



# Appendixes

	<b>Page</b>
<b>1 Projects with Poverty Reduction as Primary or Secondary Objective</b>	<b>29</b>
<b>2 Project Summaries</b>	<b>32</b>
<b>3 Reflection of Poverty Reduction in Project Design</b>	<b>37</b>
<b>4 Monitoring and Evaluation of Poverty</b>	<b>38</b>
<b>5 Beneficiary Profile</b>	<b>39</b>
<b>6 Distribution of Benefits</b>	<b>44</b>

# Projects with Poverty Reduction as Primary or Secondary Objective

Loan No.	Loan Title	Approval Date	SDO Classification		Amount (\$ mn)	
			Primary	Secondary		
1	BAN-1124(SF)	Dhaka Integrated Flood Protection	21-Nov-91	GRO	POV	91.5
2	BAN-1125(SF)	Northeast Minor Irrigation	21-Nov-91	GRO	POV	73.0
3	BAN-1159(SF)	Second Bhola Irrigation	27-Feb-92	GRO	POV	39.8
4	BAN-1182(SF)	Rehabilitation of Damaged School Facilities	27-Oct-92	HD	POV	15.0
5	BAN-1202(SF)	Secondary Towns Integrated Flood Protection	03-Dec-92	GRO	POV	55.0
6	BAN-1213(SF)	Rural Poor Cooperative	17-Dec-92	POV		30.0
7	BAN-1215(SF)	Second Rural Infrastructure Development	21-Dec-92	GRO	POV	83.4
8	BAN-1264(SF)	Second Water Supply and Sanitation	16-Nov-93	HD	POV	31.0
9	BAN-1289(SF)	Khulna-Jessore Drainage Rehabilitation	14-Dec-92	POV		50.0
10	BAN-1353(SF)	Coastal Greenbelt	02-Mar-95	ENV	POV	23.4
11	BAN-1356(SF)	Rural Electrification	30-May-95	GRO	POV	50.0
12	BAN-1376(SF)	Secondary Towns Infrastructure Development II	19-Sep-95	HD	POV	65.0
13	BAN-1381(SF)	Small-Scale Water Resources Development Sector	26-Sep-95	GRO	POV	32.0
14	BAN-1390(SF)	Nonformal Education	29-Sep-95	POV	WID	26.7
15	BAN-1399(SF)	Command Area Development	07-Nov-95	GRO	POV	30.0
16	BAN-1486(SF)	Forestry Sector	21-Nov-96	ENV	POV	50.0
17	BAN-1524(SF)	Participatory Livestock Development	19-Jun-97	WID	POV	19.7
18	BAN-1538(SF)	Urban Primary Health Care	16-Sep-97	WID	POV	40.0
19	BAN-1581(SF)	Third Rural Infrastructure Development	20-Nov-97	GRO	POV	70.0
20	BAN-1643(SF)	Sundarbans Biodiversity Conservation	27-Nov-98	ENV	POV	37.0
21	BAN-1666(SF)	Flood Damage Rehabilitation	16-Dec-98	GRO	POV	104.0
22	BAN-1634(SF)	Rural Livelihood	29-Sep-98	POV	WID	42.6
		<b>Subtotal</b>				<b>1,059.1</b>
1	BHU-1375(SF)	Rural Electrification	19-Sep-95	GRO	POV	7.5
		<b>Subtotal</b>				<b>7.5</b>
1	CAM-1385(SF)	Rural Infrastructure Improvement	28-Sep-95	GRO	POV	25.1
2	CAM-1447(SF)	Basic Health Services	20-Jun-96	HD	POV	20.0
		<b>Subtotal</b>				<b>45.1</b>
1	COO-1588(SF)	Cyclone Emergency Rehabilitation	08-Dec-97	GRO	POV	0.8
		<b>Subtotal</b>				<b>0.8</b>
1	IND-1415/16	Karnataka Urban Infrastructure Development	14-Dec-95	HD	POV	105.0
		<b>Subtotal</b>				<b>105.0</b>
1	INO-1100	Technical Education Development	26-Sep-91	HD	POV	100.0
2	INO-1118	Tree Crop Smallholder Sector	14-Nov-91	GRO	POV	135.0
3	INO-1126	Central Java Groundwater Irrigation Development	26-Nov-91	GRO	POV	51.0
4	INO-1184(SF)	Upland Farmer Development	05-Nov-92	POV		30.0
5	INO-1186	Smallholder Tree Crop Processing	12-Nov-92	POV	GRO	75.0
6	INO-1187(SF)	Biodiversity Conservation in Flores and Siberut	12-Nov-92	ENV	POV	24.5
7	INO-1194	Junior Secondary Education	19-Nov-92	HD	POV	105.0
8	INO-1198	Central Java and DI Yogyakarta Urban Development	26-Nov-92	GRO	POV	150.0
9	INO-1241(SF)	Flores Emergency Reconstruction	01-Jul-93	GRO	POV	11.0
10	INO-1258(SF)	Sustainable Agriculture Development in Irian Jaya	26-Oct-93	POV		28.0
11	INO-1296	Second Integrated Irrigation Sector	20-Jan-94	GRO	POV	100.0
12	INO-1327(SF)	Microcredit	25-Oct-94	GRO	POV	25.7
13	INO-1359	Private Junior Secondary Education	18-Jul-95	HD	POV	49.0
14	INO-1378	Farmer Managed Irrigation Systems	21-Sep-95	POV		26.3
15	INO-1571(SF)	Coastal Community Dev and Fisheries Resources	04-Nov-97	ENV	POV	41.0
16	INO-1583	Rural Income Generation	25-Nov-97	POV		78.6
17	INO-1605	Central Sulawesi Integrated Areas Devt. and Conserv.	27-Jan-98	ENV	POV	32.0
18	INO-1622/23	Social Protection Sector Development	09-Jul-98	POV	HD	300.0
		<b>Subtotal</b>				<b>1,362.1</b>

ENV = environment, GRO = growth, HD = human development, POV = poverty reduction, SDO = strategic development objective, SF = Special Funds, WID = women in development.

Loan No.	Loan Title	Approval Date	SDO Classification		Amount (\$ mn)
			Primary	Secondary	
1	KAZ-1338(SF) Special Assistance <b>Subtotal</b>	06-Dec-94	GRO	POV	60.0 <b>60.0</b>
1	KGZ-1342(SF) Special Assistance	08-Dec-94	GRO	POV	40.0
2	KGZ-1633(SF) Flood Emergency Rehabilitation	24-Sep-98	GRO	POV	5.0
3	KGZ-1645(SF) Social Services Delivery and Finance <b>Subtotal</b>	27-Nov-98	HD	POV	10.0 <b>55.0</b>
1	LAO-1267(SF) Northern Provincial Towns Water Supply and Sanitation	18-Nov-93	HD	POV	13.0
2	LAO-1348(SF) Primary Health Care	19-Jan-95	POV	HD	5.0
3	LAO-1369(SF) Champassak Road Improvement	31-Aug-95	GRO	POV	48.0
4	LAO-1488(SF) Community-Managed Irrigation <b>Subtotal</b>	21-Nov-96	POV		14.7 <b>80.7</b>
1	MAL-1238 Pahang Barat IADP Phase II	29-Jun-93	POV		28.5
2	MAL-1307 Fisheries Infrastructure Improvement <b>Subtotal</b>	11-Aug-94	GRO	POV	22.6 <b>51.1</b>
1	MON-1290(SF) Employment Generation <b>Subtotal</b>	16-Dec-93	POV	WID	3.0 <b>3.0</b>
1	NEP-1112(SF) Sixth Agricultural Credit	31-Oct-91	GRO	POV	35.0
2	NEP-1113(SF) Rajapur Irrigation Rehabilitation	31-Oct-91	GRO	POV	16.6
3	NEP-1114(SF) Upper Sagarmatha Agricultural Development	31-Oct-91	GRO	POV	13.2
4	NEP-1196(SF) Secondary Education Development	24-Nov-92	HD	POV	12.6
5	NEP-1237(SF) Microcredit for Women	24-Jun-93	WID	POV	5.0
6	NEP-1240(SF) Kathmandu Urban Development	29-Jun-93	GRO	POV	12.0
7	NEP-1311(SF) Irrigation Management Transfer	13-Sep-94	GRO	POV	12.9
8	NEP-1377(SF) Third Road Improvement	21-Sep-95	GRO	POV	40.0
9	NEP-1437(SF) Second Irrigation Sector	16-May-96	POV		25.0
10	NEP-1450(SF) Rural Infrastructure Development	27-Jun-96	POV		12.2
11	NEP-1461(SF) Third Livestock Development	19-Sep-96	POV		18.3
12	NEP-1464(SF) Fourth Rural Water Supply and Sanitation Sector	24-Sep-96	HD	POV	20.0
13	NEP-1609(SF) Community Groundwater Irrigation	24-Feb-98	GRO	POV	30.0
14	NEP-1650(SF) Rural Microfinance <b>Subtotal</b>	08-Dec-98	WID	POV	20.0 <b>272.8</b>
1	PAK-1179(SF) NWFP Area Development	24-Sep-92	GRO	POV	32.8
2	PAK-1260(SF) Urban Water Supply and Sanitation	04-Nov-93	HD	POV	72.0
3	PAK-1349(SF) Punjab Rural Water Supply and Sanitation	31-Jan-95	HD	POV	46.0
4	PAK-1401(SF) Rural Access Roads	09-Nov-95	GRO	POV	140.0
5	PAK-1467(SF) Bahawalpur Rural Development	26-Sep-96	POV		38.0
6	PAK-1531(SF) DG Khan Rural Development	04-Sep-97	POV		36.0
7	PAK-1578(SF) Flood Protection <b>Subtotal</b>	13-Nov-97	GRO	POV	100.0 <b>464.8</b>
1	PHI-1136(SF) Kabulnan Irrigation and Area Development	28-Nov-91	POV		48.0
2	PHI-1137(SF) Second NGO Microcredit	28-Nov-91	POV	WID	30.0
3	PHI-1150 Manila South Water Distribution	19-Dec-91	HD	POV	31.4
4	PHI-1163(SF) Mt. Pinatubo Damage Rehabilitation	23-Apr-92	GRO	POV	28.0
5	PHI-1216 Small Farmers Credit	22-Dec-92	POV		75.0
6	PHI-1254(SF) Nonformal Education	30-Sep-93	HD	POV	25.2
7	PHI-1269 Municipal Water Supply	25-Nov-93	HD	POV	43.2
8	PHI-1332(SF) Rural Infrastructure Development	10-Nov-94	GRO	POV	17.5
9	PHI-1365 Second Irrigation Systems Improvement	30-Aug-95	POV		30.0
10	PHI-1422(SF) Cordillera Highland Agriculture Resource Mgmt.	11-Jan-96	POV		19.0
11	PHI-1435(SF) Rural Microenterprise Finance	23-Apr-96	POV		20.0
12	PHI-1453(SF) Bukidnon Integrated Area Development	23-Jul-96	POV		20.0
13	PHI-1599 Subic Bay Area Municipality	19-Dec-97	HD	POV	22.0
14	PHI-1668 Southern Philippines Irrigation Sector	18-Dec-98	GRO	POV	60.0
15	PHI-1658 Clark Area Municipal Development	15-Dec-98	HD	POV	24.3
16	PHI-1606 Early Childhood Development	27-Jan-98	HD	POV	24.5
17	PHI-1654 Secondary Education Devt. and Improvement <b>Subtotal</b>	11-Dec-98	HD	POV	53.0 <b>571.1</b>
1	PNG-1097(SF) Third Rural Health Services	05-Sep-91	HD	POV	21.0
2	PNG-1154(SF) Transport Infrastructure Development <b>Subtotal</b>	14-Jan-92	GRO	POV	69.0 <b>90.0</b>

Loan No.	Loan Title	Approval Date	SDO Classification		Amount (\$ mn)
			Primary	Secondary	
1	KAZ-1338(SF) Special Assistance	06-Dec-94	GRO	POV	60.0
1	PRC-1087 Yaogu-Maoming Railway	20-Jun-91	GRO	POV	67.5
2	PRC-1145 Ports Development	13-Dec-91	GRO	POV	88.8
3	PRC-1175 Guangdong Tropical Crops Development	13-Aug-92	GRO	POV	55.0
4	PRC-1286 China Agribusiness Devt. Trust and Investment Corp.	09-Dec-93	GRO	POV	50.0
5	PRC-1304 Yunnan-Simao Forestation and Sust. Wood Utilization	30-Jun-94	GRO	POV	77.0
6	PRC-1347 Agricultural Bank of China	12-Jan-95	GRO	POV	100.0
7	PRC-1372 Hainan Agriculture and Natural Resources Devt.	07-Sep-95	GRO	POV	53.0
8	PRC-1386 Fujian Soil Conservation and Rural Development	28-Sep-95	GRO	POV	65.0
9	PRC-1626 Guizhou-Shuibai Railway	18-Aug-98	GRO	POV	140.0
10	PRC-1617 Hebei Roads Development	18-Jun-98	GRO	POV	180.0
	<b>Subtotal</b>				<b>876.3</b>
1	SOL-1219(SF) Emergency Infrastructure Rehabilitation	18-Feb-93	GRO	POV	0.5
	<b>Subtotal</b>				<b>0.5</b>
1	SRI-1128(SF) Southern Province Rural Development	26-Nov-91	GRO	POV	38.0
2	SRI-1166(SF) North Western Province Water Resources Devt.	25-Jun-92	HD	POV	30.0
3	SRI-1183(SF) Participatory Forestry	05-Nov-92	GRO	POV	10.5
4	SRI-1201(SF) Fisheries Sector	01-Dec-92	GRO	POV	26.0
5	SRI-1235(SF) Second Water Supply and Sanitation	17-Jun-93	HD	POV	40.0
6	SRI-1462(SF) North Central Province Rural Development	24-Sep-96	POV		20.0
7	SRI-1545(SF) Upper Watershed Management	24-Sep-97	ENV	POV	16.6
8	SRI-1575(SF) Third Water Supply and Sanitation (Sector)	06-Nov-97	HD	POV	75.0
	<b>Subtotal</b>				<b>256.1</b>
1	THA-1429 Rural Electrification	23-Jan-96	GRO	POV	100.0
2	THA-1494 Skills Development	28-Nov-96	HD	POV	80.0
	<b>Subtotal</b>				<b>180.0</b>
1	TON-1412(SF) Outer Islands Agriculture Development	12-Dec-95	GRO	POV	3.6
	<b>Subtotal</b>				<b>3.6</b>
1	VIE-1259(SF) Irrigation and Flood Protection Rehabilitation	26-Oct-93	GRO	POV	76.5
2	VIE-1273(SF) Ho Chi Minh City Water Supply and Sanitation Rehabilitation	29-Nov-93	HD	POV	65.0
3	VIE-1344(SF) Red River Delta Water Resources Sector	13-Dec-94	GRO	POV	60.0
4	VIE-1457(SF) Rural Credit	12-Sep-96	GRO	POV	50.0
5	VIE-1564(SF) Rural Infrastructure Sector	23-Oct-97	GRO	POV	105.0
	<b>Subtotal</b>				<b>356.5</b>
<b>Total</b>	Number of Loans		<b>123</b>		
	Loan Amount (\$ million)		<b>5,901.1</b>		

## Project Summaries

### Bangladesh

**Loan 908-BAN: Rural Infrastructure Development.** The project was expected to provide a stimulus to rural development (thus increasing employment opportunities) by building a year-round transport and marketing network for the rural population in two areas of the country. The project involved upgrading of rural markets, feeder roads, and construction of bridges and culverts. The provision of such facilities was expected to reduce the costs of marketing and transport, increase the financial returns to farmers and cottage industries, provide access to new technology and information, improve the quality of marketed produce, intensify cropping patterns, and generate a wide range of rural employment opportunities. The loan amount was \$99.8 million. It was approved on 13 October 1988, before the Asian Development Bank (ADB) adopted the strategic development objectives (SDOs), and was completed on 21 April 1997.

**Loan 1066(SF)-BAN: Rural Training.** This project specifically targets the poor, although it was approved before poverty reduction was an SDO of ADB. Its overall objective was to enable the poorest of the poor to attain the status of economic contributors to their socioeconomic environment, to improve efficiency, and to improve the quality of life. The specific objectives were to provide effective livelihood training and microcredit facility to the landless rural poor, bring about improvements in their overall socioeconomic status through self-employment and increased participation in the community development programs, and

strengthen the capacity of the Ministry of Youth and Sports to undertake training and rural microcredit programs. The project was expected to provide training in specialized skills and broader areas of livelihood, functional literacy, health and nutrition, safe motherhood and child care, and reforestation. The loan amount was \$16.2 million. The project was approved on 13 December 1990 and closed on 22 January 1998.

**Loan 1213(SF)-BAN: Rural Poor Cooperatives.** Poverty reduction is the primary and only SDO of this project, which aims to contribute to reducing the poverty of the landless rural poor and marginal farmers by creating sustainable nonfarm employment that will improve incomes. The expansion of irrigated areas and improvement of market facilities were expected to lead to higher productivity for marginal farmers and greater viability of farmers' cooperatives. The project undertook the preparation of rural poor groups (mobilization, forming of cohesive groups, etc.), trained them for gainful employment, and provided microenterprise credits for income generating activities. The project was to be complemented by developing irrigation command areas, providing irrigation management training, and supplying cooperative association credits. The project was approved on 17 December 1992 and closed on 18 May 1999. The loan amount was \$30.0 million.

**Loan 1376(SF)-BAN: Secondary Towns Infrastructure Development Project II.** The project has human development as its primary SDO. Poverty reduction is the secondary SDO,

as one third of the beneficiaries were expected to be poor. Investments in water supply, sanitation, solid waste management, and slum upgrading are expected to contribute to human development. One of the five objectives was specifically to reduce poverty, while one of the planned pilot projects aimed to develop land for low-income housing, including service delivery. Approximately 100,000 poor people are expected to directly benefit from the slum-upgrading component. The physical improvements are considered important, but more important are the project social inputs of community organization, credit for income generation, primary health care including family planning, and literacy programs. The project was approved in September 1995 and is ongoing. The loan amount is \$65.0 million.

## The Kyrgyz Republic

### **Loan 1342-KGZ(SF): Special Assistance .**

The project approved on 8 December 1994, had a budget of \$40.0 million to support the government's macroeconomic stabilization and structural reform program. It aimed to ease the shortage of foreign exchange to enterprises, including those in the private sector. The main thrust of the project was to provide budgetary support. In addition, it financed imports that were needed by the education, transport, and energy sectors. It was anticipated that these impacts would assist in ensuring continued delivery of these services. The project had poverty reduction as its secondary SDO classification. The loan was closed on 9 November 1998.

**Loan 1529-KGZ(SF): Rural Financial Institutions.** The project, approved on 21 August 1997, aims at rebuilding a sustainable rural financial system. The immediate objective is to increase the level and sources of savings mobilization and lending services to rural communities. This is to be achieved through project support in setting up 280 individual credit unions, and providing them with credit lines to match contributions made by members. The financial institution implementing the project

receives institutional support. The total project cost is \$22.0 million, with \$12.5 million financed from the loan. The project SDO is economic growth; however, the government considers the project as one of its poverty reduction activities and suggested including it in this study.

**Loans 1554/1555(SF)-KGZ: Education Sector Development.** ADB support to the education sector comprises one program loan and one project loan, for a total amount of \$33.0 million. The loans were approved on 29 September 1997. They are linked to the reform process, which foresees rationalizing user charges, state funding for schools, and staffing; reforming the curriculum and learning materials development; improving education infrastructure; and restructuring and facilitating access to early childhood education. The projects have human development as their SDO. However, the government expects the projects to have positive implications for the poor as they increase access to basic social services. It was therefore suggested that they be included in the evaluation.

**Loan 1645(SF)-KGZ: Social Services Delivery and Finance Project.** The project aims to protect human capital and improve the quality of life of vulnerable groups by making basic social services accessible to them. The project targets the rural poor living in two of the most depressed districts of the country. It focuses on building the capacities of local governments to deliver social services by improving administrative procedures and systems, rehabilitating infrastructure, and increasing the participation of the community and the private sector. The total loan amount is \$10.0 million. The primary SDO is human development, the secondary is poverty reduction. The project was approved on 27 November 1998; thus implementation has not progressed sufficiently to show results. The project was included in the evaluation for its two other main concerns, namely, to analyze the design of a recently approved poverty reduction project, and the monitoring and evaluation arrangements.

## The Lao People's Democratic Republic

**Loan 642(SF)-LAO: Vientiane Plain Rural Electrification (Phase II).** The project is the second phase of a 10-year program for the construction of a power distribution network in the Vientiane Plain, including the provision of electricity to 61 villages. The objectives were to (i) increase food production through pump irrigation schemes, (ii) permit the development of agrobased and other industries, (iii) stimulate productive activities, and (iv) raise the living standards of the population through increased use of electricity produced by the Nam Ngum hydropower station in the Vientiane Plain. This phase of the program involved the provision of house wiring and service connections to 3,000 houses, some training of electricity department staff, provision of materials and facilities for the concrete pole factory constructed under phase I, and the construction of substations. Poverty reduction does not feature in the project as ADB had not adopted SDOs at the time. The loan amount was \$6.3 million. The project was approved on 11 October 1983 and completed in March 1990.

**Loan 1348-(SF)LAO: Primary Health Care.** This project has poverty reduction as its primary SDO and human resource development as a secondary SDO. To address poverty issues, selected project areas fulfilled such criteria as high proportion of rural population, presence of large groups of ethnic minorities, lack of other external assistance to the health sector, and minimal budget resources available to the province. The long-term objective of this project is to decrease, first in the pilot area and subsequently in other provinces, mortality and morbidity caused by factors that can easily be prevented or treated. The medium-term objectives include expanding access to basic curative and preventive services, enhancing the quality of care, and improving the quality of drugs available to patients. Improvements will be made through the establishment of primary health care stations at village level, training of health care workers, and tighter monitoring of

the pharmaceutical sector. The loan amount was \$48.0 million. The project was approved on 19 January 1995 and is ongoing.

**Loan 1369-LAO(SF): Champassak Road Improvement.** The primary SDO is economic growth. Poverty reduction is the secondary SDO, the beneficiaries in the project areas being generally poor. The objectives are to provide all-weather access to Thailand and Cambodia, support economic growth and employment generation (thus reduce poverty), reduce transport cost, and support the operation and maintenance program of the government. The project was expected to induce growth in the agriculture sector and thereby generate employment. The road construction itself would provide employment of about 3,000 person-years, half of which would be for unskilled workers. The previous experience of ADB in road construction projects in the Lao PDR was cited, showing that incomes rose as a result of the new road, and access to social services improved. The loan amount was \$5.0 million. The project was approved on 31 August 1995 and is still active.

**Loan 1488-LAO(SF): Community-Managed Irrigation.** The primary and only SDO of this community-based project is poverty reduction. The main objectives are to increase agricultural production on a sustainable basis; increase the food security and incomes of about 6,000 farm families, most of whom are small landholders; and improve watersheds by reducing shifting cultivation and promoting tree planting. The project will create job opportunities for 7,000 person-years per annum, raise incomes, raise rice yields, and introduce cash crops. Each community-managed irrigation scheme was to be selected to ensure that the income of at least two thirds of the community members that will benefit from the scheme is below the poverty line, and that the scheme is located in a rice deficiency area where paddy yields are insufficient for the community's subsistence. The project will set up water users associations to ensure community participation. The project was approved for \$14.7 million on 21 November 1996, and is ongoing.

## Nepal

**Loan 1165(SF)-NEP: Third Water Supply and Sanitation Sector.** Human development is the primary and only SDO for this project, which was designed to improve living conditions, particularly for women and children, and to strengthen the water and sanitation sector by mobilizing the resources of the communities and nongovernment organizations in the project area. The provision of potable drinking water within easy walking distance was expected to reduce the incidence of water-related diseases and shorten the time required to fetch water. With the freed-up time, female household members engaged in additional income-generating activities or looked after the household members, and girls could attend school. The project intended to construct or improve water supply systems by providing hand pumps, tubewells, drainage, and piping systems, and construct low-cost latrines. Water users committees created and developed under the project through a community liaison program were designed to ensure active community participation. The project was approved in June 1992 and completed in December 1997 at a loan amount of \$5.0 million.

**Loan 1237-NEP: Microcredit for Women.** The primary SDO for the project is gender and development; the secondary SDO is poverty reduction. The overall goal of the project is to assist the government in improving the socioeconomic status of women by promoting their greater participation and integration in national development. By providing credit and training in income-generating activities, the project expects to improve the income and employment of poor women in selected rural and urban areas. The project targets mostly rural women who live below the poverty line, but will also include a limited number of poor urban women and employees in the commercial sector. The project was approved in June 1993 and completion is expected in December 1999. The loan amount was \$20.0 million.

**Loan 1240-NEP: Kathmandu Urban Development (KUDP).** The KUDP project was approved in June 1993. Its primary SDO is economic growth, with poverty reduction as the secondary SDO. The poverty SDO classification was justified on grounds that 40 percent of the urban population live below the poverty line. Urban poverty is manifested by a growing proportion of the population living in slums and squatter areas, constituting about one third of the total in Kathmandu. KUDP was designed to benefit about 300,000 people, of whom 50 percent belong to low-income groups. Urban poverty was to be reduced through the strengthening of critical municipal services and provision of basic urban infrastructure at affordable prices, which is part of the project's overall objective to improve productivity and urban development. The project provided for selected physical infrastructure improvements and institutional capacity building. The project was expected to continue until October 1999 at a total cost of \$12.0 million.

**Loan 1311-NEP(SF): Irrigation Management Transfer.** The project aims to encourage participation in irrigation development, promote economic growth, and reduce poverty in rural areas. The beneficiaries will be mostly small-scale farmers, including women farmers, who live below the poverty line. The primary SDO for the project is economic growth with poverty reduction as the secondary SDO. The project is intended to contribute to the government's goals of improving irrigation system performance, increasing agricultural production and farm incomes, generating employment, and reducing the incidence of poverty and the government's operation and maintenance budgetary requirements. Smallholders will be empowered and trained in the organizational and technical skills necessary to operate and maintain the irrigation systems they rely on for their livelihood. The

project will raise farmers' confidence in their own capabilities and will enhance self-reliance. The project was designed to have a strong beneficiary participation element by working through the water users associations. Women's participation in irrigation management will be encouraged. The project was approved on 13 September 1994 and completion is expected in June 2002. The loan amount was \$12.9 million.

## Philippines

**Loan 1052-PHI: Second Islands Provinces Rural Water Supply Sector.** The project was approved on 20 November 1990, and did not have an SDO classification. Its main objective was to provide safe and easily accessible drinking water to rural municipalities, particularly in areas with low service coverage, improving it from 69 to 87 percent. The project was expected to benefit more than 1 million people at the end of its implementation. The greatest expected benefits were on public health with the reduction of the incidence of waterborne diseases, and in terms of convenience attained by reducing the amount of time and effort required for fetching water. The loan amounted to \$24.0 million, and the project was completed in February 1996.

**Loan 1216-PHI(SF): Small Farmers' Credit.** The primary objective was to contribute to poverty reduction, create employment opportunities, improve agricultural productivity, and enhance farm family incomes. The project aimed to reduce poverty by making credit more accessible to small farmers. The available credit was mobilized through cooperatives whose members were mostly small farmers. The project assumed that the incomes of these small farmers were below the poverty threshold. The project had two main features: provision of short-, medium-, and long-term credit assistance to cooperatives and small farmers; and strengthening rural credit programs and enhancing the role of cooperatives in the rural financial sector through policy and institutional reforms. The project was approved on 22 December 1992 and was completed on 27 March 1998. Total loan amount was \$75.0 million.

**Loan 1331-PHI: Women's Health and Safe Motherhood.** The project was approved for \$54.0 million on 10 November 1994. It has human development and gender and development as its two SDOs. The project's primary objective was to improve the health status of women, particularly those of reproductive age, to contribute to the government's long-term goal of reducing fertility and maternal mortality. The project financed the improvement of maternal health care providers at different levels in the health care referral system; and the information, education, and communication component. By improving the service supply side, it was expected that health indicators such as maternal mortality rate, low birth weight, and iron and iodine deficiency could be improved.

**Loan 1422-PHI(SF): Cordillera Highland Agricultural Resource Management.** The primary and only SDO of this project is poverty reduction. It aims to reduce poverty by improving agricultural productivity and thereby increasing disposable incomes of smallholders and reducing malnutrition in the target areas. The specific objectives are to promote sustainable resource management practices, encourage the protection of the environment and mitigate adverse development impacts, strengthen existing institutions by involving beneficiaries in project planning and implementation activities, and improve beneficiary access to formal and nonformal credit. The areas targeted by the project are three provinces with average annual household incomes below the estimated poverty threshold and where indigenous people comprise approximately 90 percent of the target population. The project involves constructing or rehabilitating roads, bridges, pilot tramline, communal irrigation system, water supply schemes, and surveying and issuing land titles and certificates of ancestral domain and ancestral land claims. The project will also assist in forming savings and credit farmer groups, and the linking of groups to formal and semiformal financial institutions. Other assistance includes strengthening of institutions involved in project planning and execution. The project was approved in January 1996 and is expected to run until September 2003. The loan amount was \$19.0 million.

# Reflection of Poverty Reduction in Project Design

Country/Project	SDO	Data on the Poor				Exclusion			Components		
	Poverty as Primary SDO Poverty as Secondary SDO	Livelihood Resources Knowledge	Rights/Supportive Policy Environment Specific to Target Group	Disaggregated Poor/Nonpoor and/or Gender Social Barriers	Resource Barriers Barriers to Political/Legal Rights Risk/Adverse Effects Mitigation Measures	Measures to Ensure Inclusion Project Objectives Focused on Poverty Outcome Targets for Poverty	Project-Specific Poverty Indicators Poverty-Specific Outputs Poverty-Specific Inputs				
<b>BANGLADESH</b>											
0908-BAN(SF) Rural Infrastructure Development		✓	✓	✓			✓	✓			✗
1066-BAN(SF) Rural Training			✓	✓			✓	✓			✓
1213-BAN(SF) Rural Poor Cooperatives	✓	✓	✓				✓	✓			✓
1376-BAN(SF) Secondary Towns Infrastructure	✓	✓	✓	✓			✗	✓	✓	✓	✓
<b>KYRGYZ REPUBLIC</b>											
1342-KGZ(SF) Special Assistance	✓	✓	✓	✓			✗				✗
1529-KGZ(SF) Rural Financial Institutions		✓	✓	✓							
1554/5-KGZ(SF) Education Sector Development		✓	✓	✓			✓	✓	✓	✗	
1645-KGZ(SF) Social Services Delivery and Finance	✓	✓	✓	✓	✓		✗	✓	✓	✓	✗
<b>LAO PEOPLE'S DEMOCRATIC REPUBLIC</b>											
0642-LAO(SF) Vientiane Plain Rural Electrification		✓	✓	✓	✓	✓				✗	
1348-LAO(SF) Primary Health Care	✓	✓	✗	✓					✗		✗
1369-LAO(SF) Champassak Road Improvement	✓	✓	✓	✓	✓			✓	✓	✗	
1488-LAO(SF) Community-Managed Irrigation	✓	✓	✓	✓	✓				✓	✓	✓
<b>NEPAL</b>											
1165-NEP(SF) Third Water Supply and Sanitation Sector		✓	✓		✗				✓	✓	✓
1237-NEP(SF) Microcredit for Women	✓	✓	✓	✓			✓		✓	✓	✓
1240-NEP(SF) Kathmandu Urban Development	✓	✓	✓				✓	✗	✓		✗
1311-NEP(SF) Irrigation Management Transfer	✓	✓	✓						✓	✓	✗
<b>PHILIPPINES</b>											
1052-PHI(SF) 2nd Island Provinces Rural Water Supply		✓	✓						✓		✗
1216-PHI(SF) Small Farmers' Credit	✓	✓	✓						✓	✓	✓
1331-PHI(SF) Women's Health and Safe Motherhood		✓	✗						✗	✗	✗
1422-PHI(SF) Cordillera Highland Agriculture Resource Management	✓	✓			✗				✓	✓	✓

✓= information provided, although may be general, ✗= limited information provided, blank = no information provided, SDO = strategic development objective.

# Monitoring and Evaluation of Poverty

Country/Project	SDO	Planned						Actual										
		Data Required	M&E System			Data	M&E System											
	Poverty as Primary SDO	Poverty as Secondary SDO	Benchmark	Midterm or Regular Monitoring	Evaluation (End-of-Project or In-Depth)	People/Units Collecting Data	Data Collection Tools	Poor/Nonpoor	People/Units Using Data	Intended Use of Monitoring Data	Actually Collected (BME)	Data Sensitive to Poor/Nonpoor	Benefits Rather Than Physical/Financial Data	Identifying Whether Poor Benefit/How	Staff Involvement Rather Than Consultant	Reported to Executing Agency/Institution	Reporting to ADB (Covenants)	Corrective Action Taken on M&E Data
<b>BANGLADESH</b>																		
0908-BAN(SF) Rural Infrastructure Development			x	x	x	✓			x		✓					x	x	
1066-BAN(SF) Rural Training			x	✓	x	✓				x	x							
1213-BAN(SF) Rural Poor Cooperatives	✓		✓	✓	✓	✓			x	✓	x						x	
1376-BAN(SF) Secondary Towns Infrastructure		✓	✓	x					x		✓							
<b>KYRGYZ REPUBLIC</b>																		
1342-KGZ(SF) Special Assistance		✓																
1529-KGZ(SF) Rural Financial Institutions			✓	✓	✓													
1554/5-KGZ(SF) Education Sector Development				x		✓			x									
1645-KGZ(SF) Social Services Delivery and Finance		✓	✓	✓	✓				x		✓							
<b>LAO PEOPLE'S DEMOCRATIC REPUBLIC</b>																		
0642-LAO(SF) Vientiane Plain Rural Electrification											x							
1348-LAO(SF) Primary Health Care	✓		✓	✓	✓	✓			x		✓					x	x	
1369-LAO(SF) Champassak Road Improvement		✓	✓	✓	✓	✓					x							x
1488-LAO(SF) Community-Managed Irrigation	✓		✓	✓	✓	✓			x		✓		x					
<b>NEPAL</b>																		
1165-NEP(SF) Third Water Supply and Sanitation Sector			✓	✓	✓	✓			x	✓	x				x		x	
1237-NEP(SF) Microcredit for Women		✓	✓	✓	✓	✓			x		✓					x	x	
1240-NEP(SF) Kathmandu Urban Development		✓	✓	✓	✓	x			x		x				x	x	x	
1311-NEP(SF) Irrigation Management Transfer		✓	✓	✓	✓	✓				x	✓		✓		✓	x	x	x
<b>PHILIPPINES</b>																		
1052-PHI(SF) 2nd Island Provinces Rural Water Supply			✓	✓	✓	✓	x		x									
1216-PHI(SF) Small Farmers' Credit	✓		✓	✓	✓	✓				✓								
1331-PHI(SF) Women's Health and Safe Motherhood			✓	✓	✓	✓			✓	✓	✓							
1422-PHI(SF) Cordillera Highland Agriculture Resource Management	✓		✓	✓	✓	✓				x								

✓ = information provided, although may be general, ✗ = limited information provided, blank = no information provided, ADB = Asian Development Bank, BME = benefit monitoring and evaluation, M&E = monitoring and evaluation, SDO = strategic development objective.

# Beneficiary Profile

Loan Number	National	908-BAN	1066-BAN	1213-BAN	1376-BAN
Human Development Index rank	150				
<b>Poverty line</b>					
Monthly household income (Tk)	3,290				
Calories per person per day	2,112				
<b>Beneficiary income (Tk)</b>					
Average monthly household income		1,984	1,763	1,560	1,563
Ratio of poverty line		0.6	0.5	0.5	0.5
Average by income group					
High (more than)		3,000	3,000	3,000	3,000
Middle		2,250	2,250	2,250	2,250
Low		750	750	750	750
High (as poverty line ratio)		0.9	0.9	0.9	0.9
Low (as poverty line ratio)		0.2	0.2	0.2	0.2
Income disparities among beneficiaries					
Highest income (more than)		3,000			3,000
Lowest income		600			600
Median		1,976	1,793	1,559	1,589
Lowest to highest ratio		0.2			0.20
<b>Living standards (percent)</b>					
<b>Safe water</b>					
National average access (HDR 1999)	95.0				
Access of project beneficiaries		77.9	64.2	88.5	82.2
Ratio of national average		0.8	0.7	0.9	0.9
<b>Sanitation</b>					
National average access (HDR 1999)	43.0				
Access of project beneficiaries		53.1	82.2	51.2	44.1
Ratio of national average		1.2	1.9	1.2	1.0
<b>Quality of housing of beneficiaries</b>					
<b>Higher standard</b>					
Concrete structure		0.2	0.4	4.3	8.0
Brick and tin		4.0	2.2	3.1	
<b>Middle standard</b>					
Tin shed		52.2	50.4	64.4	63.9
Tin and thatched		16.0	26.4	16.4	16.5
<b>Low standard</b>					
Thatched		20.4	18.4	11.4	11.4
Low hut		7.0	1.4	0.2	0.2
Others		0.2	0.8	0.2	
<b>Education (percent)</b>					
National literacy rate (HDR 1999)		38.9			
<b>Beneficiaries' literacy</b>					
Illiterate		48.3	43.1	47.8	50.4
Can read and write (older than 7)		9.3	8.8	13.6	24.5
Class I-V		24.7	24.6	19.7	14.8
Class VI-X		12.3	15.2	14.1	7.9
HSC and above		5.4	8.3	4.8	2.3
<b>Beneficiaries' self-assessment of well-being (percent)</b>					
Worse		-	-	-	-
Better-off		72.5	72.6	69.0	77.3
No changes		27.5	27.4	31.0	22.7

Sources: *Human Development Report, 1999*; ADB, Poverty Reduction Strategy Task Force, and Operations Evaluation Office, United Nations Development Programme, Poverty Reduction Evaluation.

	National	1529-KGZ
Human Development Index rank		97
<b>Poverty line</b>		
Monthly household income (som)	4,376	
<b>Beneficiary income (som)</b>		
Average monthly household income		2,329
Ratio of poverty line		0.5
Average monthly household income		
High		3,834
Middle		2,055
Low		1,216
High (as poverty line ratio)		0.9
Low (as poverty line ratio)		0.3
Income disparities among beneficiaries		
Highest income		10,000
Lowest income		350
Median		1,800
Lowest to highest ratio		0.04
<b>Living standards (percent)</b>		
Safe water		
National average access (HDR 1999)		n/a
Access of project beneficiaries		n/a
Sanitation		
National average access (HDR 1999)		n/a
Access of project beneficiaries		n/a
Size of housing of beneficiaries		
Up to 65 sq m		53.3
65 – 150 sq m		40.5
151 – 200+ sq m		6.2
<b>Education (percent)</b>		
National literacy rate (HDR 1999)		97.3
Beneficiaries' literacy		
No education		0.3
Primary education		15.2
Secondary (incomplete or complete)		59.8
Higher education		24.7
<b>Beneficiaries' self-assessment (percent)</b>		
Worse	33.4	
Better-off	55.8	
No changes	10.5	

Loan Number	National	642-LAO	1348-LAO	1369-LAO	1488-LAO
Human Development Index rank	140				
<b>Poverty line</b>					
Monthly household income (1999) (KN)	218,160				
Calories per person per day	2,100				
<b>Beneficiary income (KN)</b>					
Average monthly household income		304,161	153,204	183,475	203,039
Ratio of poverty line		1.4	0.7	0.8	0.9
Average monthly household income					
High		419,715	188,174	294,131	320,877
Middle		318,887	151,559	196,148	209,533
Low		202,940	96,324	95,561	116,729
High (as poverty line ratio)		1.9	0.9	1.3	1.5
Low (as poverty line ratio)		0.9	0.4	0.4	0.5
Income disparities among beneficiaries					
Highest income		1,700,000	833,333	708,333	1,041,667
Lowest income		10,000	10,000	3,333	11,667
Median		250,000	116,667	150,000	180,000
Lowest to highest ratio		0.01	0.01	0.00	0.01
<b>Living standards (percent)</b>					
<b>Safe Water</b>					
National average access (HDR 1999)	44.0				
Access of project beneficiaries		22.7	14.1	40.9	48.2
Ratio of national average		0.5	0.3	0.9	1.1
<b>Sanitation</b>					
National average access (HDR 1999)	18.0				
Access of project beneficiaries		65.6	8.5	12.7	2.4
Ratio of national average		3.6	0.5	0.7	0.1
<b>Condition of housing of beneficiaries</b>					
Bad condition		8.0	24.1	27.4	12.8
Acceptable		30.7	46.7	35.3	53.0
Good condition		61.3	29.3	37.3	34.1
<b>Building materials</b>					
Cement and bricks		30.6	3.0	4.4	4.9
Wood		39.1	65.2	56.7	61.6
Bamboo		28.2	30.7	32.5	32.9
<b>Education</b>					
National literacy rate (HDR 1999)		58.6			
Beneficiaries' literacy					
Illiterate (older than 6)		11.2	25.5	21.8	26.1
Completed primary education (older than 11)		46.8	55.0	57.5	54.4
Attained some middle school education (older than 14)		26.6	16.4	17.8	26.3
Attained some higher school education (older than 17)		17.3	2.1	5.4	6.5
<b>Beneficiaries' self-assessment (percent)</b>					
Worse		10.1	12.2	18.7	34.3
Better-off		71.4	69.3	81.0	31.3
No changes		17.6	17.0	-	34.4

Loan Number	1165-NEP	1237-NEP	1240-NEP		1311-NEP
			Bishnumati	Naya Bazar	
Human Development Index rank	144				
<b>Poverty line</b>					
Monthly household income (NRs)	2,833				
<b>Beneficiary income (NRs)</b>					
Average monthly household income	4,271	6,308	2,173	2,756	7,341
Ratio of poverty line	1.5	2.2	0.8	1.0	2.6
<b>Average by income group</b>					
High	7,769	n/a	n/a	n/a	12,602
Middle	3,841	n/a	n/a	n/a	6,087
Low	2,056	n/a	2,173	2,756	3,330
High (as poverty line ratio)	2.7	n/a	n/a	n/a	4.4
Low (as poverty line ratio)	0.7	n/a	0.8	1.0	1.2
<b>Income disparities among beneficiaries</b>					
Highest income	25,750	25,250	3,000	6,083	41,667
Lowest income	250	900	1,000	1,250	1,167
Median	3,333	5,083	2,000	2,500	5,833
Lowest to highest ratio	0.01	0.04	0.33	0.21	0.03
<b>Living Standards (percent)</b>					
<b>Safe water</b>					
National average access (HDR 1999)	71.0				
Access of project beneficiaries	12.0	72.5	27.0	42.0	85.0
Ratio of national average	0.2	1.0	0.4	0.6	1.2
<b>Sanitation</b>					
National average access (HDR 1999)	16.0				
Access of project beneficiaries	30.7	16.0	27.0	4.0	25.0
Ratio of national average	1.9	1.0	1.7	0.3	1.6
<b>Quality of housing of beneficiaries</b>					
Cement/concrete/wood/stone	10.0	30.0	36.0	42.0	46.0
Mud/clay	90.0	70.0	64.0	58.0	54.0
Hut	-	-	-	-	-
<b>Education (percent)</b>					
National literacy rate (HDR 1999)	38.1				
<b>Beneficiaries' literacy</b>					
Pre-school	n/a	n/a	n/a	n/a	n/a
Elementary	n/a	n/a	n/a	n/a	n/a
Secondary	n/a	n/a	n/a	n/a	n/a
College	n/a	n/a	n/a	n/a	n/a
<b>Beneficiaries' self-assessment (percent)</b>					
Worse	-	-	-	-	-
Better-off	32.0	78.0	46.0	25.0	42.0
No changes	68.0	22.0	54.0	75.0	58.0

Loan Number	National	1052-PHI	1216-PHI	1331-PHI	1422-PHI
Human Development Index rank	77				
<b>Poverty line</b>					
Monthly household income (₱)	10,323				
Calories per person per day	1,977				
<b>Beneficiary income (₱)</b>					
Average monthly household income		5,319	6,838	6,572	5,354
Ratio of poverty line		5.6	7.2	6.9	5.6
Average by income group					
High		12,456	13,295	10,651	14,346
Middle					
Low		4,585	4,498	4,009	4,463
High (as poverty line ratio)		13.1	14.0	11.5	15.1
Low (as poverty line ratio)		4.8	4.7	4.2	4.7
Income disparities among beneficiaries (cash income only)					
Highest income		103,332	42,500	16,300	61,000
Lowest income		-	220	150	-
Median		3,900	4,015	4,354	4,100
Lowest to highest ratio		-	0.01	0.01	-
<b>Living standards (percent)</b>					
Safe water					
National average access (HDR 1999)	84				
Access of project beneficiaries		94	75	41	12
Ratio of national average		1.1	0.9	0.5	0.1
Sanitation					
National average access (HDR 1999)	75				
Access of project beneficiaries		74	57	68	61
Ratio of national average		1.0	0.8	0.9	0.8
Quality of housing of beneficiaries					
Strong materials		34.7	54.3	42.2	84.8
Light materials		38.0	30.1	39.1	9.1
Poor salvaged/makeshift		10.0	0.0	2.2	3
<b>Education (percent)</b>					
National literacy rate (Bank 1998)	94.6				
Beneficiaries' literacy					
Preschool		5.2	1.1	5.8	2.8
Elementary		56.7	46.7	56.8	58.3
Secondary		25.5	32.0	27.4	30.6
College/vocational		9.5	18.1	10.0	8.3
<b>Beneficiaries' self-assessment (percent)</b>					
Worse		26.0	46.6	32.0	51.5
Better-off		32.7	32.4	52.0	33.3
No changes		40.7	21.0	16.0	15.2

## Distribution of Benefits

**Loan 908(SF)-BAN: Rural Infrastructure.** The project is neutral in that it provides all beneficiaries with equal access to infrastructure. However, the relatively better-off are in a better position to maximize benefits. They report greater savings in travel time and are likely to derive greater benefits from the reduced transportation cost of agriculture produce compared with subsistence farmers or the landless, who do not have a surplus to sell or transport.

**Loans 1066-BAN(SF): Rural Training and 1213-BAN(SF): Rural Poor Cooperatives.** Access to microcredit appears to have been neutral among the beneficiaries. Comparing the relatively better-off with the poorest project participants shows that greater increases in income and savings materialized among the better-off. The poorer groups report higher increases in awareness of nutrition and health issues. It cannot be said with certainty whether these changes can be entirely attributed to the project, and how strong other influences were.

**Loan 1376-BAN(SF): Secondary Towns Infrastructure.** Feedback from this project indicates that the relatively poor among the beneficiaries are benefitting from project facilities. However, the slum areas selected for upgrading are generally in a better condition than the squatter areas where the destitute settle. The lowest income group in the survey is reported to have benefited more from access to safe water, latrines, and solid waste disposal facilities. They also show greater commitment and community participation in project activities. The relatively better-off households in the slum areas tend to house temporary residents, who do not show the same interest in area upgrading and maintaining the facilities. The in-

creased awareness of social and personal development issues is reported to be high for all income groups.

**Loan 1529-KGZ(SF): Rural Financial Institutions.** The project is not designed to reduce poverty. The survey found that 53 percent of credit union members live below the poverty line, and all credit union members benefit more or less equally from access to loans in terms of number and amounts. The high rate of reported profitability (85 percent) indicates that poor credit union members benefit equally, although they are not able to reinvest their profits to the same extent as nonpoor members, 33 percent of whom reinvest in businesses and 21 percent in livestock. In comparison, 18 percent of the poor reinvest in businesses and 25 percent reinvest in livestock. The control group comprised poor households that are not credit union members, who on average are very poor, which is the reason they are not able to join the credit union.

**Loan 642-LAO(SF): Vientiane Plain Rural Electrification.** Access to electricity is even among the poor and nonpoor households because all households have an average income that is above the poverty line. A greater proportion of the poor have "shared" connections.<sup>1</sup> The same proportion of poor and nonpoor households has electric fans (94 percent), television (81 percent) and radio (66 percent) sets. On average, 52 percent of the households have a refrigerator, compared with 31 percent of

<sup>1</sup> A shared connection exists when a household connects to electricity through the neighbor's formal connection. The cost of electricity is agreed upon between the two parties. Without a separate meter, the poor household depends on the nonpoor to determine fairly the rate the poor household should be charged.

poor households. Of the 22 percent of households that use electricity for commercial purposes, one fifth (10 households) belong to the lowest income group and report an average additional income of KN238,450, which is above the poverty line. The middle-income group reports an average additional income of KN157,800 and the high-income group an additional KN257,500. The proportion of households that use electricity to study in the evening is largest among the middle-income group.

**Loan 1348-LAO(SF): Primary Health Care.**

The average income of all households and even that of the highest income group fall below the poverty line. The following observations indicate that the poorest among the beneficiaries received an equally high level of service coverage for vaccinations as the nonpoor did. The proportion of infants and children under 5 years of age from poor households that were vaccinated against measles, polio, or tuberculosis compares favorably with the rates for the nonpoor beneficiaries and with the rates in the control areas. The percentage of women of reproductive age that received tetanus vaccinations is higher among the poor in the project areas, but about equal to the percentage in the control areas, although the percentage is still very low (20 percent). A larger proportion of poor project beneficiaries (63 percent) relies on mobile health teams, which are provided under the project.

**Loan 1369-LAO(SF): Champassak Road Improvement.** The nonpoor tend to benefit to a greater extent from this project than the poor, as increases in agricultural output and sales on district markets are higher among the middle- and high-income groups. Immediately along the road, 57 percent of poor households report no increase in earnings since the road was completed, while 37 percent have additional earnings of up to KN100,000. Only a small fraction of 6 percent earn an additional amount of KN100,000 or more. The proportion of middle- and high-income households with no extra earnings is 40 and 37 percent, respectively, while 30 and 35 percent report an additional income of up to KN100,000. A much

higher proportion (30 and 38 percent, respectively) earn more than an additional KN100,000. This is important because the average income of the beneficiaries spans the poverty line, indicating that a larger proportion of benefits going to the nonpoor is likely to widen the gap between them and the poor. Disparities are even larger in the more remote area of influence of the road.

**Loan 1488-LAO(SF): Community-Managed Irrigation.** The average household income in the project area is below the poverty line. The average income of wealthier households is 1.8 times the poverty line while that of the poor is 30 percent of the poverty line. Benefits from this project are biased toward the middle-income group, which has an average household income that is just marginally above the poverty line. This can be explained by the fact that poverty is defined by lack of paddy land, which means that the poorest are automatically excluded from the project benefits. If the middle-income group is the main beneficiary, then among the better-off the relatively poor with an income just around the poverty line are benefiting the most. Of the middle-income households, 48 percent receive irrigation water, compared with 21 percent of the poor and 31 percent of high-income households. A second crop of rice is grown by 41 percent of the high-income households (10 percent grow a second crop without accessing irrigation water), 28 percent of the middle-income households, and 16 percent of the low-income households. Of the households introducing new cash crops, 88 percent come from the middle-income group. The anticipated trickle-down effect – that even when the poor are not provided with irrigation water, they would benefit from additional employment opportunities – did not materialize. Only a very small proportion of households employ laborers, which is corroborated by an equally small number of households whose members actually work as daily paid laborers.

**Loan 1165-NEP(SF): Third Water Supply and Sanitation.** The average household income in the project area is 1.5 times the poverty line, but the average income of the lowest

income group is only 70 percent of the poverty line. Benefits in terms of physical access to water, improved water quality, and reductions in time needed to fetch water are more or less even for poor and nonpoor groups. In terms of total water consumption, high-income households use an average 9 liters per day per person more than the poor, but only a flat water tariff is charged. Only one or two project areas had a somewhat higher rate for consumers from the high-income groups, but this also was not based on consumption levels. As a result the average cost per liter of water is lower for the high-income groups. Most women finding that less time is required for fetching water use the freed time for additional productive activities. These activities resulted in additional income for 28 percent of low- and middle-income groups, and 47 percent of women from high-income households.

**Loan 1237-NEP:(SF) Microcredit for Women.** The average household income of beneficiaries of this project is twice the poverty line income. Self-reported household incomes prior to the project were much lower: 87 percent of households had an income below the poverty line. This percentage was reduced to 13 percent with the project, and the mean average within this lowest income bracket is higher than before the project. These improvements are attributed to the additional income generated through project activities.

**Loan 1240-NEP(SF): Kathmandu Urban Development.** The ratios of poor to nonpoor residents in two of the project areas are 1:9 and 1:19, respectively, although among the poor, the average household income is just below the poverty line. The nonpoor, therefore, receive the largest proportion of direct benefits from this project. However, the poor benefited from short-term employment: 626 skilled workers were employed an average 65 days each (40,628 person-days) and 1,401 unskilled laborers for an average 76 days each (106,875 person-days). The average daily wage rate was NRs215 for skilled and NRs117 for unskilled labor, which compares favorably with the poverty line of NRs94 per household per day. Further benefits will arise from regular

employment opportunities, some of which have already been generated and will continue to be so as one of the project areas (Naya Bazar) develops. The jobs are typically occupied by low-income groups.

**Loan 1311-NEP(SF): Irrigation Management Transfer.** The average household income in the project area is 2.6 times the poverty line income, and that of the lowest-income bracket is about 20 percent above the poverty line. Water is distributed by land size, which means that high-income households with larger landholdings get a larger absolute amount of water, although at the same rate of water per unit of land (acre). The survey came across reports that the tail end of the irrigation system did not receive sufficient water in all seasons. Cropping pattern changes were probably due to other factors. Discussions indicated some farmers were able to change cropping patterns and increase yields because they had access to microcredits with which they purchased agriculture inputs. The survey found little self-reported changes in income, and the absence of baseline data does not allow any other comparison. Members of higher castes dominate the water users associations as they typically take a leading role in community affairs. Members of lower caste often do not seek election or even participate in meetings. This may be due partly to their status in community, and partly because they need time to work in the fields.

**Loan 1052-PHI(SF): Second Island Provinces Rural Water Supply.** All the beneficiaries report an average household income that is below the poverty line, although the average for households in the higher income group is above the poverty line. The project benefited the poor beneficiaries in terms of increasing access to safe water for 72-93 percent of households. In the control areas, the percentage of poor households with access to safe water is only 61 percent, which indicates that choosing a different project area would have provided the opportunity to improve access to safe water for an even larger proportion of the poor. The proportion of households with a source of clean water on household premises in-

creased to a greater extent among the nonpoor, but the mean length of time required for fetching water is about the same for poor and nonpoor households. The mean average expenditure for water was reduced to a greater extent among the poor households—from ₱73 to ₱35—than for nonpoor households—from ₱150 to ₱92.

**Loan 1216-PHI(SF): Small Farmers' Credit.** Benefits in the form of microcredit and other services, such as dividends, discounts on farming inputs, and free advisory services, are equally accessible to poor and nonpoor members of cooperatives set up under the project. The loan performance, however, varies by income group: 52 percent of nonpoor members are able to generate additional income compared with 37 percent of poor members, which might be due to the fact that 31 percent of the poor cooperative members borrow to meet education and health expenses. The average

amount of additional resources generated is almost the same for poor and nonpoor cooperative members, and is about 3.5 times the amount that poor farmers outside the cooperative manage to generate. Nonetheless, 51 poor cooperative members report difficulties in repaying loans, which compares unfavorably with 42 percent poor who are not cooperative members but borrow from other sources.

**Loan 1331-PHI(SF): Women's Health and Safe Motherhood.** The project results show no differences among poor and nonpoor beneficiaries and those in the control areas. Service utilization (prenatal care, iron and vitamin A supplements, and tetanus immunization) is above 60 percent in all areas. However, the control group shows higher utilization rates of local and rural health stations, which is explained by a somewhat higher incidence of poverty in the control areas.