



Completion Report

Project Number: 34306-013
Loan Number: 2143
September 2015

Nepal: Gender Equality and Empowerment of Women Project

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Asian Development Bank

CURRENCY EQUIVALENTS

Currency Unit – Nepalese rupee/s (NRe/NRs)

		At Appraisal	At Project Completion
		15 November 2004	30 June 2013
NRe1.00	=	\$0.01388	\$0.0105
\$1.00	=	NRs72.00	NRs95.1465

ABBREVIATIONS

ADB	–	Asian Development Bank
ADR	–	alternative dispute resolution
CICC	–	central implementation coordination committee
DDC	–	district development committee
DICC	–	district implementation coordination committee
DWD	–	Department of Women Development
MoWCSW	–	Ministry of Women, Children and Social Welfare
MTR	–	midterm review
VDC	–	village development committee
WDO	–	Women Development Office

NOTES

- (i) The fiscal year (FY) of the government and its agencies ends on 15 July. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2015 ends on 15 July 2015.
- (ii) In this report, "\$" refers to US dollars.

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CONTENTS

	Page
BASIC DATA	i
I. PROJECT DESCRIPTION	1
II. EVALUATION OF DESIGN AND IMPLEMENTATION	1
A. Relevance of Design and Formulation	1
B. Project Outputs	2
C. Project Costs	5
D. Disbursements	5
E. Project Schedule	5
F. Implementation Arrangements	6
G. Conditions and Covenants	6
H. Consultant Recruitment and Procurement	6
I. Performance of Consultants, Contractors, and Suppliers	7
J. Performance of the Borrower and the Executing Agency	7
K. Performance of the Asian Development Bank	7
III. EVALUATION OF PERFORMANCE	8
A. Relevance	8
B. Effectiveness in Achieving Outcome	9
C. Efficiency in Achieving Outcome and Outputs	10
D. Preliminary Assessment of Sustainability	11
E. Impact	12
IV. OVERALL ASSESSMENT AND RECOMMENDATIONS	13
A. Overall Assessment	13
B. Lessons	13
C. Recommendations	14
APPENDIXES	
1. Project Framework	15
2. Financing Plan	21
3. ADB Financing (Actual)	22
4. Loan Disbursements	23
5. Project Implementation Schedule	24
6. Status of Compliance with Loan Covenants	25
7. Economic and Financial Analysis	32

BASIC DATA

A. Loan Identification

1.	Country	Nepal
2.	Loan Number	2143
3.	Project Title	Gender Equality and Empowerment of Women Project
4.	Borrower	Government of Nepal
5.	Executing Agency	Department of Women Development
6.	Amount of Loan	SDR6.636 million
7.	Project Completion Report Number	1541

B. Loan Data

1.	Appraisal		
	– Date Started	26 November 2003	
	– Date Completed	11 December 2003	
2.	Loan Negotiations		
	– Date Started	31 May–2 June 2004	
	– Date Completed	17 November 2004	
3.	Date of Board Approval	16 December 2004	
4.	Date of Loan Agreement	9 June 2006	
5.	Date of Loan Effectiveness		
	– In Loan Agreement	7 September 2006	
	– Actual	28 November 2006	
	– Number of Extensions	2	
6.	Closing Date		
	– In Loan Agreement	30 June 2010	
	– Actual	11 December 2013	
	– Number of Extensions	2	
7.	Terms of Loan		
	– Interest Rate	1.0%	
	– Maturity (number of years)	32	
	– Grace Period (number of years)	8	
8.	Terms of Relending (if any)	N/A	
	– Interest Rate		
	– Maturity (number of years)		
	– Grace Period (number of years)		
	– Second-Step Borrower		
9.	Disbursements		
a.	Dates		
	Initial Disbursement	Final Disbursement	Time Interval
	28 March 2007	17 December 2012	69 months
	Effective Date	Original Closing Date	Time Interval
	28 November 2006	30 June 2010	43 months

b. Amount (SDR million)

Category	Original Allocation	Last Revised Allocation	Amount Canceled	Net Amount Available	Amount Disbursed	Undisbursed Balance
Civil Works	0.46	0.57	0.11	0.57	0.57	0.00
Vehicles and Equipment	0.12	0.11	(0.01)	0.11	0.11	0.00
Community Works and Materials	1.76	1.46	(0.30)	1.46	1.46	0.00
Contract with Service Providers	1.77	1.21	(0.56)	1.21	1.21	0.00
Consulting Services	0.55	0.42	(0.13)	0.42	0.42	0.00
Recurrent Expenditure	0.53	0.81	0.28	0.81	0.81	0.00
Matching Funds	0.47	0.06	(0.41)	0.06	0.06	0.00
Interest Charge	0.15	0.11	(0.04)	0.11	0.11	0.00
Unallocated	0.83	0.00	(0.83)	0.00	0.00	0.00
Total	6.64	4.75	(1.89)	4.75	4.75	0.00

() = negative.

10. Local Costs (Financed)	
- Amount (\$ million)	6.935
- Percent of Local Costs	94.07
- Percent of Total Cost	53.90

C. Project Data

1. Project Cost (\$ million)

Cost	Appraisal Estimate	Actual
Foreign Exchange Cost	1.30	0.437
Local Currency Cost	14.20	12.433
Total	15.50	12.870

2. Financing Plan (\$ million)

Cost	Appraisal Estimate	Actual
Implementation Costs		
Borrower Financed	3.40	3.40
ADB Financed	9.80	7.20
Beneficiaries	2.10	2.10
Total	15.30	12.70
Interest during Implementation Costs		
Borrower Financed	0.00	0.00
ADB Financed	0.20	0.17
Other External Financing	0.00	0.00
Total	15.50	12.87

ADB = Asian Development Bank.

3. Cost Breakdown by Project Component (\$ million)

Component	Appraisal Estimate	Actual
Economic Empowerment	2.64	3.48
Legal Empowerment	0.80	0.00
Social Empowerment	7.50	5.57

Institutional Strengthening and Project Management	2.04	3.65
Base Cost	12.98	12.70
Physical Contingency	0.65	0.00
Price Contingency	1.65	0.00
Interest during Implementation	0.22	0.17
Total	15.50	12.87

ADB = Asian Development Bank.

4. Project Schedule

Item	Appraisal Estimate	Actual
Date of Contract with Consultants	2 Feb 2007	2 May 2008
Civil Works Contract		
Date of Award	15 Feb 2007	27 May 2008
Completion of Work	31 Dec 2010	31 Dec 2012
Equipment and Supplies		
Dates		
First Procurement	15 Feb 2007	5 Oct 2007
Last Procurement	31 Dec 2010	21 Nov 2011
Other Milestones—1st Cancellation		23 Oct 2013
Other Milestones—2nd Cancellation		11 Dec 2013

5. Project Performance Report Ratings

Implementation Period	Ratings	
	Development Objectives	Implementation Progress
From 1 Jan 2005 to 31 May 2005	Satisfactory	Satisfactory
From 1 Jun 2005 to 31 Dec 2005	Unsatisfactory	Unsatisfactory
From 1 Jan 2006 to 31 Dec 2006	Unsatisfactory	Unsatisfactory
From 1 Jan 2007 to 31 Dec 2007	Satisfactory	Satisfactory
From 1 Jan 2008 to 31 Dec 2008	Satisfactory	Satisfactory
From 1 Jan 2009 to 31 Dec 2009	Satisfactory	Satisfactory
From 1 Jan 2010 to 31 Dec 2010	Satisfactory	Satisfactory
From 1 Jan 2011 to 31 Dec 2011	On Track	On Track
From 1 Jan 2012 to 31 Mar 2012	Potential Problem	Potential Problem
From 1 Apr 2012 to 30 Jun 2012	On Track	On Track
From 1 Jul 2012 to 31 Dec 2012	Potential Problem	Potential Problem
From 1 Jan 2013 to 30 Sep 2013	Potential Problem	Potential Problem
From 1 Oct 2013 to 31 Dec 2013	On Track	On Track

D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members
Inception	17–21 Oct 2006	3	15	a, b, c
Review	12–16 Nov 2007	3	15	a, b, c
Review	5–9 Aug 2008	4	20	a, c, d, e
Review	11–16 Dec 2008	4	24	b, c, d, g
Review	16 Nov–6 Dec 2009	3	63	n, e, d
Consultation	23–26 Feb 2010	3	12	b, d, g
Review	7–19 Jun 2010	2	26	d, n
Midterm Review	8–17 Nov 2010	5	50	d, f, g, h, i
Loan Review	20 May–13 Jun 2011	3	75	d, j, k
Review	31 Oct–20 Nov 2011	2	42	d, j
Review	3–20 May 2012	2	36	d, j
Review	30 Nov–30 Dec 2012	2	28	d, j
Review	29 Apr–10 May 2013	2	24	d, j
Project Completion Review	12–30 Sep 2014	4	76	d, j, l, m

a = senior social development specialist, b = project officer, c = project analyst, d = senior social development officer (gender), e = external relation officer, f = rural development specialist, g = senior social development specialist, h = assistant project analyst, i = project and financial management specialist (consultant), j = associate project analyst, k = associate financial control officer, l = senior public management officer, m = senior environment officer, n = rural development specialist.

I. PROJECT DESCRIPTION

1. The Asian Development Bank (ADB) approved a loan of \$10 million for the Gender Equality and Empowerment of Women Project on 16 December 2004. The project became effective on 28 November 2006 after compliance with loan effectiveness conditions that supported achieving the Government of Nepal's legal reform for gender equality and women's empowerment.¹ Acknowledging women's low access to economic opportunities, low political participation, lack of voice and representation, and existing sociocultural barriers, the project was designed to respond to these gender-based inequalities, and particularly for disadvantaged women. It aimed to improve the socioeconomic conditions of poor rural women, including ethnic and low-caste women, through a process of economic, social, legal, and political empowerment. The targeted outputs in the original project design were (i) increased income and assets and employment opportunities for poor rural women (economic empowerment), (ii) increased control by poor rural women over their lives through the use of law (legal empowerment), (iii) increased availability of time and improved opportunities for poor rural women to pursue both personal and community development (social empowerment), and (iv) increased capacity to mainstream gender and promote women's empowerment (institutional strengthening on gender mainstreaming). Project preparatory technical assistance financed by the Japan Special Fund was provided to the government for preparing the project.² The project was closed on 11 December 2013 after two extensions in 9 December 2009 and 12 January 2012.

2. The Department of Women Development (DWD)³ of the Ministry of Women, Children and Social Welfare (MoWCSW) was the executing agency for the project. The project covered two clusters comprising 82 village development committees (VDCs) across 15 districts: 40 VDCs across 8 districts in the Western region and 42 VDCs across 7 districts in the Central region.⁴ These represented the most backward and disadvantaged areas of Nepal, with deep-rooted gender discriminatory practices.

II. EVALUATION OF DESIGN AND IMPLEMENTATION

A. Relevance of Design and Formulation

3. The project was designed in the midst of civil conflict during which issues of severe poverty, inequality, and discrimination across gender, caste, and ethnicity were at the forefront of political and social discourse. In this context, gender discrimination was an inherent social and traditional problem in Nepalese society entrenched in patriarchal norms and practices. The government was a signatory to various international human rights and women's rights conventions and it was struggling to deliver on its commitments. Against this backdrop, the government and stakeholders in the country's development plans put high priority on gender equality and social inclusion. Legal amendments were proposed to eliminate deeply rooted gender-, caste-, and ethnicity-based discrimination. The project design responded to such

¹ This included approval of the Gender Equality Act that repealed 56 discriminatory legal provisions. Other policy actions (albeit not conditions for loan effectiveness) included the Domestic Violence Act, which was passed by Parliament in 2010. The National Women's Commission Act 2007 and National Dalit Commission Act 2008 also passed. The women development officers (later women and children officers) were made permanent government staff. Due to the political and security situation in the country and ADB's cautious approach to proceeding with operations in Nepal at that time, the loan agreement was signed only in June 2006, after twice extending the loan's validity period. The loan became effective on 28 November—almost two years after Board approval.

² Funds of \$537,000 for project preparatory technical assistance was approved in May 2002.

³ DWD was renamed the Department of Women and Children in 2010.

⁴ Project districts were Achham, Baitadi, Bajhang, Bajura, Bara, Dhanusha, Doti, Jumla, Kalikot, Mahottari, Mugu, Ramechhap, Rautahat, Sarlahi, and Sindhuli.

needs and aimed for legal, social, and economic empowerment of rural poor women that will contribute to the overarching goal of poverty reduction. The design was based on previous efforts by the government and development partners for women's development, and essential mechanisms already existed at central and local levels. The project added innovative features to older programs in order to maximize the benefits. Hence, at approval, the project was highly relevant to the government's needs and in line with its 10th Five-Year Plan and Poverty Reduction Strategy (2002–2007). That strategy aimed to reduce poverty as a root cause of civil conflict through advancing gender equality and women's empowerment while eliminating gender-, caste-, and ethnicity-based discrimination. It mandated equal access for women to social and economic infrastructure as well as income- and employment-generating opportunities and the expansion of ongoing targeted programs for women. The project addressed multiple needs for poor rural women's empowerment and strengthened the institutional and legislative basis for gender and caste equality. The project preparation conducted broad consultations with central- and local-level stakeholders from government, civil society, women's nongovernment organizations, donor partners, and community women and men. The project was fully owned by the executing and implementing agencies.

4. The project was designed after completion of the Microcredit Project for Women in Nepal financed by ADB and implemented by DWD that aimed to increase women's access to credit and build institutional capacity of women groups and cooperatives.⁵ Building on the microcredit project experience, the new project took a multipronged approach to promote women's empowerment. The project fully aligned with ADB's Country Program and Strategy (2005–2009) and its commitment to gender mainstreaming approaches across sectors and targeted interventions for gender equality and women's empowerment. The project remained relevant at completion as it helped lift women's socioeconomic status in rural areas, thereby contributing to improving the country's gender equality indicators through demonstrated effects in improving equality. The project faced some practical challenges during implementation due to factors external to the project or unanticipated during project design. To address the challenges, the midterm review made adjustments in outcome and output targets in the original design and monitoring framework and streamlined activities. The change in scope improved the project's focus, and the revised targets were met at project completion. The project frameworks and their status at completion are presented in Appendix 1.

B. Project Outputs

1. Increased Income, Assets, and Employment Opportunities for Beneficiaries (Economic Empowerment)

5. Against a target of 30,000 women beneficiaries to have better access to the project-initiated microfinance activities, 51,445 women benefited directly as savings and credit group members organized into 9,392 women's savings and credit groups. Among these, 62% were from disadvantaged caste and ethnic groups (24% *dalit*, 17% *janajati*, 21% *madhesi*). Women who did not participate as savings and credit group members benefited from training, legal awareness and services, community infrastructures, start-up grants, tools, and equipment that helped improve their living conditions. Access to loans supported rural women in starting new small businesses and upscaling traditional income-generating activities that resulted in women's better income and increased mobility and participation in productive areas. A major part of the loans (59%) was used for small business and enterprises, 17% for medical expenses, and less than 10% each for household needs, children's education, and weddings.

⁵ ADB. 2003. *Completion Report: Microcredit Project for Women*. Manila.

Access to loans and the various income-generation skills training and microenterprise training enabled women to conduct business and raise income. Of the total 12,187 trained in skills development and microenterprise, 6,300 (51.6% against a target of 50%) were involved in their own small businesses and microenterprises, such as raising goats and pigs, vegetable farming, bangle and incense making, and retailing. Of all the entrepreneurs, 23% are *dalit*, 23% *janajati*, 16% *madhesi*, and 31% others. The project contributed to increasing income of the beneficiary households, and of women in particular, from an annual average of NRs28,261 to NRs51,133. This 81% increase compared to the project baseline⁶ nevertheless varied among *dalit*, *janajati* and *madhesi* beneficiaries.⁷ Women wage laborers among group members received start-up grants for income generation, and 1,406 of them in project areas received training and material support that improved their working conditions. The provision of start-up grants to individual women was cancelled after the midterm review (MTR) and a revolving fund grant of NRs100,000 was provided to each cooperative in order to mobilize it for providing greater benefits to its members and effective monitoring of the resources. DWD's revolving fund guidelines were applied and the cooperatives were provided grants on the condition that they mobilize accordingly and maintain proper records of the fund's utilization. The fund was well managed under the supervision of women development offices (WDOs). Although the cooperatives received series of training to build capacity, several cooperatives in remote VDCs struggled to develop adequate capacity. These were mostly cooperatives registered at later stages, and they had difficulty with the likes of advanced bookkeeping that mainly was due to women's low levels of education.

2. Increased Legal Awareness and Improved Access to Legal Services among Beneficiaries (Legal Empowerment)

6. The project strengthened awareness of women's rights regarding domestic violence, reproductive health issues, and gender-based violence through legal awareness campaigns and training for communities, legal personnel, and police cells in the project districts. Such different mediums as FM radio, posters, and street drama were used to reach wider audiences. Approximately 100,000 people participated in various legal awareness programs. A total of 27 judges, 28 prosecutors, and 30 female police personnel were trained in women's legal rights issues. Alternative dispute resolution (ADR) committees were formed in 82 project VDCs to resolve and mediate disputes relating to the likes of domestic violence, discriminatory practices against women, and child marriage. The ADR committees settled 484 out of 611 registered cases. The increased number of cases reported to the police demonstrated increased awareness. The MTR mission reviewed the ADR approach and found it to complement the women's paralegal program supported by UNICEF in other districts. The MTR mission agreed with MoWCSW and DWD to merge the ADR program into the UNICEF-supported and administered paralegal program implemented by DWD with similar implementation arrangements. The 82 ADR committees functioned well with support from the paralegal program. The project enabled women to access identity and legal documents. For example, nearly 76% of all women above 16 years of age in project areas received citizenship certificates against the baseline 67%. Sixty-seven percent of married couples received marriage certificates against the baseline 35%, and 71% received birth certificates. The citizenship certificates helped them access such public benefits as single women's and senior citizens' allowances and

⁶ DWD/MoWCSW. 2012. *Impact Evaluation of Gender Equality and Empowerment of Women Project*. Kathmandu.

⁷ *Dalit* are people suffering from caste and untouchability-based practices as well as social, cultural, and political discrimination and comprise 13% of Nepal's population; *janajati* is a term used for indigenous ethnic communities having their own mother tongues and traditional social structures and cultural identities and constituting 37% of the total population, and *madhesi* refers to people of plains origin and who mostly inhabit terai districts in the south of Nepal and have several languages and caste groups.

increased their access to many other opportunities and benefits that are possible only to those having the certificates.

3. Enhanced Social Welfare and Capacity among Beneficiaries (Social Empowerment)

7. Women's groups at ward level were federated into the VDC-level organization, a savings and credit cooperative, thereby providing greater space for women to work collectively. Beyond providing access to finance, the cooperatives have become important institutions for women in the villages and platforms for networking and collective actions. Under the leadership of 82 such cooperatives, a total 3,548 small community infrastructure projects were completed during 2009–2013 through women's direct involvement. The infrastructure built including mostly water supplies, wooden bridges, culverts, foot trails, grinding mills, hand pumps, irrigation canals, drains, and toilets and benefited more than 70,000 households. The smaller infrastructure projects are maintained by the women's groups with support from the other community users. For this purpose, a small fund from women's savings is kept aside on a monthly basis. These amenities plus other time-saving devices saved an average 41 minutes per day spent on household chores (footnote 6). About 8,096 women engaged in 1,024 user committees to construct this infrastructure selected based on their needs. Women themselves managed community infrastructure funds and played key decision-making roles in construction works, although in some instances village men also supported their work. This helped the women's agencies to expand and also positively changed community perceptions in relation to them. The cooperative members were trained in account-keeping, business planning, leadership, and group management. About 66,000 women received at least one type of capacity development training. Although the training provided women with skills to manage their cooperatives, their low levels of education and limited exposure constrained them to some extent. The cooperatives were legally registered and provided with a community building and revolving fund grants to maximize their services and increase outreach to more members. Some of them have capacity to continue on their own, but those located in far distant VDCs or which are newly registered need constant follow-up support from the district-based WDOs, later renamed women and children offices (WCOs). Visible impacts were noted in women's increased networking and participation in community development activities; access to such district line agencies as livestock, agriculture, and health offices; and capital grants allocated for women in VDC funds. Men's increased support in household work was noted in families, and in the communities women were shown respect for what they accomplished. The project was successful in initiating and establishing a system for women at the lower receiving end to organize and empower themselves.

4. Improved Institutional Capacity for Promoting Gender Equality (Institutional Strengthening and Project Management)

8. Gender capacity development training to district project teams, district implementation coordination committees (DICC), and other stakeholder agencies at local level resulted in increased technical support to women in the villages. Overall, 1,464 local line agency and central level staff members were trained on gender mainstreaming and gender audit. The project mechanism of DICC composed of local line agencies and led by a local development officer at DDC improved coordination of the women development offices with other agencies in project implementation. The Central Implementation Coordination Committee (CICC) constituted the central-level mechanism to enhance the coordinating capacity of DWD and MoWCSW vis-à-vis various stakeholders and leading to their increased accountability. Above 1,200 WDO staff received training on proposal writing, procurement, accounting, and financial management that

increased their project management skills and work outputs. Gender audit of 30 local line agencies conducted during 2009–2010 in 15 districts improved local planning processes and allocation of services to women beneficiaries. A project monitoring and management information system for process-monitoring and result-based data was established at the DWD to capture and track information from the districts. The staffs were trained on use of the system and the monitoring and management information system will be used for the DWD's overall program.

C. Project Costs

9. The total project budget was \$15.5 million, of which ADB provided a loan of \$10 million (SDR6.636 million), the government \$3.4 million, and the beneficiaries \$2.1 million. The loan had a maturity of 32 years, including a grace period of 8 years; an interest rate of 1.0% per annum during the grace period and 1.5% per annum thereafter; and such other terms and conditions as set forth in the loan agreement.⁸ The project costs and financing plan at project preparation and closure are presented in Appendixes 2 and 3.

D. Disbursements

10. Disbursements were very slow in the project's initial phase. Delays in setting up the required systems, procurement of local contractual staff and their deployment in remote and disadvantaged areas, protracted political transition, unstable governments, and weak institutional capacity that led to some delays in project implementation were the key reasons for low disbursements. Progress was achieved after all local staff were hired by mid-2010. There was speedy recovery during 2010–2013, and this was supported by two project extensions. After the MTR, NRs20 million was reallocated from the recurrent to the capital budget. That allowed more investment in community infrastructure funds. At project closure, \$7.37 million was disbursed out of the \$10.28 million loan amount and \$2.91 million remained unutilized. Appendix 4 presents the loan disbursement details.

E. Project Schedules

11. Implementation started on 28 November 2006, which was 2 years after loan approval and following signing of the loan agreement only in June 2006. The government's delayed compliance with conditions for loan effectiveness [footnote 1 and para. 14] had delayed start-up. The project was first extended for 2 years in 2010 and again in 2012 for 1 year. The extensions helped to make up for the initial delay and to achieve revised targets. The project schedule was also greatly affected by delay in hiring local staff and the very remote locations of project areas which required longer time for staff mobilization, activity implementation, and monitoring. The remoteness also caused high staff turnover, which influenced overall implementation. Political and politically associated instability in the early years of implementation affected these processes.⁹ Despite these challenges, the project was successfully completed by the revised closing date in 11 December 2013. The project schedule is presented in Appendix 5.

⁸ ADB. 2004. *Report and Recommendation of the President to the Board of Directors on a Proposed Loan to the Kingdom of Nepal for the Gender Equality and Empowerment of Women Project*. Manila.

⁹ Royal takeover from 2005 to early 2006 did not provide an environment conducive to legal reform, and the subsequent political turmoil leading to a peace agreement in 2006, the *madhesi* movement in 2007, and instability before the Constituent Assembly election in April 2008 affected the overall development process and caused delays.

F. Implementation Arrangements

12. The MoWCSW was the executing agency for the project (footnote 9). The implementing agency was its DWD. The CICC chaired by the Secretary, MoWCSW was established for coordination between the various stakeholders, policy advocacy, and high-level monitoring. Members of the CICC were the Director General of DWD, as well as representatives from the National Planning Commission, relevant ministries, the National Women and Dalit Commissions, the Janajati Federation, and the NGO Federation. A DICC was formed in each project district led by a local development officer at district development committee and including all line agencies, civil society and development partners for coordination, advisory role and monitoring. The Director General of DWD was the project director. The central project management team was based in DWD, headed by a full-time project manager and a team of staff. The women development officers (renamed Women and Children's Officers in 2010) managed district project teams and overall project implementation in the district. The district project teams were 100% staffed by women other than their having a male sub-engineer. The short-term services of three consulting firms were acquired for a capacity development program in microfinance and institutional strengthening of cooperatives, microenterprise development, and establishing a monitoring and management information system.

G. Conditions and Covenants

13. All loan conditions and covenants for legal amendments and new laws to promote gender equality (enactment of the Gender Equality Act, Domestic Violence Act, Acts of the Dalit and Women Commissions) were complied with by the government. Thirty-nine project covenants were complied with fully and two were complied with in part. The WDO did not include a lawyer as a member of its team with a mandate to assist in the issuance of birth, marriage, and citizenship certificates in remote areas, but these tasks were effectively addressed by other district level staff members who played a vital role in facilitating issuance of these certificates to women. The last audited project financial statements, which were to cover the period from 16 July 2012 to 30 June 2013, were not submitted although those of previous years were submitted. The status of compliance of project covenants is given in Appendix 6.

H. Consultant Recruitment and Procurement

14. Three consulting firms were recruited using a cost- and quality-based selection method. Goods, services, and civil works financed by ADB were procured following ADB's Procurement Guidelines. All civil works contracts for community infrastructure were made using the method of community participation in procurement. Following the community infrastructure development procedures outlined in the project administration manual, separate community infrastructure procurement guidelines were developed by the central project management team and endorsed by the CICC. The DICCs supervised and monitored implementation of the guidelines. Requests for community infrastructure were collected from women's groups under the WDO's facilitation, and the WDO signed a contract with each women user committee for civil works. The sub-engineer based within the district project team supported user committees in preparing design and cost estimates for the infrastructure and supervised construction work in coordination with user committees. The quality of construction was checked and ensured by a senior engineer and procurement consultants at the central project management team. Two national senior engineers and 15 sub-engineers were recruited for supervision and quality control of civil works. The fiduciary oversight was implemented by WDOs and DICCs on the ground and CICC at the center. DICCs and CICC endorsed district and the overall project's annual plans, respectively,

and held quarterly meetings to assess progress and financial accountability. No international consultant services were used for the project.

I. Performance of Consultants, Contractors, and Suppliers

15. Overall, the performance of consultants was satisfactory. The development of database software and impact studies, training outputs, resource persons, and logistics were well delivered by METCON Group, Centre of Micro Finance, and National Entrepreneurship Development Centre. The community contracts with women user committees through WDOs were managed satisfactorily for civil works and contributed to empowering the committees and building their skills to manage small projects. The user committees themselves purchased construction materials, as those were in small quantities, and skilled labor was hired locally under supervision of the sub-engineers and WDO staff. Many poor women themselves worked as labors in the construction. There were no supplies of large materials.

J. Performance of the Borrower and the Executing Agency

16. The performance of the borrower and the executing agency is rated *satisfactory* in view of the contextual circumstances. Foremost is that the executing and implementing agencies, despite initial challenges during the start-up phase, provided experienced staff, resources, and support facilities for the project management despite their own weak institutional capacity and limited resources. The women development officers in most districts were dedicated and made credible efforts to ensure smooth implementation of the project. In spite of remoteness, hardship, inaccessibility of project areas, and the fragmented nature of project activities, they managed to deliver the outcomes by effectively using the project's extended period. The fact that the government fully complied with almost all loan conditions demonstrates a satisfactory performance. The civil works component involving the women themselves constituted a new approach for the executing agency and one which was difficult to deliver upon without in-house technical expertise. Nevertheless, this was successfully implemented. The government's provision of regular counterpart funding for the project showed strong commitment to gender mainstreaming and women's empowerment. Lapses in field monitoring occurred mainly due to the remoteness of project VDCs. Coordination with sector and/or line agencies was effective where women development officers were strong and weaker where they were not strong.

K. Performance of the Asian Development Bank

17. ADB's performance is also rated *satisfactory* for its effort to achieve the project objectives successfully in spite of its ideal design and to implement it with several contextual challenges. The project's scope placed difficult demands upon relatively weak executing and implementing agencies and in a politically unstable and challenging environment. To address this, ADB provided stand-alone capacity development technical assistance to the executing and implementing agencies in the initial phase to boost their capacities in project management and institutional strengthening.¹⁰ The change in scope made after the MTR was crucial for the project's success.¹¹ Other ADB review missions, too, identified critical implementation issues and undertook corrective measures, such as to revise the consultant procurement method, reallocate loan proceeds, conduct policy dialogue with the Ministry of Finance for local staff

¹⁰ A technical assistance to Nepal for Capacity Building for Gender Equality and Empowerment of Women was implemented from November 2006 to November 2008. The technical assistance completion report was prepared and submitted in September 2009.

¹¹ ADB. 2010. *Aide Memoire of Mid-Term Review of Gender Equality and Empowerment of Women Project*. Manila.

recruitment guidelines, and address the needs of WDOs located in remote areas. From project preparation through implementation, ADB consulted extensively with the concerned development partners, civil society, and government agencies. It exchanged experience in related fields to improve the implementation process. This enabled the project to achieve faster progress, and particularly at later stages of implementation. Frequent changes of headquarters-based ADB project officers affected implementation. To ensure closer support in project implementation, the project was delegated to ADB's Nepal Resident Mission after the MTR mission in November 2010.

III. EVALUATION OF PERFORMANCE

A. Relevance

18. The project is rated *relevant* at design, as it responded to the country's persistent gender inequalities. It was a timely intervention given the ongoing conflict within the country and when social and economic transformation was in demand. The project recognized the multiple gender-based barriers that women experience and developed an innovative multipronged response to address economic, social, and legal empowerment of women. A holistic approach contributed to achieving the project objectives and the overall goal to improve women's socioeconomic and legal empowerment. The project introduced innovative activities that significantly enhanced DWD's traditional women's development program. These include to build small community infrastructure, introduce ADR approaches to promote legal empowerment of women, and support women's entrepreneurship. These activities were instrumental in building women's confidence, providing them opportunity to prove themselves in management roles, developing leadership skills by handling local disputes and earning income for the family. Their status in their families and communities were thereby enhanced. A minor change in scope made during the MTR mission adjusted and streamlined a few of the project's activities and targets.

19. The project was in line with ADB's Country Strategy and Program (2005–2009) and the 10th Plan (2002–2007) of the government that emphasized advancing gender equality, women's empowerment, and elimination of gender-, ethnicity- and caste-based discrimination. The choice of DWD as implementing agency was appropriate in view of its long-term engagement in women's development programs at local level and district-based women development officers experienced in women's mobilization efforts. The institutional structures were in place for the project to be implemented in rural and the most backward and disadvantaged areas. The MoWCSW, established in 1996, when the DWD and district-based WDOs initially were operating under the Ministry of Local Development, were moved under the ministry. It provided institutional support to project implementation and policy-based actions demonstrating ability to ensure coordination and ownership. The legal framework and policy actions necessary to break traditional practices against women and reduce barriers to their empowerment were highly relevant. Women's paralegal groups were empowered and their existence contributed to reducing violence against women. The project was also relevant to support capacity building at DWD and WDOs toward performing their mandates in gender mainstreaming and coordination with district line agencies. The project was relevant also at its completion, as gender equality remained a priority in the government's three-year interim plans (2007–2010, 2010–2013). The project reached out to the most disadvantaged women who have never benefited from any projects. The minor change in scope improved the interventions.

B. Effectiveness in Achieving Outcome

20. The project was *effective* in achieving its outcome. It was able to reach out to poor and disadvantaged women in remote VDCs, including those from disadvantaged caste and ethnic minority groups, and improve their status socially, economically, and legally. Women from central terai and western hills, the highly marginalized, and the poorest benefited greatly from the project activities. The original design and monitoring framework had an outcome target of 100,000 households, including both direct and indirect beneficiaries in project areas to have enhanced social, legal, and economic status. The MTR clarified that to mean 70,000 beneficiary households based on updated demographic data which revealed the total number of households to be below 100,000.¹² About 71,189 households from the project areas benefited directly and indirectly from small community infrastructure, and 100,000 from legal awareness (footnote 6). Thus, the revised target of 70,000 was exceeded. The majority of these beneficiaries (62%) were from disadvantaged caste and ethnic groups and had never received this type of support. This is especially true for the *dalit*, who comprised 23% of the project beneficiaries.¹³ Against the original outcome target of 50,000 women to have improved and regular sources of production and income, 51,445 women obtained direct access to microfinance, community infrastructure, legal services, and income-improving resources. This number exceeded the revised target of 30,000 women under the economic empowerment output specifically to have improved access to microfinance through savings and credit groups, increased access to various services even beyond project-assisted activities, and improved social and economic status. In addition, 8,597 women became user committee members who managed and/or supervised civil works, thereby improving their management and leadership skills. Seed money and support in the forms of tools and equipment improved working conditions for 1,406 wage-laboring women. A large number of women, (12,187) received basic and advanced microenterprise training, and more than 50% of them are running businesses. A total of 1,332 women underwent legal training, became members of the dispute resolution committees, and actively engaged in paralegal work, thereby gained recognition from their communities. The MTR's revised output targets were achieved, and in some activities exceeded.

21. The formation of ward-level groups, membership in various committees, savings and credit cooperatives, and participation in various trainings increased the confidence and strengthened the capacities of women beneficiaries. Many of them visited diverse local government offices and service providers and met people in the public domain. They organized themselves into groups and claimed what was in their best interest. Many women's groups participated in VDC planning processes, received VDC grants for skills development, and benefited from income-generation and reproductive health programs. Knowledge on microenterprise and exposure to various skills-based training enabled women to identify new economic products, engage in small business, and increase income. Many became entrepreneurs and involved their spouses and family members in their enterprises. Hundreds of women who were not part of savings and credit groups nevertheless were among the beneficiary families benefitting from community infrastructure, legal services, and health awareness programs. More than 100,000 women and men participated in legal awareness campaigns.

¹² The household data assessment during the MTR on the basis of a national demographic survey in project areas was found to be around 72,000, thus less than the project's original target.

¹³ *Dalit* in Nepal comprises 13% of the total population according to the National Census 2001 and 2011.

22. The impact study on the project provided sufficient evidence of significant changes in women's status and their lives as a whole. At the family level, these include support from men in the family and influence in family decisions regarding concerns such as relate to children's education and health. Many women from disadvantaged communities became members in executive committees of cooperatives, working groups, and user and/or construction committees that helped to lift their social status. Women's community involvement generally enhanced their status and provided them opportunities to influence decisions. The cooperatives also served as platforms for women to voice their concerns, take collective action, and deal with gender issues. The outcome in the most remote areas was weaker compared to that in more accessible areas, but social changes are visible there, too.

23. The encouraging results were produced through various carefully planned interventions, which to some extent made the project a bit complex to implement. The MTR made constructive changes by (i) cancelling start-up grant support to individual women and increasing grants to cooperatives, (ii) discontinuing tool and equipment support to women wage laborers and increasing the community infrastructure fund, (iii) merging ADR activity in its legal component into the paralegal program supported by UNICEF, and (iv) recruiting sub-engineers for all project districts to support construction of community infrastructures. The minor change in scope greatly improved project effectiveness. The project was extended twice after the MTR, first in 2010 for 2 years and in 2011 for another 1 year. The extended period allowed the project to achieve the revised physical outputs (and outcome). The institutional capacity of many cooperatives nevertheless did not mature sufficiently to function independently, and they required follow-up support from WDOs even after project closure.

C. Efficiency in Achieving Outcome and Outputs

24. The project is rated *less than efficient* in achieving its outcome and outputs in the given project timeframe and in terms of economic benefits. Pursuing efficiency in this project was a challenge, given that the project was designed during the conflict period and it took a conflict-sensitive approach (i.e., applying flexibility in implementation by adjusting scope and implementation arrangements based on lessons learned during implementation). As such, the project rating of less than efficient in implementation efficiency can be deemed as close to the border line of "efficient". Despite this situation, the project's cost-effectiveness as measured on the basis of change in income level of women and beneficiary households, time saved for women through use of time-saving technologies, and community infrastructure showed positive results. The project supported several economic development activities, such as skills training, entrepreneurship training, and start-up grants to create employment and increase incomes of the beneficiaries. In some areas, these were highly successful while in others success was limited due to their remoteness and lack of access to markets. The established enterprises were found to be viable mainly in such agriculturally based areas as goat production and vegetable farming, and women were found to utilize time savings for generating income. Of those trained, 52% have utilized their training knowledge for income-generating activities and microenterprises. Women who participated in savings and credit programs and among those who took out loans, 49% used this for their own traditional income-generating activities and there were a few new enterprises, more than 90% of which earned income ranging from NRs1,000 to NRs7,000 per month during project implementation. The income increase among beneficiaries was not equal across all project VDCs.

25. The economic cost of time saved due to use of community taps supported by the project is NRs2,200 per year—double that expected by the project. Out of those households able to save time due to community taps, 67% have utilized the time saved in income-generating

activities. In addition, households had access to safe water and thus lower exposure to waterborne diseases. Improved hygiene and reduced infection resulting from improved sanitation facilities due to the construction of toilets are not quantifiable. An average 41 minutes per day has been saved by the use of community infrastructures (footnote 6).

26. Implementation was slow during the first 3 years (2006–2009) due to high turnover of project managers and delay in hiring local staff. Frequent change of ADB project officers also influenced institutional memory and affected timely response to implementation challenges. To offset the delay, the project was extended twice for a total of 3 more years. A minor change in scope was made to streamline activities and targets in order to improve focus and efficiency in implementation, combine resources, reduce waste, and harmonize activity with other projects. After the MTR in 2010, the implementation accelerated despite problems with staff retention, but there was less time left for adequate follow-ups to ensure economic sustainability of project interventions and SDR1.885 million of the approved ADB loan was not spent.

D. Preliminary Assessment of Sustainability

27. The sustainability of project outcomes is assessed as *likely*. The government, through the DWD and WDO, is strongly committed to follow through and take forward the project-initiated measures. The favorable environment existing in the country for political and social transformation will continue to create a supportive environment at local level to sustain the project's achievements for women's overall empowerment. To enhance institutional capacity and better address women's concerns in rural areas, the MoWCSW is in the process of increasing the number of staff and other resources at local level by implementing its newly approved organization management framework that will result in more inputs to the districts and VDCs. The project activities undertaken in 15 project districts and 82 VDCs have been integrated into DWD's regular program and are now provided to all districts and VDCs in the country. The increased human resources will enable WDOs to support remote VDCs, although hardship will remain in the weaker and most-remote ones. The WDOs mobilized and continue to manage the grants to cooperatives, most of which continue operative. The continued support of both DWD and WDOs for the project-initiated women's groups and cooperatives will help sustain these organizations. The paralegal groups institutionalized by DWD and being expanded nationwide with support from several development partners have emerged as good local mechanisms to deal with gender-based violence and facilitate women's access to legal aid and the justice system.

28. The women beneficiaries of the project have also taken ownership in continuing the management of groups and organizations that support their economic empowerment. Institutions such as village level women's groups, ward-level committees, and VDC-level cooperatives have developed their own cycle of savings and credit activities using their own resources, and these will be sustained much beyond the project. These institutions will remain as sustainable mechanisms for women's empowerment. Through their own investments, women continue to obtain access to loans for income generation and enterprise development. The 2012 impact study found that more than 80% of women beneficiaries surveyed responded that the project intervention brought many positive and visible changes in their lives. Several case studies showcased women's ability to participate in decision making, access resources from the VDCs, handle and further develop their own businesses and enterprises, access legal help, and engage in community activities.

29. Women's microenterprises, such as vegetable, goat, or pig production, as well as tea and refreshment shops, have been shown to be economically viable and to provide the intended

returns and benefits to the communities, as assessed in 100 sample households by the project completion review mission. These demonstrate financial viability with financial internal rates of return ranging from 25.0% to 71.9% (Appendix 7). The success of these entrepreneurs has a demonstration effect on other women and encourages them to undertake similar enterprises. The remoteness and inaccessibility of project VDCs in hilly districts, however, mean there are fewer such economic opportunities there for women and their households.

30. Such objects of community infrastructure as water supply, mills, small bridges, culverts, and women's multipurpose centers will continue to improve women's daily livelihoods. These small structures requiring only minor repairs occasionally, for which operation and maintenance guidelines were prepared under the project and training to user groups was provided. WDOs will provide technical monitoring and support to user groups. If financial resources are required for major repairs, these will be accessed by women's groups from VDC and district development committee funds. Smaller maintenance expenses will be covered by women's savings funds, as many women's groups have allocated 10% of their savings for infrastructure maintenance. The enforcement of affirmative laws and legal provisions such as the Domestic Violence Act and several others, and the policy actions supported by the project will contribute to protecting women's rights and gender equality. A progressive move in this direction can be seen in increased public awareness and capacity development at concerned agencies in order to deal with these matters.

E. Impact

31. The project impact is rated *significant*, as it contributed to reducing poverty in the project areas and among beneficiary women by an average of 80% against the baseline. The average annual income per household rose from NRs28,261 (baseline) to NRs51,133 in 2013. The cash income of *dalit*, *janajati*, and other caste group households grew by 79.8%, 23.2%, and 100.7% respectively. The income gain was noted in both male-headed and female-headed households. Women's increased involvement in income-generating activities through project interventions resulted in greater family income and well-being. Aside from poverty reduction, other project measures have had positive impacts on the lives of poor rural women and improved their status within their families and communities. These include increased knowledge and exercise of their rights and enhanced capability to participate in decision making at the household and community levels. However, a lack of connectivity and public services in remote project areas remain key impediments to increasing the coverage of project initiatives and impacts. Nonetheless, the effects of other factors have favored poverty reduction in beneficiary households that is in addition to the project's larger contribution. The project demonstrated women's increased ability to recognize their own requirements and negotiate for their rights within and outside the family. Women in disadvantaged communities are well represented in this regard. Women's enhanced rights under laws and regulations have long-term impacts on improving gender equality in the country. The project contributed greatly to enhancing capacity at DWD and WDOs in project management and in envisioning aims and outcomes for related programs in the future.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

A. Overall Assessment

32. The project is rated as *successful* overall based on its ratings for relevance, effectiveness, efficiency, and sustainability. This indicates that the design and implementation were acceptable (even though several contextual challenges were encountered) and the project had more or less the development impact anticipated at appraisal. The project was consistent with the government's development priorities at the time of approval as well as at completion. It was implemented as conceived and later revised for greater effectiveness during the MTR. It achieved its overall objective of empowering women of various social backgrounds economically, socially, and legally. The project was considered *less than efficient* (due to delay, inability to manage staff and consultant services in a timely manner, and incomplete utilization of funds) but likely to be sustainable. Women beneficiaries in remote and underdeveloped areas received new opportunities to access resources and services. The project demonstrated impacts brought about by active, committed, and responsible women in leadership positions of groups, committees, and cooperatives. The DWD gained credibility by demonstrating its ability to implement such a large-scale project. Resource management, program selection, implementation, information management, and overall coordination performed by the project provided experience to DWD for implementing such projects in the future.

B. Lessons

33. Multiple and interrelated women's issues are best addressed through integrated approaches for creating better synergy. The project's approach of strengthening the capacities of the DWD and WDOs, formation and capacity building of women's organizations, building women's knowledge about their rights, and targeted interventions to address women's practical needs, such as income generation, time-saving technologies, and women-friendly infrastructure, has given women better access to opportunities and services that responded to their needs not only for survival but also for better social mobility and empowerment. Access to microfinance and support through start-up grants were instrumental for women's economic empowerment.

34. In order to reduce the gap in overall human development and gender equity indexes, the targeted interventions on women's empowerment are still highly relevant in Nepal.

35. VDC clustering in the project area based on geographic contiguity and similarity should be considered when selecting project sites in remote areas. Doing so can improve staff mobility, service delivery, monitoring, and supervision.

36. Intersectionality is an important element to be addressed in projects promoting women's empowerment and gender equality. Women are a heterogeneous group and their diversity based on caste, ethnicity, religion, region, and language are critical factors contributing to their abilities to benefit from and contribute to the overall project implementation.

37. Coordination with like-minded donors and other stakeholders on a regular basis helps in improving project implementation, harmonizing approaches, eliminating duplication, creating synergies, and resolving implementation issues.

C. Recommendations

1. Project Related

38. **Future monitoring.** The project established a computerized monitoring and management information system in all project districts. These need to be maintained and gradually expanded to other districts to cover the regular programs of DWD and WDOs. DWD must issue a directive to WDOs to ensure effective monitoring of the project VDCs and continued progress reporting on women groups and cooperatives' activities.

39. **Covenants.** Covenants to ensure management structures and improved legal frameworks are essential. Activity-level criteria or guidance (e.g., to adopt local languages at field sites and to provide WDOs space within DDC buildings), however, should not be included as covenants.

40. **Further action or follow-up.** The following actions are recommended to expand and sustain project benefits:

- (i) The government needs to continue support to project VDCs, ensure that DWD and WDOs are better staffed and have competent human resources able to work in remote areas, effectively liaise with line agencies and service providers, and secure adequate budgetary support. WDOs should continue to provide regular support to women's groups and cooperatives, and especially to those with limited capacity and that are newly registered. More training should be given to members of women's groups and cooperatives.
- (ii) A number of guidelines and manuals have been prepared with the project's support, targeting the needs of DWD. DWD needs to use these guidelines and manuals to strengthen its capacity and provide technical support to WDOs across all districts. The good practices and lessons from the project need to be used in DWD's regular programming so that women in all 75 districts benefit from the project model and related interventions.
- (iii) Maintenance of project-supported community infrastructures should be attended to with support of funds from women's groups and VDCs. Operation and maintenance guidelines must be implemented to sustain the infrastructure.

41. **Additional assistance.** Beyond gender mainstreaming in sectors, ADB should continue to support targeted and focused programs for gender equality and women's empowerment. ADB assistance is vital in developing institutional capacity at MoWCSW and DWD, thereby promoting the convergence of gender mainstreaming efforts at sector, national, and local levels.

42. **Timing of the project performance evaluation report.** The preferred timing of a project performance evaluation report is the third quarter of 2017.

2. General

43. ADB's continued engagement in gender mainstreaming and women's empowerment is crucial for achieving the goals of poverty reduction and inclusive growth. ADB should take both mainstreaming and focused approaches for reducing inequalities across gender, ethnicity, regions, and economic groups to give equal opportunities and access to its development assistance to women, men, and people from excluded groups.

PROJECT FRAMEWORK

Design Summary	Performance Indicators/ Targets	Status at Project Completion
Impact Reduced incidence of poverty among poor and disadvantaged rural women in project areas (beneficiaries) ^a	Poverty incidence in project area communities reduced by 20 percentage points from baseline	
Original Purpose/Outcome Poor rural women, including low-caste and ethnic groups, empowered economically, socially, and politically	Original A total of 100,000 households have positive economic and social development impacts from the project. ^b 50,000 women have improved and regular sources of production and income.	<ul style="list-style-type: none"> • Around 72,000 households in project areas benefited directly and indirectly from project activities. Some households benefited by more than one intervention. More than 50% of the project's direct beneficiaries belonged to disadvantaged groups. • A total of 51,445 women (1 woman from each household) became members in project-initiated groups and directly benefitted from all the project activities. Among them, 62% were from disadvantaged caste and ethnic minorities (24% were <i>dalit</i>, 17% <i>janajati</i>, 21% <i>madhesi</i>) and 38% were others. These women also became members in 82 registered savings and credit cooperatives. The women have improved social and economic status after obtaining access to microfinance and other project-supported activities. • Microenterprise training in various skills was provided to 12,187 women, among which 23% were <i>dalit</i>, 23% <i>janajati</i>, 16% <i>madhesi</i>, and 31% others. • A total 1,406 women who were daily wage workers benefited from various time-saving technologies, tools, and equipment. • A total 8,597 women became members in 1,024 user committees. They managed construction of 3,463 small community infrastructures. • The average annual income of beneficiaries has increased from NRs28,261 to NRs51,133 (at 2007/08 fixed prices), which is about an 80.9% increase in comparison to baseline. The increase in income is about 79.8%, 23.2%, and 100.7%, respectively, for households in categories <i>dalit</i>, <i>janajati</i>, and others. • Nearly 77.3% of total beneficiaries used community taps, which compares to a 65% baseline. Water taps helped to save women an average 41 minutes a day. Especially water taps and grinding mills provided women time savings while freeing them from heavy physical burdens. • Women played key and decision-making roles as committee leaders. Moreover, women's participation increased in most of such crucial activities as business dealings, loan-taking, and participation in community meetings and other social gatherings. Meanwhile, their participation in menial tasks decreased. Similarly, women's decision-making roles increased in most of the activities, thereby transforming the solely men's decision-making roles seen in the baseline
Revised Outcome Beneficiaries empowered economically, legally, and socially	Revised 70,000 beneficiaries (90% of total beneficiaries in project areas) have enhanced economic, legal, and social status compared with baseline. ^c At least 50% of beneficiaries belong to disadvantaged groups.	

Design Summary	Performance Indicators/ Targets	Status at Project Completion
<p>Original Output</p> <p>1. Economic empowerment Increased income, assets, and employment opportunities for poor rural women</p> <p>(i) To increase women-led viable microenterprises</p> <p>(ii) To improve opportunities and conditions for female wage laborers</p> <p>(iii) To increase access to microfinance for women's groups, including SCCs and informal groups formed under MCPW</p>	<p>Original</p> <p>By December 2009: Household assets as measured by house size and quality of wall, roof, and floor materials; clothing; and sleeping and kitchen equipment improved. A total 30,000 women, at least 30% from dalit and janajati, have been trained and supported in establishing and operating microenterprises. Training programs have been designed and implemented for each group involved in new microenterprises. The ratio between number of project-supported microenterprises and number of microenterprises with linkages to credit institutions is at least 90%. The ratio between number of approved demands and number of households benefiting from the package and animals is at least 90%. Demand for agriculture and husbandry extension services increased. The ratio between the number of demands and the number of households having access to commercial poultry or pig package is at least 90%. Beneficiaries' perception of socioeconomic impacts is positive. The ratio between approved projects and implemented projects is at least 90%. Trends in demand for vegetable, mushroom, and honey development are positive. At the end of the project, 90% of female wage laborers of the selected VDCs are aware of and more confident in the economic and labor environment. 40% of the female wage laborers trained are engaged in higher and more secure labor productive jobs, including foreign employment. Income levels increased by at least 30% for female wage laborers in the selected VDCs. 90% of female agricultural laborers that received tools and equipment have increased their income. 90% of the beneficiary women and disadvantaged</p>	<ul style="list-style-type: none"> Income generation and entrepreneurship training was provided to 12,187 women of the project districts. Of the total trainees 6,300 (51.7%) have utilized their training knowledge in their businesses. Of the total households of the sample VDCs, 86% have operated microenterprises through the seed grants money and credit from cooperatives. The average percent of microenterprise households is 86%. Of the total entrepreneurs, 23% are <i>dalit</i>, 23% <i>janajati</i>, 16% <i>madhesi</i> and 31% others. A total 1,406 women wage laborers improved their working conditions in their traditional productive works through equipment and tools support. A total 51,445 beneficiaries against the 30,000 target have improved access to savings and credit services. On average, an 80% increase in income was reported among beneficiaries compared to baseline. The average annual income of beneficiaries has increased from NRs28,261 to NRs51,133 (at 2007/08 fixed prices), which is about an 80.9% increase in comparison to baseline. The increase in income is about 79.8%, 23.2% and 100.7% respectively for households in the <i>dalit</i>, <i>janajati</i>, and other categories.

Design Summary	Performance Indicators/ Targets	Status at Project Completion
	groups have access to needed microfinance institution services.	
Revised Output	Revised	
1. Economic empowerment Increased income, assets, and employment opportunities for beneficiaries	Compared with baseline: At the end of the project, 50% of those trained in microenterprise development have sustainable incremental income. 50% of those trained in wage income generation and provided with tools have improved working environments. 30,000 beneficiaries have improved access to savings and credit services, and at least 30% of these have incremental income from borrowing.	
Original Output	Original	<ul style="list-style-type: none"> Two curricula on women's rights, gender, and inclusive justice developed and introduced in Bachelor of Laws degree and undergraduate course of Tribhuvan University. Annually, 400 students are enrolled in gender studies in higher education institutions. Legal awareness campaigns were conducted in 82 VDCs with approximately 100,000 men and women participating. A total of 80 dispute resolution committees with 1,332 members handled 169 cases of violence against women. A total of 334 cases were registered to paralegal committee (dispute resolution committees were converted to paralegal committees) from 12 sample VDCs during the period (January 2011–February 2013). Of the total registered cases, 312 (93%) were settled locally and 22 (6%) were referred to district police and attorney offices. There is increasing trust towards the paralegal committees and the number of registered cases reported to police is also on the rise. The project VDCs did not have women's legal access prior to the project's intervention, hence 6% of cases reported to police is an achievement. A total of 3,677 women received citizenship certificates and 1,735 women registered marriages as a result of the legal awareness-raising training. Nearly 76% of females above 16 years of age in project areas received citizenship certificates, which is 8.5% higher against the baseline (67.4%). The percentage of marriage certificate-holders nearly doubled (60%) against the baseline (34.6%). Similarly, 71% of the people below 16 years of age have birth certificates (no baseline data exists). 27 judges, 28 prosecutors, and 30 female police personnel were trained in women's legal rights issues.
2. Legal empowerment Increased control by poor rural women over their lives through the use of law (i) To increase knowledge and awareness of poor rural women and of society at large of their legal and administrative rights and obligations (ii) To strengthen legal and administrative environment	By December 2009: A course on women's and related rights is included in the Bachelor of Laws degree of Tribhuvan University and a course on women's rights and issues in 50% of college programs. Popular awareness-raising campaigns in 80 VDCs are completed. At least 80% of the poor rural women of the selected VDCs have increased their knowledge of their rights. The number of married women in the project area who have registered their marriage has increased by 30%. The number of women in the project area who have citizenship certification has increased by 25%. 25 judges and 25 prosecutors are trained in women's and related rights. 120 district courts, DDCs, and VDCs have a small law library with legal reference material, and copies of Supreme Court decisions (where feasible online). Police officers in the project area have been trained on women's rights and issues. There is a sustainable legal aid cell at district level in each district. Women in the project area have access to ADR both for household mediation and for community level mediation.	

Design Summary	Performance Indicators/ Targets	Status at Project Completion
Revised Output 2. Legal empowerment Increased legal awareness and improved access to legal services among beneficiaries	Revised Compared with baseline: Number of cases of gender-based violence reported to police increased (Baseline data not available) Number of women's rights related cases processed by district courts increased (Baseline data not available) At least 30% of beneficiaries have utilized paralegal services (Baseline: 0) Number of beneficiaries who have registered the birth of their children, marriage, and citizenship increased by 30% in each case (Baseline: registered births data not available, 34.6% with marriage certificate, 67.4% with citizenship certificate)	
Original Output 3. Social empowerment Increased available time and improved opportunities for poor rural women to pursue both personal and community development (i) To enhance social processes at community level (ii) To improve household technology (iii) To improve community infrastructure	Original By December 2009: 40% of the illiterate women and disadvantaged groups from the selected communities have achieved functional literacy programs. At least 60% of women's groups are actively participating in decision making at the community level. The Multipurpose Women's Center by women is managed by women's groups. 100% of the VDCs and 100% of the beneficiary communities are aware of time-saving household technologies. 38,500 households are benefiting from time-saving technologies. Women of beneficiary communities save at least 1.5 hours per day through time-saving technologies and their time spent in menial tasks is reduced by 20%. 80% of water and sanitation beneficiaries have changed their behavior towards water and sanitation practices. 60% of beneficiary women have used saved time for more productive activities. 250 km of trails, including bridge and drainage structures, and organized communities for maintenance.	<ul style="list-style-type: none"> Seventy-eight women's multipurpose centers were built and they are fully managed and used by women's groups and female cooperative members. The project supported women to form into groups, committees, and cooperatives. Altogether, 51,445 women (73% of the total targeted 70,000) were involved in 9,392 groups and 31,141 women in 793 ward-level committees; 31,719 women became shareholders in 82 cooperatives. The groups, committees, and cooperatives have been encouraged to operate independently. In the 100 sample households, about 85% of the group members were found to be participating in group meetings, although some not very regularly. About 60% of the respondents have acquired knowledge about time-saving technology, which compares to a 21.5% baseline. There were 43.7% households using time-saving technology (such as cooking stove, grinding mills, water tap), which was marginally higher than the 40.8% baseline. Nearly 77.3% of total beneficiaries use community taps, which compares to 65% baseline. All these helped to save women an average 41 minutes per day. Water taps and grinding mills in particular create time savings for women while freeing them from the related heavy physical burdens. A total of 78 women's multipurpose buildings and 3,643 small community infrastructures were constructed in project districts and which benefited women to a large extent. The number of households using the community infrastructures was 119,245, which was double the number of beneficiaries targeted. A total of 8,597 women became members in 1,024 user committees.

Design Summary	Performance Indicators/ Targets	Status at Project Completion
Revised Output	Revised	<p>They managed construction of 3,463 small community infrastructures. Women played key and decision-making roles as committee leaders. Moreover women's participation increased in most of such crucial activities as business dealings, loan-taking, and participating in community meetings and other social gatherings. Meanwhile, their participation in menial tasks decreased. Similarly, women's decision-making roles increased in most of the activities, thereby transforming the solely men's decision-making roles as seen in the baseline.</p> <ul style="list-style-type: none"> Functional literacy programs were organized in a few districts in coordination with district education offices. Many women members received literacy training through education offices.
3. Social Empowerment Enhanced social welfare and capacity among beneficiaries	<p>Compared with baseline:</p> <p>80% of beneficiaries have increased involvement in collective community activities.</p> <p>50% of those who received household technology support have increased opportunities for alternative activities.</p> <p>80% of beneficiaries have used project-financed community amenities.</p> <p>Role of beneficiaries in community decision making increased.</p>	
Original Output 4. Institutional strengthening on gender mainstreaming Increased capacity to mainstream gender and promote women's empowerment (i) To strengthen gender mainstreaming mechanisms of DWD and WDO (ii) To strengthen gender mainstreaming mechanisms of local bodies (iii) To upgrade DWD and WDO facilities	<p>Original</p> <p>Organizational audit of DWD is completed in the first 3 months of the project.</p> <p>A professional development plan is prepared for DWD and WDO staff.</p> <p>Training modules are prepared for DWD and WDO staff, for district-level staff and DDCs based on audit recommendations.</p> <p>By December 2006:</p> <p>All DWD and women development officers in project districts have received training in accordance with their professional development plans with involvement of MoWCSW staff.</p> <p>Gender responsive MIS is strengthened within DWD.</p> <p>All district-level line agency staff and DDC members in project districts have received training.</p> <p>90% of elected/nominated women officials in project districts have received training in accordance with the audit recommendations.</p> <p>90% of DDC and VDC members in project districts have received training on women's and gender issues.</p> <p>Gender equity subcommittees established in DDC of each project district.</p> <p>Gender audit is conducted in each project district, including training needs assessment.</p> <p>DWD and WDO offices in project districts have been</p>	<ul style="list-style-type: none"> Organizational audit of DWD was completed and recommendations disseminated among stakeholders. A capacity development plan was prepared for DWD and WDO staff. The project supported WDOs to equip with minimum physical facilities. Project mechanism improved skills of WDOs in project management and coordination with stakeholders in most of the districts. A total of 57 training sessions of various types and scope were conducted in different fiscal years to enhance the capacity of district project and central project management teams and beneficiaries. A total of 1,438 staff received training on proposal writing, procurement management, financial management, cooperative accounting, and other subjects. WDOs' roles have been enhanced in planning processes, as they are the member secretaries of various interagency committees. Various stakeholders consulted WDO for mainstreaming gender in their programs. Interagency coordination was emphasized and improved through joint monitoring visits to projects areas by district and central implementation coordination committee members. DWD-based MIS was developed and district project team staff members were trained to use it. Data was collected and entered into the system. DWD will expand the system to use it for its all districts. Because local elections were not held in Nepal in the past 14 years, there were no elected and nominated women at the local bodies. DDC and VDC members were trained on gender issues and the district project teams maintained close coordination with them. Gender audits were conducted in all project districts, their recommendations widely disseminated to line agencies, and actions undertaken effectively in a few districts. DWD and WDO offices were refurbished; office equipment, including computers and printers, was provided.

Design Summary	Performance Indicators/ Targets	Status at Project Completion
	refurbished and equipped with basic office furnishings, computers, and training equipment	<ul style="list-style-type: none"> Gender mainstreaming committees were formed in DDCs as per MoWCSW's directive, and they provide support to DDCs in integrating gender into their planning processes and implementation monitoring.
Revised Output 4. Institutional strengthening and project management Improved institutional capacity for promoting gender equality	Revised Compared with baseline: <ul style="list-style-type: none"> Interagency coordination of gender-related activities improved. <ul style="list-style-type: none"> WDOs role in district development planning enhanced. 	

ADR = alternative dispute resolution, DDC = district development committee, DWD = Department of Women Development, MCPW = Microcredit Project for Women, MIS = management information system, MoWCSW = Ministry of Women, Children and Social Welfare, SCC = savings and credit cooperative, VDC = village development committee, WDO = women development office.

^a Disadvantaged women are defined as *dalit* (low caste), *janajati* (indigenous ethnic group), and the hard-core poor (those with per capita income of less than NRs4,617 at 2007 prices).

^b The 100,000 households included both direct and indirect beneficiaries.

^c The 70,000 beneficiaries were households.

Source: Asian Development Bank.

FINANCING PLAN
(\$ million)

Source	Appraisal Cost	Appraisal Percent	Actual Cost	Actual Percent
Asian Development Bank	10.0	64.5%	7.4	57.3%
Government	3.4	21.9%	3.4	26.4%
Beneficiaries	2.1	13.6%	2.1	16.3%
Total	15.5	100.0%	12.9	100.0%

Source: ADB estimates.

ADB FINANCING (ACTUAL)
(SDR million)

Category or Subloan	Total	Foreign Exchange	Local Currency
Civil Works	0.570	0	100
Vehicles and Equipment	0.106	0	100
Community Works and Materials	1.460	0	100
Contract with Service Providers	1.210	0	100
Consulting Services	0.420	0	100
Recurrent Expenditure	0.813	0	100
Matching Funds	0.061	0	100
Interest Charge	0.112	100	0
Total	4.751		

Source: ADB. 2006. *Nepal: Project Administration Memorandum for the Gender Equality and Empowerment of Women Project*. Manila.

LOAN DISBURSEMENTS
Yearly Loan Disbursement
(million)

Year	Amount (\$)	Amount (SDR)
2007	0.64	0.03
2008	0.38	0.20
2009	1.26	0.85
2010	1.43	0.93
2011	2.20	1.41
2012	1.42	1.01
2013	0.04	0.32
Total	7.37	4.75

Source: Asian Development Bank.

PROJECT IMPLEMENTATION SCHEDULE

Item	2006	2007	2008	2009	2010	2011	2012	2013
A. Economic Empowerment								
1. Increased women-led viable microenterprises								
2. Improved opportunities and conditions for female wage laborers								
3. Increased access to microfinance for women's groups, including SCCs and informal groups formed under MCPW								
B. Legal Empowerment								
1. Increased knowledge and awareness of poor rural women and of society at large								
2. Strengthened legal and administrative environment								
C. Social Empowerment								
1. Enhanced social processes at community level								
2. Improved household technology								
3. Improved community infrastructure								
D. Institutional Strengthening on Gender Mainstreaming								
1. Strengthened gender mainstreaming mechanisms of DWD and WDO								
2. Strengthened gender mainstreaming mechanisms of local bodies								
3. Upgraded DWD and WDO facilities								

Planned —————

Actual —————

DWD = Department of Women Development, MCPW = Microcredit Project for Women, SCC = savings and credit cooperative, WDO = women development office.

Source: Asian Development Bank.

STATUS OF COMPLIANCE WITH LOAN COVENANTS

	Project Specific Covenant	Status of Compliance	Remarks
	Sector		
1	LA, Schedule 6, para 15. Within 4 months of the effective date, the CPMT together with the DPTs, shall have undertaken a poverty and social mapping of the core project area to identify the VDCs and communities for project assistance. The mapping should explicitly include the following groups: women on landless households, poor women-headed households, former bonded laborers, low caste and <i>dalit</i> women, and women from poor ethnic minorities.	Complied	Poverty and social mapping conducted prior to VDC selection by using selected indicators to identify women from disadvantaged groups. Areas with lowest HDI and GDI selected
2	LA, Schedule 6, para. 16. DWC shall ensure that the selection of VDCs and communities for all project activities shall be in accordance with selection criteria agreed upon between DWD and ADB. In addition, the DPTs in consultation with the DICC shall develop secondary criteria for each district, which shall take into account different settlement patterns in different geographical regions.	Complied	Selection criteria applied as per the agreement.
3	LA, Schedule 6, para. 17. The Government shall ensure that for those VDCs selected according to the criteria, the VDC Secretary shall be in place at all times during project implementation. For those VDCs selected that have no Secretary, a Secretary shall be appointed within 1 month after VDC selection.	Complied	Complied with. However presence of Secretaries in remote VDCs was not regular due to security reasons during conflict in the country.
4	LA, Schedule 6 para. 19. DWD shall take all necessary steps to ensure that project activities reach at least 30% <i>dalit</i> women and poor ethnic minorities. Within 1 month of the effective date, DWD shall have issued instructions to all Women Development Officers to include <i>dalit</i> and poor ethnic minorities as a target group for all activities, in particular for but not limited to project activities.	Complied	Of the total beneficiary women, 24% were <i>dalit</i> , 17% janajati, 21% <i>madhesi</i> , and 38% <i>brahmin/chhetri</i> /other groups.
5	LA, Schedule 6, para. 20. DWD shall ensure that group mobilization is not limited to those groups that have been formed by WDOs but shall also include groups that have been formed by other organizations, in particular groups with a strong membership from <i>dalit</i> and from poor ethnic minorities.	Complied	A total of 9,392 women groups were formed that included 51,445 women members from <i>dalit</i> , <i>janajati</i> , <i>madhesi</i> , <i>brahmin/chhetri</i> /other groups.
6	LA, Schedule 6, para. 22. DWD shall ensure that all district level activities with the target groups shall be implemented in local languages.	Complied	All communications in social mobilization and training to women were in local languages.
7	LA, Schedule 6, para. 23. SPs for implementing district level activities shall be selected according to criteria agreed upon between DWD and ADB. Priority shall be given to such SPs that have experience in working with <i>dalit</i> and poor ethnic minorities at the local level.	Complied	In place of SPs, local social mobilizers were hired to support in social mobilization. Three consulting firms were hired to support in capacity building of SCCs, microenterprise development and MIS development.

	Project Specific Covenant	Status of Compliance	Remarks
8	LA, Schedule 6, para. 24. Assessment criteria for proposals by SPs for activities to be contracted at the central level shall reflect the TOR for those SPs and agreed upon between DWD and ADB. Invitations for expressions of interests shall be advertised in both English and Nepali newspapers. Pre-qualifications to bid for these contracts shall include: (i) at least 3 years legal registration as an NGO at the central level; (ii) demonstrated institutional capacity (including sufficient qualified human resources) to successfully implement the project activities; (iii) demonstrated focus on gender and socially excluded groups in particular <i>dalit</i> ; (iv) an existing network of local NGOs and CBOs in at least eight of the districts in the core project area, through which the district level activities of these contracts can be implemented; and (v) externally audited accounts with current certified financial statements for a period of at least 2 years.	Complied	Three consulting firms were hired under the agreed conditions and criteria.
9	LA, Schedule 6, para. 25. The Government shall ensure that in each of the district in the core project area, a District Women Development Subcommittee shall be established in accordance with Article 190 of the Local Self Governance Act. The TOR of the Subcommittee shall include a review of annual plans of the other subcommittees prior to submission of such plans to the district development committee	Complied	The Gender Mainstreaming Committee and GESI Committee are formed in each district and are involved in DDC level planning and monitoring processes.
10	LA, Schedule 6, para. 26. Within 2 months after the finalization of the country study for Nepal under ADB-funded RETA 6188 on Establishing Legal Identity for Social Inclusion, the Government based on the RETA's findings and recommendations, shall take a decision on waiving the fee for birth registration that becomes due after 35 days of delivery.	Complied	The fee for birth registration is free within 35 days of delivery under the Registration Act 1976, amended in 1990. NRs. 8 is charged for due registration after 35 days and NRs. 50 after next 35 days.
11	LA, Schedule 6, para. 27. Within 4 months of the effective date, DWD shall have convened a first meeting of the Gender Stakeholders Group, established to provide a common platform for advocacy and implementation activities. The mandate of the GSG shall be: (i) coordination of reforms to eliminate discrimination on the basis of gender, low caste, and ethnicity, particularly as it relates to women; (ii) coordination of gender equality programs, supported by external funds and by the Government with a view to avoid overlapping activities; (iii) planning of gender equality programs in a complementary way; and (iv) submission of recommendations to the	Complied	The CICC formed under the Ministry of Women, Children, and Social Welfare (MoWCSW) included all organizations to be represented in the Gender Stakeholder's Group (GSG), which was not formed to duplicate the work of CICC. Instead MoWCSW coordinated a gender focal point's committee that was represented by all line agencies.

	Project Specific Covenant	Status of Compliance	Remarks
	appropriate authorities. Members of the Gender Stakeholders Group shall include representatives of MoWCSW, DWD, National Women's Commission, the Feminist Dalit Organization, the Donor's Gender Forum as well as civil society groups and NGOs with a strong focus on gender issues.		
12	LA, Schedule 6, para. 28. The Government shall ensure that the mobile government units for service delivery in the most isolated areas shall include the WDO lawyer as a member of its team, with a mandate to assist in the issuance of birth, marriage and citizenship certificates in those areas.	Partially Complied	Women Development Office and its staff play a vital role in facilitating the issuance of birth, marriage and citizenship certificates to the women.
13	LA, Schedule 6, para. 29. Within 1 year of effective date, and provided parliament shall not have reconvened before such date, the Government shall have passed the draft Bill on Domestic Violence, the draft National Women's Commission Act, and the draft National Dalit Commission Act as Ordinances to be renewed every six months, and these Ordinances shall have been gazetted.	Complied	The Domestic Violence Act and its Regulation were passed by the Constituent Assembly in 2010. Also, both the National Women's Commission Act and National Dalit Commission Act were passed in 2007 and 2008 respectively.
14	LA, Schedule 6, para. 30. The Government shall ensure that within 2 months after Parliament shall have been reconvened, the following shall be submitted to Parliament for passage as Acts: (a) the Ordinance on the National Women's Commission; (b) the Ordinance on the National Dalit Commission; (c) the Ordinance to Amend Some Acts to Eliminate Discriminatory Provision against Women; and (d) the Ordinance on Domestic Violence.	Complied	The ordinances were passed as Acts.
Environmental			
1	LA, Schedule 6, para. 33. The Government shall ensure that the design, extension, upgrading, renovation and operations of facilities under the project will follow the Government's environmental requirements, ADB's environmental guidelines for Selected Infrastructure Development Projects, and other relevant ADB guidelines on environment.	Complied	Both in community infrastructure and women's multi-purpose center guidelines, an environmental safeguard checklist was included and due diligence ensured.
2	Within 3 months of the effective date, DWD shall have developed an environmental checklist in accordance with the Government's environmental legislation, regulations and guidelines and ADB's Environmental Assessment Guidelines.	Complied	The checklist was approved by the CICC and implemented.
Social			
1	LA, Schedule 6, para. 31. The Government shall ensure that civil works contractors comply with all applicable labor legislation. Bidding documents shall include a clause on the prohibition of child labor, as defined in national legislation, for construction and maintenance activities as well as a clause ensuring equal pay for men and women	Complied	All civil works used local labor and were managed by women's user committees. The user committees were oriented on core labor standards. No child labor allowed in civil works. Civil engineer and sub-engineers supervised and

	Project Specific Covenant	Status of Compliance	Remarks
	for work of equal value. Compliance with these provisions shall be strictly monitored during project implementation.		monitored construction works.
2	LA, Schedule 6, para. 32. The Government shall ensure that all facilities to be constructed extended or upgraded under the project shall, to the extent possible, be located on land owned by the Government and no displacement or resettlement of people, including squatters, shall be involved. If no such land is available, the Government shall ensure that there will be no compulsory acquisition of land or assets for such new construction, expansion or upgrading, but that land will be purchased in the open market on a willing buyer/willing seller basis. In the event that involuntary resettlement is unavoidable, the Government shall immediately inform ADB and prepare resettlement plans in accordance with ADB's policy and guidelines on Involuntary Resettlement and in accordance with the agreed Land Acquisition and Resettlement Framework. The Government shall ensure that no construction shall start prior to having obtained ADB's approval of such resettlement plan	Complied	Mostly government land was acquired for women's multipurpose centers through permission from VDCs. Some private lands were bought and also donated by persons voluntarily. No displacement and involuntary resettlement was undertaken.
Financial			
1	LA, Schedule 6, para. 13. The Government shall ensure that the approved budget allocations for the project shall be sufficient to cover all counterpart funding required for the project, in accordance with the financing plan. This includes, but is not limited to, funds for the daily operational expenses of DWD and WDO, in particular to ensure the mobility of Women's Development Officers.	Complied	Adequate allocations of government counterpart fund made for stated operational expenses.
2	LA, Schedule 6, para. 14. The Government shall ensure that central level activities shall be included in the budget of FY05.	Complied	The Loan became effective only in November 2006 and budget was included from FY 2007.
3	LA, Schedule 6, para. 18. The Government shall ensure that matching funds provided under Component A (vi) stated in the LA shall only be provided in the hills and mountain districts.	Complied	In addition to hill and mountain districts five Terai districts were provided matching funds after scope change in MTR mission in 2010. The field assessment identified less access to microfinance even by Terai VDCs as they were located at far distance from district headquarters and MFIs' outreach was less in those areas.
4	LA, Schedule 6, para. 21. The selection of credit committees and cooperatives to which matching funds shall be provided under Component A (vi) shall meet the eligibility criteria agreed upon between DWD and ADB.	Complied	Matching fund was provided to cooperatives after they met eligibility criteria. Eligibility criteria were revised in MTR to align with DWD's revolving fund guidelines.
5	LA, Art. IV, Section 4.06(a). The Government shall	Complied	The Government maintained

	Project Specific Covenant	Status of Compliance	Remarks
	maintain or cause to be maintained, records and accounts adequate to identify the goods and services and other items of expenditure financed out of the proceeds of the loan, to disclose the use thereof in the project, to record the progress of the project.		records and accounts adequately and provided reports as stated.
6	LA, Art. IV, Section 4.06(b). The Government shall (i) maintain or cause to be maintained, separate accounts for the project; (ii) have such accounts and related financial statements audited annually in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications experience and TOR are acceptable to ADB; (iii) furnish to ADB as soon as available but in any event not later than 9 months after the end of each related fiscal year, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the loan proceeds and compliance with the covenants of the LA as well as on the use of the procedures for imprest account and statement of expenditures) all in the English language; and (iv) furnish to ADB such other information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time request.	Partially Complied	The Government maintained separate accounts for the project and Audited Financial Statements were submitted annually and timely throughout project implementation as stated. The last APFS, which covers the period from 16 July 2012 to 30 June 2013 was not submitted.
Others			
1	Established, Staffed, and Operating PMU/PIU LA, Schedule 6, para. 1. DWD shall be the project executing agency, responsible for overall project management and coordination of project activities.	Complied	DWD managed and coordinated overall project with support from CPMT and DPT.
2	Fielding of Consultants A total of 22 person-months international and 150 person-months domestic consulting services.	Complied	More than 150 person-months domestic consulting services were fielded. International consulting services was not required for the intended assignments.
3	LA, Schedule 6, para 2. The Director General of DWD shall be the Project Director. (S)he shall assign the day-to-day project management to CPMT, headed by the Project Manager who shall be at the level of a DWD Director. Other than Project Manager, key staff in the CPMT shall comprise 2 monitoring officers, 2 training officers, a planning officer, an account officer and adequate support staff. All staff including the Project Manager shall be assigned to work for the project on a full-time basis. The Government shall take all necessary and appropriate measures to ensure that to the extent possible at least 50% of the CPMT staff shall be women.	Complied	Fulfilled as stated.
4	The CPMT shall responsible for (a) consolidating annual Project work plans in consultation with	Complied	Fulfilled as stated.

	Project Specific Covenant	Status of Compliance	Remarks
	relevant WDO staff: (b) contracting out and supervision of Project activities to be carried out at the central level ;(c) monitoring the performance of the DPTs; (d) monitoring and evaluation of Project activities, outputs and expected impacts; (e) ensuring Project's linkages with Programs of other line agencies as well as with other development Projects; (f) consolidating progress reports and Project accounts, in consultation with relevant WDO staff and SPs; (g) supervising consultants; and (h) liaising with the Bank.		
5	LA, Schedule 6, para. 4. The Central Implementation Coordination Committee (CICC) shall meet as necessary, but not less than 3 times a year to (i) oversee overall project implementation and review progress; (ii) provide overall policy guidance; and (iii) undertake inter-ministerial and inter-agency coordination necessary for implementation of the Project. To the extent possible, CICC bi-annual meetings shall coincide with bi-annual project reviews.	Complied	CICC met every trimester to review progress and provided advice to EA and IA. Project review missions also met with CICC.
6	LA, Schedule 6, para. 5. The Government shall ensure that, within 3 months of the effective date, each Women Development Office (WDO) in the core project area shall have at least the following full-time staff in addition to the Women Development Officer: (a) one supervisor; (b) one accountant; (c) six women development assistants; (d) one monitoring and evaluation officer; (e) one lawyer; and (f) adequate support staff. DWD shall take appropriate and necessary measures to encourage women from the Dalit community to apply for positions in the District Project Team (DPT) and shall give priority to women from those communities in filling the vacancies.	Complied	DPT could recruit all staff positions by middle of 2010 and staffs from local communities including <i>dalit</i> caste have been encouraged to apply. Selection criteria included provision for preference for these groups. Hence DPTs had some <i>dalit</i> staff including members from other disadvantaged communities.
7	LA, Schedule 6, para. 7 & 8. The Government shall ensure that within 1 month of the effective date, a District Implementation Coordination Committee (DICC) shall have been established in each of the districts in the core project area and its members notified. The DICC shall meet as necessary but not less than once a month to: (i) facilitate and coordinate technical support from the various district line agencies; (ii) review district project plans prepared by the DPT and forward them to the DDC for incorporation into DDC programs; (iii) review and confirm the selection by DPTs of VDCs and communities for Project interventions; (iv) review and endorse the selection and contracting by DPTs of SPs; and (v) review and endorse financial and progress reports to be submitted by the DPTs to the CPMT.	Complied	DICC was formed in all districts and functioned well within the given mandate and responsibility.
8	LA, Schedule 6, para. 9. The Government shall	Complied	Assistant positions filled.

	Project Specific Covenant	Status of Compliance	Remarks
	ensure that within 6 months after the organizational audit under Component D (i) shall have been approved, all women development assistant positions required shall have been filled.		
9	LA, Schedule 6, para. 10. Within 1 month of the effective date, the Government shall have approved the creation of a legal position and a monitoring and evaluation position in each WDO in the core project area. The position shall be renewed on a yearly basis and shall be filled within 3 months of the effective date	Complied	M&E and Legal Officers were recruited in DPTs and they completed their assignments.
10	LA, Schedule 6, para 11. The Government shall take all appropriate and necessary measures to limit to the maximum possible the transfers of project staff. In the event the Government decides to transfer the Project Manager, selection and appointment of the new Project Manager shall be subject to ADB's prior concurrence.	Complied	Project Manager and core staff members were retained upon ADB's request to MoWCSW, MOGA and DWD in later years of the project.
11	LA, Schedule 6, para. 12. The Government shall ensure that Women Development Officers shall be provided with office space in the DDC building in each district in the core project area.	Complied	All project districts had Women Development Office buildings with necessary facilities.
12	LA. Schedule 6, para. 34 & 35. Project review at least twice a year during the first 2 years of project implementation. Mid-term review during the first half of year 3. At least 1 month prior to MTR, CPMT in consultation with DPT/WDOs shall submit a comprehensive report.	Complied	All conducted as stated.
13	LA, Schedule 6, para. 36. Within 6 months of the effective date, each DPT in consultation with the CPMT shall have established PPMS, with an emphasis on impact monitoring.	Complied	Project established PPMS, based on which MIS with indicators for impact monitoring was also developed.
14	LA, Schedule 6, para. 37. Within 4 months of the effective date, the CPMT shall have conducted the initial base-line survey and shall have submitted a detailed project implementation-monitoring plan for ADB's review and concurrence.	Complied	The baseline survey was conducted and a detailed project implementation-monitoring plan was submitted to ADB in 2008. It was delayed due to long time taken to recruit CPMT consultants.
15	PROCUREMENT - If any substantial amendment of the contract is proposed after its execution, the proposed changes shall be submitted to the Bank for prior approval (no reference in Loan Agreement, but recommended by OAGI)	Complied	Conducted as stated.

ECONOMIC AND FINANCIAL ANALYSIS

A. Introduction

1. This economic and financial analysis of the project is carried out as a measure of the project's efficiency. It follows the approach and methodology used at project appraisal. Not all the benefits of empowerment are quantifiable, however, and that means calculating financial and economic internal rates of return (FIRRs and EIRRs) for the project may not be meaningful. Hence, this analysis endeavors to identify quantifiable and nonquantifiable benefits for each project component and qualitatively to analyze the distributive effects. Financial analysis has been done as a measure of viability of the microenterprises run by women entrepreneurs as part of the project's economic empowerment component. Also the economic benefit generated by time-saving technologies has been identified. This analysis is based on primary data (collected during the project completion review field mission visit to nine project VDCs) and secondary data (the government's project completion review and impact report).

B. Assumptions

2. The following main assumptions are made in performing the financial and economic analyses for different components:

- Basic daily wages vary by district and region so an average of NRs83 per day is used. The working day is assumed to be 10 hours per day for 250 days per year.
- The shadow wage rate is taken as 0.53 of the basic daily wage, consistent with the rate used for other ADB projects in Nepal.
- The financial analysis for microenterprises under the economic empowerment component has been carried out in incremental values (using with-project and without-project scenarios).

C. Project Benefits

C.1 Economic Empowerment

3. One of the key indicators to measure economic empowerment under the project is the change in income level of project beneficiaries. The project conducted several economic development activities, such as technical skills training, entrepreneurship training, and providing start-up capital (typically grants) to create employment and increase income levels in the project areas.¹ The types of training in which the respondents participated included the following: goat raising, toolmaking, vegetable cultivation, paralegal, incense and/or candle making, allo plant processing, ginger farming, account-keeping, leadership, beekeeping, poultry farming, basic business skills, committee management, other management, institutional development, women's rights, gender and gender-based violence. The impact evaluation report showed that 30% of respondents had participated in skill-based training, and of these 90% started their own businesses. The government's project completion review reflected that the project had provided microenterprise training to 12,187 women of the project districts. Of the total trainees, 52% have utilized their training knowledge in their businesses.

4. The project provided microcredit (through grant funds) as well as training and linkages to help women gain access to resources and credit for undertaking microenterprises. The field visit

¹ Department of Women Development in the Ministry of Women, Children and Social Welfare. 2012. *Impact Evaluation of Gender Equality and Empowerment of Women Project*. Kathmandu.

demonstrated that almost 100% of the women participated in savings and credit programs, and of those who took out loans 49% used them for starting their own enterprises. More than 90% of the resulting enterprises had incomes ranging from NRs1,000 to NRs7,000 per month. Because of taking out a loan, 50% of the women witnessed that their opinions were better accepted, 40% saw increased response by their husbands, and 30% reported higher mobility. The types of microenterprises operated by the beneficiaries are listed in Table A7.1, which shows that the most preferred enterprises were vegetable cultivation and goat rearing followed by poultry. The least preferred were food processing and fishery.

TABLE A7.1: TYPES OF MICROENTERPRISES CARRIED OUT BY SELECTED HOUSEHOLDS

Type of activities	2012 survey period	
	Number of enterprises	% distribution
Vegetable cultivation	188	27.4
Goat rearing and others	188	27.4
Poultry	103	15.0
Fruit	43	6.3
Pig farming	40	5.8
Bengal making	36	5.3
Plant nursery	25	3.6
Rabbit farming	24	3.5
Beekeeping	11	1.6
Herb processing	10	1.5
Mushroom business	9	1.3
Food processing	4	0.6
Fishery	4	0.6
Total	685	100.0

Source: Department of Women Development in the Ministry of Women, Children and Social Welfare. 2012. *Impact Evaluation of Gender Equality and Empowerment of Women Project*. Kathmandu.

5. In the districts visited for the project completion review field survey, mainly four types of microenterprises were established. The indicative net cash flow, internal rates of return, and labor requirement of the sample microenterprises as based upon the data collected from the field are set out in Table A7.2. The table shows that the microenterprises are viable and provide a steady stream of income within a short time. The labor requirement is low, involving 1–2 workers. These are generally family members and there is limited or no use of hired labor.

TABLE A7.2: SUMMARY OF FINANCIAL ANALYSIS OF SAMPLE MICROENTERPRISES

Type of Microenterprise	Net Cash Flow (NRs)	Labor Requirement (days per year)	Financial Internal Rate of Return (%)
Vegetable production	10,721/year over 7 years	130	—
Goat production (herd size 4)	3,992/year over 7 years	125	71.93
Pig production (herd size 2)	959/year over 7 years	155	30.19
Tea and refreshment shop	2,600/year over 7 years	300	25.04

— = not available.

Source: Field notes.

6. The results for vegetable production, pig production, and tea and refreshment shops are

consistent with the appraisal estimates. For goat production, however, the FIRR is more than double that of the appraisal, which shows that goat production enterprises are highly profitable.

7. The project completion review field survey showed that a majority of women spent the income earned from their loan investments on household expenses (87%), followed by enterprise development (79%), children's education (67%), medical treatment (35%), capital assets (13%), and other purposes (13%). The success of these entrepreneurs has a demonstration effect on other women and encourages them to undertake similar enterprises. Moreover, the economic empowerment of women has resulted in greater acceptance of their opinions (33%), higher mobility (32%), increased responsiveness by their husbands (29%), and decreased gender-based violence (6%).

C.2 Legal Empowerment

8. The legal empowerment component aimed to put in place property rights for women that increased women's access to assets, thereby improving their access to credit and resources to undertake microenterprises, as well as to enhance their knowledge about women's rights and thus acquire power to address household issues. The impact evaluation report (footnote 1) reported that about 74.8% of the respondents shared that women are participating in various project-led awareness activities. When asked about women's rights, 91.6% of the respondents reported that they know their human rights. Their claim was also tested, in which cases more than 60% could relate their basic legal knowledge.

9. The project also supported and/or motivated registration for citizenship and other certificates. In the sample households, 75.8% of females above 16 years of age had citizenship certificates (versus 67.4% in the baseline) and 60% of married couples had marriage certificates (34.6% in the baseline). Similarly, 71% of the people under 15 years of age were found to have birth certificates. The women emphasized that they understood the importance of the citizenship certificate and feel empowered. With citizenship, women were able to send their children for higher education, be committee members, buy shares in a cooperative, participate in training at district level, feel empowered, and get respect in the community.

10. As a part of their legal empowerment, women have also been part of paralegal committees, settled and/or mediated cases, and passed on legal awareness to other women. The government's project completion review showed that legal awareness campaigns were completed in all of the 82 VDCs, with approximately 100,000 men and women participating. A total of 334 cases were registered to paralegal committees from 12 sample VDCs during the project period (reported as 2007 to February 2013). Of the total registered cases, 312 were settled locally and 21 referred to the district police and attorney offices.

C.3 Social Empowerment

11. The social empowerment component aimed to enable women to participate more effectively in community and group self-development activities by reducing the drudgery and time spent on such household chores as fetching water and collecting firewood. Introducing improved household devices and community-based social infrastructure resulted in time savings. Household time-saving devices included efficient mills, while community-based infrastructure included gender-sensitive water supply, sanitation schemes, local trails, and bridges. The project has supported women to form into groups, committees, and cooperatives. Altogether 58,007 women are involved in 9,392 groups, 31,141 women are involved in 793 committees, and 58,007 are women involved in 82 cooperatives. The groups, committees, and

cooperatives have been encouraged to operate independently.

12. There are 43.7% of the households using time-saving technology, which is marginally higher than 40.8% observed in the baseline. Most of the respondents reported community taps as the main source of water. Nearly 77.3% use community taps, which compares to 65% in the baseline. The growing use of community taps has resulted in decreased dependency on other sources and considerably reduced the time women spend in fetching water. Of all those households able to save time due to community taps, 67% have used the time saved in income-generating activities. In addition, households were able to have safe water from the tap which results in reduced chance for contracting various types of disease. Improved hygiene and reduced infection resulting from improved latrines are nonquantifiable.

13. Rehabilitating local trails and bridges improved access for remote villages, giving rise to opportunities for marketing local produce and microenterprises. Economic benefits will accrue from the income generated from marketing local produce and goods and services from microenterprises. Because the degree of market access and promotion of microenterprises will vary greatly depending on the geographic location and terrain, it is not possible to estimate the economic benefits of these trails. The mills have been able to save time as well. In addition, 78 women's multipurpose buildings and 3,643 small community infrastructures have been completed in the project districts. From these community works, average 75 days of employment per woman per year were generated and obtained time savings of an average 41 minutes per household relative to the baseline. *Dalit* women and socioeconomically disadvantaged groups participated in the executive committees of the various user committees, savings and credit cooperatives, and women's groups, and they contributed significantly in implementing field programs. The position of women generally was improved through capacity development of the women's groups, cooperative membership, and their playing leading roles in various user committees.

C.4. Institutional Strengthening

14. The project has supported women development offices to equip with minimum physical facilities in the project districts, and these offices increased coordination with stakeholders in most of the districts. Although, many of the districts had active women advocates with paralegal training, only a few had functional women's help-desks. Similarly, only a few districts had trained personnel in district development committees and line agencies concerning women's issues. A total of 57 training sessions of various types and scope were conducted in different fiscal years for enhancing the capacity of district project teams, the central project management team, and beneficiaries. A total of 1,438 staff received various types of training on proposal writing, procurement management, financial management, and cooperative accounting. The role of women's and children's officers has been enhanced in planning processes, as they are the member secretaries of various interagency committees. Various stakeholders consulted women's and children's officers about gender mainstreaming their programs. Interagency coordination has been emphasized, and this is improving through joint monitoring visits to project areas by members of district and central implementation coordination committees.