NEPAL (CASE STUDY 6)

Methodology: The case study team conducted 41 individual and group interviews in Kathmandu and a field visit to Nepalgunj, Nepal. Fieldwork occurred from January 25 through February 5, 2016. Interviewees included USAID/Nepal staff, representatives of USAID program implementing partners, local organizations, and representatives from Community Forest User Groups, Health Management Committees, and a Farmers Group. These were complemented by background documentation and other stakeholder sources.

Country Context: Nepal is a small Himalayan country of enormous cultural, linguistic, and religious diversity. The past decades have been full of political, social, and economic changes and challenges for Nepal. An insurgency by Maoist rebels embroiled the country in conflict from 1996 - 2006, killing more than 13,000 civilians, insurgents, and members of the police and military. Two "People's Movements" (1990 and 2006) and the Comprehensive Peace Accord of November 2006 resulted in the overthrow of the monarchy and (at least notionally) the re-institution of democratic government. After 2006, there were attempts to create a new constitution for the country, but these were not successful until a severe earthquake in April 2015 created the political will to finalize a new constitution.

Mission Context: The Mission "strategically selected governance as critical to achieving a sustainable impact through multi-sector efforts that build increasingly strong relationships with the [Government of Nepal, GoN]. USAID/Nepal contends that U.S. foreign assistance is better secured through stronger institutions and their ability to implement sector programs."[1] This approach led to three DOs: 1) More inclusive and effective governance; 2) Inclusive and sustainable economic growth to reduce extreme poverty; and 3) increased human capital: Improving the health, skills, and literacy of Nepalese will strengthen the human capital necessary to fully participate in a more democratic and prosperous Nepal. The DOs share a similar sub-Intermediate Result (IR) that promotes policy making and improved public performance. The CDCS includes five cross-cutting issues, including gender equality and social inclusion (GESI) and Disaster, Risk Reduction, Reconstruction and Resilience (D4R). To institutionalize the integration of GESI and D4R within Mission processes, Mission Orders were created for both. USAID/Nepal implemented co-location as one of the main strategies for operationalizing the CDCS, concentrating work in targeted districts, referred to as the "zone of influence."

DRG Integration Themes and Entry Points: Managing integration within the Mission has undergone a series of evolving managerial efforts under the leadership of two different Mission Directors. Under the first draft of the CDCS (known as the "peacock CDCS") the Mission proposed creating a Governance Board that was to be responsible for providing a vision to teams working on integration and engage in biannual reviews of progress made in achieving cross-cutting goals. However, the new CDCS evolved under the new Mission Director and an Integration Task Force was created instead, although the Task Forced struggled with identifying the Mission's goals for integration. One of the strongest and longest lasting managerial attempts to institutionalize integration was through the creation of DG backstops for each sector who are responsible for commenting on PADs, and reaching out and providing support to other technical teams where necessary and relevant.

In 2015, the Mission adopted a new streamlined Activity Design Process Mission Order through which all offices are given two opportunities to comment on activity designs before they are finalized. The DG Office uses this process as a mechanism to insert DRG principles into upcoming programs. The Mission's PMP also states that the Mission will monitor DRG integration through work to build the capacity of civil society organizations (CSOs) and work done to strengthen both the capacity and accountability of the GON across all DOs.[2] In addition to the PMP plan, the DRG office commissioned a

[1] USAID/Nepal CDCS 2014-2018, p. 13
[2] USAID/Nepal PMP, p. 14

study through the Mission-wide Monitoring, Evaluation and Learning (MEL) project to look at the effectiveness of DRG integration.

Within the Mission, the DRG team is attempting to pioneer the use of cross-cutting indicators, political economy analyses, and "Do No Harm" trainings. With implementing partners, the Mission is promoting district level coordination and the use of social accountability tools as entry points.

DRG Integration Accomplishments: Despite DRG integration's slow beginning due to the Mission's prolonged CDCS process, a change in mission directors, and the 2015 earthquake, activities across the DG, Health, and Climate Change portfolio all strongly feature PITA, and in particular given the Nepali context, gender and social inclusion:

- Sajhedari Bikaas, designed to improve the ability of local communities to direct their own development, provides trainings to district governments and citizens to help them engage in the 14-Step VDC Planning Process and use social accountability tools. Sajhedari also convenes a monthly meeting in Nepalgunj for USAID implementing partners to meet and discuss program activities, areas of cooperation, overlap, and potential collaboration.

- Strengthening Political Parties, Electoral and Legislative Processes provides technical assistance to Constituent Assembly members and the Parliamentary Secretariat. SPPELP calls on other USAID partners for their technical expertise to assist with trainings for parliamentary committees.

- Singha Durbar aims to foster engagement and increase knowledge about the roles of government at both the national and local levels. Its main activity consists of TV shows radio drama episodes. Each episode focuses on a thematic issue such as agriculture, health, climate change, youth disaster management, media laws, or political party democracy, illustrating how governance relates to each of these themes.

- Hariyo Ban is Global Climate Change project that aims to improve resilience to climate change. The project uses tools to promote good governance: Participatory Governance Assessment Tool, Public-Healing-Public-Auditing, Community Learning and Action Centers, Community Score Board, Governance Programming Framework, and Gender Responsive Budgeting and Auditing Guidelines.

- Health for Life (H4L) is health systems strengthening project is considered part of the Mission's Integrated Governance Program. It uses social accountability tools such as a social audit, public hearings, and client feedback.

Challenges: Significant constraints on DRG integration exist, including:
- Multiple definitions of what integration means to Mission programming
- Misperceptions and lack of clarity about DRG principles and tools
- Ability of implementing partners to integrate or coordinate
- Perceived or real funding and indicator limitations
- Lack of institutionalization of DRG integration within Mission processes

Conclusions: Considerable progress has been made from the initial days of the "peacock" CDCS to planning for district coordination. The strong and positive groundwork laid for integration leads to a number of important conclusions:
- **A recurring theme throughout the CSP case studies, including the Nepal Mission, is the importance of Mission leadership for promoting DRG integration**. Throughout the lifetime of the CDCS, USAID/Nepal has had different Mission Directors and is preparing for the arrival of a third. Despite the transition between several Mission Directors, DRG integration has enjoyed considerable support from Mission leadership. Front Office support is key for ensuring that integration is seen as a Mission priority, not the priority of a single office.

- **A DRG integration Mission Order and other management processes could be important tools for institutionalizing DRG integration across the Mission.** Through Mission Orders, the Mission was able to strengthen GESI as well as D4R integration. The same might be done for DRG integration. In addition, creating clear management processes such as quarterly integration reviews, ensuring cross-sectoral design teams, or initiating other Mission management processes could be helpful in institutionalizing integration.

- **Other Missions found the creation of an Integration Specialist key for promoting DRG integration.** USAID/Ethiopia hired a Senior Cross-Sectoral Advisor whose responsibilities focused on identifying entry points across the Mission's portfolio for integration. The approach taken by the GESI Advisor within USAD/Nepal to integrate GESI is also a model for a potential Cross-Sectoral Advisor.

- **A single Mission-wide definition of integration is vital.** In other case study missions (USAID/Malawi), the Mission clearly defined integration so that both implementing partners and USAID staff in Malawi are clear about what integration means, what the expectations are of them, and what the ultimate goal is. Clarifying the definition of integration within USAID/Nepal would assist with program design and strengthen its institutionalization.

- **Integration is most effective when it is written into contracts and cooperative agreements.** Unless it is clearly written into projects, integration will always come in second behind other objectives and will be seen as an optional add-on. The successful DRG integrated projects that the team visited – Sajhedari, Hariyo Ban, and H4L – were designed with the recognition that there were key governance challenges in each sector. This enabled these activities to work together and build DRG principles into the fabric of the projects.

- **Consider adaptive management processes.** One office director suggested that project scopes be modified at the project's mid-point, giving all offices a chance to look at what is working and what is not, and make suggestions to respond to changing operational dynamics. In other case studies, "Windows of Opportunity" were written into project designs and contracts, giving implementing partners the flexibility to collaborate and coordinate for unanticipated activities that support the Mission's integration goals and individual project objectives.

- **Increase the use of PEA in program design processes.** The case study team heard from multiple interviewees that past PEA analyses conducted by the DG team were illuminating for the different technical teams when designing projects, and helped to illustrate the value-add of a DG perspective. Institutionalizing PEAs as part of every PAD or program design would provide an opportunity to ensure that DG integration is considered from project conception to implementation.

- **Increase the available resources to technical teams for DRG integration.** The case study team heard from both the DG team and technical offices about the desire to have more information about potential DG interventions specific to each sector and proof that DG integration is effective. This could be accomplished through support from USAID/Washington in the form of sector-specific tip sheets, empirical knowledge about the benefits/results of DRG integration, and opportunities to share and learn from other missions integrating DRG principles. Furthermore, opportunities to allow Foreign Service Nationals (FSNs) or Foreign Service Officers (FSOs) to observe the implementation of integration in other missions such as Malawi, Guatemala, or Indonesia would provide important learning opportunities.

- **Align staff incentives with DRG integration.** The case study team heard from numerous interviewees about heavy workloads and DRG integration being neglected because of primary duties. Mission-wide trainings on DRG principles, spot awards, and incorporating integration into performance targets would stress the importance Mission leadership places on integration.