caste and ethnic minority groups, project affected families, labour households, and representatives from local level institutions including NGOs, CBO and political parties) Generally, different topics are put forward for the discussion and opinion expressed by the participant are discussed and recorded in a way representing to all. FGD is carried out with the help of a moderator and information delivered can be recorded in notebook, cassette recorder and even movie. Members involved in the discussion need to be encouraged to participate actively in the discussion for the quality information.

### **Further References**

- ADB (2001) *Handbook on Poverty and Social Analysis: A working Document*, ADB, Manila
- GTZ (2004) *Rural Community Infrastructure Works Programmed (RCIW): Annual Report (Mid- July 2003 to mid –July 2004)*, GTZ, Kathmadu
- DoLIDAR (2004) *Environmental and Social Management Framework, Government of Nepal, Ministry of Local Development, Department of Local Infrastructure Development and Rural Road, Rural Access Improvement Project*, DoLIDAR, Kathmandu
- DOR (2006) *Environmental & Social Management Framework: A guide to the environmental and social issues with new road construction and upgrading, Government of Nepal, Ministry of Physical Planning and Works, Department of Roads, DOR, Kathmandu*
- DOR (2003) *Reference Manual for Environmental and Social Aspects of Integrated Road Development, Government of Nepal, Ministry of Physical Planning and Works, Department of Roads, DOR, Kathmandu*
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- Kumar S (2002) *Methods for Community Participation: A Complete Guide for Practitioners*, Vistaar Publications, New Delhi

## Appendix 6

### Guidance Notes on Distribution and Poverty Impact Analysis

This appendix details the steps required for the distribution and poverty impact analysis. The contents of this appendix are mainly reproduced from the Transport Notes entitled “Distribution of benefits and impacts on poor people” by the World Bank (World Bank, 2005). World Bank (2005) provides comprehensive notes on this issue.

#### Steps in a distribution Analysis

The distribution analysis involves the following steps:

**Step 1:** Set out the annual financial data of the project showing the inflows (revenue, loan and grant receipts) and outflows (investment, operating and maintenance costs, principal repayments, interest payments and tax on profits and purchased inputs) from the perspective of the project owners. This part of the analysis should be done after the finalization of the project financing plan as the loan-equity split will be obvious to the analyst at this stage;

**Step 2:** Discount the annual inflow and outflow to derive present values for each category and a net present value (NPV). It is normal to use a 12% discount rate for discounting inflows and outflows. The resulting NPV will be the financial gain to the project owner.

**Step 3:** Identify the economic values for each project input and output category. Calculate the conversion factor (CF) for each category of input and output, which is the ratio of economic value and the financial price. ADB (1997) and World Bank (1998) discuss the theoretical aspects with practical examples of conversions of financial price to economic values. It is preferable to conduct the economic appraisals in a domestic price index for a distribution analysis. This will ensure that the financial and economic calculations will be in the same price units. However, if a world price index is used in the economic calculation, then all the financial data need adjustments with the standard conversion factor (SCF).

**Step 4:** Convert all project items using the CFs into economic values. Items that do not have any financial values (e.g. consumer surplus, environmental costs for which the project is not charged etc.) should be entered directly in the economic benefit flows. In the case when an analysis generates economic values only the analyst could go backward to arrive at financial costs and benefit streams with the help of CFs and transfer payments.

**Step 5:** Depending on the requirements of the analysis, categorize the beneficiaries. A careful dis-aggregation of the beneficiaries will help in the achievement of a good quality distribution analysis. The dis-aggregation of the net benefits could be based on the following categories:

- For general case: disaggregation among project operating entity, workers of the project, consumer of the project outputs, input supplier, lenders of the project and government (representing the rest of the economy)
- For poverty: disaggregation by the income levels of the beneficiaries
- For gender or ethnic groups: disaggregation by gender or ethnicity of the beneficiaries
- For spatial subdivisions: disaggregation by spatial subdivisions
- For international or sub-regional project: disaggregation by participating countries

In the absence of any clear idea about the extent of benefits to be apportioned to different beneficiary groups, a supplementary study may be conducted. The study results along with the

secondary data should be used in making an informed decision about apportioning benefits to different groups

**Step 6:** Allocate any differences between financial and economic values among different groups. These plus the net changes to owners and others as calculated in Step 2 provide the net project benefits.

- **Poverty Impact Ratio**

The distribution analysis provides the opportunity to extend it into a poverty impact analysis. While the distribution analysis requires the estimation of the gains or losses to broad groups, the poverty impact analysis requires a further estimation of the proportion of the net economic benefits going to the people below a poverty line for each group. Ravallion (1998) and Khandker and Chowdhury (1996) discuss the different theoretical and practical issues concerning poverty lines. The poverty impact analysis involves the following steps:

**Step 1:** Carry out the tasks of Step 1-6 in the distribution analysis.

**Step 2:** For each group estimate the proportion of net benefits that will go to the people below the poverty line. Depending on the type of distribution analysis conducted, the composition of the groups will vary. However, the stakeholder groups will typically include consumers, workers, project owner, government and the rest of the economy. One of the main problems in such an analysis is the estimation of the proportion of benefits that are accrued to the government and the rest of the economy that go to the poor. In theory it requires an estimation of counterfactual, i.e. what proportion of government expenditure that has been diverted from other uses by the project would have benefited the poor. Also what proportion of government income from the project would benefit the poor? However, such a parameter is not available for any country and its derivation requires extensive research. ADB (1997) provides a simplified procedure for an approximate estimation of the income share of the poor (i.e. the share of current income of a country going to those below the poverty line). This estimated income share can be used for the distribution of the government's net benefits between the poor and non-poor. Procedures for the estimation of the income share of the poor are provided at the end of this note as recommended by ADB (2001). In the case where data for the income share estimation are not available, a rule of thumb figure of 10 percent is suggested.

If it is difficult to estimate the income share of the poor in the absence of credible information or if it difficult to apportion the users' benefits to the users below the poverty line, it is best to conduct a sensitivity analysis using different values of these parameters. A study dealing with rural roads in northern Uganda used such an approach (I T Transport, 2002).

**Step 3:** Calculate the Poverty Impact Ratio (PIR) by summing up all net benefits going to the poor and dividing by the total economic benefits. The PIR is defined as:

**Definition of Poverty Impact Ratio (PIR):**

$$PIR = \frac{\text{Benefits to the poor}}{\text{Total economic benefits}}$$

Compare the value of the PIR with the proportion of population below the poverty line within the context of the country or an area. If the PIR is higher than the proportion of the poor people, then the project can be considered to have positive poverty reducing impact or *vice versa*.

**References**

Asian Development Bank (1997) *Guidelines for the Economic Analysis of Projects*, Asian Development Bank, Manila.

Asian Development Bank (2001a) *Handbook for Integrating Poverty Impact Assessment in the Economic Analysis of Projects*, Economics and Development Resource Centre (EDRC), Manila.

Fujimura, M and Weiss J (2000) *Integration of Poverty Impact in Project Economic Analysis: Issues in Theory and Practice (EDRC Methodology Series Number 2)*, Asian Development Bank, Manila.

World Bank (2005) *Notes on Economic Evaluation of Transport Projects: Distribution of Benefits and Impacts on Poor People (Transport Note No. TRN-26)*, World Bank, Washington DC

### Proposed Structure, Roles and Responsibilities of Central and District Level Coordination Committees

DOR may form a central co-ordination committee to ensure cooperation from different agencies outside the department who are related to poverty reduction activities. The committee can also invite concerned project manager and other stakeholders as necessary for consultation. The main objective of the coordination committee will be to ensure cooperation from different agencies outside the department. The coordination committee should be considered to ascertain coordination and a mechanism to enlist cooperation from different organizations. Some of the potential representative for central level coordination is given in Box A.

#### Box – A: Suggested Members of Central Level Coordination Committee

- Director General, DOR .....Chairperson
- Representative from MOPPW.....Member
- Representative from MOWSC .....Member
- Representative from MOLD.....Member
- Representative from DOLIDAR .....Member
- Representative from Department of Agriculture .....Member
- Representative from Department of Livestock .....Member
- Representative from Department of Cottage and Small Scale Industry .....Member
- Representative from Department of Cooperative.....Member
- Representative from Nepal Rastra Bank (NRB).....Member
- Representatives from Microfinance Institutions.....Member
- Unit Chief of GESU/DOR.....Member Secretary

Similarly, implementation of poverty reduction activities as envisaged by the guidelines requires cooperation and coordination from different agencies at the district level. A district level coordination committee comprising the institutional head of different agencies may also be formed to implement poverty reduction activities at the district level. Potential representatives who can be included in such district level coordination is given in Box B.

#### Box –B: Suggested Members of Central Level Coordination Committee

- DDC Chairman..... Chairperson
- Chief District Officer..... Vice Chairperson
- Local Development Officer.....Member
- Chief of District Level Line Agencies..... Member
- Representatives of Financial Institutions.....Member
- Partner NGOs.....Member
- Project Officer.....Member

Specific role and responsibilities of the committee should be determined by DOR. However, an outline on the role and responsibilities of the central and district level coordination committees is given in Box – C

**Box – C: An Outline of Role and Responsibilities of the Central and District Level Coordination Committees**

Central Level Coordination Committee	District Level Coordination Committee
<ul style="list-style-type: none"> <li>• Review progress and problems encountered in project implementation and advise on possible solutions</li> <li>• Recommend solution on implementation hurdles related to technical, financial and coordination matter</li> <li>• Report the decisions to the concerned department and other agencies</li> <li>• Meet at least once in 4 months on regular project matters</li> <li>• The committee can invite concerned project manager and other stakeholders as necessary for consultation and counseling</li> <li>○ All concerned agencies should give Priority and attention to the recommendation of the committee and facilitate to solve problem encountered in project implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Review progress and problems encountered in programs implementation</li> <li>• Improve relationship between the Program and other related agencies to make program implementation smoothly</li> <li>• Recommend solution on implementation hurdles related to financial and coordination matters</li> <li>• Treat poverty reduction programs as priority program and provide necessary input and infrastructural support</li> <li>• Work out needed support in advance in concert with the district agencies in order to ensure their support</li> <li>• Help to Integrate micro finance credit plan with road sector planning</li> <li>• Facilitate and help to integrate rural activities with small and medium loans to achieve intended results in the area of agriculture and small enterprise development provision of services like marketing facilities, banking services, repair workshops, higher education and health facilities</li> <li>• Help micro-finance scheme to provide credit to the local poor and ensure participation in a coordinated manner with the concerned government agencies in assisting development Programs undertaken on an area basis</li> <li>• Meet at least once in two months on regular program matters</li> <li>• Report decisions to the concerned agencies/department</li> <li>• Recommend to the concerned departmental head to initiate actions to resolve key problems</li> <li>• Recommend necessary actions to Program staff and other concerned agencies to expedite Program implementation</li> <li>• Other activities as deemed necessary</li> </ul>

## Guidance Notes on Social Assessment (SA)

### What is social assessment (SA)?

PWD have defined the Social Assessment (SA) as the process that enables the project planners to understand the influences a project may have on the affected population. SA is conducted as a part of the project feasibility study or a separate study that should be carried out in close coordination with the feasibility study.

### What main issues SA should address?

The SA should address the followings:

- To identify as to who are the major stakeholders, who will be served by the project (beneficiaries) and who will be affected?
- What are the needs of the client population (especially the poor and vulnerable groups) and compare it with the facilities and services the project purposes to provide
- What project expects from the client population and whether or not the client population is ready to fulfill that expectation?
- To assess the absorptive capacity of the client population. Is client population capable to acquire, operate and maintain those facilities and services provided by the project?
- To assess the gender issues in the area
- To assess the adverse impact the project may have on the vulnerable groups. The impacts may be involuntary resettlement and may require vulnerable group development program and gender action plan (See Appendix 21 for guidance notes on Gender Action Plan)
- To identify the tools and methods to ensure active participation of the people in the project activities
- To identify the organizational requirement for executing and implementing the project activities
- To identify whether or not population displacement is unavoidable and a resettlement plan with time bound actions and budget requirement is necessary
- To assess whether people base organization like; NGOs and CBOs are in the area and whether their service can be procured for social mobilization component or not?

### Steps in SA in the context of enhancing poverty reduction impact of road projects

The following table elaborates the steps that will be required for the social assessment, in particular in relation to the enhancement of the poverty reduction impact.

## Steps in the SA process

Steps	Objective	Potential methodology
<b>Step 1: Identification of the client population</b>	To identify the population disaggregated by social class and gender groups who will be benefited and adversely affected by the project interventions.	<ul style="list-style-type: none"> <li>• Initial Social assessment report as a starting point</li> <li>• Stakeholders analysis</li> </ul>
<b>Step 2: Creation of Socio-economic profile of the area</b>	<ul style="list-style-type: none"> <li>• To create the socio-economic profile of the area that will include: locations of economic and social facilities and services; economic and social and demographic characteristics.</li> </ul>	<ul style="list-style-type: none"> <li>• Use of secondary data including available maps</li> <li>• Key informant interviews</li> <li>• Household survey</li> </ul>
<b>Step 3: Creation of sub-group profile</b>	<ul style="list-style-type: none"> <li>• To identify groups whose needs, demands differ and who need different project objectives and implementation arrangement. The sub-groups may be; <ul style="list-style-type: none"> <li>- Land owners, tenants, landless, ethnic groups, dalits, women, excluded groups</li> </ul> </li> <li>• To prepare a socio-economic profile for each of the groups.</li> </ul>	<ul style="list-style-type: none"> <li>• Use of secondary data</li> <li>• Stakeholder workshop</li> <li>• Primary data collection if required</li> <li>• Household survey</li> </ul>
<b>Step 4: Need assessment</b>	<ul style="list-style-type: none"> <li>• To assess the needs of client population in particular needs of the poor and vulnerable groups and compared to the services the project proposes to provide;</li> </ul>	<ul style="list-style-type: none"> <li>• Use of evidence from the secondary source</li> <li>• Qualitative and quantitative data collection to fill the gap between data available and data requirements.</li> </ul>
<b>Step 5: Demand assessment</b>	<ul style="list-style-type: none"> <li>• To assess to what extent the proposed transport interventions will be used including the poor and vulnerable. For instance, the population in the road corridor may want a black top road but the poor may not be able to pay the fare to be charged by the operators;</li> </ul>	<ul style="list-style-type: none"> <li>• Evidence from the existing use of the available transport infrastructure and services.</li> <li>• Observation</li> <li>• Discussions with the existing and potential users and operators</li> </ul>
<b>Step 6: Assessment of gender issues</b>	<ul style="list-style-type: none"> <li>• To assess the gender role in the project area and likely impact of project to women and its extent.</li> <li>• To identify project option(s) that will increase the participation of women in the project and enhance the positive impact on them.</li> </ul>	<ul style="list-style-type: none"> <li>• Secondary source</li> <li>• Stakeholders consultation</li> <li>• Gender analysis</li> <li>• Household survey</li> </ul>
<b>Step 7: Assessment of impacts on vulnerable groups<sup>10</sup></b>	<ul style="list-style-type: none"> <li>• To assess types and number of different vulnerable groups in the area.</li> <li>• To examine how the project will impact on the vulnerable group</li> <li>• To identify actions necessary to mitigate adverse impact and to enhance positive impact of the project.</li> </ul>	<ul style="list-style-type: none"> <li>• Observation</li> <li>• Participatory process</li> <li>• Discussions with the vulnerable group members.</li> </ul>
<b>Step 8: Formulation of the participatory approach in the project</b>	To formulate in detail the participatory process in the project so that the stakeholders, especially the poor and vulnerable, can be involved in the decision-making process in all stages of the project – from planning to monitoring and evaluation,	<ul style="list-style-type: none"> <li>• Discussion with the civil society;</li> <li>• Discussions with the project stakeholders including the poor and vulnerable.</li> </ul>
<b>Step 9: Formulation of implementation modalities</b>	<ul style="list-style-type: none"> <li>• To identify the project implementation modalities (mainly the social components) including the involvement of NGOs and CBOs to enhance the poverty reduction impact of the project</li> </ul>	<ul style="list-style-type: none"> <li>• Review of the GON's rules and regulations</li> <li>• Stakeholder discussion.</li> <li>• Discussion with the NGOs and CBOs</li> </ul>
<b>Step 10: Involuntary</b>	<ul style="list-style-type: none"> <li>• To minimize the impact of resettlement due to the project and to ensure that the project affected persons</li> </ul>	<ul style="list-style-type: none"> <li>• Census of the PAPs</li> <li>• Stakeholder participation.</li> </ul>

<sup>10</sup> Poor and socially disadvantaged community like; caste and ethnic minority groups, aged member headed households, households having disabled family member, women headed households etc.

<b>resettlement planning</b>	(PAPs) are adequately compensated, especially the poor and vulnerable	<ul style="list-style-type: none"> <li>• Quantity surveying</li> <li>• Discussion with NGOs and CBOs</li> </ul>
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## Guidance Notes on Land Acquisition and Resettlement Plan (LARP)

### Legal Framework

Land Acquisition Act, 2034 (1977) is the core legal document to guide tasks related to land acquisition and resettlement activities in Nepal. There is provision in Clause 3 of the Act to acquire land for any public purpose, subject to the award of compensation. Besides, any institutions seeking land acquisition may also request GON to acquire the land under the regularity provisions subject to be compensated by such institutions' resources. As per the prevailing government rules, the compensation to be provided for land acquisition should generally be in cash as per current market value. However, there is also a provision under Clause 14 of the Act to compensate land for land provided government land is available in the area. As per the regulatory provision, while acquiring land, HMGN forms a Compensation Determination Committee (CDC) under the chairmanship of Chief District Officer (CDO) of the restrictive districts. The other members to be included in the committee comprise of - Chief of Land Revenue, an Officer assigned by CDO, representative from District Development Committee (DDC), Concerned Project Director. While determining the compensation, the Committee has to consider relevant Acts and periodic guidelines

The Act also provisioned the possibility of two separate rates of compensation, distinguishing between families who lose all their land and those who lose only some part of their landholdings. In determining the compensation, the Committee must consider the loss incurred by persons due to acquisition of land, shifting of residence or place of business to another place. If the land has to be acquired for institutions other than the VDCs and institutions fully owned by the government, the Committee has to consider the following while fixing the compensation amount:

- Price of land prevailing at the time of notification of land acquisition;
- Price of standing crops and structures, and
- Damage incurred by the affected persons by being compelled to shift his or her residence or place of business in consequence of the acquisition of land.

In other words, CDC under the Act is formed for actual verification of land and assets to be acquired, reviewing and fixing compensation rate, identification of proper owner(s), distribution of compensation, and for providing necessary administrative support addressing associated issues. However, formally the implementation process of CDC begins once the government grants formal approval for the land acquisition. After the approval, from government side, the Officer concerned of Executing Agency (EA) is entrusted with the task to initiate the process through public notification. The public notification also includes the activities of disseminating details of the land area, structure affected in the Project area.

### What is LARP?

Land acquisition and Resettlement Plan (LARP) is the document to be prepared by the executing agency containing all the information about the affected people, acquisition and resettlement issues, plan to address such issues and estimated cost for the project to implement the resettlement plan by compensating, relocating, and providing other assistance to the project affected people. The extent of acquisition and resettlement need to be reflected in an entitlement

matrix based on the prevailing Land Acquisition Act 1977. A sample entitlement matrix based on the Act is given for reference in the following table.

PWD (Volume II), section 8.2 stipulates the 21 steps acquainted to the Land Acquisition Act. This process is also given in one of the DOR publication, “*Environmental & Social Management Framework: A guide to the environmental and social issues with new road construction and upgrading, 2006*”.

### **Whom to Consider in LARP**

PWD (Volume II) section 8.6 deals about the information program about project activities to different the project affected families. However, specifically the directive does not focus to the poor and vulnerable groups (to be affected by the projects) in such information program. Therefore, efforts also need to be carried out also to inform the poor and vulnerable groups about the different facts of the resettlement plan (e.g. proposed project and its impacts, provisions of compensation, resettlement and other assistance to the affected people, implementation schedule of resettlement plan) in an understandable way from the pre-feasibility stage of the project.

### **References**

ADB (1984) *Handbook for Incorporation of Social Dimensions in Projects*, ADB, Manila.

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GON (1977) *Land Acquisition Act of Nepal*, Government of Nepal, Ministry of Law, Nepal Law Book Management Committee, Kathmandu

GON (2002) *Public Works Directives*, Government of Nepal, Department of Roads, Kathmandu

DOR (2006) *Environmental & Social Management Framework: A guide to the environmental and social issues with new road construction and upgrading*, Department of Roads, Kathmandu

World Bank (1988) *Involuntary Resettlement in Development Projects: Policy Guidelines in World Bank-financed Project*. World Bank, Washington DC

### An Entitlement Matrix based on Land Acquisition Act (1977)

Types of Impact	Entitlement Unit	Entitlement	Responsible Agencies
<b>1. Agricultural, Residential, Commercial Land</b>			
1.1 Loss of private land	Titleholders	<ul style="list-style-type: none"> <li>Cash compensation equivalent to the amount as per Land Acquisition Act; and resettlement allowance in cash equivalent to the difference between compensation as per the Land Act and full replacement value as per current market price in the same vicinity, plus value of all land transaction fees and charges</li> <li>Families who become landless allotted land as per provisions of the Land Act</li> </ul>	DOR/CDO/NGO
1.2 Loss of occupied land (public land)	Non-titleholders (Encroachers/Squatters)	<ul style="list-style-type: none"> <li>Non-titleholders (squatters and encroachers) will not be entitled to any compensation for their affected unauthorised/illegal extensions over public land. Vulnerable encroachers with economic losses may be entitled to assistance as a vulnerable group</li> <li>Resettlement assistance to those most vulnerable to restore pre-displacement level livelihoods. Vulnerable groups may include but not be limited to: ethnic/indigenous, minorities, women headed households, the most poor, the disabled, elderly and landless/ex-kamaiya families</li> </ul>	DOR/CDO/NGO
<b>2 Crop Loss</b>			
2.1 Loss of perennial / non-perennial crops	Titleholders	<ul style="list-style-type: none"> <li>Advance notice for crop harvesting</li> <li>Compensation for perennial crops and trees calculated as annual net product value multiplied by number of years for new crop to start producing</li> <li>Compensation in cash for lost standing crop</li> </ul>	DOR/CDO/NGO
	Non-titleholders occupying public lands (Encroachers/Squatters)	<ul style="list-style-type: none"> <li>Advance notice for crop harvesting</li> <li>Compensation for perennial crops and trees calculated as annual net product value multiplied by number of years for new crop to start producing</li> <li>Compensation in cash for lost standing crop Rehabilitation supports through Vulnerable People Development Plan (VPDP) to the non-titleholders, especially the vulnerable groups. Appendix 22 presents guidance notes on vulnerable and indigenous people development plan.</li> </ul>	DOR/CDO/NGO
<b>3. Houses and Structures</b>			
3.1 Loss of house and	Titleholders	<ul style="list-style-type: none"> <li>Cash compensation equivalent to the amount as per the Land</li> </ul>	DOR/CDO/NGO

<b>Types of Impact</b>	<b>Entitlement Unit</b>	<b>Entitlement</b>	<b>Responsible Agencies</b>
structures		Acquisition Act and at replacement value without deduction of depreciation	
	Non-titleholders (Encroachers/Squatters)	<ul style="list-style-type: none"> <li>• Non-titleholders (squatters and encroachers) will not be entitled to any compensation for their affected unauthorized/illegal extensions over public land but will be provided cash compensation to the structures at replacement value without deduction of depreciation</li> <li>• Resettlement assistance to those most vulnerable groups to restore pre-displacement level livelihoods</li> </ul>	DOR/CDO/NGO
<b>4. Community Facilities and Resources</b>			
4.1 Loss of community building and structure (irrigation canals, drinking water sources, schools, temples, graves, trails, culverts, bridges, etc.)	Titleholders (Local community that owns the facilities/resources)	<ul style="list-style-type: none"> <li>• Compensation for re-establishing or re-constructing lost community resources, facilities such as religious and cultural structures or providing alternatives in consultation with affected communities</li> </ul>	DOR/NGO
4.2 Temporary losses	Titleholders (Affected families)	<ul style="list-style-type: none"> <li>• Cash compensation/transition allowance</li> </ul>	DOR/CDO/NGO/Contractors

*Note: This is a sample entitlement matrix. The donor agencies (ADB/World Bank) have their own detailed guidelines for Resettlement Planning and Entitlement Matrix for Compensation. Source: Based on Environmental and Social Management Framework: Rural Assess Improvement Project (RAIP) 2004*

**Procedure for Employing NGO, CBOs, User’s Committees and Contractors for the Work:  
Procedure for Employing the Implementing Partners**

The guidelines have considered NGOs, CBOs and contractors as the implementing partners of implementing poverty reduction activities in the road projects. Base on the provisions made by the Public Procurement Act (2063) the interim guidelines have provisioned local level organizations (e.g. NGOs, CBO) to be the implementing partners of poverty reduction activities. The Act, upcoming Public Procurement Regulations and PWD process need to be followed while selecting such local level implementing partners.

**I. Procedure for Selecting NGOs**

Local NGOs operating microfinance in the area with experience in road construction with labour based approach and other poverty reduction activities need to be hired to implement the project activities. The NGOs hired will work as partner organization with the Design and Supervision Consultants (DSC) while implementing poverty reduction activities.

Specific short listing and selection criteria and a detailed Terms of Reference (TOR) need to be developed to initiate of NGO hiring depending upon the nature and scope of the project. Some of the key contents that can be incorporated in the short listing criteria and ToR include (i) background of the project (ii) scope of work (iii) selection criteria (iv) time frame (v) budget and logistics. Some of the criteria that that may be useful for selecting NGO in a transparent manner are given in **Box-A**.

<b>Box –A: Suggested Eligibility Criteria for NGO Selection</b>
<ul style="list-style-type: none"> <li>• Registered under existing laws of Nepal (e.g. Institution Registration Act, Company Registration Act, Local Governance Act, Cooperative Act, and under the NGO desk at DDC concerned)</li> <li>• Affiliated with Social Welfare Council</li> <li>• Having PAN certificate from the government tax office</li> <li>• Having at least 3 years experience of successful involvement in the area poverty, gender, income-generation activities, social mobilization, community infrastructure development</li> <li>• Operating microfinance in local area with the license from Nepal Rastra Bank</li> <li>• Having intact official record of its office bearers and decisions made, proper accounting system, profit and loss account statements with a system of internal controls and external audit</li> <li>• Having democratic norms to elect the board members on time as provisioned in its constitution and well maintained minuting</li> <li>• Not to be affiliated with any sort of political activities</li> <li>• Preference to be given in priority to NGO locally based/regional based/national based respectively.</li> </ul>

There are several activities that need to be carried out in the process of selection and after the selection of NGOs (e.g. scope of work, human resources, budget, selection criteria time frame logistics. An outline on the key activities to be followed during public notification and selection and mobilization of the NGOs is provided in following table:

<b>Key Activities to be Followed During Pre and post Bidding Phase of the NGOs</b>	
<b>Pre-bidding Phase</b>	<b>Post Bidding Phase</b>
<ul style="list-style-type: none"> <li>• Identification and finalization of tasks</li> <li>• Preparation of TOR</li> <li>• Arrangement of financial resources</li> <li>• Public notification with the information on: <ul style="list-style-type: none"> <li>- Name and address of the office soliciting the proposal</li> <li>- Type of proposed work, its quantity, and other necessary description</li> <li>- Site location of proposed work and time frame for the completion of work</li> <li>- Last date for the submission of the proposal and, time, date and place for opening the proposal</li> <li>- Format of the proposal</li> <li>- Evaluation criteria for the selection</li> <li>- List of papers to be submitted by the bidding NGOs</li> <li>- Terms and condition of payment and tax deduction</li> <li>- Other conditions as deemed necessary</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Opening of proposals</li> <li>• Evaluation of proposals</li> <li>• Final selection of NGO</li> <li>• Agreement between NGO and project office</li> <li>• Designation of technicians/social development officer for site supervision</li> <li>• Advance payment for initiating the work</li> <li>• Monitoring the progress of the work</li> <li>• Assessment of works and test checks</li> <li>• Preparation of bill for payment</li> <li>• Request for final payment</li> <li>• Checking of final bill</li> <li>• Final payment</li> <li>• Action against defaulters</li> <li>• Realization of fund</li> </ul>

#### A. NGO Selection Criteria

Selection of NGOs based on scoring could be one of the best methods. A sample format for selection through scoring method is given below which was used in DFID funded Rural Access Program (RAP).. However, it is suggested that the format should be tested to examine whether it is suitable for the particular context or not.

#### A Sample for NGO Selection Criteria

S.N.	Point Disaggregates	Overall Score	Maximum score for a particular criterion	Suggested scores	Mark: 100
					Remarks
<b>1</b>	<b>General Experience</b>	<b>20</b>			
1.1	Year of experience		<b>5</b>		
A	3-5 years			4	
B	5 above			5	
<b>1.2</b>	<b>Number of projects completed</b>		<b>15</b>		
A	1-3			6	
B	4-7			13	
C	7 above			15	
<b>2</b>	<b>Experience in similar project</b>	<b>40</b>			
<b>2.1</b>	<b>Awareness raising</b>		<b>6</b>		
A	1-5 times			2	
B	6-10 times			3	
C	11 above			6	

<b>2.2</b>	<b>Adult literacy</b>		<b>5</b>		
A	5-10 classes conducted			3	
B	11 above			5	
<b>2.4</b>	<b>Training</b>		<b>6</b>		
A	1-5 times conducted			2	
B	6-10 times			4	
C	11 above			6	
<b>2.5</b>	<b>Group formation</b>		<b>8</b>		
A	5-10 groups formed			3	
B	11-20 groups formed			5	
C	21 above			8	
<b>2.6</b>	<b>Road /trail construction with social mobilization</b>		<b>6</b>		
A	1-3 roads			2	
B	4 above			3	
C	1-3 trails			2	
D	4 above			3	
<b>2.7</b>	<b>Saving and Credit programmed</b>		<b>9</b>		
A	1-5 groups			3	
B	6-10 groups			5	
C	11 above			9	
<b>3</b>	<b>Experience in similar geographical areas</b>	<b>10</b>			
A	Proposed corridor VDCs		3	3	
B	Within district		5	5	
C	Other district		2	2	
<b>4</b>	<b>Executive committee members and availability of staff</b>	<b>10</b>			
<b>4.1</b>	<b>Executive committee members' qualification</b>		<b>5</b>		
A	B.A. or equivalent pass			0.5	For each person
B	I.A. or equivalent pass			0.4	For each person
C	S.L.C. pass			0.3	For each person
D	Below S.L.C.			0.2	For each person
E	Illiterate			0.1	For each person
<b>4.2</b>	<b>Staff qualification</b>		<b>5</b>		
A	B.A. or equivalent pass			0.5	For each person
B	I.A. or equivalent pass			0.4	For each person
C	S.L.C. pass			0.3	For each person
D	Below S.L.C.			0.2	For each person
E	Illiterate			0.1	For each person
<b>4.3</b>	<b>Work in hand (negative)</b>	<b>5</b>	<b>5</b>		
<b>5</b>	<b>Financial capability (annual turnover for last 3 years)</b>	<b>7</b>			
A	Rs. 50,000-500,000		5	5	
B	Rs. 500,000-1,000,000		6	6	
C	More than Rs. 1,000,000		7	7	
<b>6</b>	<b>Equipment and facilities</b>	<b>7</b>			
<b>6.1</b>	<b>Office house</b>		<b>2</b>		
A	Own			2	

B	Rented			1	
<b>6.2</b>	<b>Furniture</b>		<b>3</b>		
A	Yes			3	
B	No			0	
<b>6.3</b>	<b>Equipment</b>		<b>2</b>		
A	Yes			2	
B	No			0	
<b>7</b>	<b>Commitment for code of conduct</b>	<b>3</b>			
A	Yes		3	3	
B	No		0	0	
<b>8</b>	<b>Commitment for adherence to anticorruption policy</b>	<b>3</b>			
A	Yes		3	3	
B	No		0	0	
	<b>Total</b>	<b>100</b>	<b>100</b>		

Source: *Implementation Tool Kit, February 2003, Rural Access Programme*

**Note:** This is a sample guide sheet. The project should fix criteria as per project's requirements consistent with the prevailing laws.

The NGOs should be selected based on Public Procurement Act (2063) and PWD Part II, Chapter 15.2, sub-chapter 15.2.4. According to this provision of the Act, the NGOs may be selected either by following Quality Based Selection or quality plus quantity based processes. The concerned project officials should decide which process is to be followed depending on the complexity of the tasks to be carried out by the NGOs. However, what selection process the project will follow in the selection of NGOs should be clearly mentioned in the notice inviting the proposals from the NGOs.

## II. Procedure for Selecting CBOs and Users Committee

Public Procurement Act (2063) has also made provisions for selecting users committees or CBOs for L-B construction in road projects. Users committee or Community Based Organizations (CBOs) to be engaged for L-B approach also need to be selected through public notification and proposal evaluation by following the process as suggested for NGO selection. The key activities to be followed while selecting users committee and CBO are mostly common to the NGO selection process. However there are some fundamental differences that need to be

### Box – B: Procedures for Employing Users Committees and CBOs

- Evaluation of proposals submitted
- Negotiation with the CBOs and User's committees
- Observation of work site with CBOs and user's committees
- Selection of CBOs and user's committees for the work
- Contract agreement between project office and CBOs and User's Committee
- The project office should provide work design, cost estimation and its approval, technical guidance, measurement of works and test checks, monitoring and supervision of progress of works and quality control
- Designation of engineer and technicians for site supervision.
- Work packaging and identification of quantity of labourers for each package.
- Labour availability survey and identification of labour.
- Work assignment and payment on performance basis.
- Advance payment for initiating the work.
- Monitoring of progress of works.
- Measurement of works and test checks.
- Preparation of bill for payment.
- Bill payment.
- Request for final payment.
- Test checks and final bill preparation.
- Final payment.
- Action against defaults and realization of fund.

followed while selecting and mobilizing users committee or CBO. Some key processes to be followed while selecting users committees or CBOs for L-B approach is given in Box B.

### **iii. Procurement Procedures of Contractors**

The principle steps of procurement procedures have been given in PWD, Part II (table 9.2). IPWD suggests that project manager should go through PWD, the FAR and the SBD to get a thorough understanding of the procurement process. The Public Procurement Act, 2063 has come into force. The procurement of works, goods and services should be carried out as per the provision of the Act and the regulation. The Financial Administration Regulation 2056 and PWD, 2002, require be reviewing and issuing in consistence with the Public Procurement Act, 2063. The provision made in the guidelines is valid till it is not inconsistent with the regulation to be issued under the provision of the Act.

## Guidance Notes on Labour-based (L-B) Construction Works

### A Guiding Note on Labour Based Construction Works

Several activities to be carried out in L-B approach during implementation of road projects. The activities may vary depending upon several reasons (e.g. size, location, scope). Based on the experiences of some project following are some of the key approaches to be followed in such intervention:

No.	Steps & issues	Activities
		A. Preparatory Activities
1	Hiring of NGOs	<ul style="list-style-type: none"> <li>Hire NGOs as per provisions made in the Public Procurement Act (2063)</li> </ul>
2	Social Mobilization	<ul style="list-style-type: none"> <li>Form community groups for social mobilization</li> <li>Engage NGOs to initiate social mobilization with the help of community through home visits, dialogues, meetings, group discussions consultation and information dissemination with special attention to encourage women's participation</li> </ul>
3	Fixation of Zone of Influence (ZOI)	<ul style="list-style-type: none"> <li>Fix project's ZOI as per the project's scope through the NGO with active social mobilization support by project in charge, LRCC considering the scope of project</li> </ul>
4	Identification of Vulnerable Groups for Labour Work by NGO	<ul style="list-style-type: none"> <li>Identify community for poverty reduction activities through wealth ranking with the help of project in charge, LRCC and local community.</li> </ul>
5	Procurement and Supply of Tools, Construction Materials and Site Office Management	<ul style="list-style-type: none"> <li>Establish site office equipped with reasonable comfort and safety</li> <li>Identify locally available as well as additional materials and tools by technicians, site in charge and the users themselves</li> <li>Support and promote local iron workers to produce tools to be required by the project prior to the commencement of the work.</li> <li>Notify the name, types, quantity, quality, standard, and delivery time of the tools and make an agreement for timely delivery of goods with the suppliers</li> <li>Each labour group to be provided one set of tools before the start of the work</li> <li>Ensure broken and defective tools with the permission of supervisors</li> <li>Ensure return of tools loaned to laborers before the final payment of the work</li> <li>Make <i>Naike/Sahajkarta</i> responsible for the loss of tools.</li> <li>Recover the cost of lost tools from the responsible laborers with careful verification and assessment report of <i>Naike/Sahajkarta</i></li> <li>Ensure consistent involvement of one member of LRCC at the site to help solve labour problem</li> <li>Ensure arrangement and purchases or transportation of local materials to the site.</li> <li>Prepare daily progress report.</li> <li>Maintain the daily attendance of the labour groups through <i>Naike/ Sahajkarta</i></li> <li>The supervisor should supervise the attendance of labourers and verify the attendance of labourers.</li> <li>Ensure monitoring and progress of by site engineer and arrangement of</li> </ul>

		<p>supplies and problems solving devices</p> <ul style="list-style-type: none"> <li>• Ensure supply arrangement of the material suppliers as laid down in the contract document</li> <li>• Ensure the availability of fund by Project incharge</li> <li>• Arrange a petty cash fund for the purchase of local materials and stationery As provisioned in the financial regulation</li> </ul> <p>The sample format for tools/miscellaneous records is given in <b>Appendix 24A-D</b></p>
	Management of the Store and Record Keeping	<p>The site engineer/overseer should ensure that the following arrangements are at place to the satisfaction of the Project</p> <ul style="list-style-type: none"> <li>• Ensure a storekeeper's posting to keep the inventories of the equipments</li> <li>• Provide training to the storekeepers to keep record of the equipments</li> <li>• Ensure the availability of First Aid Kits to provide first aid need of the labourers</li> <li>• Register the local ironworkers to fulfill the supply of tools, axes, crowbars, picks, chisels and spades at an agreed rate at the time of need</li> <li>• Make reliable arrangement to repair light equipments</li> <li>• List down the ironworkers to repair the equipment at a short notice</li> <li>• Maintain updated records of all materials, tools and stationeries with the information of incoming and outgoing tools and materials</li> <li>• Develop systems for store inspection and auditing regularly (e.g. every year)</li> <li>• Maintain transparency in record keeping, replacement of tools for repairing and auction, and make available the audited reports</li> </ul>
5	Labour Camp Management	<p>The contractors or NGOs or CBOs should establish labour camps with –</p> <ul style="list-style-type: none"> <li>• Lodging standards</li> <li>• Food and water quality</li> <li>• Sanitary facilities/Waste disposal</li> <li>• Management of fuel for cooking, lighting and heating</li> <li>• Provision for health services</li> <li>• Provision of educational facilities</li> <li>• Recreational facilities</li> <li>• Transport facilities</li> <li>• Proper safety measures from vandalism</li> <li>• Good relationship with neighbors</li> </ul>
6	Safety Measures and Labour Insurance	<ul style="list-style-type: none"> <li>• Provided health and safety insurance to the labourers</li> <li>• Keep First Aid kits at the site level with essential medicines and bandages</li> <li>• Treat and care seriously injured workers at the health centre, hospital and nursing home which are at the proximity paying the injured worker for the duration of the treatment at the hospital and recovery period</li> <li>• Provide safety equipments (e.g. hand gloves, glasses, boots, helmets, safety belts) to the workers to reduce the risk</li> <li>• Compensate disabled and died labours as provisioned in the law</li> <li>• Take precautions for the safety of the labourers and pedestrians</li> <li>• Plan specific precautionary measures before the commencement of the work in high risk areas</li> </ul>
<b>B. Implementation Arrangements</b>		

7	Labour Group Formation	The Road Construction Group (RCG) should be formed giving priority to the poorest of the poor, vulnerable, and excluded population. Women's representation should be ensured 33 percent as far as practical. Several steps to be followed for the formation of the construction groups are given as following:
	Step 1	<ul style="list-style-type: none"> <li>Form labour groups with the initiative of social mobilizer under the guidance of LRCC</li> </ul>
	Step 2:	<ul style="list-style-type: none"> <li>Disseminate information regarding the objectives and approaches of the Project through social mobilizer</li> </ul>
	Step 3:	<ul style="list-style-type: none"> <li>Make everybody clear about the Project's strategy (i.e. to construct environmentally sound road involving local labour especially the socially and economically disadvantaged groups</li> </ul>
	Step 4:	<ul style="list-style-type: none"> <li>Conduct a labour availability survey along the alignment by using wealth ranking tools</li> </ul>
	Step 5:	<ul style="list-style-type: none"> <li>Identify poor and disadvantaged household willing to work in road construction with the help of social mobilizer supported by VDC and LRCC</li> </ul>
	Step 6:	<ul style="list-style-type: none"> <li>Identify special assistance for childcare and disabled persons</li> </ul>
	Step 7 :	<ul style="list-style-type: none"> <li>Form groups comprising 15-20 persons</li> </ul>
8	Selection of <i>Naike/Sahajkarta</i> (Facilitator)	Following steps need to be followed while selecting <i>Naike/Sahajkarta</i> (Facilitator):
	Step1:	<ul style="list-style-type: none"> <li>Select <i>Naike/Sahajkarta</i> from among the group member with the help of social mobilizer</li> </ul>
	Step 2:	<ul style="list-style-type: none"> <li>Provide trainings to <i>Naike/Sahajkarta</i> on different subject matter (e.g. group representation, preparing calendar of daily work programs in consultation with supervisors, maintaining records of group members, their attendance and payments)</li> </ul>
9	Training to the Groups	Practical training and orientations should be given to the workers prior to the beginning of the road construction. This is required to enable them to understand (i) their roles and method of work and (ii) valuation and payment system. The duration of the training will be three to seven depending upon the nature of work. The types of trainings are as follows:
	Step No. 1	<ul style="list-style-type: none"> <li>Orientation class about the construction work</li> </ul>
	Step No. 2	<ul style="list-style-type: none"> <li>Practical training on road construction exercise along a demonstration road section.</li> </ul>
	Step No.3	<ul style="list-style-type: none"> <li>Practical training to <i>naike/sahajkarta</i> with two hours of theory classes to make them understand the basic labour based approach and to apply it</li> </ul>
	Step No. 4	<ul style="list-style-type: none"> <li>Practical training to the masons along with demonstration work (three or seven day depending upon the situation and need)</li> </ul>
10	Work Assignment	<ul style="list-style-type: none"> <li>Labour to be paid for their work on the basis of quantum of work they accomplish instead of paying at a fixed daily rate</li> <li>RCG to be assigned new work only if it has successfully completed the previous assignment.</li> <li>Make only 90% of the work in case of claim by RCG before completion the work by measuring the work done and deduct 10 % amount as penalty</li> <li>Maintain daily attendance of the labourer at the end of the working hour with the help of social mobilizer (A sample format for labourer and local supervisor's attendance sheet is given in <a href="#">Appendix 24</a>).</li> </ul>
11	Working Period	<ul style="list-style-type: none"> <li>Adjust working period according to the climatic conditions of higher altitudes as well as at lower altitudes</li> <li>Ensure working hours of employee not more than eight hours per day or forty eight hours per week</li> <li>Ensure holiday to the workers every weekend</li> </ul>

		<ul style="list-style-type: none"> <li>• Extra wages to be provided for additional working hours.</li> </ul>
12	Work Measurement, Evaluation and Payment	<ul style="list-style-type: none"> <li>• Measure the completed works by Engineers, social mobilizer and <i>naike/sahajkarta</i></li> <li>• Make certification of engineer and, social mobilizer in presence of <i>naike/sahajkarta</i> to distribute the wage (fortnightly payable to the labours on the basis of their daily attendance)</li> <li>• Ensure equal wage for the same work for both male and female labourer</li> <li>• RCG's <i>naike/sahajkarta</i> and supervisor in consultation with RCG members to make the decision in case of dispute among the hard work and light work, <a href="#">Appendices 19 and 20</a>.</li> <li>• Maintain proper record of payment made to each member of the group by RCG</li> <li>• Conduct at least two public audits in every assignment of the work (the detail of public audit is given in the <a href="#">Appendix 13</a>).</li> </ul>
13	Campaign Against Alcohol Drinking and Gambling	<ul style="list-style-type: none"> <li>• Conduct campaign against alcohol drinking and gambling to protect the labours and local community from extravagant activities due to flow of money</li> <li>• Create awareness to save the money for future or to invest on enterprises development activities for their sustainable livelihood even after project completion</li> <li>• Prohibit drinking, gambling and prostitution at construction sites and labour camps</li> </ul>
14	Protecting Child Labour Issues	<ul style="list-style-type: none"> <li>• Launch campaign against child abuses and education to discourage child employment</li> </ul>
15	Addressing Gender Issues	<ul style="list-style-type: none"> <li>• Ensure non-discrimination against women both in work or wages and also in terms of sexual harassment at working place</li> <li>• Encourage women and motivated for their involvement in microfinance, group training and enterprise development activities</li> <li>• The project should strictly follow the government policy to involve 33 % of the women in different activities and decision making bodies as far as possible</li> <li>• Follow alternative way measure in consultation with the LRCC if women are not available or not willing to get involve in labour work</li> <li>• Promote women as <i>Naike/Sahajkartas</i> as well as supervisors and mobilizers</li> </ul>
16	Activities against Sexually Transmitted Infections and HIV/AIDS	<ul style="list-style-type: none"> <li>• Orient all the workers, technicians, contractors to be oriented on STI and HIV/AIDS</li> <li>• Conduct regular and thorough check up of workers at the time of registration for the control and transmission of STI and HIV/AIDS</li> <li>• Organize information, education and communication programs on STI and HIV/AIDS through NGOs</li> </ul>
17	Activities against Human and Drugs Trafficking	<ul style="list-style-type: none"> <li>• Launch information and awareness campaign against human and drug trafficking through NGO</li> <li>• Provide information about the service available and networking with police and custom officer to detect out the culprit involved in such trades and to control human and drugs trafficking</li> </ul>
18	Prevent Road Accident and Safety Measures: A Social Approach	<p><u>Engineering Approach</u></p> <ul style="list-style-type: none"> <li>• Maintain all the technical standard developed by DOR in the engineering design of road projects to ensure the measures for safety and road accident</li> </ul> <p><u>Social Approach</u></p> <ul style="list-style-type: none"> <li>• Launch road safety awareness campaigns every year jointly with the NGOs, local government bodies, pedestrians and concerned agencies (e.g. DOR, Traffic Police, District Administration Office, Ministry of Home, Ministry of Education, Ministry of Health) to educate the general public</li> <li>• Distribute pamphlets and booklets on Highway code and organize and stage street drama</li> </ul>

		<ul style="list-style-type: none"> <li>• Improved roadside driver information including the provisions of information and waxing signs road markings and street lighting to be maintained</li> <li>• Recommend for improved and better regulation for driver training and testing</li> <li>• Sensitize drivers, transport proprietors and transport association officials on their legal obligations</li> <li>• Launch Behavior Change Campaign (BCC) on road safety program through the media and hoarding boards</li> <li>• Sensitize traffic police, highway patrolling groups, transport management officials and local stakeholders regarding their role and responsibilities , and regulatory requirement for road safety</li> <li>• Encourage to incorporate road safety measures in school curriculum from lower secondary level</li> </ul> <p><u>Enforcement</u></p> <ul style="list-style-type: none"> <li>• Develop an effective mechanism for the enforcement of road regulation through multi-sectoral approach (e.g. Department of Transport Management, Department of Health, Department of Police, Department of Education, Department of Road) to be developed to look after every aspect of road safety</li> </ul> <p><u>Strict Monitoring</u></p> <ul style="list-style-type: none"> <li>• Develop an inbuilt monitoring system for strict monitoring of road conditions, road signs, erratic parking of vehicles etc to contribute to curb road accidents</li> <li>• Establish trauma centers at different locations and make provision of first aid kits in the vehicles for immediate remedy from the due to road accidents</li> </ul>
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**References:**

MOPPW/DOR (2001) *Guidelines for Construction of Civil Works through Community Based Organizations and Beneficiaries*, Department of Roads, Kathmandu

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DOR (2005) *Labour Based Construction Directive for Feeder Roads, Using Labour Based Approach*, Department of Roads, Kathmandu

DRSP/SDC (2006) *Social Mobilization and Social Intervention in the Context of Rural Roads, Vol. I and II: District Road Support Programme*, SDC, Kathmandu

DFID/RAP (2001) *NGO Implementation Tool Kit*, Rural Access Programme, Kathmandu

## Sample Wealth Ranking Format

Total Score: ???

S.N.	Indicators of Inclusion	Variables	Max Score	Score Secured	Remarks
<b>1.</b>	<b>Caste and Ethnicity*</b>		<b>10</b>		
		Dalit			
		Disadvantage Janajati			
		Disadvantage Non-dalit			
		Religious Minorities			
		Advantage Janajati			
		Upper Caste			
<b>2.</b>	<b>Head of the Households</b>		<b>10</b>		
		Male			
		Female			
<b>3.</b>	<b>Literacy Status of Female Family Member</b>		<b>10</b>		
		All Illiterate			
		Less than 75 % Literate			
		Less than 50 % Literate			
		Less than 25 % Literate			
<b>4.</b>	<b>Pregnant women in Households</b>		<b>10</b>		
		Having pregnant women			
		Not having pregnant women			
<b>5.</b>	<b>Under 5 Years Children</b>		<b>10</b>		
		Yes			
		No			
<b>6.</b>	<b>Proportion of School Going Children aged 5-15</b>				
		100 % going			
		Up-to 75 % going			
		Up-to 50 % going			
		Up-to 25 % going			
		Not going at all			
<b>7.</b>	<b>Disability</b>				
		Household having disable member			
		Not having disable member			
<b>8.</b>	<b>Aged Family Member as Household Head</b>				
		Yes			
		No			
<b>9.</b>	<b>Landless Household</b>				
		Yes			
		No			
<b>10.</b>	<b>Having per capita less than NRs. 6078</b>				
		Having Per Capita NRs.5001 – NRs < 6078			
		Having Per Capita NRs.4001 – NRs 5000			
		Having Per Capita NRs.3001 – NRs 4000			
		Having Per Capita NRs. 2001 – NRs 3000			
		Having Per Capita Below NRs 2000			
<b>11.</b>	<b>Project Affected Poor Family</b>				

		Yes			
		No			
<b>12.</b>	<b>Labor Involved in Road Project</b>				
		Yes			
		No			
<b>13.</b>	<b>Type of House</b>				
		Thatched			
		Tinned			
		Semi Pacca			
		Pacca			
<b>14.</b>	<b>Toilet Facilities</b>				
		Yes			
		No			
<b>15.</b>	<b>Electricity</b>				
		Yes			
		No			
<b>16.</b>	<b>Access to Drinking Water</b>				
		Have own source			
		Neighbor			
		Located at More than 15 Minutes Walk			
<b>17.</b>	<b>Energy for Cooking</b>				
		Firewood			
		Kerosene			
		Bio-gas			
		LPG			
<b>18.</b>	<b>Property Owned by</b>				
		Male			
		Female			
		Both			
<b>Final Score Obtained by the household</b>					

**Note :**[1] Additional indicators may be used or existing indicators may be omitted based on the particular needs of the project;

[2] the maximum scores or the individual scores may be adjusted based on local context.

[3] Households should be selected on the basis of the ranks they secure. The ranking should be decided on what scores the household secure (i.e. the higher the score the higher the ranking. However, community consensus will be required which will be done through community verification (i.e. to be verified in a group meeting with the stakeholders who would have the final say on the ranking of the household)

## Guidance Notes on Public Audit

### Meaning and Concept of Public Audit

The word audit implies an examination of the account for the purpose of independently verifying financial transaction. Public is added to it in order to denote the interest of the general public to know as to how the public funds are being used. The concept of public audit is getting popular in Nepal since one decade. This is being practiced in many development Programs. The basic elements of public audit are given in the following Box-A.

### Rationale for Public Audit

Public audit has many merits. The experiences obtained from many Programs suggest that in publicly audited projects:

- Funds are used more effectively
- Transparency is maintained
- People get full information and help to check corruption
- The distribution of benefits is more transparent and equitable
- The project gets support from the people and owes people ownership

### Box –A: Do and Don'ts in a Public Audit

- Make sure that the public audit notice is well published and notification for the public audit has been well publicized, especially the poor and
- Encourage Local Road Co-ordination Committee (LRCC) to arrange the audit
- Make available all records of decisions and transaction for public inspection
- Make sure that the voices of the poor, women and vulnerable people are heard
- Make sure that the meeting is not dominated by an influential person or a group of influential persons.
- Make sure that the representatives of different actors (e.g. contractors, consultants, NGOs etc.) are present in the meeting to answer the question from the public.
- Make sure that main project activities and costs are presented summarily to the public.
- Invite local political leader and activists from all political parties

### Procedures of Public Audit

There shall be two public auditing- one at the beginning of the construction season and another upon the completion of the works. During the first public hearing an introduction to the project shall be made, a list of stakeholders shall be developed, estimated cost of the project predicted and impact of the project on the community shall be discussed. In the second public auditing, all RCG members should be informed as to quantity of work undertaken, amount of money spent and the amount each individual is entitled to receive. This works as cross check to the regular measurement and payment system. NGO, who is hired for social mobilization work, should collaborate with LRCC to organize the public audit in which RCG members, social mobilizer, technical team members, LRCC members, project office representatives etc. should also participate.

The following summarises a good practice from ...

### Guidance Notes on Road Neighbours Involvement in Road Maintenance

Involvement of road neighbours for maintenance purpose is slowly growing on conceptually but it is a neglected area in the implementation. There are several reasons;

- Lack of social engineers
- Absence of orientation on social sphere
- Absence of budgetary provision for social activities

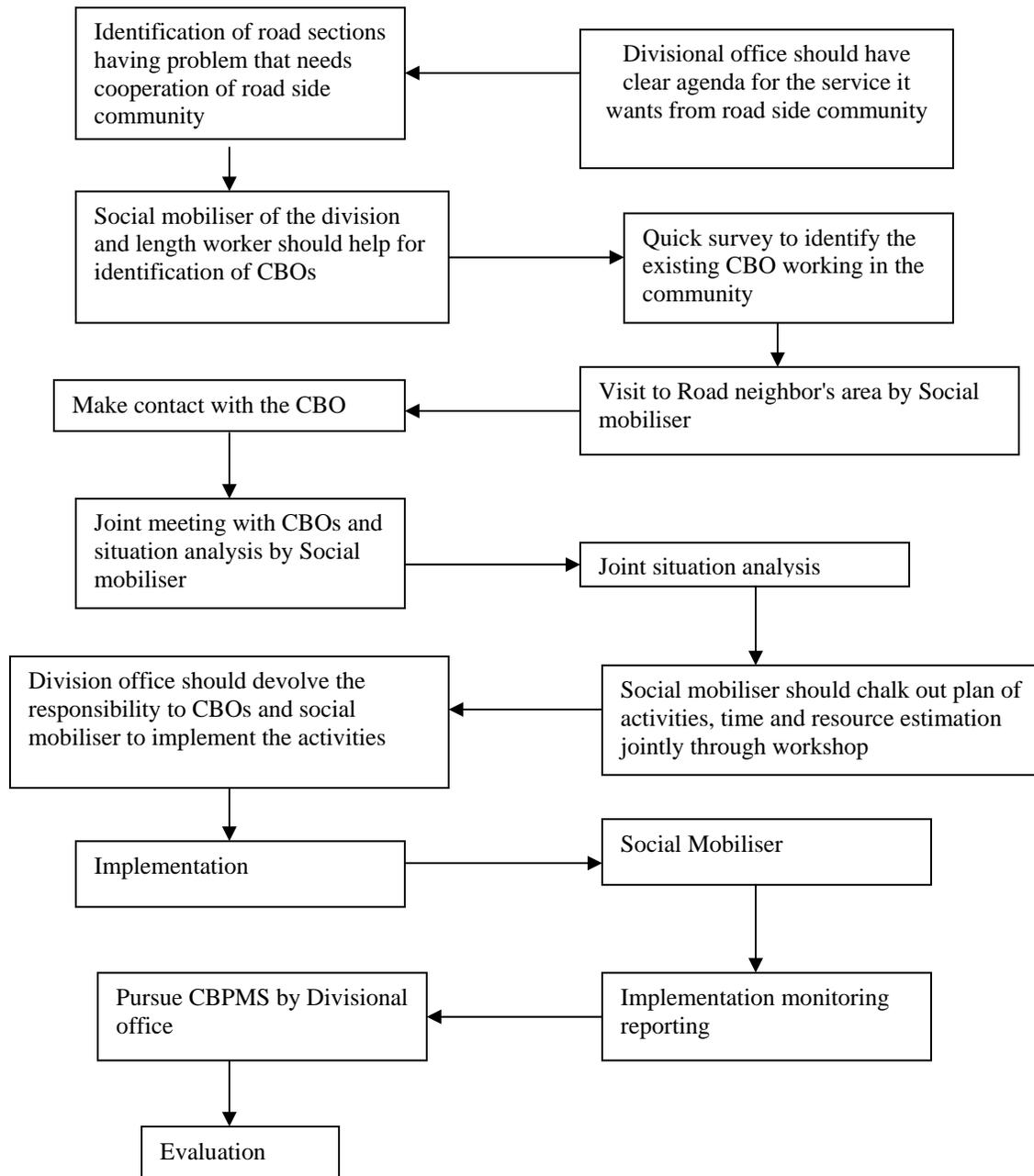
Road neighbour's involvement in road maintenance simply suggests an active involvement of a community to take part or share in development activities. For the proper maintenance of road, road neighbour involvement is the must for the reason that deterioration of the road has been caused more by community actions than other factors. It is therefore necessary to mobilize the community to take initiatives to keep road serviceable for their own benefit. Road neighbours have long standing grievances against the Department that they are not consulted in the planning, designing and implementation of the road. This need to be heard by the departmental officials forming a grievance handling committees comprising of social mobiliser, ward member and community representative. The following table illustrates the problems related to road neighbour and DOR.

**Table: Problems Related to Road Neighbour and DOR**

<b>Problems related to Road Neighbour</b>	<b>Problems related to DOR</b>
Acquisition of private property without paying or delaying compensation none immunizing from paying revenue tax on the acquired property.	Right of way encroachment
Diminishing the production potential and fertility of the road neighbours by haphazard disposal of the cut and fill material and other excess material in the field.	Undercutting of carriage way toe and damaging retaining structures
Deep vertical cutting had endangered the public life and property by inviting landslides and thus diminishing cultivable land.	Disruption and blockage for and drainage's (cross and side)
Unavailability of the parking provision in the schools, health centres and market areas, compels the road users to park in the carriageway thus inviting traffic hazards.	Construction of permanent structures in the road reserves
Noise and dust pollution and ecological imbalance has induced many health hazards.	Random crossing of irrigation channels through and along the carriage way
Non synchronizing the labour based and the rural poor, women in particular.	Deforestation to expand cultivate are in steep slopes and slide prone zone
Inadequate safety provision in the road construction and maintenance, non synchronizing road, road users and vehicles has endangered safety situation of road.	Developing new quarry site within the right of way
Traditional routes and links for water reach have been disrupted through accumulation of cut and fill materials and through deep cutting in the slopes.	Random dumping of construction materials in the carriage way
Lack of coordination between the road neighbours and DOR for road related activities.	Random parking of commercial and private vehicles in the carriage way
Non involvement of road neighbour in process of planning, implementation, decision making, construction and maintenance practices.	Using carriageway as a courtyard for drying of haystacks, rice grains etc.
Water management is not updated to suit the present need of settlement and cropping pattern.	Discharge of sewerage main garbage in the roadside drain
	Blocking of cross drainage especially in the market area and cultivated land field

**Table.....** suggests to take two pronged actions. On one hand department should involve road neighbour in process of designing planning implementation, decision making in construction and maintenance so that those requirements of neighbourhoods are addressed properly. On the other hand, neighbourhoods cooperation by convincing them to shy away from road damaging activities should be sought forth. For neighbourhoods cooperation the following flow chart suggests the steps that need to be taken.

**Figure Involvement of Road Neighbours in Off-road Maintenance**



The chart indicates some requirements to be fulfilled by the division office to ensure the cooperation of the neighbourhood. The requirements are listed below:

**Preconditions for Involving Road Neighbours in Off-road Maintenance**

1. Involvement of the road neighbours in the road maintenance is a new concept and very many engineers and overseers are not familiar with it. More over, in the absence of social expert in the division structure, it is difficult as to who will take the lead in Social Development activities. It is necessary to equip division offices with the personnel experienced with social issues. Since, majority of engineers and overseers are trained in bio-engineering, they should also be oriented and trained to work as social engineer.
2. When neighbours are involved in maintenance work, they require plants and seedlings for the protection of road sideways; the division offices should be well equipped with the plants and seedlings of neighbour's preferences. Though every division run nurseries for bio-engineering and plantation that may not be of people choice and commercial value. This must be taken into consideration.
3. The neighbours may ask for resources (money and other logistics) to install fencing for the protection of the plant. The division offices should be equipped with such resources.
4. The right of way land which has been kept unutilized should be given to the poorest household on long term wet lease to grow plants of commercial value and environmentally appropriate to be used by the grower under the term and conditions agreed between two parties (DOR and leaser). In this connection certain provisions must be made in the Public Road Act, 2031.
5. Orientations and training should be organized for Divisions technical personnel, CBO's members and community's social leaders and VDC ward members.
6. Constant monitoring adopting 'CBPM system' and timely reporting should be made an inbuilt system.

## **Design and Implementation an Ex-post (Impact) Evaluation Study**

Section ??? shows that the fundamental challenge in an impact evaluation study is establishing the counterfactual (i.e. what would have happened in the absence of the project?). If the counterfactual can be established, then it will be easy to separate out the project benefits from overall benefits. There are a number of challenges in the design and implementation of an impact evaluation study.

### **Main Challenges Faced in the design of an impact evaluation study**

#### **1. The methodological challenge of isolation and attribution of a road's impact**

- To capture the outcomes that are purely caused by the road investment. For example, there may be an agriculture sector investment in the same project area. In that case the challenge is how to separate the impact between road and agricultural sector investments.
- To control for biases in the case of a quasi-experimental design<sup>11</sup> that collects data from both treatment and control groups – i.e. what would have happened in the absence of the roads, which is known as the counterfactual.
- Also biases due to the non-random selection of villages/communities for impact assessment (e.g. roads are selected on the basis of some characteristics of the corridor through which it passes).

#### **2. The methodological challenge of having appropriate data collection procedures and instruments**

- Devising the appropriate indicators that will be able to assess poverty and social outcomes;
- Designing the appropriate data collection instruments to test the study hypothesis and the indicator outcomes.
- Ensuring that the collected data are of good quality and there is minimum survey bias;
- In the case of collection of panel data the method of identifying and registering the data collection unit (e.g. a household)

#### **3. The methodological challenge of defining and measuring of poverty and other social welfare measures**

- Although poverty thresholds are conventionally defined on the basis of the consumption per capita, such definition of poverty does not necessarily encompasses the multi-dimensional nature of poverty including poor nutritional status, low educational attainment, low access to public services including school and health services<sup>12</sup>, vulnerability to shocks, exclusion from economic, social and political process;

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<sup>11</sup> Study design can be divided into two main broad categories: (i) experimental designs: also known as the randomisation, are considered to be the most robust of the evaluation methodologies. This method randomly allocates intervention among eligible beneficiaries. Given appropriate sample size this creates comparable treatment and control groups that are statistically equivalent to one another. (ii) Quasi-experimental designs: This is a non-random method. This is used when it is not possible to construct treatment and control groups through experimental design. Roads are not placed randomly. They are selected on the basis of some characteristics of the corridor through which it passes (e.g. economic potential of the investment, provision of access etc.). Therefore, quasi-experimental designs are more suitable for the evaluation of road impact.

<sup>12</sup> The contribution of roads to improved service levels in health, education, financial institutions and extension services are included in the proposed matrix of indicators for PSIA

- Even if the multi-dimensional aspects of the poverty and other social welfare measures are defined, it is often difficult to define the indicators for assessment of the impacts of road related interventions or policy change on them.

#### **4. The technical challenge of integrating and analysing the primary and secondary data**

- To code, input, organize and analyze the vast amount of primary and secondary data that are generated from a poverty and social impact study.
- To devise an appropriate method for data analysis to avoid biases due to their non-random generation;
- To devise and implement a method for matching treatment and control groups that forms the basis of evaluating the outcome indicators using double differencing techniques.
- To devise and implement appropriate data analysis methodology to take care of attrition bias – bias generated due to the dropping out of people with certain characteristics in the subsequent surveys in the case of panel data.
- Registering the location (geo-referencing) of the sampled households or other sampled units in the case of panel surveys – potentially with the help of Geographic Information Systems (GIS).

#### **Available methodologies**

- Impact assessment (mainly economic growth and poverty reduction impacts) using secondary data (mainly time-series);
- Poverty and socio-economic welfare impact assessment using cross-sectional household or community data; and
- Poverty and socio-economic welfare impact assessment using household or community level panel data.

#### **Development of Indicators**

- what indicators should be used in the study
- depends on the project objectives
- indicators should be specific, measurable, achievable, time bound
- 

#### **Indicators developed in Mozambique**

**(Being updated)**

**Summary of the Road Projects in Nepal with Added Emphasis on Enhancing Poverty Reduction**

<b>Project</b>	<b>Donor/ Implementing Agency</b>	<b>Objectives/Purposes</b>	<b>Project Principles</b>	<b>Complementary Poverty Reduction Program</b>	<b>Comments</b>
1. District Road Support Program (DRSP); 1999-on-going	SDC/DDC/DoLIDAR	<p>a. To support and build up DDC's local government at the district level and, in particular, to increase the capacity of the District Technical Office (DTO)</p> <p>b. To improve the living condition of the local prime beneficiaries</p>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Decentralization</li> <li>• Participatory</li> <li>• Social-mobilization</li> <li>• Labor-intensive</li> <li>• Beyond road social intervention</li> <li>• Need based social intervention</li> <li>• Road Construction Group (RCG)</li> <li>• Passing on the Gift</li> <li>• Participation of women and other deprived groups</li> <li>• Equal wages for equal work between men and women</li> </ul>	<p><b>a) Economic intervention</b></p> <ul style="list-style-type: none"> <li>• Saving and credit schemes</li> <li>• Planting fruit trees/non-timber forest product (NTFP) along road corridors</li> <li>• Handicrafts and cottage industries</li> <li>• Bee keeping</li> <li>• Tourism promotion</li> <li>• Off-season vegetable program</li> <li>• Micro-hydropower plant</li> </ul> <p><b>b) Social Intervention</b></p> <ul style="list-style-type: none"> <li>• Literacy program</li> <li>• Basic health and hygiene campaign</li> <li>• Gender balanced family life and children's rights campaign</li> <li>• Conflict and its minimization through discussion with family members (DWFM)</li> <li>• Resource mobilization through DWFM</li> </ul>	<ul style="list-style-type: none"> <li>• Covers six mid-hill districts</li> <li>• Use of child labour is being prevented</li> <li>• Most of the group members have adopted personal and household levels of hygiene</li> <li>• Discrimination between boys and girls have come down</li> <li>• 100 percent children school enrolment</li> <li>• Saving and credit groups have constructed their own primary school building</li> </ul>

Project	Donor/ Implementing Agency	Objectives/Purposes	Project Principles	Complementary Poverty Reduction Program	Comments
				<ul style="list-style-type: none"> <li>• Micro drinking water system</li> <li>• water systems</li> <li>• Bio-gas Program</li> <li>• Chimney stoves programme</li> </ul>	
2. Rural Access Program (RAP); 2001 – on-going	DFID/ DDC/ VDC	<p>a. To provide the conditions for “more secure and sustainable rural livelihoods for the poor and disadvantaged in hill areas of Nepal”</p> <p>b. Its purpose is “poor people’s access to the goods, markets and services that they value is improved in targeted hill areas”</p>	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Decentralization</li> <li>• Participatory</li> <li>• Social-mobilization</li> <li>• Labor-intensive</li> <li>• Enhancing and Protection Interventions (EPIs) ???</li> <li>• Hiring of local NGOs</li> <li>• Road Building Groups (RBGs)</li> </ul>	<p><b>a) Economic intervention</b></p> <ul style="list-style-type: none"> <li>• Saving and credit schemes</li> <li>• Enterprise development liaise with marketing organizations</li> <li>• Income generating skills</li> </ul> <p><b>b) Social Intervention</b></p> <ul style="list-style-type: none"> <li>▪ Awareness raising</li> <li>▪ Training</li> <li>▪ Support cooperatives with information /training</li> <li>▪ Capacity building of targeted people/ groups (communication skills, leadership skills, confidence building, advocacy)</li> <li>• Increase access to decision-making</li> </ul>	<ul style="list-style-type: none"> <li>• Covers eastern hill districts</li> <li>• Participation of women and other excluded groups</li> <li>• Equal wages for equal work</li> <li>• Prevention of child labour</li> <li>• Hiring of local NGOs</li> <li>• RBGs are involved in monthly and wage saving</li> <li>• Most of the RBG members have constructed safe toilet and smokeless kitchen, started to keep the emergency fund, and all the children are enrolled in school, etc.</li> </ul>
3. Rural Community Infrastructure	WFP/DIFID/ GTZ/MOLD/MOFSC	To improve the short and long – term food security and livelihoods of households in the	<ul style="list-style-type: none"> <li>• Transparency</li> <li>• Decentralization</li> </ul>	<b>a) Economic intervention</b>	<ul style="list-style-type: none"> <li>• Covers thirty food deficit districts in ??? seven clusters</li> </ul>

Project	Donor/ Implementing Agency	Objectives/Purposes	Project Principles	Complementary Poverty Reduction Program	Comments
Works (RCIW); 1995-on-going		most food deficit districts	<ul style="list-style-type: none"> <li>• Participatory</li> <li>• Social-mobilization</li> <li>• Labor-intensive</li> <li>• Food for Work (FfW) Interventions</li> <li>• Socio-economic interventions</li> <li>• Hiring of local NGOs</li> <li>• Self-help FfW user groups</li> <li>• One labour from each household</li> </ul>	<ul style="list-style-type: none"> <li>• Saving and credit schemes</li> <li>• Promotion of agricultural production</li> <li>• Income generating activities:</li> <li>• specific farming packages</li> <li>• Improved subsistence farming techniques by providing tools, training, etc.</li> </ul> <p><b><u>b) Social Intervention</u></b></p> <ul style="list-style-type: none"> <li>• Participatory learning and action (social empowerment)</li> <li>• Gender and social inclusion activity</li> <li>• Self-help promotion and skill development</li> </ul>	<ul style="list-style-type: none"> <li>• Participation of women and other disadvantaged groups especially dalits</li> <li>• Development of master farmers has shown the advantages of building local expertise</li> <li>• The introduction of poly-houses, water harvesting, and inter-cropping has provided means of increasing local food production, crop diversification, cash income and productive employment</li> <li>• Hiring of local NGOs</li> <li>• Dissemination of technologies from farmer to farmer in remote districts</li> <li>• Self-help Groups registered as CBOs</li> <li>• Gender promotion</li> <li>• Social inclusion</li> <li>• Improvement of food availability at the target group level</li> </ul>

### The Pilot Project: An Overview & Some Lessons Learnt

#### Background

The pilot project (TA 4760 NEP) is being financed by ADB to implement in three districts of eastern Nepal (one hill and two terai districts<sup>13</sup>) under the ongoing RNDP. NGOs affiliated to RMDC have been mobilized by ADB to implement the pilot project activities with the support of a TA team. The descriptions on the road sections selected for the pilot project and the NGOs mobilized are presented in the following table.

Road Sections	Districts	Approx. Length (km)	NGO Name
Pauwa – Phidim	Panchthar	23 km	Forum for Women Ardency Development (FORWARD), Sunsari
Damak – Gaurigunj	Jhapa	22 km	Sahara Nepal Cooperatives, Jhapa
Urlabari – Bardanga	Morang	25 km	(FORWARD), Sunsari
Bardanga – Rangeli	Morang	22 km	Jeevan Bikas Samaj, Morang
Rangeli – Biratnagar	Morang	20 km	Nepal Rural Development Society Center (NRDSC), Morang

#### Key Features

Some of the key features of the project are:

- The project is being implemented with the support from Rural Microfinance Development Center (RMDC), local NGOs, community based organizations and other stakeholders.
- The pilot project includes complementary poverty reduction activities including the organization of the poor and vulnerable people, assessment of their needs, skill and microfinance related training, marketing support of the goods produced by the group members.
- NGOs are also helping in the implementation of small-scale infrastructure (hat/bazzars, market stalls etc.) with support from the local level stakeholders including the groups formed under the project.

Following figures shows the stages and key activities carried out in the project:

<sup>13</sup> Districts of Panchthar, Jhapa, Morang

## **Pilot Project Stages and Key Activities**

**Figure to be inserted**

### **Key Lesson Learnt**

- Experience from the pilot project indicates that poverty reduction projects can effectively be implemented through the use of local NGOs involved in microfinance operation.
- Organization of female household members in groups through microfinance have been found effective: (i) to sustain them in groups; (ii) to create group dynamics; and (iii) for them to get involved in project activities (e.g. arranging meeting, need assessment for skill training, identification, identification of candidates for skill training from the beneficiary households, involvement in income generation activities).
- Coordination between the NGOs and project implementation team is crucial for a successful implementation of a project of this nature.
- Use of wealth ranking supported by the verification from the community in order to select the target households has been found very effective.
- Microfinance support, need assessment and marketing support provided by the NGOs to the beneficiaries have been found fruitful for them to be involved in income generation activities after the skill training.
- The provision of skill training created an enormous interest among other poor people in the road corridor to be involved in micro credit activities.

- Improvement of existing skills have been found to be more effective than providing training on new skills. In future project of similar nature strengthening of the existing skills should be preferred.
- Provisions of supplementary support (e.g. if a person gets driving training it is necessary to support him/her in getting a driving licence) after the training is crucial in some cases to use his/her skills acquired thorough the training.
- NGOs can be effectively used in the implementation of the small scale non-road infrastructure (e.g. haat bazaar, community cooperative and collection centre) with support from the local stakeholders.
- It is important that the NGOs form partnerships with local agencies (e.g. DDC, VDC) for effective implementation of the project components including training and small scale infrastructure development.
- Preparation of a list of Project Affected People (PAP) disaggregated by their social class and type and extent of the loss by the project will reduce the effort in identifying them by the NGOs at the later stage of the project.

**A Brief on the Labour Contracting Societies (LCS)**

Labour Contracting Societies (LCS) are extensively used in the development and maintenance of road and related infrastructure in Bangladesh. LCS comprise a group of 7-30 landless labourers who depend on manual labour as their main source of income and do not own more than 0.5 acres of land. In the formation of LCS preference is given to the landless, widows or women who are abandoned by their husband or who live with disabled/unemployed husband. Local Government Engineering Department's (LGED's) experience of use of LCS as a new and innovative mode of construction in infrastructure development goes back to 1983-84. LCS are now active in different rural infrastructure projects executed by LGED.

Initially LCS' involvement was mainly limited to earthwork and pipe/culvert installation. Over the years involvement of LCS has been expanded and now LCS are involved with scores of construction and maintenance activities including earthwork, pipe casting and culvert installation, road maintenance operations, tree plantation, tree caretaking, and other construction activities.

There may be all-male, all-female or mixed LCS. In the case of mixed LCS at least a fourth of the members should be women. LCS may also be pre-qualified to execute a particular work or to increase the financial limit upto which LCS can work. The financial limit of LCS executed work is 100,000. However, for pre-qualified LCS the financial limit can be as high as Taka 500,000.

It is mandatory to train on social, technical and management issues. In some projects the LCS members also receive training on entrepreneurship and income-generating activities. It is also mandatory for LCS members engaged in road maintenance, tree planting and caretaking related activities to save a portion of their wages. The typical amount a member saves is Taka 10 (15 US Cents) per day. Women are selected for the programme by a wealth-ranking process (in some cases undertaken with NGO assistance) to identify a long-list of 'destitute' women and then a lottery system.

### **A Brief on the Complementary Poverty Reduction Activities in an Infrastructure Development and Maintenance Project in Bangladesh**

The Swiss Agency for Development and Cooperation (SDC) funded Noakhali Rural Infrastructure Development and Maintenance Project (NRIDMP) was implemented over a six years period (1998-2004) in Noakhali District, a southern district in Bangladesh, at a cost of US\$ 31 million. The agency responsible for the implementation of the project was the Local Government Engineering Department (LGED). The developmental objective of the project was to increase rural incomes and to reduce rural poverty. There were three project purposes including the development of efficient rural transport and trading infrastructure in the district, which responds to local priorities and benefits the poor. The project had eight components including core rural road network upgrading and maintenance, market improvements and complementary poverty reduction measures. The project also made a provision for socio-economic monitoring and evaluation (SEM&E) in order to assess its performance in achieving its aims and objectives.

The complementary poverty reduction component used project funds in poverty reduction through a number of measures: (i) employed poor women through Labour Contracting Societies (LCS) for routine road maintenance and tree caretaking; (ii) assisted the poor women to sell their micro-enterprise products using the 'women areas' developed under the project; (iii) trained LCS' members and women sellers in production and trading. The project used a number of NGOs to implement the component.

There were a number of achievements of the project including: (i) the project delivered substantial benefits to the district in terms of improved infrastructure and helped the rural people, including the poor, of the district to overcome their market access and mobility problems. (i) Project investments generated sizeable employment opportunities. The main beneficiaries of the employment opportunities created were the landless local people; (ii) The project successfully developed a replicable NGO supported approach to help women in the micro-enterprises development. However, the project monitoring and evaluation report has identified a number of areas where the project could have done better had the project been more flexible and/or more responsive including: (i) Although LCS women were gainfully employed and they have acquired almost all types of livelihood assets, a majority of them would not be able to these assets in achieving sustainable livelihoods in a post-LCS situation; (ii) Women were marginally benefited from the direct employment opportunities created by the project's physical work. The project could have been more proactive in enhancing women's employment opportunities; (iii) The level of participation of women and the landless in the planning of project components was low.

A number of lessons also learned from the implementation of the project including:

- **LGED and NGO relationship:** the LGED and NGO partnership was far from being optimum. Both LGED and NGOs were equally responsible for

such a failure. It was felt that some of the NGOs had lacked the motivation to provide adequate service to the project;

- **Needs for complementary support to the poor:** Evidence suggested that the landed people were benefited disproportionately from the project investments. The project concluded that although the poor might have been benefited from the improved access to services and facilities and from a supply-side response, the non-poor might have grabbed the opportunities created by improved roads. The monitoring report of the project recommended improved provisions for complementary support for the poor in any similar future project
- **Beneficiary participation in planning and implementation:** There was a marginal involvement of beneficiaries, especially the poor and women, in the planning and implementation of the schemes. Involvement of beneficiaries from different social classes and gender groups could have helped increase project scheme's acceptability and ultimately its sustainability;
- **Support for women's Income Generating Activities (IGAs):** Although LCS activities provided employment opportunities for poor and assetless women, doubts were expressed whether the women would be able to maintain or enhance these acquired assets in future. The project monitoring report suggested that in any such future project those NGOs with sufficient capacity to support the women to graduate to other IGAs should only be selected.

#### References

IT Transport Ltd (2004) *Noakhali Rural Infrastructure Development & Maintenance Project (RDP-22): Socio-Economic Monitoring and Evaluation (SEM&E) - Final Report*, IT Transport Ltd, np

## Different Partners and their Role and Responsibilities

### A. Project Management Office (PMO)

PMO has different role to play in different areas. Being the leader of the implementation team he is to play active role in the areas of;

#### i. Planning

- Prepare the project implementation plan
- Prepare the annual works Program
- Prepare annual budget of the project for each fiscal year and submit to the DOR
- Preparation of annual procurement plan

#### ii. Administration

- Assess the requirement of professional and support staff to ensure efficient and effective management of the project
- Prepare terms of reference for consultants, NGO and community, and ensure their registration
- Ensure that agreement between PMO and RCG are followed
- Ensure that land acquisition, compensation and resettlement programs are carried out to comply with GON requirements
- Prepare and submit progress reports as required by DOR and other higher authorities
- Produce forms/formats for maintaining records/reports by the supervising engineer and *naike/sahajkarta*

#### iii. Human Resource

- Arrange safety awareness training to RCG, and formation of safety committee comprising of supervising engineer, social mobiliser and the *naike/sahajkarta* from each RCG to reinforce continuous awareness monitoring
- Ensure RCGs age getting skill training for works assigned to them
- Ensure women and vulnerable groups have received priority for becoming group member and receiving training

#### vii. Finance

- Draw up a system for RBG work measurement, valuation and payment
- Arrange payment of mobilization advance as set out in the agreement between PMO and RCG and LRCC
- Assign work tasks in consultation with the consultants, NGO and *naike/sahajkarta* for the estimated duration. Payment for the assigned works shall be agreed in advance and explained to all members of the group
- Prepare monthly cash flow requirement
- Ensure all financial transactions has been recorded and account maintained as per existing rules and regulations
- Ensure financial and public audits are conducted as scheduled

#### viii. Legal Authority

- Ensure that the Nepal Labour Act 1992 and Nepal Labour Rules 1993 are strictly followed

- Establish a simple but formal complaint/dispute resolution mechanism and ensure that all RCG members are aware of the procedure
- Ensure that the contractual terms of employment for RCG's are fully and properly met

**ix. Welfare and Safety**

- Ensure safety of the RCG during road construction-personal accident insurance for all members of RCG engaged in road construction
- Ensure compliance with health and safety requirements by clearly defining the responsibility for provision of safety equipment, signs, etc.

**x. Procurement**

- Assess and procure tools and equipment required with the assistance from consultant and NGO and draw up method of procurement
- Provide central storage facilities for construction materials in case of road construction through RCG and also provide central and local storage facilities at appropriate intervals along road corridor
- Distribute small tools and equipment to RCG's with the assistance from the consultants, NGO and *naike/sahajkarta*
- Ensure proper and effective management of distribution of materials along the alignment as required

**xi. Technical**

- Provide proper guidance to consultants on technical services and NGOs on social and socio-economic services
- Prepare and submit consultants, NGOs and contractors performance evaluation report and actions to be taken

**xii. Monitoring, Evaluation and Reporting**

- Conduct regular progress reviews and monitor
- Prepare and submit progress reports as required by DOR and other concerned offices

**xiii. Social Intervention Activities**

- Chalk out social upliftment programs for RCG groups and poor members of the community
- Ensure skill training to the RCG groups and other members of the community is being conducted and is in progress

**xi. Networking and Coordination**

- Networking and coordination with concerned /other agencies

**B. Consultants**

Consultants hired shall perform their role and responsibilities according to their Terms of Reference (TOR).

**Role and Responsibilities**

- Help to conduct EIA and SA and see that all members are aware of environmental and social issues

- Listen to others and collect as much feed back as possible
- Identify the key environmental and social issues , analyze them , plan and act to resolve them appropriately and sensitively
- Carry out survey, design, estimate, and to provide construction supervision
- Prepare acquisition, compensation and resettlement plan ( ACRP) document and other contract documents for PMO to procure goods, works and supplies and necessary action on land compensation and resettlement
- Monitor the quality aspects of the civil works and ensure its compliance with Design Standards and Specifications
- Monitor and assess the social and environmental impact on the works and recommend actions to mitigate any social and environmental damages
- Undertake periodic reviews on the Project and prepare regular progress reports in standard formats
- Conduct technical training to RCGs and other stakeholders with assistance from NGOs
- Ensure measurement , bill preparation and recommend payment to RCGs
- Supervise payment to the RCGs
- Assist in public audit

### **C. Non-Governmental Organizations (NGOs)**

#### **Role and Responsibilities**

- Social Mobilization
- Launching Awareness campaign
- Coordinate and develop linkage with community , line agencies and other similar Programs in the area
- Prepare and implement Program for sustainability
- Assist VDC and PMO in formation of LRCC
- Form RCG on the basis of labour availability survey and with the assistance of LRCC and social mobiliser
- In consultation with consultant and Project in-charge determine the number of RCGs to be formed in each section of road
- Capacity enhancement
- Assist RCG in selection of *Naike/Sahajkarta*
- Assist the consultants
- Assist RCGs in preparing work calendar , setting out their availability for work taking into account agricultural, social and other cultural commitments of the Group and the individual members
- Insist that the sanitary facilities are kept clean by the RCG
- Provide and maintain adequate first aid facilities at each construction site
- Ensure that all RCG members are aware of the provision of the insurance policy and assist in claiming insurance in the event of an accident at the work site
- Make preliminary arrangement to injured person in the event of a serious accident
- Provide HIV/AIDS, human trafficking, drugs, gambling and other awareness training to the RCG
- In collaboration with the consultants ensure that payments are correctly distributed to individual members of each RCG by the *Naike/Sahajkarta*
- In consultation with the PMO establish a simple but formal complaint /dispute resolution mechanism and ensure that all RCG members are aware of the procedures to be adopted
- Assist *Naike/Sahajkarta* in dispute resolution
- Assist LRCC and PMO in resolution of Acquisition, Compensation and Resettlement issues in the road corridor

- Conduct public audit intermittently
- Ensure proper records of the works performed by member of RCGs
- Assist RCG for record keeping
- Set out performance evaluation of the staffs
- Assist in overall implementation of the works
- Co-ordination with other agencies in the area and networking with them.
- Conduct market availability survey for the products of group members
- Integration with similar projects in the area

#### **D. Contractors**

Contractor has many roles to play and many responsibilities to carry out. Most of contractors' works are of a technical nature. However, they are also called upon to carry out social, economic and environmental activities as identified during the EIA and SIA studies and the mitigation measures to be carried out.

##### **Role and Responsibilities**

By and large the contractors shall be responsible for the following activities.

- Ensure that the social issues are well addressed
- Ensure that the mitigation measure of adverse social impacts are fully implemented
- Ensure the strong implementation of enhancement measures
- The contractor shall hold regular meetings to update and consult PMO as well as other concerned agencies, such as the Department of Forests, Department of Irrigation, etc.
- Should examine the complaint box frequently, and make every effort to address the grievances himself. If outside the purview refer to concerned person/agency or organization with comment and suggestions.
- With specific care carry out the works on the sites that have special culture, religious or historical values
- Ensure effective and proper management of labour, their camps and work sites (labour camps and work camps)
- Provide maximum opportunities to the local population (particularly to women, disadvantaged group and other poor) for employment as skilled and unskilled labourers
- Prepare data and profile of unskilled and skilled workers available for employment according to road section. The profile should also describe the ethnic group or caste, gender, agricultural season, workday, typical local wage rates etc.
- Make provision for a childcare centre as well as one caretaker for every five children where female workers are employed
- Arrange to impart skill training to encourage youth workers and give special attention to vulnerable youth
- Provide adequate health services to workers on the site. First aid kits to be conspicuously placed in labour camps and at work sites.
- Ensure that gambling, alcoholism and prostitution, human and drug trafficking are controlled in the area.
- Ensure proper maintenance of road during construction phase.
- Health awareness programs on HIV/AIDS and other communicable diseases shall be held on a regular basis
- Shall address the educational needs of workers' children
- Shall provide recreational facilities in the camps (e.g. board games, playing field space, etc.)
- Shall employ a welfare worker in accordance with the Labour Act, as required for every 100 workers in the camps
- Shall give safety training to both skilled and unskilled labourers in all aspects of work

- Shall avoid child labour
- Shall ensure adequate food and water quality, clothing, fuel for cooking , lighting and heating, sanitation and waste disposal facilities,
- Shall provide the general health and life insurance for all workers. Insurance coverage must comply with the Labour Act and Regulations
- Shall provide free transport for workers to and from work sites( if too far to walk), as well as to nearby markets, bus stops, post office, and hospital, as needed
- Shall establish a good neighbourly relation with the people in nearby villages/road corridors
- Shall keep the concerned VDCs /municipalities fully informed of progress with regular updates about the road works
- Shall properly decommission the work camps at the end of contract.
- Ensure proper measures are taken to avoid noise, air pollution and health hazard to the community.

#### **E. Local Road Coordination Committee (LRCC)**

The committee should be formed at the very beginning prior to the commencement of construction work. The committee should play proactive role in all stages right from pre-construction arrangement to construction rehabilitation and even at the time of maintenance.

##### **a. Formation of LRCC**

The committee should consist of locally elected representatives and some nominated members. They are as follows;

- All VDCs chairperson that lie along the alignment of the road
- The ilaka members of the DDC who are from the area that lie along the alignment of the road
- Women representatives of the VDCs that lie along the alignment of the road
- Engineer/Overseer responsible for the road as member secretary
- NGO's representatives working in the area
- Social mobiliser of the Project as member.

The responsibility for the formation of the LRCC lies with the project in-charge. The elected members of VDC and DDC retain their membership in the committee till they remain in the office they represent. In the event they loose or resign from their position, whoever occupies the vacant positions automatically becomes member of the LRCC. The ilaka member of the DDC becomes chairperson in whose areas the road construction work commences.

##### **b. Role and Responsibility of LRCC**

- Raising awareness among the local community regarding the project
- Providing reliable information to the project officials on local matters and helps them in their survey and design work.
- Working as intermediary/link between local people and project officials and VDC , and helping to resolve disputes on land availability for road construction
- Assisting the technicians in identifying possible alignment at the time of detailed survey for alignment
- Looking into problems brought forth by LRUC/CBOs and assisting to address them in consultation with project officials

- Assisting in the formation of CBOs/LRUC
- Facilitating the mobilization of local workers and encouraging women and disadvantaged groups to participate
- Monitoring the work activities and monitoring that workers are not denied of the welfare they are entitled.
- Ensuring that required transparency has been maintained during implementation
- Monitoring the activities of the RCG and participating during public audit
- Helping technicians for the acquisition of land and ensuring that compensation to the land owners are provided in accordance with the existing laws
- Helping project officials to carry out the periodic inspection of financial transaction of RCG and their accounts and ledger
- Helping contractors to carryout their works as contracted between project and contractors
- Monitoring that child below 16 are not employed as workers, and ensuring that at least 33 percent of labour force is from women and disadvantaged groups have been given priority in labour recruitment
- In case 33 % women workforce is not available help PMO and NGO for other way out to resolve the problem and carry on the work as scheduled.

#### **F. Road Construction Group (RCG)**

##### **Role and Responsibility of the RCGs**

- To work as per the specified time and for a specified period
- To work under technical supervisor's guidance
- To take care of the tools provided to them and hand over it after the work
- To maintain group responsibility and adhere to moral principles and avoid quarrelling each other
- To avoid eve-teasing to female workers and hurt them
- To abstain from gambling, alcoholism, and extravagance
- To maintain discipline and ventilate personal grievances through group leader (*Naike/Sahajkarta*)

#### **G. *Naike/Sahajkarta***

##### **Role and Responsibility of *Naike/Sahajkarta***

The *Naike/Sahajkarta* needs to be more active than other members. S/he should be working along with other members in addition; he should discharge the following responsibilities;

- To maintain attendance record of the group
- To ensure that tools given to workers are properly maintained and not stolen
- To calculate the works done by team members and the amount they are entitled to get
- To inform group members about the time and venue of the payment schedule
- To work as an intermediary between technical supervisors, the LRCC and members of own group
- To settle dispute within group members and with other groups

#### **H. Other Key Players**

The various activities as outlined in the guidelines require not only the involvement of project office and other agencies as described but it needs support and cooperation of various institutions like local administration, DDC/VDC/Municipalities, local committees, road neighbour and project affected people. The success of the proposed poverty reduction Programs depend heavily on a clear understanding of the responsibilities and functions of the concerned individual and agency and the ability of the project management personnel to undertake appropriate actions throughout the road development processes. During the course of the implementation of complementary poverty reduction programs in road projects the concerned stakeholders whose support and cooperation is needed most can be grouped as

1. Central Level Agencies
1. District Level Agencies
2. Local Level Agencies

### **1. Central Level Agencies**

A number of agencies and organizations may get directly involved. Among them are

- i. Ministry of Physical Planning and Works (MOPPW)
- ii. Ministry of Women, Children and Social Welfare (MOWCSW)
- iii. Ministry of Local Development (MOLD)
- iv. Ministry of Environment, Science and Technology(MOEST)
- v. Ministry of Forest and Soil Conservation (MOFSC)
- vi. National Planning Commission (NPC)
- vii. Ministry of Finance (MOF)
- viii. Nepal Rastra Bank (NRB)
- ix. Department of Roads (DOR)
- x. Geo-Environmental and Social Unit (GESU)
- xi. Department of Archaeology (DOA)

### **2. District Level Agencies**

- i. DDC/VDC/Municipality
- ii. District Administration Office (CDO Office)
- iii. District Forest Office (DFO)
- iv. District Land and Revenue Office

### **3. Local Level Agencies**

- i. CBOs
- ii. Micro-Credit Agencies
- iii. Compensation Determination Committee (CDC)
- iv. Coordination Committees
- v. Users Committees

### **1. Central Level Agencies**

#### **i. Ministry of Physical Planning and Works (MOPPW)**

MOPPW is the parent ministry of DOR. The planning, budgeting, and progress monitoring of all road development projects get finalized at the ministerial level. The approval of Poverty reduction Programs and budgetary provision needs ministerial concurrence. It is the ministry that maintains coordination with the NPC and MOF for the final selection of the project and finalization of the budget allocation. All rules and regulation pertaining to road projects require

ministerial initiative to get approval from the cabinet. The poverty reduction activities that need additional budget requires support and backing of the ministry.

**ii. Ministry of Women, Children and Social Welfare (MOWCSW)**

The ministry is the national body which formulates policies, plans, Programs, and monitors all the activities related to women, children, aged people and disabled persons. The prime activities of MOWCSW is to initiate ;(a) income generation activities for poverty reduction, (b) awareness creation, (c) group formation, (d) child education, (e) prohibition of all child labour, (f) control of human trafficking etc. The MOWCSE is the link ministry between GON and Social Welfare Council, where all I/NGOs are obliged to get registered and get permission to work in social field. As such the CPR program in road sector can borrow many of the experience of the Ministry and can tie-up its CPR with regular poverty reduction program run by district units of the ministry at the field level.

**iii. Ministry of Local Development (MOLD)**

The MOLD is the main executing agency of the local development Programs. The ministry with assistance from various donors is involved in implementing diverse local development Programs. The major Programs implemented by it are related to rural development, remote area development, district capacity development, local development training, population education, decentralized Program for children, electoral constituency development, social security, women development, resettlement, rural drinking water and sanitation, etc. This is the ministry to advance the process of decentralization in the country and strengthen the local government DDC/VDC and Municipality to be able to plan, implement, monitor and evaluate development Programs in their respective areas.

The MOLD is the parent ministry of Department of Local Infrastructure Development and Agricultural Roads (DoLIDAR) is responsible for facilitating local level development in particular rural infrastructure. Under this ministry various poverty reduction Programs like DLGSP, DFDP, women development Programs are in operation as such the poverty reduction Program to be implemented in road sector can share experiences and tie up its Program with the regular poverty reduction Programs launched by different agencies in the districts under the umbrella of MOLD.

**iv. Ministry of Environment, Science and Technology (MOEST)**

The MOEST has the responsibility for providing adequate environmental and social safeguards in the design and implementation of development projects. The ministry reviews the scoping documents and approves TOR for EIA. It reviews and approves or rejects the reports obtained from the proponents who are obliged to carryout full EIA in line with the legal provisions. The ministry has the right to enforce the EMP in coordination with other stakeholders. The ministry is responsible to conduct general environmental and socio-economic audits every two years after a project comes into operation. The ministry is to verify the project performance in relation to the planned safeguard measure. As such any development project without getting approval from the ministry can not carry forward its development projects which involve environmental and social issues that impact on the Environmental and Social setting of the population. It is therefore necessary to have good rapport with the ministry and its support for the Programs

**v. Ministry of Forest and Soil Conservation (MOFSC)**

The MOFSC has the management responsibility for all forest in the country under its jurisdiction. When a road that passes through forest land or conservation area, National park and other areas of sensitive ecological habitats, the concurrence of Forest Ministry is mandatory. For taking out natural assets like boulder, sands, stones, chips and for felling the trees the approval of Forest Office is prerequisite. Even to pass through forest fire land for work and to take equipments from

forest areas permission from the forest department is required. Plantation of trees on road reserve and taking out trees from road areas also require mutual understanding between the Department of Road and Department of Forest. In such situation, Road Development Projects need to have mutual understanding and cooperation between two sectors (Forest and Road).

**vi. National Planning Commission (NPC)**

NPC formulates the periodic plans for the country. It also prepares policies pertaining to development and economic sectors. It issues guidelines for formulating development Programs and informs about the budget ceiling under which each ministry and department has to prepare its annual development Programs. Since Prime Minister is the Chairman of the NPC, it has direct access to all executive decision making pertaining to development and economic sectors. NPC monitors the progress of priority projects which includes Strategic Road Network (SRN) also. It is therefore necessary to get approval and backing from the NPC to initiate Programs for poverty reduction in road sector.

**vii. Ministry Of Finance (MOF)**

MOF is the highest financial authority in GON. It controls all financial affairs from budget preparation to actual expenditure incurred. Budgetary provision for development Programs need MOF positive support and commitment without which budget requirement as demanded has less chance to be fulfilled. To initiate Program for poverty reduction it requires MOF commitment and support for budgetary allocation and donor involvement. Besides, MOF helps in the following matters;

- To adjust budget accordingly in case of alteration
- To issues the budget authorization letter to the line ministries
- To make arrangement for additional budget requirement demanded by the ministry for the project
- To approve the transfer of approved budget from one head or subhead to another
- To release the budget to concerned line ministries
- To make arrangement for the counterpart fund in the project

**viii. Nepal Rastra Bank (NRB)**

NRB also has indirect bearing on activities of road development projects which have social poverty reduction Programs as a component of the project. Numbers of microfinance credit institutions who have taken license from NRB to conduct microfinance credit are working in the social development sectors. The NGOs who are affiliated with NRB and permitted to make financial transaction like saving and credit can legally run income generating activities for poverty reduction. It is therefore necessary to hire such NGOs who have experience in launching income generating and non income generating Programs to help rural poor to come out from poverty trap.

DOR for implementing CPR program as envisioned in the guidelines need to hire NGOs who are already at work in social development fields. If NGO, who have license from NRB, are engaged they are monitored by NRB and financial constraint for floating credit to the poor will not come on the way.

**ix. Department of Roads (DOR)**

The DOR is the main agency to implement road development projects as such it has primary responsibility for planning, surveying and supervision of the Program. It is the department that monitors the progress of road projects in the country and monitors it at various stages of implementation. The Department is responsible for all feasibility studies of the projects and makes social and environmental assessment of the selected projects. The Department prepares the budget for the road development activities and get it approved from the ministry and other concerned agencies like NPC and Ministry of the Finance (MOF). The Department through its GESU supervises the social intervention activities and assesses its contribution for poverty reduction through impact evaluation.

**x. Geo-Environmental and Social Unit (GESU)**

GESU is the responsible unit of the DOR to develop plan and program for CPR and provide/verify/modify budget estimate for social development packages. As such the role and responsibility of this unit vis-à-vis the DOR can be summarized as follows;

- To increase the awareness of DOR personnel involved in road development and maintenance Programs towards social safeguards and social intervention activities for poverty reduction
- Conduct or get it conducted social screening and social assessment of a project
- Prepare or get it prepared social assessment report
- Develop or get it developed social action plan for the mitigation of adverse social impacts
- Provide /verify/modify budget estimation for social safeguard and social intervention activities
- Performing (or out sourcing) supervision and monitoring for compliance
- Review, accept or reject recommendations submitted by the feasibility study along with social screening and social assessment for new projects
- Conduct social and environmental audit of road projects
- To oversee that environmental and social safeguard measures are duly incorporated in the bidding documents, Bill of Quantities (BOQs) and in the construction contracts
- Monitor/compliance with social action plan as developed
- Co-ordinating with other agencies for implementing CPR program
- Review TOR for social assessment studies and following them to the concerned agencies and authority
- Monitoring compliance with Resettlement Action Plan

**xi. Department of Archaeology (DOA)**

The DOA is responsible for looking after historical sites and assets that are in the country. Any development project if it affects historical, cultural, religious sites and assets it must inform the Department and the Project concerned authority. In case, archaeological items are found during excavation it must be informed to the Department and permission is required to carry forward the excavation work.

To carryout project activities smoothly, cooperation and co-ordination of DOA is must so that historical, cultural and religious sites and assets are not damaged and by that local communities may not get disturbed and resort to violence and prohibit project activities. The project manager, consultant/NGO/Contractor should be oriented towards this end.

**2. District Level Agencies**

### **i. DDC/VDC/Municipality**

The CPR program as suggested in the guidelines can only be successful if it responds to the people's needs and interest and implement them actively right from the project identification to implementation and post implementation stage. People's interests are represented by their elected representatives in local bodies such as DDC/VDC and Municipality. The cooperation of these bodies for the success of social development activities is required in the following areas;

- Collect information for the identification of the project and to enlist people's opinion regarding the project.
- Mobilization of people for project implementation
- Obtain accurate information on the implementation of the project and identify the reason for any resistances from the people
- Ensure cooperation of the people to obtain land, site clearance and other logistics such as houses or shelter required for the project
- Obtain cooperation for the safety of project employees, Contractors and tools and machines
- Obtain cooperation for the availability of food stuffs required for project employees and workers
- Ensure cooperation for conducting labour availability survey, for constituting LRCC, monitoring and evaluation
- Ensure cooperation for interlinking enterprise development activities with similar other Programs in the district
- Ensure cooperation for compensation settlement and support for resettlement Programs
- Get support for livelihood development Programs for disadvantaged groups
- Get support for launching awareness campaign for mitigating road accident and for protecting road damage caused by non-cooperation from road neighbour and users of road
- Ensure cooperation for dispute resolution regarding wages, working hour, market value compensation, road alignment, supply of natural endowments, etc.
- Participation in environmental and social audit
- Facilitation and promotion of disadvantaged group
- Awareness raising and campaign for gender mainstreaming

### **ii. District Administration Office (CDO Office)**

There are several activities where the help of CDO Office is very much required. These are as follows;

- Maintenance of law and orders in the project area
- Clearance of villagers or any establishment which may hinder the project activities or prevent access to project site
- Protection of equipments and other properties from unwanted elements
- To constitute committees required for the project
- Fixation of wage rates for skilled and semi skilled workers and house rent through rate fixation committees
- To obtain cooperation from other agencies working for poverty reduction in the district
- To settle dispute between labourers and contractor/NGO
- To acquire land and fixation of compensation for the project

### **iii. District Forest Office (DFO)**

Forests of the country are governed by the Forest Act, 2049 and Forest Regulation, 2051. The district forest office is responsible to look after and protect forest within its jurisdiction. As such it has responsibility to:

- Ensure clearance of forest areas on time for project as agreed
- Ensure availability of natural endowments such as stone, gravel, sand, timber etc. required from forest areas as agreed
- Ensure availability of seeds, seedlings and plants for the right of way of the project and in other sensitive areas required by the project as agreed
- Ensure access through forest areas for the transportation of goods, commodities and machines for the project as agreed

### **iv. District Land and Revenue Office**

- Cooperation from District Land and Revenue Office is required for land acquisition, compensation, land regulation and land measurement and mapping
- Cooperation is needed to ensure revenue settlement and addressing squatted problems faced by the project or problem caused by the project
- To identify and locate governments fallow land for resettling the persons displaced by the project

## **3. Local Level Agencies**

### **i. Community Based Organizations (CBOs)**

CBOs are the community based organizations constituted by the community members themselves. Therefore to identify the needs of the community their demand, their problems and their absorptive capacity the CBO can be the right organization to guide. The CPR programs as envisioned require CBO's cooperation and support to the following areas;

- Identification of the beneficiaries and affected household
- Identification of needs, demands and absorptive capacity of the different groups
- Labour availability survey
- Alignment of the road
- Land valuation and compensation
- To identify potential NGOs who can take responsibility to carry on work as per the cost-estimate prepared by the concerned office
- To mobilize labour groups for construction work and get work done through these groups
- To establish good relationship and win public confidence and support on project activities
- To assist for monitoring and evaluation

### **ii. Micro-Credit Agencies**

Micro-credit institutions are regulated by various laws. These are: Nepal Rastra Bank Act (2002), Agriculture Development Act (1967), Cooperative Act (1972), Finance Company Act (1985), Development Bank Act (1996), Social Welfare Act (1991), Company Act (1947), Financial Intermediary Act (1998) and Insurance Act. The ultimate responsibility to develop, regulate, monitor and supervise falls on NRB. On February 24, 2003, NRB issued regulations for the development banks which are engaged in micro-finance, as a guide line to develop MFIs activities.

There are a wide range of institutions active in the micro-finance sector, each with its own modality for making financial services accessible to the poor. NRB is a central bank and an apex institution of the financial system.

For poverty reduction activities in road projects it has been suggested to hire NGOs who have license from NRB to conduct microfinance services. If such NGOs are contracted it ensures sustainability of the Program. Saving and credit Programs run under microfinance scheme have great success in mobilizing the women and poor including disadvantaged group and helping them to earn income for their family welfare as well as to initiate enterprise for sustainable livelihood. This has contributed to poverty reduction.

### **iii. Compensation Determination Committee (CDC)**

For the determination of the compensation the Land Acquisition Act, 2034 makes provision for the formulation of CDC. The Committee comprises of:

- a. Chief District Officer as Chairperson
- b. Land Administrator or Land Revenue Officer as member
- c. Project Chief if land is to be acquired for the project. For other works other than project, the officer as designated by the CDO as member
- d. DDC representative

The CDC after determining the compensation is required to submit the report to CDO. Based on the report CDO makes the decision on compensation. The road project which aims at mitigating the adverse impact on the community, require to get the cooperation of this committee for the settlement of claims of the PAF and run project smoothly. So, cordial working relationship with this committee is required.

### **iv. Co-ordination Committee**

For the smooth running of a project cooperation and co-ordination from different agencies for different activities is needed. It is advisable if at the district level a “Co-ordination Committee” comprising the institutional head of different agencies related to project work is constituted as an inbuilt system for the project. Since poverty reduction activities have been the focus of many agencies in the district, it is advisable to involve such institution for the benefit of all. For the formation and role and responsibilities see Appendix 7.

### **v. User’s Committees**

If the Project Office intends to accomplish the construction work through User’s Committee, the office should start the process for the formation of the User’s Committee from among the beneficiaries. Beneficiaries are the local residents who are intended to receive direct benefit from the Project.

Formation of the User’s Committee should be according to the provision made in the Local Self Governance Act 2055 and its Regulation 2056. The Committee should be formed through election of minimum nine members and maximum eleven members according to the influence area of the project. Thirty three percent of the total members of the committee should be women and care must be taken that the disadvantaged groups are well represented in the committee. The Committee should comprise of one chairperson, one secretary, one treasurer and members.

For the Project where direct beneficiaries can not be identified, the VDC and LRCC should be requested to form User’s Committee and submit list of names to the Project Office.

### **Role and Responsibility of the User’s Committee**

- To enter into an agreement with the Project Office for carrying out the construction works of the project
- Carry out construction work as per the cost-estimate prepared by the concerned office or its technician as specified
- Mobilize the labour force and supporting resources to the construction
- Provide progress report of the construction work to the concerned office on a monthly basis
- Request disbursement of amount after completion of the works
- Request an extension of time limit in case the work can not be completed within stipulated time
- Provide support and help to the Project Office for the valuation of the land and its compensation

## Guidance Notes on Gender Action Plan (GAP)

### What is Gender Action Plan?

Gender Action Plan (GAP) is a strategy for optimizing the benefit to women from the development projects by institutionalizing gender issues. The strategy aligns with the MDG's recommendation for women's inclusion in development for achieving the goals of poverty reduction and the priorities as given in government's documents.

### Whom to consider in GAP?

Discrimination against women is deeply ingrained in Nepalese society. The situation is worst for poor women from the disadvantaged groups (e.g. dalit, caste and ethnic minority groups) especially in the rural and remote areas. Women (especially from poor and vulnerable group) likely to be affected by the project need to be consulted from the pre-feasibility stage to assess the nature and extent of project's impact. In such consultation information also need to be assessed in different area related to gender issues (e.g. status and role of women in the area, role of women in household economy and decision making, economic and education status, underlying issues related to women, existing institutional approach to address the gender issues, local peoples demand to address the gender issues, women's perception on the project activities)

The scope of preparing GAP in the development project should be assessed right from the pre-feasibility stage of project cycle i.e. Initial Social Assessment (ISA). The ISA should contain information about the gender issues in the project area and the scope of involving women in the design, implementation and monitoring process of the project. This information should be able to guide for a gender and its inclusion in the project design.

### Reporting Requirements

The initial social assessment should be able to identify following issues pertaining to women:

- Role of the gender in the household affairs and other activities outside the households
- Access to and control of resources
- Role on decision making
- Gender status in terms of inclusion, equal wage and equal opportunities in decision making
- Need of incorporating separate program on gender development in the project area
- Area to be focused during SA to assess further information on gender concern

During the feasibility phase, a detailed scope of implementing GAP need to be assessed close in consultation with the local people and stakeholders while preparing SA. Adequate information need to be collected to prepare gender analysis and gender action plan. Some of the key issues to be considered while preparing the GAP include (i) significant gender issues in the project area (ii) local communities demand (iii) scope of incorporating GAP in the project activities (iv) assuring benefit to women.

A GAP should be developed and submitted along with the SA during to incorporate special gender component in the project area. The GAP should contain the following information:

- Description of the sub-projects
- Method adopted to assess gender issues
- Need for specific gender action plan
- Areas to be considered in the plan
- Scope of partnership with local level institutions
- Mechanism included in the project design to promote women involvement
- Mechanism to ensure implementation of gender design elements
- Gender monitoring and evaluation
- Schedule and budget

A truncated gender action plan prepared for a road project in Bangladesh is included as a reference.

### **References:**

ADB (2003) *ADB Policy on Gender and Development*. ADB, Manila:

DOR, (2006) *Environmental & Social Management Framework: A guide to the environmental and social issues with new road construction and upgrading*, Government of Nepal, Ministry of Physical Planning and Works, Departments of Road, Kathmandu

MoWCS (2004) *National Plan of Action on Gender Equality and Women Empowerment*, Government of Nepal, Ministry of Women, Children and Social Welfare, Kathmandu

MoWCS (2004) *National Plan of Action of for Implementing the Convention on the Elimination for All Forms of Discrimination Against Women.* , Government of Nepal, Ministry of Women, Children and Social Welfare, Kathmandu

NPC/UN (2005) *Nepal Millennium Development Goals, Progress Report Government of Nepal, National Planning Commission & the United Nations*, Kathmandu, National Planning Commission

UNDP (2004) *Nepal Human Development Report, Empowerment and Poverty Reduction*, UNDP, Kathmandu

**A Sample Gender Action Plan (2006 – 2011)**

Area of Focus	Objectives	Activities	Target Group	Expected results at outcome level	Indicators	Responsibility	Time schedule
<b>Infrastructure Components</b>							
1. Principles to be followed for all infrastructure constructions	-Ensure women's participation in planning, design, implementation and maintenance of the infrastructure;	-Participatory workshops with active participation of women as stakeholders and beneficiaries;  - Incorporation of women's opinion at the time of discussion and finalising plans;	Women stakeholders and beneficiaries at project locations	Women's participation is institutionalised in project cycle	- Number of participatory workshop conducted and percentage of women present in the workshops (at least 30%) and other events  Women are participating in the workshops spontaneously as they perceive the benefits in voicing their needs	Project Management Office (PMO)/ LGED	During planning and design
	Ensure women's participation in construction activities;	-Recruitment of female labourers at the time of construction -create opportunities for women in both labour intensive and less intensive work - raise awareness on proper safety standards to be followed for all labourers	poor and destitute women of project area	-Women are regularly employed in construction labour with proper service provisions	-at least 30% of all construction workers are female round the year  Women feel safe and less stigmatised to work as construction workers	LGED, Contractors	During implementation

	Create employment/ livelihood opportunities for women;	-Allocate selling space for female traders in Growth Centre Markets (GCM); -Allocate and construct separate Women Market Sections (10 to 12 shops) with water and toilet facilities in the Growth Centre Markets.	Poor and potential women traders of project area	- all GCMs are equipped with earmarked selling space and shops for women which are being used by the target group.	-15% selling space earmarked for women vendors in each GCM. -Provision of services are functioning	LGED Contractors	During implementation
2. Facilitate a process of reduced wage discrimination and increase the participation of women in decision-making	-To ensure women's participation in different committees and contribute in decision making	-facilitate inclusion of women in Infrastructure Management Committee; -Create provision for inclusion of Female Union Council Member (FUCM) in construction supervision committee; -Involve women in Operation & Maintenance (O & M) Committee of GCM, WMS, UCC etc; -Involve women in Market Management Committee (MMC) and Traders' Association	Female Union Council Members (FUCM), Women citizen	Women's participation is institutionalised through active membership in all infrastructure management committees, traders associations etc.	-Number of female representation in different committees (O & M committee, MMC, TA) - number of decisions taken incorporating women's needs Female members of various committees are active in mediating and mitigating problems on women's agenda	PMO, Union Council (UC), Market Management Committee (MMC), Traders' Association (TA).	By 2008

	-To ensure safety and security and congenial environment to female labourers/traders	-Orient the contractors at the time of issuing work order to ensure safety and security and congenial environment, drinking water, toilet facilities, shed for lunch and resting place for breast feeding mothers;	Female labourers/ labour contractors	All ancillary physical amenities are created in appropriate locations and are being used by the target group	- 30 percent increase in the use of newly created amenities by the target group	PMO, Contractors	During implementation
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<b>Area of Focus</b>	<b>Objectives</b>	<b>Activities</b>	<b>Target Group</b>	<b>Expected results at the output level</b>	<b>Indicators</b>	<b>Action by</b>	<b>Time schedule</b>
	-To ensure women's access to resources	-Include clause in the deeds to share sales proceeds of trees with the women care takers	Women tree care taker	Formal deeds with all care taker groups maintaining trees on road sides	-Number of deeds (1850) including the clauses	PMO, LGED, UC	During contract

	-To support women for Income Generation Activities with their own accumulated capital	-Contract NGOs for imparting training and support LCS groups for suitable income generating activities(IGA) through skill development prior to end of their employment; -Support to use their savings for income generation.	Female LCS groups/ Women Maintenance Workers (WMW)	Enhanced skills for female labourers under the project through skill development training by NGOs	-1850 women labourers trained; - 80% women involved in IGA.	PMO, NGOs, Banks, DWA	Before completion of contract
Training/ Capacity Building	-To ensure that all trainings are offered keeping in view the GAD perspectives	-Develop and review training curriculum and modules with gender perspectives; -Arrange training addressing women's needs;	All staff of RIIP at HQ, districts and sub-districts; Chairmen, UC members and beneficiaries.	Training programs modified to address the needs of GAD issues	-Number of training modules and contents integrate GAD and social aspects;	PMO	During implementation period

	-To develop training capacity within RIIP	-Develop a group of trainers within RIIP; -Impart training of trainers (TOT) to selected staff on GAD, Participatory Governance, gender analysis etc.	Number of RIIP staff in HQ and regions.	A core team of trainers developed specialising in various skills related to GAD	-Number of TOT conducted and training capacity of number of staff on various areas of RIIP operation developed; -Training reports	PMO	Within 6 months
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	<p>-To sensitize and train all RIIP staff on GAD concept and GAD issues related to RIIP and their own work responsibilities</p>	<p>-Impart training on GAD and gender sensitization to all project personnel in project HQ, region and district offices associated with project activities;          -Introduce and orient Gender Action Plan to the staff;          -Develop curriculum, manuals and contents;          -Organize training /workshops for project personnel at LGED HQ and district offices;          -Arrange refresher's course periodically</p>	<p>Staff at Project HQs, regions, LGED district offices associated with project activities.</p>	<p>-1 workshop at HQ;          -5/10 workshops at regions          -Refresher's courses annually</p>	<p>-Training workshops conducted;          -Training report;          -LGED staff understand GAD concepts;          -Staffs address GAD issues in work.</p>	<p>LGED, PMO</p>	<p>Within one year and ongoing.</p>
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	-To develop capacity of women staff of RIIP and Union Council	-Train female staff of RIIP and Union Council -Include female staff as a priority in the ongoing training program -Arrange special sessions for female staff	Female staff of RIIP and Union Council	Enhanced skills for all female staff	-Training report -all female staff of RIIP and Union Council trained	PMO, LGED, UC	By 2009	
Training/ Capacity Building		-To ensure that all trainings are offered keeping in view the GAD perspectives	-Develop and review training curriculum and modules with gender perspectives; -Arrange training addressing women's needs;	All staff of RIIP at HQ, districts and sub-districts; Chairmen, UC members and beneficiaries.	Training programs modified to address the needs of GAD issues	-Number of training modules and contents integrate GAD and social aspects;	PMO	During implementation period

	-To develop training capacity within RIIP	-Develop a group of trainers within RIIP; -Impart training of trainers (TOT) to selected staff on GAD, Participatory Governance, gender analysis etc.	Number of RIIP staff in HQ and regions.	A core team of trainers developed specialising in various skills related to GAD	-Number of TOT conducted and training capacity of number of staff on various areas of RIIP operation developed; -Training reports	PMO	Within 6 months
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	<p>-To sensitize and train all RIIP staff on GAD concept and GAD issues related to RIIP and their own work responsibilities</p>	<p>-Impart training on GAD and gender sensitization to all project personnel in project HQ, region and district offices associated with project activities;          -Introduce and orient Gender Action Plan to the staff;          -Develop curriculum, manuals and contents;          -Organize training /workshops for project personnel at LGED HQ and district offices;          -Arrange refresher's course periodically</p>	<p>Staff at Project HQs, regions, LGED district offices associated with project activities.</p>	<p>-1 workshop at HQ;          -5/10 workshops at regions          -Refresher's courses annually</p>	<p>-Training workshops conducted;          -Training report;          -LGED staff understand GAD concepts;          -Staffs address GAD issues in work.</p>	<p>LGED, PMO</p>	<p>Within one year and ongoing.</p>
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	-To develop capacity of women staff of RIIP and Union Council	-Train female staff of RIIP and Union Council -Include female staff as a priority in the ongoing training program -Arrange special sessions for female staff	Female staff of RIIP and Union Council	Enhanced skills for all female staff	-Training report -all female staff of RIIP and Union Council trained	PMO, LGED, UC	By 2009
Monitoring and Evaluation	To monitor implementation of GAP on a regular basis	-Establish a mechanism for monitoring the implementation of the GAP -Collect information on progress of implementation of GAP at a regular period interval; -Arrange periodic review meeting at the HQ and at Union Council level	RIIP Union Council	Monitoring of GAP is linked with the project implementation mechanism as an integral part	-Reports and proceedings; -Gender desegregated data available; -Gender based monitoring and supervision in practice; -Reports include gender based information;	PMO, UC	Monthly, Quarterly and Annually

	To generate sex desegregated information concerning involvement of women in various components of project as change agents and beneficiaries	-Prepare Project Benefit Monitoring and Evaluation (PBME) activities to orient itself towards the gender issues; -Prepare formats for component specific indicators to highlight actions taken in respect of women as change agents and beneficiaries.	RIIP/ Union Council/ Beneficiaries	The information generated on results are important as lesson learned and are disseminated at wider forums	-Data/ information generated having implications for women concerns issues -Software developed	LGED, PMO  LGED, PMO	Regular
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Notes: 1. LGED – Local Government Engineering Department; LCS – Labour Contracting Societies; RIIP???

**Guidance Notes on Vulnerable and Indigenous People Development Plan (VPDP)**

**I. Vulnerable People Development Pan**

**Who are vulnerable people?**

Poor and socially disadvantaged people (e.g. women, indigenous people, dalits, ethnic minorities, disabled, senior citizens) are considered to be vulnerable group in Nepal. In road projects, people, especially the poor also having significant project impact in terms of acquisition and resettlement are also considered to be vulnerable.

**Why Vulnerable Plan is Required?**

GON Nepal have policies to implement supportive program for such vulnerable groups also in development projects to be implemented at different levels. GON

emphasis on implementing different types of income generation and supportive programs targeting the poor and vulnerable people while implementing development activities. Accordingly, there is also trend of giving due attention to the poor and vulnerable groups including the project affected families while designing and implementing development projects (e.g. road, hydropower, irrigation) to ensure benefits to them as well as to compensate for the loss and to mitigate from the issues associated with the project activities.

**Box –A: Requirements for Preparing VPDP**

- Description of the project and its implication on vulnerable groups
- Number of vulnerable people (by category of gender, caste, ethnicity and income level disaggregated baseline data) impacted negatively and by loss for project interventions and the magnitudes and nature of these impacts, Profile of vulnerable people disaggregated by sub-group and information on loss likely to occur due to the project
- Land tenure information
- Documentation of consultation with vulnerable groups to ascertain their views about project design and proposed mitigation measures
- Targeted assistance to these groups, including training and income generation activities (based on comparative advantage analysis of the area).
- Modalities to ensure regular and meaningful consultation with these groups during project preparation and implementation.
- Institutional arrangement and linkage with other project arrangements
- Monitoring and evaluation, indicating where being supplementary to the overall environmental and social mapping.
- Cost estimate and financial plan
- Implementation schedule

Source: *Environmental & Social Management Framework, DOR,2006*

**When to Initiate the Task Benefiting Vulnerable Groups?**

Adequate attention need to be given right the conceptualization phase of the project till the post project phase to make the vulnerable people benefited from the project by preparing a Vulnerable People Development Plan (VPDP) as a component of the project.

### **When to Prepare VPDP?**

An assessment on poor and vulnerable groups need to be carried out in the project area during the pre-feasibility phase of the project while conducting ISA. Such assessment should be able to provide the underlying overall situation of the vulnerable groups, likely acquisition and resettlement impact on them due to the project and area to be further investigated on the issues related vulnerable people while conducting SA during feasibility phase. Based on the information of ISA a detailed study on vulnerable people need to be carried out during the feasibility phase while preparing SA in order to assess the scope of incorporating VPDP as a project component. The assessment for VPDP can be carried through field observation, available secondary information and stakeholder consultation (e.g. local people, different vulnerable groups, local level institutions). Different techniques (in depth interview with the vulnerable people, FGD, consultation with different types of stakeholder, public meetings) can be adopted in order to assess information on vulnerable groups.

### **How to Prepare VPDP?**

Donor agencies (e.g. ADB, WB) have their own guidelines to prepare VDPP. However, a DOR publication, *Environmental & Social Management Framework: A guide to the environmental and social issues with new road construction and upgrading*. Kathmandu (2006) have also given an outline of preparing VPDP. The requirement of VPDP as suggested in the publication is given in Box a.

## **B. Indigenous People Development Plan:**

### **Who are Indigenous People?**

Indigenous people, Janijati in the Nepal are known as having (i) self-identification as being part of a distinct indigenous cultural group, and display the desire to maintain that cultural identity (ii) A linguistic identity different from that of the mainstream or dominant society (iii) Social, cultural, economic and political traditions and institutions distinct from the mainstream or dominant culture. In Nepal about 37 percent of the national population comprises indigenous people.

### **Why Indigenous People Development Plan is Required?**

Indigenous People Development Plan (IPDP) is required to ensure the benefit the Indigenous People (IP) from the effect due to the project as well as for their social and economic upliftment by incorporating them in the mechanism of project implementation process. GON have provisioned to ensure the benefit of IP also in development also through an Act on IP, “*National Foundation for Upliftment of Adhibasi/Janajati, Act (2002)*.”

### **When to Prepare IPDP?**

An assessment on IP need to be carried out in the project area during the pre-feasibility phase of the project while conducting ISA. Such assessment should be able to provide the underlying overall situation of the poor and IP groups, with focus to poor and vulnerable groups likely to have acquisition and resettlement impact due to the project and area to be further investigated on the issues related IP while conducting SA during feasibility phase. Based on the information of ISA a detailed study on IP need to be

carried out during the feasibility phase while preparing SA to assess the scope of incorporating IPDP as a project component. The assessment for IPDP can be carried through field observation, available secondary information and stakeholder consultation (e.g. local people, different vulnerable groups of IP, local level institutions). Different techniques (in depth interview with the vulnerable people, FGD, consultation with different types of stakeholder, public meetings) can be adopted in order to assess information on IP. Donor agencies (e.g. ADB have an individual guidelines for preparing indigenous people development plan (IPDP), if there is scope of implementing special program to such groups (e.g. in case of significant impact in terms of acquisition and resettlement due to road project, the proportion of poor and vulnerable IP is high in the project area). The term indigenous people in the Nepalese context are taken to refer to the fanatic or ethnic groups, indigenous cultural communities which “maintain cultural and social identities separate from the mainstream or dominate societies or cultures.”

Some of the reporting requirements of the IPDP are:

- Why Indigenous People Development Plan is required ?
- GON policy on indigenous people
- Definition on indigenous people
- ISA findings on indigenous people their socio-economic condition and proposed projects effect to them
- Objectives of IPDP
- Implementation strategy
  - Project identification
  - Project design for IP development
  - Institutionalization
  - Training and capacity building
- Supervision, monitoring and evaluation

A summary outline of the Indigenous People Development Plan prepared under Road Connectivity Sector Project (PPTA 4347:ADB) is given in Box –B.

#### **Box – B: A Sample Summary of Indigenous People Development Plan**

The IPDP will consist of a number of activities and will include mitigation measures of potential negative impacts through modification of project design and development assistance to enhance distribution of project benefits. Where there is land acquisition or structural losses in tribal communities, the Project will ensure that their rights will not be violated and that they be compensated for the use of any part of their land in a manner that is culturally acceptable to them. The compensation measures will follow the Resettlement Framework (RF) of the Project.

The IPDP will include (i) baseline data; (ii) land tenure information; (iii) local participation; (iv) technical identification of development or mitigation activities; (v) institutional arrangement; (vi) implementation schedule; (vii) monitoring and evaluation; and (viii) cost estimate and financing plan. The Executing Agency (EA)/Implementing Agency (IA) will submit the IPDP to ADB for review and approval prior to award of civil works contract. The IPDP policy and measures must comply with ADB’s Policy on Indigenous Peoples.

#### **Consultation, Disclosure and Institutional Framework**

Ministry of Physical Planning and Works (MPPW) will be the EA for the Project and Department of Roads (DOR) will be the IA. A project implementation unit (PIU) will be established for the Project and DOR will engage a CRO to co-ordinate activities related to resettlement and indigenous people’s issues. For preparation of the project IPDP, the EA will have overall coordination and financing responsibilities while the CRO with the support from Social Development / Resettlement Specialist under the Consultant will prepare, implement and monitor the IPDP. Since

indigenous issues are sensitive, the IA will hire a local NGO with experience of working amongst indigenous groups for assisting in the planning and implementation of the IPDP. The EA will ensure that the agency/NGO hired is familiar with ADB policy and requirement of IPDP.

The IPDP will be prepared in consultation with the affected indigenous groups. The mitigation measures and strategies will be presented to them in community level workshops for their inputs before being finalized. The IPDP will be translated into the local language(s) prior to implementation and will be disclosed.

The existing indigenous people's institutions (like Janajati Mahasangh or NFDIN or the specific organizations of the ethnic groups affected by the project) and organizations will be involved in the implementation of IPDP and in the resolution of any dispute arising out of the implementation process. The EA will further ensure that adequate budget will be available to implement IPDP.

### **Monitoring and Evaluation**

Both internal and external agencies will monitor the implementation of the IPDP. DOR will establish a bi-annual monitoring system involving project staff, implementing NGO, affected ethnic (indigenous) groups, and local organizations of the ethnic groups to ensure participatory monitoring arrangements. A set of monitoring indicators needs to be determined during IPDP implementation. Independent monitoring agency/expert to be hired by the EA/IA for monitoring resettlement implementation will also carry out external monitoring for IPDP. Appropriate monitoring formats will to be prepared for internal and external monitoring and reporting requirements.

### **Budget**

All the cost required to implement the indigenous peoples development plan will be borne by the Government under the Loan. As the IPDP has to be processed through several stages such as: a preliminary screening process, social impact assessment to determine the degree and nature of impact of the Project, social consultation with the indigenous people and development of an action process as per the need, the Project's impact to the indigenous people may vary between one sub-project to another and even between different sections of the same Project. This apparently affects the nature of interventions and program likely to be formulated and implemented for the affected indigenous people. In this sense, the cost estimate for IPDP can be prepared only after the social assessment of the Project area. This has also been clearly stipulated in the IPDF with a view to ensure the nature and steps of formulating indigenous people development plan depending upon the magnitude of impact of the Project. Therefore, the budget for IPDP implementing has to be estimated after the findings of social screening and social impact assessment of the project roads and included under the social cost.

### **References:**

- ADB (1998) *ADB Policy on Indigenous People*, ADB, Manila  
DOR, (2006) *Environmental & Social Management Framework: A guide to the environmental and social issues with new road construction and upgrading*, Department of Roads, Kathmandu  
GON (2002) *National Foundation for Upliftment of Adhibasi/Janajati, Act*, Government of Nepal  
Ministry of Law, *Nepal Law Book Management Committee*, Kathmandu

### Guidance Notes on Complementary Poverty Reduction (CPR) Activities

The guiding notes have been prepared based on the experience of a pilot project funded by ADB. The pilot project was a component of Enhancing Poverty Reduction Impact of Road Projects (ADB TA 4760) along the corridors of three roads<sup>14</sup> in Eastern Nepal. The objective of the pilot project was to familiarize DOR on the issues and activities related to poverty reduction in road projects. The key activities carried out by the pilot project were (i) identification and selection of poor and socially disadvantaged households residing along the road corridor (a minimum 100 in each road section) (ii) organization of the selected households in groups to provide microfinance training and services and (iii) imparting life skill and income generation trainings to the family members of selected households to enhance their livelihood. Four local NGOs were mobilized to implement the pilot project with the technical support of the TA team. The project's duration was May 2006-August 2007.

As the pilot project was directly implemented under the ADB technical assistance by mobilizing a TA team for a limited period, the guiding notes may not be able to solicit comprehensive information about the steps to be followed and activities to be carried out to implementing CPR as per the government norms. However, this guiding note aims to familiarize with the key steps and activities related to incorporation of CPR in road projects. DOR needs to develop such steps and activities in its future projects in accordance to the government norms, scope and duration of the project in close consultation with the stakeholders. The following table provides a brief outline on the steps and activities followed while implementing the pilot project.

#### Brief Outline of the Steps and Activities Followed While implementing the Pilot Project

No	Steps	Activities Carried Out
1	Identification of NGOs	<ul style="list-style-type: none"> <li>ADB identified NGOs in coordination with the RMDC</li> </ul>
2	NGO Selection	<ul style="list-style-type: none"> <li>ADB Selected four NGO as recommended by RMDC</li> </ul>
3	NGO Mobilization	<ul style="list-style-type: none"> <li>ADB mobilized NGOs to implement the pilot project activities with the support of a TA team</li> </ul>
4	Development of Project Implementation Strategy in Consultation with the NGOs	<ul style="list-style-type: none"> <li>TA team organized a three days field level workshop to the NGOs to design pilot project implementation methods</li> </ul>
5	Information to the Local Stakeholders	The NGOs carried out information dissemination activities to the local communities and targeted beneficiaries with the help of local people, and institutions
	Listing and Selection of Targeted Households	<ul style="list-style-type: none"> <li>NGOs listed and selected the targeted households (740 households) through scoring and community verification</li> </ul>
6	Group Organization and Training in Microfinance	<ul style="list-style-type: none"> <li>NGOs organized the selected households into 69 groups according to microfinance modality</li> </ul>

<sup>14</sup> Pauwa-Phidim, Damak-Gaurigunj, Biratnagar-Rangeli-Bardanga-Urlabari

		<ul style="list-style-type: none"> <li>• Women family members from the beneficiaries households were made the group members</li> <li>• Group members were provided training on microfinance and micro- enterprise development</li> </ul>
7	Enrollment in Microfinance and Loan Disbursement	<ul style="list-style-type: none"> <li>• Beneficiary households enrolled in microfinance being operated by the NGO and started to get microfinance service (e.g. loan, saving, insurance).</li> </ul>
8	Socio-economic Baseline of Project and Control HHs for Impact Assessment	<ul style="list-style-type: none"> <li>• Detailed socio-economic baseline data were collected from the sample project and control households</li> <li>• Five capitals (e.g. natural, physical, human, social, and financial capitals) were selected as indicators for impact assessment</li> </ul>
9	Need Identification for Skill Training	<ul style="list-style-type: none"> <li>• NGOs assessed the need of beneficiaries to enroll them in skill training</li> <li>• Market assessments were also carried out to ensure the involvement of beneficiaries in income generation after the skill training</li> </ul>
10	Skill Training Based on Market Assessment	<ul style="list-style-type: none"> <li>• Beneficiaries were provided skill trainings in different areas<sup>15</sup></li> </ul>
11	Income Generation Activities	<ul style="list-style-type: none"> <li>• The beneficiaries who completed skill training started to get involved In income generation activities</li> <li>• NGOs provided loan and institutional support to the beneficiaries to get involved in income generation activities</li> </ul>
12	Small Infrastructure Development Activities	<ul style="list-style-type: none"> <li>• NGOs also developed small infrastructures (e.g. haat bazaar, community cooperative buildings in coordination with the local stakeholders (e.g. project beneficiaries, local peoples, local political leaders, social workers and other stakeholders)</li> </ul>
13	Project Monitoring and Support	<ul style="list-style-type: none"> <li>• NGOs activities are being monitored by the DOR, ADB and the TA team</li> </ul>
14	Impact Assessment and Final Report	<ul style="list-style-type: none"> <li>• The TA team with the help of NGO collected impact assessment data from the field (only after 7 months of implementation skill training activities)</li> <li>• Data analysis was done by a hired external (domestic) consultant</li> <li>• Preparing Impact assessment report was the responsibility of TA team</li> </ul>

<sup>15</sup> Till the end of May 2007, 594 persons enrolled in skill training, 369 persons completed the trainings and 369 have started income generation enterprises









## Available Impact Assessment Methodology

Study type	Brief Methodology	Data requirement level	Advantages	Disadvantages	Comments
1. Studies that establish links between poverty and other indicators and provision of roads on a global basis	<ul style="list-style-type: none"> <li>Establish relationship between the poverty indicator (e.g. headcount index) and existing road provision (e.g. road density) using cross-sectional data</li> <li>May involve visual analysis using GIS</li> <li>Use secondary data</li> </ul>	<ul style="list-style-type: none"> <li>Unit geographical areas (e.g. provinces or districts)</li> </ul>	<ul style="list-style-type: none"> <li>Simple, quick and less costly</li> <li>Provide an overall assessment of the relationship between infrastructure availability and other indicators including poverty indicators</li> <li>Do not require primary data collection</li> </ul>	<ul style="list-style-type: none"> <li>May not be able to provide the direction of the causes and effects</li> </ul>	<ul style="list-style-type: none"> <li>A geographical area based approach</li> <li>Often used to show the relationship between poverty and access/infrastructure conditions as done in Mozambique by Simlar &amp; Nhate (2003).</li> </ul>
2. Studies that establish the relationship between poverty and expenditure in road and other sector using time series data	<ul style="list-style-type: none"> <li>Use time-series data of investment in different sectors including roads, poverty and other variables.</li> <li>Develop statistical relationship (using econometric techniques) between poverty reduction, investment in different sectors and other variables (including dummy variables).</li> </ul>	<ul style="list-style-type: none"> <li>Unit geographical areas (e.g. provinces or districts)</li> </ul>	<ul style="list-style-type: none"> <li>Quick and less costly</li> <li>No need of collection of primary data</li> <li>Provide the statistical relationships between a dependent variable and independent variables (e.g. the relationship between the poverty reduction and road expenditure)</li> <li>Econometric techniques able to establish the road investment elasticity of poverty reduction.</li> </ul>	<ul style="list-style-type: none"> <li>Only provides an indication of overall changes but will not provide any indication on the subtle changes at the household level;</li> <li>Secondary data may be difficult to find</li> </ul>	<ul style="list-style-type: none"> <li>A geographical area based approach;</li> <li>Recently used in a number of countries including Uganda (Aguma, 2005), China (Fan &amp; Chan-Kang, 2005) and Bangladesh (Ahmed and Hossain, 1990)</li> </ul>
3. Cross sectional study using with- without ex-post data	<ul style="list-style-type: none"> <li>Collect cross sectional data of treatment and control groups</li> <li>Only compares the averages between treatment and control groups.</li> <li>Implemented in combination with qualitative</li> </ul>	<ul style="list-style-type: none"> <li>Household/ community</li> </ul>	<ul style="list-style-type: none"> <li>Less costlier than the similar studies that collect panel data;</li> <li>May able to provide good social and poverty impact assessment if proper analysis framework is used to establish the</li> </ul>	<ul style="list-style-type: none"> <li>May overestimate/ underestimate the benefits/ dis-benefits due to the bias arising from the non-establishment of counterfactuals;</li> <li>Due to the contamination of the observable</li> </ul>	<ul style="list-style-type: none"> <li>Widely used in the impact evaluation of road projects including in Mozambique. However, usually without controlling for biases (IT Transport, 1998).</li> </ul>

Study type	Brief Methodology	Data requirement level	Advantages	Disadvantages	Comments
	methodology.		counterfactuals.	characteristics by the effects of the project the propensity score matching may be not entirely reliable.	
4. Longitudinal studies: with-without and before-after roadside data	<ul style="list-style-type: none"> <li>• Uses treatment and control groups for comparison of outcome indicators.</li> <li>• Compares outcome indicator averages.</li> </ul>	<ul style="list-style-type: none"> <li>• Mainly Roadside</li> </ul>	<ul style="list-style-type: none"> <li>• Easy to design and implement</li> <li>• Suitable for comparison of transport related indicators (e.g. traffic and cargo volume, transport tariffs etc.)</li> </ul>	<ul style="list-style-type: none"> <li>• From the roadside interview it is difficult to establish the travellers' social class;</li> <li>• May involve several round of data collection</li> <li>• Suitable only for assessment of transport related indicators.</li> </ul>	<ul style="list-style-type: none"> <li>• Commonly used in the monitoring and evaluation of transport related indicators. Recently used in Bangladesh and Ghana (Scott Wilson, 2004, and IT Transport 2004)</li> </ul>
5. Before-after combined with with-without studies using panel data	<ul style="list-style-type: none"> <li>• Compare the before and after difference in outcome indicators between treatment and control groups (e.g. households)</li> <li>• Sometimes also estimate the "double difference" (or difference in differences).</li> <li>• Use treatment and control groups</li> <li>• Often used with propensity score matching to eliminate/reduce biases.</li> <li>• Both quantitative and qualitative techniques are used concurrently to complement each other</li> </ul>	<ul style="list-style-type: none"> <li>• Household/ community</li> </ul>	<ul style="list-style-type: none"> <li>• When used with a proper method to eliminate biases it is the most comprehensive methodology</li> <li>• In theory, it is to provide the most robust results.</li> </ul>	<ul style="list-style-type: none"> <li>• Expensive and involves considerable data collection effort.</li> <li>• Require a lot of computational resources.</li> <li>• Technically challenging.</li> <li>• May be subjected to "attrition bias" – due to the household drop-out problems in repeat surveys.</li> </ul>	<ul style="list-style-type: none"> <li>• Being increasingly popular in the impact evaluation of road projects.</li> <li>• Recently used in many countries including Bangladesh (BIDS, 2002; Khandkar et. al, 2006), Vietnam (van de Walle &amp; Cratty, 2002), China (Ravallion, 2006).</li> </ul>

## Indicators Proposed for a Impact study in Mozambique

	Impact on	Data collection at (indicative only):	Dis-aggregated by
<b>TR - Transport sector<sup>16</sup></b>			
TR1	Traffic Volume (Average Daily Traffic)	Roadside	type of traffic including motorised, non-motorised and pedestrians; season
TR2	Traffic Flow Patterns: Passenger and Freight volume	Roadside	Mode and season and further by gender (passenger) and type (freight)
TR3	Employment generation from roadworks	Roadside	Gender and social class
TR4	Transport Tariffs Composite (tonne-km) Passenger (passenger-km) Freight (tonne-km)	Roadside	Mode (motorised and non-motorised) and season
TR 5	Travel time	Household	Facilities <sup>17</sup> , Mode and season
TR 6	Mode Ownership	Household	Social class
<b>A- Agriculture sector</b>			
A1	Farm size	Household	Social class
A2	Net, gross cropped area & cropping intensity	Household	Social Class
A3	Agriculture output	Household	Social class & further disaggregated by type
A4	Irrigation equipment availability	Village/community	By type
A5	Irrigated area	Household	Social class
A6	Fertilizer price	Village	
A7	Use of fertilizer	Household	Social class
A8	Use of insecticide, pesticide & herbicide	Household	Social class
A9	Labour use per unit area	Household	Labour type (family labour vs hired) & gender
A10	Use of machine in agriculture	Household	Type & Social class
A11	Growth of agriculture output and productivity	Household	Social class
A12	Non-crop agriculture & manufacturing	Household	Type (fishery, poultry and manufacturing etc.)
<b>T – Trade sector</b>			
T1	Roadside shops No	Roadside	Type & wherever applicable by gender

<sup>16</sup> Measurements to be made for each road section studied

<sup>17</sup> Educational institutions, markets, health facilities, administrative centres

	<b>Impact on</b>	<b>Data collection at (indicative only):</b>	<b>Dis-aggregated by</b>
	employment turnover		
T2	Market no size turnover		Type
T3	Price of main imported and exported products and Terms of trade <sup>18</sup>	Village/community	Type of imported product
T4	Price of agricultural outputs	Village	Type & selling location (farm gate, village market, district market)
T5	Agricultural products traded as proportion of A2	Household	Social class & further disaggregated by type
T6	Traders operating in area of influence of road and their origin	Roadside	Type & wherever applicable by gender
T7	Type of products traded as compared with stated needs of villages & communities <sup>19</sup>	Household	Social class & further disaggregated by type
<b>S - Service sector</b>			
S1	Education Number of institutions Enrolment dropout rate	Village/ community	Type and wherever applicable by gender
S2	Health Number of facilities Personnel & facilities No of patient attending	Village/ community	Type and wherever applicable by gender
S3	Financial institution Number Turnover	Village/ community	Type
S4	Extension service Number Staff	Village/ community	Type and wherever applicable by gender
<b>LE - Labour market &amp; employment</b>			
LE1	Out-migration of labour	Household	Social class
LE2	Economic participation rate	Household	Social class
LE3	No of employed person	Household	Source <sup>20</sup> , social class, and gender

<sup>18</sup> e.g. amount of a local product to be sold to buy products imported into the area

<sup>19</sup> this indicator should identify products being traded and their contribution to poverty reduction e.g. agricultural tools

<sup>20</sup> Agriculture vs. non-agriculture

	<b>Impact on</b>	<b>Data collection at (indicative only):</b>	<b>Dis-aggregated by</b>
LE4	No of non-agriculture employment	Household	Type, social class, and gender
	Labour wage rate	Village	Type, Gender, season
<b>HCW -Household assets, consumption, welfare</b>			
HCW1	Land area	Household	Type and social class
HCW2	Dependency ratio	Household	Social class
HCW3	Average year of schooling	Household	Social class
HCW4	Value of household fixed assets	Household	Social class
HCW5	Household income	Household	Head, social class
HCW6	Consumption expenditure	Household	Head <sup>21</sup> , social class
HCW7	Poverty incidence Head count index poverty gap squared poverty gap	Household	
HCW8	Household savings	Household	social class
HCW9	Time and effort spent on transport related tasks	Household	Different activities, social class
HCW10	Nutrition status (wasting & stunting)	Household	Social class
HCW11	HIV/AIDS awareness	Village/community	Social class

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<sup>21</sup> including transport

## **Proposed Rural Infrastructure Development and Maintenance Project, Greater Noakhali District**

*Terms of Reference for a transport and trading study in the three Districts of Laxmipur, Noakhali and Feni*

### **1. Background**

In Bangladesh, about 80% of the population of over 110 million live in rural areas. Value added in agriculture represents about 40% of Gross Domestic Product and provides the main source of employment for more than 60% of the country's labour force. Bangladesh being thus a predominantly rural country, rural development occupies a very high priority in the national development effort. Within the national strategy for rural development conceived in 1984, there are three main areas of focus: (i) the development of physical infrastructure, including roads and markets; (ii) expansion of irrigated agriculture, in parallel with drainage and flood control measures; (iii) direct measures for poverty alleviation through rural credit and productive employment promotion.

At present the Government of Bangladesh (GoB) implements several Rural Development Projects (RDPs) which are financed by multilateral and bilateral agencies. These projects cover about two-thirds of the districts of Bangladesh and generally concentrate on physical infrastructure development (rural roads connecting Growth Centre markets). They are therefore mainly contributing to the improvement of the country's relatively dense network of about 100,000km (FRB, RR1 & RR2) of rural roads, over 90% of which are unpaved.

It is only in recent years that GoB and donors have started to design projects reflecting a more balanced sector support. These consist of measures towards unifying technical standards and specifications, developing human resources, strengthening the institutions in place (as regards both technical and overall managerial capacities), and elaborating a policy for the maintenance of rural infrastructure.

SDC's sectoral involvement goes back to the support of the investment projects within the ILO/UNDP Special Public Works Programme. Further to these experiences, SDC undertook to participate in the technical assistance component of the Rural Roads and Markets Improvement and Maintenance Project, RRMIMP/RDP-7, co-financed by the World Bank and KfW. SDC furthermore supported - on a bilateral basis - the Rural Development Project in the Manikganj District, RDPIMIRDP-6. In addition, since 1989, SDC has been financing socioeconomic monitoring and evaluation studies related to the implementation of these two projects.

Meanwhile, the preparation of a follow-up project of RDP-7 is well advanced. It will cover the eight Districts of the ongoing RDP-7 (Greater Rajshahi, Bogra and Pabna) and six Districts of Greater Dhaka including Manikganj, the present intervention District of RDP-6. SDC will co-finance, with the World Bank, its technical assistance component.

A DANIDA supported Noakhali Rural Development Project (1978-1992) include infrastructure works - construction and rehabilitation of rural roads and market places - in all 15 Thanas of the greater Noakhali district. Construction work took place mainly during the early period of the project: emphasis was put at a late stage on maintenance.

In the Patuakhali and Barguna Districts, DANIDA is supporting a rural development

programme of GoB (RDP-16, phase I), which aims at setting up organizations in Thanas in charge of the core maintenance of rural roads, as well as rehabilitation pre-selected infrastructure networks and local markets. After completion of the first phase (1994-1998), the programme is planned to be extended to cover the whole of Barisal Division.

## **2. Proposed Project Intervention Area**

The proposed project covers the entire area of Noakhali, Feni and Laxmipur Districts.

## **3. Proposed Development Objective, Project Purpose, Strategies**

### **3.1 Development Objective**

To increase rural incomes and reduce rural poverty.

### **3.2 Project Purpose**

To establish an improved and sustainable rural transport and trading infrastructure

### **3.3 Strategies**

- i) To remove bottlenecks in rural transport and marketing according to the priority needs of the project area.
- ii) To develop participatory methods of planning, design, implementation and maintenance for the improvement of local infrastructure, together with the stakeholders; that is the concerned communities, Local Government Bodies (LGBs), NGOs and contractors.
- iii) To further develop and strengthen the institutional capacity, within LGBs and LGED, to respond to the needs of the respective communities, through:
  - effective monitoring and evaluation systems;
  - the design of proper and sustainable maintenance practices involving local stakeholders;
  - adequate financial management systems, including local resource mobilization;
  - other targeted support activities based on further needs analysis.
- iv) To create short and longer-term employment and income generation opportunities for the poor including disadvantaged women, in project activities.
- v) To further develop, test and implement a set of sector relevant complementary measures and programmes, like the promotion of low-cost rural road and river transport forms in the context of an integrated water and road transport planning.
- vi) To seek and test a more effective distribution of tasks and roles between the public and private sectors (e.g. in construction supervision and management, contractor development, management of markets).

## **4. Proposed Project Components**

- i) Rehabilitation and improvement of Feeder Roads B (FRB) including bridges and culverts; rehabilitation, improvement and operation of Growth Centre markets, ghats (boat landing sites), waterways; provision and improvement of structures on rural roads (SRR).
- ii) Maintenance of FRBs including bridges and culverts, as well as SRR; maintenance of Growth Centre markets, ghats and waterways.

- iii) Maximisation of direct employment opportunities for the rural poor in the framework of project activities (complementary measures like, e.g. tree planting, routine maintenance, culvert making); assistance towards their graduating to other longer-term income generating activities.
- iv) Assistance to LGBs, NGOs, and actors from the private sector such as local consultancy and contracting firms, with a view to develop a local capacity for taking over an increased share of sector related tasks (e.g. local resource mobilization, maintenance, management of rural infrastructure) in coordination and collaboration with national public institutions.
- v) Targeted support of LGED's institutional strengthening, as a complementary contribution to ongoing (externally supported) efforts, including a contribution to the definition of GoB's/LGED's role towards an optimal distribution of tasks amongst actors, public and private.
- vi) Action research with a view to promote low-cost forms of transport and identify measures which will help rural women to carry out any household transport burden falling on them.

## 5. Scope of Work

- i) Assess the performance of the projects of RRMIMPIRDP-7 (WB-SDC-KfW), RDPIMIRDP-6 (SDC), RDP-1 6 (DANIDA) and RESP (SIDA-NORAD) to identify strengths and weaknesses and try to build on the expertise acquired so far. Also review the preparation of RDP-7 follow-up project and use the relevant
- ii) Review the other ongoing rural development programmes (Char Development Project funded by Netherlands Govt., cyclone shelter project, infrastructure project for coastal districts funded by OPEC, etc.) in the proposed project area.
- iii) Study the rural transport and trading pattern in the proposed project area, including the following elements which are indicative and may be complemented or prioritized within the frame of the project objectives according to an optimized use of the available resources and time-frame: (a) seasonal patterns in passenger and freight traffic volumes by transport mode, purpose of travel, and by type of commodity; (b) various types of rural means of transport available in the project area; (c) estimates of transport unit cost by mode and, in the case of road transport, by type of surface (unit costs should be calculated on an economic cost basis, including capital, maintenance and operating costs of both the infrastructure and the transport mode); (d) mode of organisation and operation of transport, i.e. ownership, capacity, range, availability for hire, operating practices and regulation; (e) small surveys of households in the study area to determine which factors are decisive for people's travel requirements and needs; (f) relationship between local transport, trading networks and regional/national traffic flows and marketing systems.
- iv) Informed by the above mentioned rural transport and trading study and considering the proposed project outputs, define the types of physical infrastructure investment the proposed project will make. For each type of physical infrastructure investment, short-list and prioritize the probable schemes according to the results of participatory consultations including all local stakeholders. Finally select the investments to be data and information made, on the basis of rational planning criteria like integration of transport network (water and road), geographic distribution and local contribution. Structures on Rural Roads (SRR) may not necessarily be pre-selected, in which case they will be

- identified during the implementation period, based on the demand expressed by local stakeholders, in a participatory manner.
- v) Define and describe other components (e.g. action research projects, pilot projects) that may be assessed as meaningful in order: (i) to enhance the overall sector performance to 'establish an improved and sustainable rural transport and trading infrastructure"; and (ii) to support and complement other efforts and projects in the sector, such as RRMIMP-2.
  - vi) Define and describe sources of income for the rural poor which ought to be built into the proposed project. Suggest measures to create longer-term income opportunities rooting in the project.
  - vii) Study and suggest measures for an increased participation of LGBs, NGOs and the private sector in the management and maintenance process of markets, ghats, roads and structures. Define and propose a more effective distribution of tasks between the public and private sectors. Examine options towards resource mobilization at the local level for the maintenance of rural infrastructure.
  - viii) Propose steps to ensure the standardization of construction methods, quality control procedures and materials, focusing on FRB surfacing issues as well as low-cost structures designs specific to coastal areas. Assess the implementation of the LGED guidelines for maintenance of roads, bridges/culverts and markets in the proposed project area; if opportune, suggest improvements.
  - ix) Identify critical areas and risks which could have negative environmental effects caused by the proposed project interventions in a coastal area.
  - x) Make a preliminary survey of project affected persons, following the latest IDA Guidelines on resettlement. Assess the potential impact of resettlement in the proposed project area, with special attention to the specificity of coastal and char areas.
  - xi) Assist LGED with necessary data and inputs in drawing up a draft PCP for the Project.
  - xii) Establish the operational and functional linkages and relations of the project with the general organization and functions of LGED (based on an overall logical framework type analysis of LGED).
  - xiii) Assess the potential use of Geographic Information System (GIS) to aid in the decision-making process of rural infrastructure improvement and maintenance.

## **6. The Project Proposal**

The project proposal shall include a comprehensive situation analysis, a hierarchy of objectives, components, indicators, major assumptions and risks as well as required means and resources. Supporting the project proposal, one logical framework shall be generated, referring to the whole of LGED as the implementing partner; two more, related to the former, will focus on the project itself, one to cover aspects of improvement, the other of maintenance.

The project proposal shall furthermore include:

- a presentation and analysis of findings from the preparation (overall rural infrastructure developments in Bangladesh; project area; technical, socio-economic and institutional aspects; selection and appraisal of investments);
- the project proposal itself (background and general information, technical data, project justification, components, implementation arrangements, finances and

project costs, monitoring).

The Consultant will produce the following reports:

- a) **Inception Report:** At the end of 30 days from the date of commencement of the study. The report shall include a detailed methodology and approach, break up of activities, a list of outputs, and a time-frame for the whole project preparation.
- b) **Draft Final Report:** At the end of month 4. The report shall include all components as outlined in Chapter 6 "The Project Proposal". A workshop involving the main stakeholders shall review the interim findings as shown in the Draft Final Report.
- c) **Final Report:** At the end of month 6. The final report shall incorporate views, ideas, recommendations, comments of the clients and donors and other concerned agencies to the draft final report.

#### **8. Duration of the Study**

The study is expected to commence in March 1 996 and is anticipated to continue for 6 months. The work programme will be established considering the reporting schedule described under Chapter 7 "Reporting".

#### **9. Financing of the Study**

Consultancy services for this study shall be financed jointly by Swiss Development Cooperation and DANIDA.