



## Support for Local Initiatives - Nepal



- Canada Fund for Local Initiatives
- Local Development Facility



## CANADIAN ASSISTANCE TO NEPAL



**Background:** Canada's aid program began in Nepal with a one-off food aid support in 1958, but it was only in 1965 that Nepal and Canada established diplomatic relations. An official bilateral program was initiated in 1970 with the development of Nepal's civil aviation capability.

In the 1980s, Canada's aid program to Nepal expanded into energy, rural development, health, education, geographic survey (for land resource assessment), and agriculture sectors. During the 1980s to the early 1990s, through CIDA (Canadian International Development Agency), Canada sought to strengthen Nepal's institutional capacity and human resource base for the development of a sustainable level of food and energy production. Along with support that focused on poverty alleviation, health care, and food security, continued assistance was provided in energy planning and domestic air transportation.

With the advent of multiparty democracy in 1990, a liberal environment prevailed in the country that has encouraged the growth of the civil society, community based organizations, and the private sector. The major focus of CIDA's Country Development Programming Framework (CDPF) through the 1990s was institutional strengthening in water and energy resource management and good governance through community development.

With the intensification of conflict in early to mid-2000, CIDA came out with a Interim Programming Strategy (IPS) which focused on community livelihoods and community health as its core. The strategy mainstreamed gender and social inclusion related issues. During the recent past, CIDA focused most of its efforts on conflict mitigation and peace building, protection of human rights defenders, monitoring of human rights violations, delivering basic human needs, and securing the socio-economic rights of the community groups and people using non-government organizations (NGOs) and the community based development approach.

**CIDA's Global Mandate:** The purpose of Canada's official development assistance (ODA) is to support sustainable development in order to reduce poverty and contribute to a more secure, equitable, and prosperous world. To achieve this, the agency concentrates on the following six priorities:

- ▶ Basic human needs: To support efforts to provide primary health care, basic education, family planning, nutrition, water and sanitation, and shelter.
- ▶ Gender equality: To support the achievement of equality between women and men in order to ensure sustainable development.
- ▶ Infrastructure services: To help developing countries to deliver environmentally sound infrastructure services with emphasis on assisting poorer groups and strengthening capacity building.
- ▶ Human rights, democracy, and good governance: To increase respect for human rights including children's rights, promote democracy and good governance, and strengthen security for both the civil society and the individual.
- ▶ Private sector development: To promote sustainable and equitable economic growth by supporting private sector development in developing countries.
- ▶ The environment: To help developing countries protect their environment and to contribute to addressing global and regional environmental issues.

## CIDA PROGRAMMING IN NEPAL

**Overview:** The overall CIDA programming in Nepal comes from its Bilateral Partnership and Multilateral Branch Funding. The bilateral program is generally delivered through Canadian Executing Agencies (CEAs) and Local Executing Agencies (LEAs). Some fundings are also mobilized through UN agencies i.e., United Nations Development Program (UNDP), United Nations Children's Fund (UNICEF), OHCHR, and World Food Program (WFP). The bilateral assistance program is managed through a Memorandum of Understanding (MOU) between the Government of Nepal and Government of Canada. A major portion of the agency's development assistance flows through the bilateral mechanism and reflects the Canadian presence and interest in Nepal.

The CIDA Partnership Branch delivers specific projects through Canadian non-governmental organizations, academic institutions, and private sectors in association with relevant Nepalese organizations. Canada also provides support to Nepal through multilateral aid to international development organizations such as WFP, UNDP, UNICEF, OHCHR, OCHA, World Bank, Asian Development Bank and through INGOs at the peace building front through its Multilateral Branch.

CIDA's current focus is on community health, livelihoods, good governance, and peace building with the possibility of linking support to the government for medium to

longer terms. The environment, gender equality, and social inclusion are cross-cutting themes it includes within its programming efforts. In the current environment of democratic transition and post-conflict peace building, the agency has also been supporting programs related to awareness generation and capacity building among the Nepalese people on issues of the Constituent Assembly and constitution making process of Nepal. It has provided Nepal with a package called Developing Democracy in Nepal (DDN) in the changed context of Nepal's development from violent conflict to peace in transition. The DDN projects are intended to respond to opportunities to support democratic processes in Nepal, particularly in connection with the election of a Constituent Assembly and drafting of a new constitution. It is designed to take into account the evolving situation on the ground, while being sensitive to the country's complex post-conflict dynamic situation and ongoing efforts for building sustainable peace.

CIDA projects are both directive and responsive and are open to any geographic targeting based on poverty reduction and social development priorities. CIDA implements its program and projects through Canadian and Nepalese organizations at the national, district, and local levels.

## THE CANADIAN COOPERATION OFFICE

Canadian Cooperation Office (CCO) in Kathmandu was established in July 1987 to assist CIDA in planning and delivering its development programs in response to Nepal's development policies and priorities. Since then it has been operating its programs in supporting Canadian bilateral local initiatives and facilities. CCO also provides services to the CIDA Bilateral Partnership and Multilateral Branch Funding as requested.

The office provides services in the fields of social and economic analysis, program and project planning, and the delivery, monitoring and administration and logistics of programs and projects. It provides the knowledge of Nepal's realities that is essential for the successful design and implementation of CIDA programs and projects. It supports the Canadian Embassy to Nepal and contributes to the implementation of Canada's shared agenda on Foreign Affairs, International Trade and Development. The Government of Canada offers services in Kathmandu, Nepal through CCO. Amongst the services that CCO provides, it also manages two local initiative efforts for enhancing the capacity of local organizations and institutions. They are as follows:

- ▶ Canada Fund for Local Initiatives (CFLI)
- ▶ Local Development Facility (LDF)





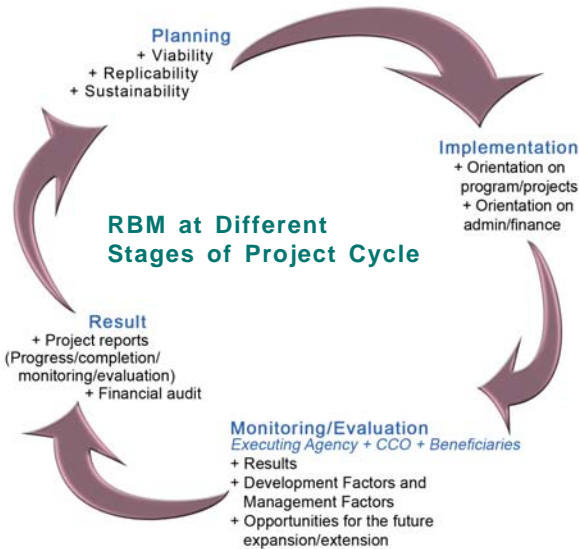
The projects selected for funding under CFLI and LDF all share the objective of becoming sustainable, viable, replicable, and up-scalable. They focus on promoting and realizing gender equality, social inclusion, and environmental sustainability related issues in order to improve people's quality of life. Both of them adhere to conflict sensitive development

approaches. The two funding mechanisms offer support to activities that aim to enhance the institutional capacity of local organizations to plan, implement, and monitor projects that have been prioritized by the communities. They offer opportunities for creative and collaborative efforts at the community level and aim to develop leadership and ownership, promote innovation, and help build up good governance capacities in the country.

**The Results Based Management Approach:** CIDA/CCO has adopted a Results Based Management (RBM) approach for programming. It helps to clarify early on the purpose of the project or program and thus provides an idea regarding the expected results. RBM also helps to manage work more effectively so that results can be achieved by modifying project activities or approaches to better meet expected results rather than managing solely on the basis of activities. Monitoring and reporting activities are effective when achievement of results is focused on. With all dimensions of the project cycle focused on results, RBM seeks to enhance not only sound decision-making, but aims towards sustainability of development results.

The results within RBM are the expected measurable and verifiable changes induced from the project, its activities, and inputs. It is about managing for results or changes that occur in the short, medium, and long term. RBM involves the process of determining realistic results at the planning and design phase. It identifies indicators that measure changes of results at the levels of impact, outcome, and output and identifies and manages risks putting together the necessary resources.

Projects are implemented, monitored, and evaluated through these results and indicators. RBM engages key stakeholders throughout the project cycle. It is an iterative process which allows analysis of the changes throughout the project cycle and helps facilitate timely corrective measures if needed. The process involves putting resources into activities which lead to the outputs, outcomes, and impacts that are result oriented. This is referred to as the "Results Chain".



### Planning tools

- PRA
- SWOC
- Gender and SI analysis
- Environmental screening
- Feasibility/ Viability analysis
- Conflict / Peace analysis
- + *Concept paper/Proposal*
- + *Pre-funding visit*
- + *PAD preparation*
- + *Project approval*
- + *Contribution agreement*

**Operational and Development Results:** CIDA seeks to achieve both operational and development results from its partners. Operational results are administrative and management results achieved by the organization while implementing a project. Development results are outputs, outcomes, and impacts of development investment.

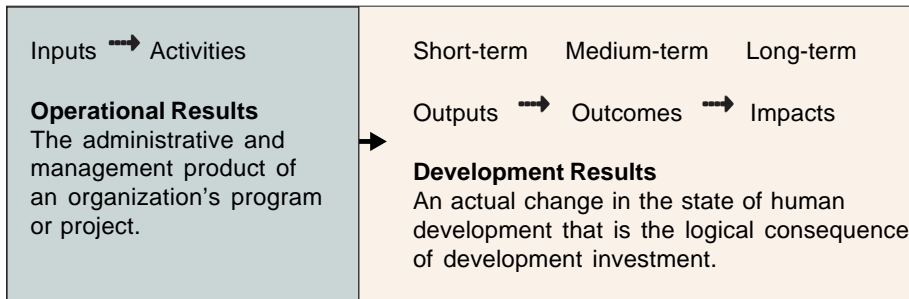
### Results Chain

Inputs → Activities → Outputs → Outcomes → Impacts

- ▶ *Result:* desirable or measurable change in state that is derived from a cause and effect relationship.
- ▶ *Inputs:* resource required including money or time or efforts to produce a result.
- ▶ *Activities:* set of actions needed to achieve the results
- ▶ *Outputs:* immediate results as consequence of project inputs (resources) and activities.
- ▶ *Outcomes:* medium-term results as consequence of project inputs or resources and achieved during the life of the project.
- ▶ *Impacts:* broader and higher level longer term results in which the project contributes.

(A completed activity is not a result; the change induced through the completion of the activity is a result)

## Program/Project Management



### Performance Measurement (monitoring and measuring results):

Performance measurement is an important part of appraising results. It indicates the assessment of actual results achieved against those planned verified by the following components:

- ▶ **Baseline data:** The set of conditions existing at the outset of a program/project - results will be measured or assessed against such data.
- ▶ **Performance indicators:** Specific performance measurements chosen because they provide valid, useful, practical, and comparative measure of progress towards achieving expected results that can either be quantitative or qualitative.
  - Quantitative indicators are the measurement of quantity with numerical values including statistical statements.
  - Qualitative indicators are the measurement of judgment, opinion, perception, and attitude derived from subjective analysis.
- ▶ **Performance assessment:** Self-assessment of the program/project or institutional monitoring, operational reviews, end-of-year reporting, end-of-project reporting, institutional assessments and special studies.

**Performance Measurement Framework:** It is a RBM tool used to systematically plan the collection of relevant information for monitoring, learning, and reporting. The framework helps to track the achievement of results.

Results	Performance Indicators	Baseline data	Data source	Collection method	Frequency (how often)	Responsibility (who will do the work)
Impact						
Outcomes						
Outputs						
Activities						

- ▶ Results: achievement in the short-, medium-, and long-term
- ▶ Performance indicators: evidence that helps measure progress towards results
- ▶ Baseline data: set conditions at the outset
- ▶ Data source: individuals, organizations, documents, and reports from which the data is obtained
- ▶ Data collection methods: methods and techniques used to collect data for results, i.e., interviews, trend analysis, mapping, focus group discussions, surveys, PRA, reports, etc.
- ▶ Frequency: how often do we collect information and at what level
- ▶ Responsibility: the responsible person/organization required to collect information

## CANADA FUND FOR LOCAL INITIATIVES



**Introduction:** CFLI has been operational in Nepal since 1987. The fund's purpose is to address basic human needs; develop socio-economic infrastructures; and promote gender equality, human rights, democracy, and good governance. The program supported sub-projects are linked to Canada's six ODA priorities: basic human needs; gender equality; infrastructure services; human rights, democracy, and good governance; private sector development; and the environment. CFLI is a responsive mechanism to support specific local needs and community demands through the community based

approach. It organizes community based organizations (CBOs) to implement and sustain local initiatives and access other resources for secured livelihoods. It is linked to CIDA's strategic programming work in Nepal focused at poverty reduction and is administered by CCO.

**Project Area:** CFLI is a responsive mechanism which responds to the needy areas based on Nepal's Human Development Indicators. CFLI will carefully select sub-projects without limiting the regions and adopt affirmative action to support the needy communities in Nepal.

### Project Thematic Areas:

- ▶ *Basic Human Needs and Community Infrastructures:* 50% sub-projects (community schools, drinking water and small irrigation facilities, savings and credit schemes, income generation and health services, empowerment related issues, etc.)



- ▶ **Human Rights, Good Governance, and Democratic Development:** 50% sub-projects (HR education, children and women's rights, campaigning, advocacy, leadership, good governance principles and practices, legal aid/advocacy, public hearing/democratic transition, HR protection/incidental monitoring and reporting, etc.)
- ▶ **Gender Equality and Environment:** gender equality, social inclusion, and community based environmental conservation/natural resources management related issues will be integrated as cross-cutting themes to all the projects. Based on needs, gender/social inclusion specific projects will also be considered.

## Strategic Results Framework:

**Project Purpose:** To address basic human needs; develop socio-economic infrastructures; and promote gender equality, human rights, and democracy and good governance in the project areas.

### Expected Results:

#### Outcomes

- 1 Improved access to basic human needs i.e., community education, health, socio-economic status, and rural infrastructure integrating gender, environment, and natural resources management related issues in project areas through a right based focus.
- 2 Strengthened ability and capacity of local communities and community based organizations (caste, class, gender, and ethnicity) in partnership with the local government to plan, implement, and manage sustainable development projects.
- 3 Increased leadership among women and underprivileged groups to promote human rights, good governance, and gender and social inclusion/equality at the community level.

#### Outputs

- 1.1 Increased access to specific basic human needs, socio-economic services, and rural infrastructures by integrating gender, environment, and natural resource management related issues in the project areas.
- 2.1 Increased knowledge and skills of local communities and community based organizations in planning, implementation, networking, coordination, and managing sustainable development projects.

- 3.1 Increased and strengthened involvement of women's and marginalized groups (gender, caste, class, and ethnicity) in promoting a rights based development process (human rights, good governance, democratic development) through participatory planning, implementation, and decision-making in community development projects.

## LOCAL DEVELOPMENT FACILITY



**Introduction:** LDF has been in operation in Nepal from 2002 to 2007 and has continued working to 2009. The facility's purpose is to respond effectively to Nepal's changing development context in a timely manner. It is a responsive and proactive mechanism that supports the overall strategic direction of CIDA's programming in Nepal. Designed to respond to the challenges of development in the context of conflict and peace building, LDF also aims to enhance CIDA's understanding in this area.

**Project Area:** LDF is both a responsive and proactive mechanism. It supports the conflict and peace building efforts in the changed development context of Nepal. The project areas are selected through sub-projects without limiting locations from the country's five development regions and the facility adopts affirmative actions to support the needy communities.

### Project Thematic Areas:

- ▶ *Decentralization and Devolution* (support to DDCs/VDCs in the decentralization and devolution process, build up of linkages and coordination of civil society organizations and CBOs with DDCs/VDCs, good governance principles and practices, legal aid/advocacy, public hearing/democratic transition, etc.)
- ▶ *Conflict Prevention and Peace Building* (conflict mitigation, community mediation, trauma counseling, HR education, children and women's rights, campaigning, advocacy, leadership, HR protection/incidental monitoring and reporting, reconciliation, rehabilitation, etc.)
- ▶ *Basic Human Needs and Mitigation of the Effects of Conflict* (employment generation, community livelihoods, economic development, health and drinking water services, nutrition, etc.)
- ▶ *Gender Equality and Environment:* gender equality, social inclusion, and community based environmental conservation/natural resources management related issues will be integrated as cross cutting themes to all the projects. Based on needs, gender/social inclusion specific projects will also be considered.

## Strategic Results Framework:

**Project Goal:** To contribute to poverty reduction by supporting Nepal's devolution process.

### Project Purpose:

- 1 To respond effectively to Nepal's changing development context in a timely manner by supporting the following efforts:
  - (i) Nepal's devolution process through the development and capacity building of governance at the local level.
  - (ii) Strengthening of local capacity in order to prevent violence, manage conflict, and contribute to peace building.
  - (iii) Provision of basic human needs to women, the poor, and disadvantaged groups in order to mitigate the effects of conflict.
- 2 To enhance CIDA's understanding of development programming in the context of conflict and peace building.

### Expected Results:

*Impact:* Improved quality of life and equitable access to public goods and services at the village, district, and community levels.

### Outcomes

- 1 Enhanced capacity of Nepalese development stakeholders (women, men, civil society organizations, local government bodies, etc.) to plan and implement equitable and sustainable development and governance processes at the local and other levels.
- 2 Enhanced role and capacity of the civil society (including networks and coalitions) and government actors in the peace building process and prevention of conflict.
- 3 Improved and equitable access of groups affected by the conflict (women, children, poor and disadvantaged groups) to basic human needs and public goods and services.
- 4 Better designed CIDA programming strategy and work in Nepal.

### Outputs

- 1.1 Improved understanding on the part of development stakeholders regarding gender and social dynamics in local and governance processes.
- 1.2 Increased role and capacity of development stakeholders to demand transparency and accountability of government operations.
- 1.3 Increased capacity of local communities to equitably manage natural resources for sustainable livelihoods.

- 2.1 Increased capacity of development stakeholders in understanding conflict analysis, mitigation, and impact assessment.
- 2.2 Increased knowledge and awareness of development stakeholders regarding human rights and rights based approaches.
- 2.3 Increased understanding and application of gender dimensions in peace building efforts by project partners.
- 2.4 Models developed for successful integration of ex-combatants and IDPs
- 3.1 Increased capacity of target groups in conflict affected areas to demand services.
- 3.2 Increased entrepreneurship and employment opportunities for conflict victims and vulnerable groups.
- 4.1 Sub-project based analysis and learning shared with CIDA

## APPLICATION SUBMISSION

**Application Process:** CIDA/CCO has designed specific criteria, guidelines, and processes for submission and approval of proposals for both CFLI and LDF in Nepal. The application process requires two stages.

**Concept paper:** A three to four page concept note with outlines of the major focus of the project needs to be submitted. The concept paper should include the following components:

- Project title/location
- General analysis of needs including gender, social inclusion, and conflict dynamics in the local and project context
- Rationale for project and target group
- Project goal and purpose
- Expected results
- Budget and local contribution
- Background of the executing agency



### Detailed proposal:

Once the project is screened and accepted at the concept level, the applicant will be required to prepare a detailed proposal in line with CIDA's Results Based Management framework. The proposal should include the following details:

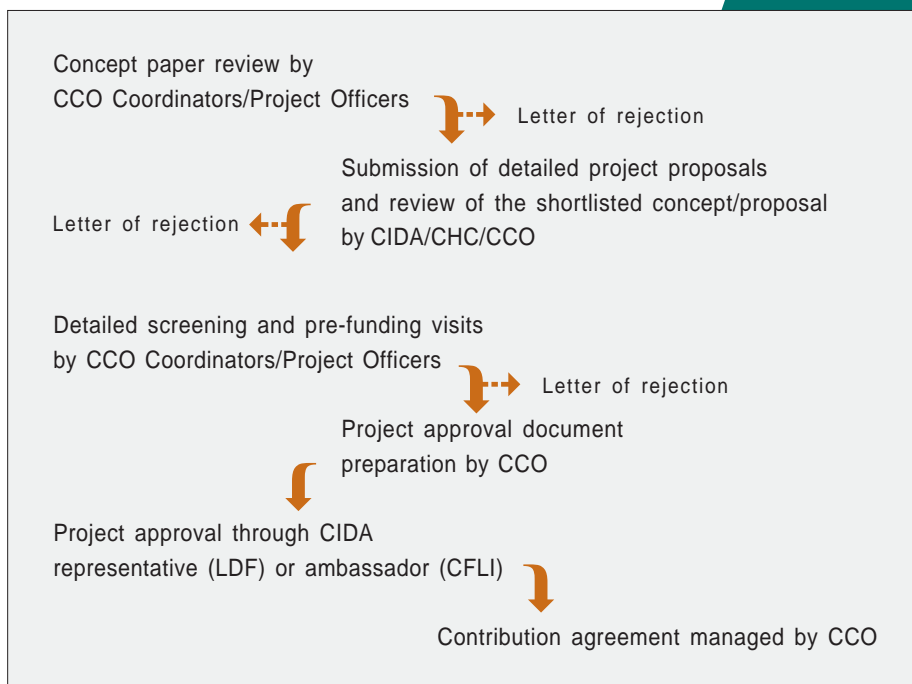
- Project title/location
- Project period
- Contact person details

- Project background
- Rationale for the project
- Project goal and purpose
- Target group/beneficiaries and other stakeholders
- Expected results (at the impact, outcome, and output levels)
- Project description (components, activities, and management)
- Sustainability
- Risk factors and mitigation measures
- Budget and local contributions
- Impact on women, children, and marginalized
- Impact on environment
- Impact on conflict and security

### General information on implementing organizations:

- Brief profile including past experience and ongoing activities
- Government registration certificate with annual renewal
- PAN number
- Affiliation certificate with Social Welfare Council

### Project Approval Flowchart:



**Selection Criteria:** A concept paper or proposal will be assessed as to how this contributes to CFLI and LDF's goal, purpose, and results. Criteria follow:

- Feasibility: the technical and economic feasibility of the proposed proposal;
- Quality and clarity: the clarity and articulation of the project activities showing linkages to one of the expected results of the local fund/facility. The time frame should reflect realistic reasoning in terms of activities and results to be achieved;
- Project impact: the project's impact on the lives of the poorest and marginalized;
- Gender and social inclusion: a description of how the project will strive to ensure gender equality and social inclusion in project activities and anticipated results;
- Collaboration: the involvement of the stakeholders and beneficiaries in all aspects of project design; implementation; coordination to achieve ownership, capacity building, and sustainability; demonstration of linkages and/or synergies with other democratic development programming efforts in Nepal;
- Community contribution: the community's contribution in kind or cash;
- The risks and mitigation: analysis of anticipated risks including mitigation strategies;
- Other sources of funding: any sources of funding approached for the project besides CIDA and the status of such requests;
- Sustainability: project phase out strategy and sustainability of benefits; and
- The organization's experience and brief profile: summary of the organization's experience in implementing and contributing such community development work. Information on the organization's registration papers, renewal status and affiliation with SWC, other official documents, etc.



**How to Apply:** The concept paper can either be prepared in English or Nepali according to the application guidelines provided. The completed and signed application should be addressed to the following personnel:

The Director  
Canadian Cooperation Office  
Lazimpat, P. O. Box 4574  
Kathmandu, Nepal  
Phone: 977-14415193, 4415861  
Fax : 977-1- 4410422  
Email: cco@canadanepal.org

The acceptance and rejection of the concept paper will be notified to the applicant by the CCO office. If the concept paper is accepted, the applicant will be required to prepare a detailed proposal according to the guidelines provided. The concept paper can be submitted throughout the year and will be assessed continuously in batches.

We thank you for your time and cooperation.