

Report of the Mid-term Review of the Swiss Cooperation Strategy 2013–17 (SCS) for Nepal

Final report

17 November 2015



Photo: Narendra Shrestha

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1. Executive summary

In September 2015, the Swiss Agency for Development and Cooperation (SDC) conducted a mid-term review (MTR) of its Swiss Cooperation Strategy for Nepal for 2013–17 (SCS). The objectives of the MTR were to: (i) assess the changing political and socio-economic context and how the SCS has adapted to these changes; (ii) assess performance and progress in achieving the targets of the SCS; and (iii) identify areas for improvement in the current results framework, and new opportunities for engagement in Nepal until the end of the current SCS period and beyond.

The activities conducted under the MTR included preparatory work by external contractors, such as a household survey, a reality check analysis and a partners' survey to gather feedback from key stakeholders; internal work by the Swiss embassy team, including a context analysis, and discussion and reporting on progress towards achieving targets; and a 3-day workshop to discuss the results of the preparatory work and define solutions for improvement.

A key change in the political context is the new development cooperation policy, introduced by the Government of Nepal in 2014. This defines a very strict framework for donor engagement and directs donor investment towards the productive sector of the economy. It excludes any form of cooperation that directly or indirectly affects social harmony or has a negative effect on the country's security policy. The earthquake of 2015 has exacerbated some of the economic challenges of the country, and Nepal will continue to need assistance to recover from this natural disaster in the coming years. The high level of economic migration is affecting, both positively and negatively, the socio-economic situation in the country. Finally, in terms of change, there are strong indications that the increased presence of new donors such as China and India is reducing the influence of traditional western donors in general, and of Switzerland in particular.

The SCS has two domains of intervention. Activities under Domain 1 contribute to developing an inclusive federal state based on human security and the rule of law. Activities under Domain 2 aim at increasing well-being and resilience of the most disadvantaged people in Nepal. The SCS is continually adapting to the context changes in Nepal, however the current political context and the new policy framework is limiting efforts within Domain 1, and is making the development and approval of new projects under the SCS more difficult. As a solution, the MTR proposes to integrate some activities in Domain 1 into projects and programs under Domain 2.

In addition to these two domains, the SCS has external and internal implementation modalities, sometimes referred to as Domains 3 and 4. These include the key principles guiding the SCS as well as practices and approaches used to implement its activities. There were animated discussions during the MTR regarding these modalities, and the resulting recommendation is to analyse the effectiveness and efficiency of the key approaches, such as the cluster approach and fund flow analysis, and reflect on their usefulness as tools for project and program management. The results of this exercise should then be used to inform the drafting of the next strategy and inform the use of such approaches by Switzerland in Nepal and in other countries where aid is delivered.

The MTR finds that the SCS is still relevant in the current context and is being delivered in a very difficult political environment and slow economic development. As a good proxy indicator of

success, we found that donors and partners alike seek advice from the embassy team for program design and implementation in infrastructure or vocational training, for example. The SCS is on track to deliver its targets under Domain 2 despite the weak public service delivery at local level. However, the context described above is affecting the delivery of outcomes under Domain 1 even though many activities are implemented well and impressive outputs are being produced. The ambitious targets and the means of verification of Domain 1 indicators in the results framework were discussed, and the MTR proposes adjustments to better reflect the current situation. The MTR identified two opportunities for increased engagement – support to federalism, and specific post-earthquake activities for reconstruction and humanitarian aid.

A sample of partners contracted by Switzerland to execute projects provided feedback on their contribution to the SCS, as well as achievements and challenges in implementing the projects. Partners are well aware of the overall framework of the SCS, there was clear evidence on their contributions to the SCS, and partners were positive about their involvement with the Embassy. They provided insights on the need for increased synergies between Domains 1 and 2. Partners noted the SDC shift from commissioning projects to using a tendering process. Understandably, some of Switzerland's traditional partners were not yet comfortable with this process and asked for more clarity. Finally, partners provided their assessment of SDC approaches in Domains 3 and 4 and gave their view on the tools to reach the most disadvantaged groups. Some partners found that there was an increased involvement of SDC at a project operational level, and even though that might be needed to ensure quality of delivery, partners found that this could be disruptive to project operations.

The results-based management culture within the embassy is commendable and impressive. The routine use of data from indicators to steer the SCS and monitor progress has become a natural management process, and is to the credit of the various team members who have championed the approach. It is however important to use the results framework as a tool for reflection and flexible management and not just as an accountability tool to deliver without question a four-year plan.

Finally, the MTR congratulates the embassy team for the excellent work done under difficult circumstances and with the increasing size of the project/program portfolio. There was an assumption during the MTR that the budget situation will remain stable in the near future. Now is therefore a good time to take stock and reflect on how the embassy is operating, and make the necessary changes to improve the current strategy and start thinking about the next one. The MTR notes the difficult period endured by the team, with the pressure of the new Development Cooperation Policy, difficult negotiations with the Ministry of Finance to get projects accepted, the new tendering process, the extensive restructure of the agriculture portfolio from project to a more programmatic approach, and the move out of the embassy building due to earthquake damage to a much smaller building where working conditions are not ideal. There is a need to assess the current capacity and composition of the program team and define a clear human resource development plan to adapt to the new context.

2. Introduction

The Embassy of Switzerland in Nepal conducted a mid-term review (MTR) of its Swiss Cooperation Strategy 2013–17 (SCS) in September 2015. Annex 1 gives the terms of reference of the review. The review was implemented as a self-evaluation by the embassy team, to allow it to reflect on and discuss progress and challenges in relation to the SCS. The following questions provided the framework for the review:

- How has the political and economic context changed in Nepal since 2013, and how has the embassy adapted to change, or positively influenced it?
- What progress has been made towards achieving the targets of the SCS?
- Do project activities correspond with those planned or foreseen in the SCS?
- Are the planned development approaches being applied, and are they still relevant?
- What can be improved?
- What are new opportunities for engagement until the end of the current SCS; and for the next SCS period?

The core part of the MTR was a 3-day facilitated workshop. Prior to the workshop, the embassy team conducted or contracted extensive preparatory work, including an evaluation of progress towards the targets within the result framework, a reality check analysis (RCA), a household survey, a beneficiary assessment through photo-journalism, and a context analysis. All of this preparatory work is available at the embassy and served as a basis for the discussions that were held during the workshop.

It was not the intention of this review to amend the overall framework of the SCS, but rather to define adjustments to the monitoring framework, to discuss concrete actions to improve the delivery of the SCS, and where necessary to recommend adjustments to the lines of interventions and management.

As indicated by the Swiss Ambassador to Nepal, Mr. Urs Herren, in his opening address to the workshop, such reviews are not conducted as a matter of course. However, it was judged that this was an appropriate time for the team in Nepal. According to the Ambassador, the MTR should provide a learning space for constructive criticism, and should not result in a long report overloaded with too many recommendations. The head of the South Asia Division at the Swiss Agency for Development and Cooperation (SDC), Mr Derek Müller, also provided his expectations of the review, which included an improved understanding of the strategy underlying Swiss interventions in the country. Mr. Müller also explained that Swiss official development assistance (ODA) is being slightly reduced to 0.4% of GDP, but the current level of expenditure in Nepal is expected to remain stable for the next couple of years, with the exception of some possible re-allocation of unspent funds from other parts of the South Asia division.

This report summarises the key points of the presentations made, the discussions and key outcomes of the workshop.

3. Changing context

Political and socio-economic change

Nepal has faced significant social and economic challenges in the past decades, and these challenges were present at the inception of the SCS. The April 2015 earthquake exacerbated the situation. More than 9,000 people were killed, more than 23,000 were injured, and the destruction of infrastructure and houses added to the toll. There are encouraging signs of recovery, but a lot remains to be done to help the most affected communities recover from this disaster.

The political and socio-economic context in Nepal has not evolved positively since the first year of implementation of the SCS. Some of the underlying assumptions of the SCS were rather optimistic, expecting Nepal to slowly but steadily transition towards an inclusive democratic federal republic. The reality is that political instability has continued and the situation between the main political parties is still tense. There is an emergence of new regional and identity-based political parties, and the increasing fragmentation of the political panorama is making consensus more difficult to achieve.

The Constituent Assembly elected in November 2013 was tasked with drafting the new constitution. One of the few positive impacts of the earthquake was the acceleration of the constitution drafting process, culminating in the promulgation of the new constitution on 20 September 2015. Under the constitution, Nepal's new federal structure will see the country divided into provinces, with legislative powers for the central, provincial, and local bodies. However, the exact structure of the federal state is not clear and the issues of proportional representation and definition of provinces remain contentious and have resulted in violent protests in the south of the country (at the time of writing). During the MTR, it was identified that Switzerland has a unique opportunity to support Nepal on its path to federalism, and it was decided that a working group would be set up under the leadership of the Ambassador to define the type of support that could be provided.

Action 1: Set up a federalism working group in the Embassy to define possible support from Switzerland to Nepal.

Based on the context analysis done in preparation for this MTR and presented at the workshop, most of the political conditions remain broadly similar to the 2012 baseline. However, the rule of law is deteriorating, the number of NGOs working in core human rights work is reducing, and there are still no elected local governments. Social conditions are slightly improving in general, but food security at the national level is decreasing. Economic conditions remain similar to the 2012 baseline, with an increasing trend in labour migration and a worsening of the balance of trade. Security conditions are also unfortunately worsening.

A key change in the political context is the new development cooperation policy. The new policy details minimum thresholds for investment by development partners (i.e. donors), and clearly defines a focus on physical infrastructure development, employment generation and production and productivity growth. It specifies that budgetary support is the most preferred aid modality, and strongly limits technical assistance.

The SCS is structured operationally into two distinct domains, Domain 1 focusing on an inclusive federal state, human security and rule of law, and Domain 2 focusing on inclusive socio-economic development and public service delivery. There are also two additional components, in the SCS called Domains 3 and 4, which represent internal and external implementation modalities. The new development policy states the type of cooperation that will be accepted, and says that “any form of cooperation that undermines social harmony will not be accepted”. Closer reading of the policy further reveals a strong preference for economic assistance through the government structure and a very low priority for, and in some cases exclusion of, projects that aim to directly strengthen civil society. During the group discussion at the workshop it was agreed that this aspect of the policy limits the engagement of international donors with projects that have no infrastructure components and/or are related specifically to addressing social and political issues. Such activities are mainly included under Domain 1 of the SCS.

In summary, the development policy clearly defines the tools and modalities for ODA in Nepal. It directs donors to use the machinery of government for channelling aid money and for delivery of programs. However, the government’s capacity to devise a clear path towards an inclusive, peaceful and prosperous country is not clear. A paper written by the National Planning Commission¹ on the approach to graduate Nepal from least developed country (LDC) status by 2022 has very ambitious targets, for example a 9.2% yearly economic growth, which will be extremely difficult to achieve.

The country suffers from a low rate of budget execution – an average of only 80% of budgeted capital was spent in the last financial years². Nepal’s economy remains poorly diversified and heavily dependent on agriculture, which employs 70% of the country’s labour force. However, the economic context is changing mainly due to a high level of economic migration from rural areas to overseas, and the percentage of population living below the poverty level³ is reducing.

The SCS considers three possible scenarios for the period 2013–17 – an optimistic scenario with an inclusive transition to a democratic federal republic, a least optimistic scenario describing an authoritarian rule with ongoing crises, and a middle-ground scenario. Currently Nepal is experiencing the middle-ground scenario, with a delayed transition to a democratic state and unrest. As described in the scenario, there is delayed or non-existent economic reform, slow economic growth, accelerated economic migration, and delay in budget approval, all hampering economic development. In addition, the earthquake negatively affected the manufacturing sector and tourism revenues. As mentioned in the latest annual report from the embassy, the country unfortunately seems to be slipping towards the least optimistic scenario.

¹ <http://www.unescap.org/sites/default/files/CaseStudy-Nepal.pdf> accessed on 17 October 2015.

² Operational risk assessment of public financial management reform in Nepal: a review of challenges and opportunities. Philipp Krause, Stephanie Sweet, Edward Hedger, and Bhola Chalise. Centre for Aid and Public Expenditure. August 2013.

³ This is based on a poverty threshold of 1.25 USD per day, however if one considers the 1.56 USD reference then there has been no change in the poverty level in Nepal.

The earthquake, and responses

The earthquake struck Nepal on 25 April 2015. The SDC, which includes Swiss Humanitarian Aid, is supporting the Nepalese authorities in disaster relief and recovery. Switzerland's assistance has included emergency relief and an emergency distribution of seeds. Most of the humanitarian operations were implemented during the emergency phase, which ran to the end of September 2015. The recovery and reconstruction programs will continue through a two-year period until mid-2017, and Switzerland will also contribute to this. The discussion at the workshop on this topic is summarised below.

Switzerland's strategic positioning

Switzerland as a longstanding development partner must design a constructive and integrated response in line with its involvement in Nepal, and its established networks and partnerships. During the workshop participants discussed the best way to engage, and weighted various options. The preferred approach, as the most efficient administratively and operationally, was to vary existing projects to execute additional work.

Post-earthquake interventions

The desired outcomes of the post-earthquake interventions are:

1. Affected communities in remote areas receive emergency relief and have access to markets.
2. Affected vulnerable groups receive assistance in an equitable and gender-sensitive manner.
3. Affected communities maintain and improve their livelihoods through recovery and reconstruction efforts.
4. Government, communities and other stakeholders in recovery and reconstruction strengthen their preparedness and disaster risk reduction (DRR) capacities as well as their knowledge in earthquake-resistant technologies.

The activities and outcomes are aligned with the two existing domains of the SCS and thus there is no need to amend the SCS to include these activities. The current results framework indicators should capture progress attributable to these interventions. The first three contribute to outcome 2.1 of the SCS: 'Disadvantaged groups improve their livelihood and resilience', and the fourth contributes to outcome 2.2: 'Local government and line agencies ... deliver basic services in response to needs and demands of woman and men, especially of disadvantaged groups.'

The main activities that have been implemented and that will be implemented are described in the embassy annual report and are not repeated here. The key criteria for intervention are potential synergies with pre-existing SDC projects, a demonstrated added value using experience or technical expertise, and an existing or perceived institutional obligation such as the repair of previously SDC-funded infrastructure and buildings.

Action 2: Ensure alignment of post-earthquake activities with outcomes 2.1 and 2.2 and use key indicators of the SCS to report on progress.

Adaptation of the strategy to the changing context

In general, the SCS goal and outcomes are broad enough to accommodate the changing context. Some of the scenario features used to draft the SCS represent the reality today. The finding of the MTR is that the SCS as a whole does not need to be revisited, however two elements of the SCS will need to be adjusted: some indicators related to Domain 1 need redrafting to be more qualitative; and the ambitious outcome targets of the SCS have to be re-examined to take into consideration current challenges. Both points are discussed in the next section.

Regarding adaptation of the SCS to the changing context of SDC, and as discussed during the MTR, the SCS is unique within the portfolio of the South Asia Division. Recently, SDC country strategies have been developed with a narrower focus, with investments in a maximum of three sectors. The Nepal SCS has a more integrated approach to development with various sectors included in two distinct domains. This does not affect the relevance of the strategy in Nepal, but this will need to be taken into consideration during the development of the next strategy, to adapt it to the context in which SDC as an agency wants to operate.

SDC influence in changing the political context, including the space for development

The SCS defines a specific space where Switzerland will invest its aid money to support Nepal in its development, i.e. ‘the space for development’. This space contains activities supporting the productive sector of the economy, such as agriculture and irrigation, investment in infrastructure such as roads, close attention to cross-cutting issues supporting the development of the social fabric of the country such as gender equality and reduction in any form of discrimination, and specific investment to support human rights and the rule of law. Swiss engagement, however, goes beyond program activities: SDC also coordinates various donor groups [such as the Social Inclusion Action Group (SIAG), Forestry Working Group, Rural Infrastructure etc.] as a way to enhance the space for development through policy awareness, influence and national capacity building. In addition to facilitating formal discussions around these areas, SDC also engages in advocacy work from local to national level as an integral part of its work in Nepal.

At its core, the SCS recognises that discrimination on the basis of caste, ethnicity or gender affects the country’s overall productivity and needs to be addressed, and that economic empowerment is not necessarily accompanied by social empowerment. A question debated during the MTR workshop was whether the space for development defined by the SCS has shrunk, and whether Switzerland still has influence in changing the political context to improve Nepal’s potential for sustainable development. An important element which was emphasised during the discussion was that the space for development is not simply given, but can also be created. It was also mentioned that more sensitive issues – such as human rights, and gender-based violence – may be seen by the Government of Nepal as internal affairs and hence more difficult to be accepted within a project under the new cooperation policy, but such interventions are needed and important for the continued relevance of the SCS. It was agreed at the workshop that it is crucial to explore alternative formal and informal modalities for engagement and communication.

The space for development in Nepal has not necessarily shrunk, however standalone investments in human rights or state building are less welcome and in some cases not accepted by the Government of Nepal. The space for development is, however, also defined by how the embassy positions itself. For example, the embassy has adopted a wait-and-see approach towards the Truth and Reconciliation Commission (TRC) and the Commission for Investigation on Enforced Disappeared Persons (CIEDP); it was decided during the MTR that this position will be maintained until the Government commits to adhere to the verdict of the Supreme Court of 26 February 2015. The embassy will also continue to use available platforms to present its positions on these commissions with other like-minded donors, for example during the Universal Periodic Review, or during discussions with political parties.

Some of the workshop participants were in favour of using Switzerland's reputation as a trusted development partner in Nepal to lobby more forcefully for change and for the increased inclusion of core development values in Nepal's development agenda. In the past, SDC was known to take risks and engage in favour of policies that were not always well accepted by the policy makers of the day (for example, its support for Basis Operational Guidelines during the conflict). It seems, however, that the context has now changed. The arrival of non-traditional donors, such as China and India who provide significant aid investment without much conditionality, is affecting the influence of traditional western donors in changing the political context. Some at the workshop were also worried that if Switzerland continues raising these sensitive issues in various fora, there was a risk of losing some goodwill. The MTR concluded that there was a need for increased strategic communication and engagement with key actors to maintain and if possible increase Switzerland's space for development.

Action 3: More consistent engagement with key actors of government, political parties and civil society through informal exchange in order to advocate for core development values.

4. Progress towards achieving the targets of the SCS

Status of progress

The SCS has a two-pronged approach, with development interventions at village level in Domain 2 and support to state and peace building in Domain 1, as well as internal and external implementation modalities.

The MTR finds that Domain 1 is on track towards the stated objective of the SCS but will not achieve planned results within the timeframe of the SCS. Progress has been slow due to the reasons explained above. There are many promising results that were presented at the workshop and reported in various project annual reports, such as:

- Swiss-supported facilitation mechanisms are increasing capacity and awareness on constitutional issues, and have contributed to the peaceful resolution of more than 500 community conflicts in 30 village development committees;
- Successful support towards free and fair elections, and the institutionalisation of a management tool for timely identification of election-related risks;

- Regarding the security sector, Domain 1 has supported the establishment of a security policy study group, the publication and dissemination of four policy papers, and the organisation of an international conference on the subject.

Domain 1 is operating in a difficult context and dealing with a wide variety of difficult and sensitive issues ranging from state building to gender-based violence, community conflicts and human rights; despite these difficulties the domain is delivering outputs.

Domain 2 is on track to achieve its stated objectives of improved livelihoods and resilience of people living in rural areas and small urban centres. This domain absorbs the majority of the SCS funds and its outcomes and indicators are appropriately defined and realistic, though ambitious. SDC investments in this domain are improving the livelihoods of the disadvantaged population by providing access to basic services, natural resources, and employment opportunities. The household survey and the RCA provide additional insight on this progress, including the important impact of remittances from migrants.

There are some operational constraints affecting the delivery of activities under Domain 2. The restructuring of the agriculture portfolio and the delay in contracting new projects under this portfolio are affecting the coherence of investments in the domain. The absence of an elected local government, the lack of accountability, the lack of motivation of Nepal government officials, the frequent rotations of government officials, and the inefficient budget and procurement process at local government level are just a few of the constraints that projects regularly face, and progress achieved in this domain is a testament to the hard work and dedication of the partners implementing the projects and the embassy staff overseeing them.

The results achieved under the two implementation modalities are described below under ‘Effectiveness in achieving outcomes per implementation modality’.

Relevance of the domain stated results

The domain stated results are still relevant as the situation since 2013 has not changed dramatically. Domain 1 is still relevant as it deals with a peace process that is not yet finalised, supports Nepal on its journey towards state building, and contributes to reducing gender-based violence and human rights violations. Similarly, Domain 2 contributions towards livelihoods and resilience are still very much needed.

One of the aspect that is currently affecting the relevance of these two domains is the fact that they are working in isolation and not, as stated in the SCS, as *‘inter-related’ interventions*. There is a need to increase the synergies between these two domains and re-establish the close collaboration needed between the two domain teams. The MTR proposes two actions (Actions 4 and 7, below) to increase the linkages between the two domains and work as team to answer a key strategic question.

Action 4: Mainstream the human rights-based approach (HRBA) in at least one Domain 2 project. Use this action to re-establish concrete links between Domains 1 and 2.

Effectiveness in achieving outcomes per domain

The SCS has reached various level of effectiveness in achieving its outcomes. As a reminder, efficiency is a measure of how economically inputs (funds, expertise, time, etc.) are converted to outputs; whereas effectiveness is the extent of which these outputs lead to the achievement of development outcomes. For Domains 1 and 2, as well as external and internal implementation modalities, the embassy team is performing efficiently in difficult circumstances however planned outcomes are not always achieved.

Domain 1 – Inclusive federal state, human security and the rule of law

We have described above the activities and outputs under Domain 1, however the current circumstances in Nepal, both externally and internally, are affecting the delivery of outcomes.

Externally, the policy and political context discussed above is affecting the outcome delivery for this domain. The current context, combined with the unrealistic expectations set in the SCS, makes it very difficult to deliver fully the stated outcomes. For example, Domain 1 first outcome states: *The elected representative, civil servants and civil society ensure that constitution drafting, the election and the state restructuring process, as well as the state structures at the local level, are inclusive and well managed.* This statement includes three sets of actors, three complex processes and two levels of government, and represents, to be successful, a significant body of work. It is simply not possible with the current level of investment in the SCS to achieve this outcome in 4 years. It was decided during the discussion at the MTR that it would not be helpful to rewrite outcomes at this stage, but instead to re-examine indicators to include a qualitative assessment to provide a better representation of the contribution of Domain 1 activities.

Action 5: Review the modifications provided in Table 1 to improve the quality of reporting at outcomes level in Domain 1.

Internally, and as already concluded above, interventions under this domain are limited by a lack of engagement at district and village levels (i.e. in Swiss cluster districts) as well as a fragmented portfolio of projects consisting of a multitude of small actions not well connected to an overall strategic plan. There were promising discussions at the workshop to engage more in cluster districts (such as the integration proposed under Action 4 above), and the positive momentum created during the workshop will hopefully result in increased collaboration between the two domains of interventions.

The workshop also discussed briefly the role and contribution of the Human Security Division (HSD), and a recommendation was made by one participant to better clarify HSD's role, taking into consideration the existing political constraints.

Table 1. Existing and proposed indicators for Domain 1.

Narrative	SCS current indicators	Comments	Proposed indicators
<p>Outcome statement 1.1: The elected representative, civil servants, and civil society ensure that the constitution drafting, the election and the state restructuring processes as well as state structures at the local level, are inclusive and well managed.</p>	<p>1.1.1 Number of political differences related to constitution drafting, power sharing, as well as to transition and state restructuring, that are resolved with Swiss-supported facilitation mechanism and expertise.</p> <p>1.1.2 Observers consider elections, including CA elections, free and fair; the level of participation in Swiss-supported areas is above national average.</p> <p>1.1.3 Quality of the involvement of government and other relevant actors in strategic discussions about the security sector, in which Switzerland/HSD played a role.</p> <p>1.1.4 Number of Swiss-supported districts complying with the MoFALD/LGCDP conditions for receiving financial transfer and being assessed positively as satisfying the MCPM requirements.</p>	<p>1.1.1 This indicator would need a qualitative assessment to better represent activities undertaken. The means of verification could be based on the Most Significant Story method⁴ to gather qualitative evidence of progress.</p> <p>1.1.2 This indicator provides information on free and fair elections, however the level of participation was below the national average in Swiss-supported areas.</p> <p>1.1.3 This indicator is not relevant any more as all activities related to the security sector have finished.</p> <p>1.1.4 Good indicator, but there are two key metrics include in the indicator. This is an indicator related to activities in Domain 2 but keeping it in Domain 1 is good to support increased integration of the two domains. The main issue is that performance of districts is not assessed and this is really what the outcome is about.</p>	<p>1.1.1 Evidence of change through the collection of significant change (SC) stories emanating from political differences resolution processes using Swiss-supported facilitation process and expertise.</p> <p>1.1.2 No change needed</p> <p>1.1.3 We propose to delete this indicator as it does not relate to activities anymore.</p> <p>We propose to separate indicator 1.1.4 in two:</p> <p>1.1.3 Number of Swiss-supported districts complying with the MoFALD/LGCDP conditions for receiving financial transfer.</p> <p>1.1.4 Number of Swiss-supported districts being assessed positively as satisfying the MCPM requirements.</p> <p>We do not recommend adding a specific indicator on performance, as in the current context it would not really provide additional information, however we recommend considering it for the next strategy.</p>
<p>Outcome 1.2: Stakeholders use non-violent means to deal with conflict, particularly related to resources, identity, gender and domestic issues.</p>	<p>1.2.1 Number of requests and % of conflicts and potential conflicts successfully addressed by key stakeholders (political and community leaders) through Swiss (HSD) supported facilitation.</p> <p>1.2.2 Conflict-related violent incidents reduced by 20% in Swiss-supported cluster areas, compared to 2013 baseline.</p> <p>1.2.3 Key components of the National Action Plan related to the Security Council resolutions 1325 and 1820 (women and peace) implemented.</p> <p>1.2.4 Domestic and gender-based violence is</p>	<p>1.2.1 This indicator has two key metrics. We propose to separate them and to delete potential conflict as it is difficult to objectively assess.</p> <p>1.2.2 Unfortunately, no baseline was established in 2013. It was decided at the workshop that we would keep this indicator, but would report on the number of violent incidents observed or reported and aim at reducing them year after year, i.e. the target is a trend indicating a reduction.</p> <p>1.2.3 This indicator will be kept as it is, however no real progress will be expected as few capacity-building activities specifically related to this are</p>	<p>1.2.1 Number of requests to use Swiss-supported facilitation to address conflicts related to resources, identity, gender and domestic issues.</p> <p>1.2.2. % of conflicts successfully addressed by key stakeholders through Swiss-supported facilitation.</p> <p>1.2.3 Number of conflict-related violent incidents observed and/or reported in Swiss-supported cluster areas</p> <p>1.2.4. Domestic and gender-based violence is increasingly being reported (5%/year).</p> <p>1.2.5 Domestic and gender-based violence is increasingly</p>

⁴ See guide at www.mande.co.uk/docs/MSCGuide.pdf (accessed in November 2015)

	increasingly being reported (5%/year) and dealt with (10%/year) in Swiss-supported cluster areas.	implemented in Domain 1 through the NPTF. 1.2.4 This indicator also has two metrics that need to be separated.	being dealt with (10%/year) in Swiss-supported cluster areas.
Outcome 1.3.: Relevant national institutions effectively promote and protect human rights, specifically those related to impunity, to discrimination and to the situation of migrant workers and refugees	<p>1.3.1 The Universal Periodic Review recommendations related to the areas of refugees, migration, impunity and transitional justice mechanisms are implemented (UPR 2011)/accepted (UPR 2015).</p> <p>1.3.2 Human rights cases (humanitarian law, discrimination, TJ/DwP, etc.) are effectively dealt with by the UN Human Rights Committee (at least 10 emblematic cases), by the national judiciary and civil society.</p> <p>1.3.3 10% increase per year in legal counselling, paralegal and legal aid to migrant workers and detainees in custody.</p> <p>1.3.4 Number of recommendations followed by the Government that were made by the NHRC, other relevant national bodies and civil society actors.</p>	Most of these indicators remain the same, with some edits made to 1.3.3.	<p>1.3.1 The Universal Periodic Review recommendations related to the areas of refugees, migration, impunity and transitional justice mechanisms are implemented (UPR 2015)/accepted (UPR 2015).</p> <p>1.3.2 Remains the same.</p> <p>1.3.3 10% increase per year in legal counselling and legal aid to migrant workers and detainees in custody.</p> <p>1.3.4 Number of recommendations followed by the Government that were made by the NHRC, other relevant national bodies and civil society actors.</p>

Domain 2 – Improved livelihoods and increased resilience for people, especially disadvantaged groups living in rural areas and small urban centres

Domain 2 is effective in achieving its outcomes. There are today more than 800,000 people directly benefiting from projects under this domain, with evidence of increase in food security and a reduction in poverty in Swiss cluster districts. These results were reported during the workshop and this correlates well with the household survey and RCA done in preparation for the MTR (these reports are available at the embassy). In contrast with Domain 1, it would seem that external circumstances – such as remittances from migrants – are contributing towards the delivery of Domain 2 outcomes. It is thus difficult to establish causality between SDC projects and some of these visible outcomes; however improved access provided by the transport infrastructure projects, increased production supported by the agriculture projects, and the increased income as a result of employment provided in the road projects (and to some extent also in the forestry sector) are obviously contributing to improved livelihoods and resilience. The second outcome of Domain 2 is only partially achieved, as service delivery from local government and line agencies remains basic.

On a positive note, the allocation and spending of budgets by the district and village development committees are increasingly being institutionalised, and 87% of the village development committees in the Swiss cluster districts complied with the Minimum Conditions and Performance Measures (MCPM) standard.

Effectiveness in achieving outcomes per implementation modality

The other two components of the strategy are internal and external modalities, which include the processes to implement the SCS, its guiding principles, approaches, practices and instructions to deliver the first two domains of the strategy. The principles included in these components have evolved in the last 50 years of the bilateral relationship between Switzerland and Nepal. The ongoing engagement of Switzerland has ultimately contributed to shaping some of the government policies today, such as Seed Vision 2015, decentralised extension services, and the agriculture development strategy that includes strong consideration of access and participation of the rural poor, especially women and disadvantaged groups.

Implementation modalities (external): Contribution to effective aid for consolidation of peace and poverty reduction

Switzerland's performance in aligning with principles of aid effectiveness has improved. There is an increase in implementation of projects by national actors. Similarly, Switzerland has increased the inclusion of its financial resources in the Government of Nepal's red book. Finally, Swiss program approaches are reflected in the sectoral plan of the district periodic plan.

Through its projects and its advocacy work, Switzerland has been able to ensure that key elements of participation and empowerment of rural poor, especially women and disadvantaged groups, are included in Nepal's government policies⁵. Switzerland's experience in good governance,

⁵ Such as for example in Seed Vision 2015, decentralised extension services, the community-based seed self-sufficiency program guidelines, the agriculture development strategy, AFEC, community forestry guidelines (2014), and Forest Policy (2015).

accountability and local state building programs has contributed to strengthening of compliance monitoring and planning at district level. The basic operating guidelines (BOGs) continue to be instrumental in the work of international development partners. These partners are better informed on local, district and central contexts through the BOGs Coordination Officer, a position funded by Switzerland and hosted by the United Nations Resident Coordination Office.

Implementation modalities (internal): Ensuring high quality program implementation and an orientation to results, as well as sensitivity to conflict

The progress in achieving outcomes under this internal modality are impressive. During the MTR, it was reported in Domain 2 and under this modality that the majority of the people benefitting from Swiss interventions were from disadvantaged group in line with the target of the SCS. As reported from the survey of partners in Section 5, a significant number of Swiss-funded projects are applying the core cross-cutting themes of the SCS, promote gender equity and social inclusion, and working in a conflict-sensitive way.

The embassy, as a learning organisation, is managing its knowledge and adapting its practices on the basis of lessons learnt and experiences gained. Relevant staff at the embassy contributed their expertise through participation in national, regional and global events, in six SDC thematic networks and through publication of articles. At the program level, experience was shared and further developed in two annual cluster workshops and two communities of practice.

All ongoing Swiss-supported projects and all new initiatives are analysing the impact of migration, and if necessary have integrated migration considerations in their operations. New projects plan to encourage investment of remittances, and improve skills of migrants/returnees. Obviously, more will need to be done to better understand and address the effects of migration on the social and economic fabric of the country.

Current risks in implementation modalities

There is an apparently strict separation of responsibilities between the team that implement projects within the two domains and the team and individuals who are the focal points for processes and cross-cutting issues under the two implementation modalities. This is probably beneficial from a management perspective; however, there is a risk that the individuals in charge of cross-cutting issues are perceived as solely responsible for achievement of results in these areas. For example, it was heard during the MTR that ‘management’ was not doing its job properly because not all projects have mainstreamed SDC cross-cutting themes, or it was the responsibility of a specific officer to ensure that all projects applied a standardised target or a workforce diversity approach. The external and internal implementation modalities should concern everybody at the embassy as they represent the way the SCS operates.

The inclusion of these two components in the results framework, with outcomes and indicators to monitor progress, might be a good idea for internal monitoring and to foster discussion within the team. However, the results on indicators for these two modalities should not be used to steer and direct the implementation of the SCS. The current results framework is used very strictly to define the results to be achieved as well as the processes to be implemented. In a changing context such as

Nepal, this might not be appropriate as it reduces essential flexibility, required so that management can take a different path if necessary to better adapt to the context. There is a need to include key concepts of adaptive management, and use process monitoring more to inform the management of the SCS and not to steer its implementation.

There are a number of different approaches included in the SCS, such as multiple livelihood options, a geographic cluster approach, connected local development, road corridors, fund flow analysis, workforce diversity, gender equality and social inclusion, and conflict-sensitive program management, to name a few. Indeed, there are too many approaches, and by focusing too much on the approach and less on the results achieved, there is a risk of losing the perspective of what the SCS is trying to achieve. The important part of the job is to make a difference in Nepalese life, not ensure that a specific approach is being implemented. Between now and the end of the strategy there is a need to take stock of which approaches are the most useful and use only those for the next strategy. As was advised in the 2010 MTR of the previous strategy: *SDC is trialling various methodologies, such as the Fund Flow Analysis (FFA) and the harmonized social mobilization. Each approach has its own benefits. However the fact that there are many approaches is creating confusion. The Swiss embassy should be careful in introducing too many new individual approaches, and should rather try to integrate new elements into current practices (such as integrating elements of the harmonized social mobilization with the connected development approach).* This recommendation is still relevant today.

Action 6: Review current approaches implemented by the SCS, analyse their success and usefulness, and choose only a few to include in the next SCS.

Discussion on gender equality and social inclusion

According to the SCS, SDC interventions must benefit at least 60% of disadvantaged groups, and at least 50% of beneficiaries should be women, to be effective in improving the livelihoods of these groups and to strengthen their voice. The SCS is clear that each SDC intervention must specifically target these groups to ensure this percentage is reached. This focus on gender equality and social inclusion is a key element in the effectiveness of the SCS.

The way to achieve and assess livelihood improvement is clear: poor households find a way out of poverty with support from SDC interventions, and the effectiveness of the SCS is assessed using indicators related to income and/or food security or employment. The difficulty arises with the need to assess the empowerment of disadvantaged groups and women. The SCS has three indicators to measure whether members of socially discriminated groups and women have a platform to voice their needs, demands and concerns and whether their concerns are listened to. One additional indicator measures whether women can speak up about violence.

There is a clear and shared vision of all team members at the embassy that the discriminated and poor should be the main beneficiaries of SDC interventions. The two main points of contention are: how much emphasis to put on economic empowerment versus social empowerment; and whether the reported results – based on quantitative indicators – reflect real empowerment, inclusion and equity, or not. It is well beyond the objective of the MTR to provide an objective answer to these

questions. However, it is important to note that these discussions created concern in the embassy team, and these issues should be addressed constructively to define an institutional position.

A first step should be to agree on a common vision from now until the end of the strategy, and start discussing the possible targets of the next strategy. For example, in relation to gender equity, a possible vision could be: “Women and men should be able to analyse the situation of women vis-à-vis men and identify how to improve the social, economic and safety situation of women. Women and increasingly men will voice concerns and make requests to improve the situation of women and girls, and change power relations at home, in the community and beyond. Increasingly, the roles of men and women will change towards more equity.”

Once a common vision is reached, SDC could define the tools to achieve this vision beyond targeting the group to benefit from interventions. As part of a team-building exercise the embassy team could then participate in a small action research activity to test the hypothesis and verify results through a qualitative study.

Action 7: Define a clear vision for gender equality and social inclusion in view of future programming..

Discussion on cluster approach and fund flow analysis

The SCS uses a cluster approach to concentrate a set of projects in a well-defined geographic area (a district, or a province in the future). During the MTR, it was discussed that there are four main components to the cluster approach – a road as an entry point, the use of single well-being ranking, a process to offer beneficiaries multiple livelihood options, and a governance focus to ensure local state building. The embassy team is convinced that the cluster approach is good and should be used for the new strategy. Among its benefits, it allows efficient use of the funds in a relatively small area, and allows Switzerland to provide information at policy level based on the reality on the ground. As part of the activities under Action 8, the MTR recommends to better define this approach, take stock of the lessons learnt so far, and decide how to use it in the future. This will give time to modify it to be implemented in the yet-to-be-defined federal system, and to link the cluster approach and the road corridor approach in a clear intervention strategy for the new SCS. The same reflection needs to be made on the fund flow analysis (FFA) and to monitor whether funds truly reach the most disadvantaged people. The FFA suffers from lack of accuracy of data collection and it was not clear during discussion which type of project should use it. Partners have also indicated that this is an onerous process to operate.

Action 8: Review the cluster approach and the fund flow analysis, and share the findings broadly to be used by others in SDC if found relevant.

5. Partners' perceptions

As part of the preparations for the MTR, five partners were asked to provide feedback on their contributions to the SCS, and the main achievements and challenges they faced in implementing SDC projects and programs.

All five partners had good knowledge of the SCS, and provided specific examples where their project success had contributed positively to the SCS. The way the partners presented their results indicates that they had adopted proper monitoring tools and had a good understanding of the beneficiaries of the projects and how this related to the SCS. There was genuine pride from partners to be part of the delivery of the SCS.

Partners in general believed that SDC was doing the right things in improving livelihoods, access to services, providing local employment and incorporating important gender and social issues. Partners believed their projects were filling important gaps and were fully in line with goals of the SCS. In other cases, partners recognised that with the help of SDC they had tested new strategies, such as adopting outputs- and outcomes-based payments, which have now been adopted by other development partners such as the World Bank for their skills development program.

On the side of possible improvement, some partners commented that SDC sometimes put more emphasis on the approach and less on the results; in their own words, “cross-cutting issues should not dominate the delivery of the program...”. This remark seems to be in line with the discussion about process monitoring above. Essentially, partners understand the need for results-based management to assess progress on development results. They can be instructed to use specific processes to be implemented in the projects and programs, however they are uneasy with the increased scrutiny and sometimes the very strong presence and direction provided at operational level by embassy staff. There is a need to find a balance between a hands-off, hands-on and hands-in approach. When donors intervene a lot in operation of projects, lines of reporting get blurred and partners find it difficult to manage the project they have been contracted to execute.

Action 8: Define the balance between a hands-off, hands-on and hands-in approach towards implementing partners.

Partners also noted some key areas for improvement already discussed in this report, such as the disconnect between Domains 1 and 2 and the issue of targeting discriminated groups and the benefits of such an approach.

On the cluster approach, road corridor approach and connected local development, partners believe that it is time to look beyond the SDC portfolio and start engaging with other donors or government initiatives in the same geographical area to take advantage of all possible synergies.

6. Results framework, and monitoring and evaluation

The MTR notes the strict implementation of results-based management at the embassy. This is good and is due to hard work in the last decade and thanks to the staff who have championed and supported this approach. The development of an outcome monitoring system at the embassy, and the fact that clear results provided by projects are used by SDC to report and monitor progress of

the SCS, is excellent. However, the MTR also notes that it is important to use the system as a learning tool for adaptive management. Also, as already discussed, the team needs to be careful not to consider the strategy as fixed in stone, and to recognise that as context changes there is a need to be flexible.

There were animated discussions during the MTR regarding the means of verification for each indicator in the results framework of the SCS, and the use of indicators for reporting. The SCS would benefit from a clear definition of the means of verification to ensure consistency. Between now and the end of the strategy, the MTR recommends an internal review of the means of verification for the indicators in Domains 1 and 2 as part of the learning process to develop the results framework for the next strategy.

Action 10: Conduct an internal review of the means of verification for the indicators in Domains 1 and 2 as part of the learning process to develop the results framework for the next strategy.

The indicators in the SCS have various functions. Some are directly related to the outcome to be achieved, others are proxy indicators and provide an indication of change but are not directly related to the activities implemented, and some are directly related to project implementation. The message here is that the most important part of monitoring and evaluation when assessing progress towards an outcome is the evaluation, i.e. the interpretation of all the data provided by the indicators to inform progress towards a development outcome, and not whether a target for a specific indicator was reached or not reached.

7. Conclusion

The current SCS is still relevant in today's context. The contribution of Switzerland towards an inclusive federal state, human security and the rule of law – despite a lot of activities implemented and good outputs produced – is not as effective as the SCS had envisaged, but there are good signs of progress on conflict resolution and gender-based violence reporting. The bulk of the investment under the SCS contributes to improved livelihoods and increased resilience of people, especially disadvantaged groups living in rural areas and small urban centres. In this area, Switzerland's contribution is on track to achieve the outcome set by the SCS, and there is evidence that people's livelihoods are improving, not only thanks to Switzerland's investment of course, but it is encouraging.

The policy and political context in Nepal and the unclear road towards federalism constitute risks for the delivery of the strategy, and will need to be monitored closely for the risk to be mitigated effectively. It is however important to increase the synergies between the SCS domains of interventions and to streamline key social empowerment aspects within projects in productive sectors. Such integration will better align the SCS with the new development cooperation policy and increase the coherence of the SCS.

The embassy team has gone through some difficult times in the last couple of years. The earthquake affected their office and they had to move; the increasing use of a tendering process rather than commissioning projects has affected relationships with partners who implement the projects; and

the rapid budget increase has increased the work burden unequally within the team, and highlighted human resources issues. It is to the team's credit that they have adapted to this situation and continue to deliver a very successful program. The MTR however recommends that Berne and senior management revise the current management and reporting structure as well as the workload to improve working conditions. There is also a need to assess current capacity building and training needs to develop a clear staff development process, taking into consideration the new tendering and contracting process implemented by SDC.

Action 11: Assess work distribution among staff and current capacity building and training needs to develop a clear staff development process.
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A short list of actions is proposed to improve the delivery of the SCS, two new areas of work have been defined. The first is support to federalism. The embassy team will develop a group led by the Ambassador which will start discussions on support towards federalism and define the road map for this engagement. This brings new opportunities for Switzerland to engage with Nepal at both central and decentralised levels, and as Switzerland is one of the oldest functioning federations in the world, this could be an exciting interaction. The second continuing area of engagement is the body of work that will be implemented in post-earthquake reconstruction, including activities for immediate relief, assistance to affected communities, reconstruction and building disaster risk preparedness.

Mid Term Review of the Swiss Cooperation Strategy 2013-17

Draft Self-Evaluation Workshop Outline

Venue: TBC

Date: 1 to 3 September 2015

Workshop Objective

The objective of this workshop is to conduct an internal review of the performance and the status of the Swiss Cooperation Program in Nepal compared with the goals stated in the Swiss Cooperation Strategy (SCS) 2013-2017. This workshop will be conducted as a facilitated self-evaluation (SE) exercise. The overall framework of the Swiss Cooperation Strategy will not be amended as a result of the Mid Term Review (MTR). However, due to changes in the context, to the constraints experienced by the SDC team in country, the institutional and individual capacity of the main partners implementing the program as well as lessons learned since 2013, the workshop discussions will aim at adjusting and define possible improvements to the lines of interventions, program management and in particular the monitoring system.

This workshop should provide the opportunity for the SDC team in Nepal to step back from their day to day business focussed on getting "*the job done*": i.e. project design, project monitoring, grant management and reporting duties to focus on the "*Why and how are we doing things?*", "*What are we achieving?*" and "*What and How can we improve?*"

The workshop will broadly follow the structure defined for the MTR and as such will have four parts distributed in six sessions.

- Part I: Current context and implications for the SCS
- Part II: Evaluation of progress of the various Domains compared to SCS
- Part III: Reflection on possible adaptation and on improvement of the monitoring system
- Part IV: Looking to the future and wrap up

We note here that Part II and Part III will be mostly merged as the evaluation of progress and reflection on possible improvement will naturally be discussed together and will provide the necessary input to improve mostly internal, but as well possibly external implementation modalities (Domain 4 and 3 respectively).

Workshop program

Tuesday 1 September (AM) –Session 1 (Part I and II)

Note taker for the morning session: Sangita

08:45 – 09:15 Welcome - HRR and MDR (10' each)

Workshop objectives, participants' expectations and rules of the game (JdM – 10')

09:15 – 10:15 A starting point

- Presentation of the main findings from Household surveys, Reality Check Approaches and photojournalists (JdM – 15')
- Short Plenary discussion on findings (All -15')

10:15 – 10:30

Tea break

10:30 – 12:30 Introduction to Part I: Assess context changes and implications (JdM)

- Presentation
 - o Context Assessment and adaptation to scenarios (Tshewang/**Pia** - 20')
 - o Post-earthquake reconstruction and the new constitution process (**HRR/ELMDI** - 10')
- Group work (JdM) (1h30' - 40' group work and 40' presentation and discussions (10' – 15' presentation per group))
 - o 3 mixed working groups will all discuss the following statement and questions:
 - «The space for Switzerland is not naturally given». Where and how can Switzerland create more space for development? And where would a bigger space for development create opportunities to influence the context more than we currently (can) do?

Group 1: Pia Hänni, Prakash Regmi, Jun Hada, Sarita Moktan, Pramila Shrestha, Binaya Raj Shrestha (Facilitator: Derek Müller; Note Taker: Mandakini KC)

Group 2: Tania Hörler, Rajesh Hamal, Aman Jonchhe, Yamuna Ghale, Pramesh Shrestha, Anita KC (Facilitator: Martin Stürzinger; Sushila Thapa Magar)

Group 3: Barbara Weyermann, Ivan Vuarambon, Urs Herren, Usha Bhandari, Manohara

Khadka (Facilitator: Diepak Elmer; Note Taker: Sangita Yadav)

12:30 – 13:00: Financial assessment and update – Financial framework of the SCS and progress to date including presentation and status of fund flow analysis (**Pramesh Shresta**)

13:00– 14:00 **Lunch**

Tuesday 1 September (PM) –Session 2 (Part II & III)

Note taker for the afternoon session: Mandakini

14:00 – 14:15 Introduction to Part II & III: Status and trends in achieving the targets of the SCS 2013-2017 and Reflection on possible improvement, and introduction to Domain 1 Session (JdM)

14:15 – 15:15 Part II - **Domain 1: Contribution to an Inclusive Federal State, Human Security and the Rule of Law**

- Presentations (45')
 - o Presentation of Domain 1: Results of the consultancy for the main changes in Domain 1 of the SCS and the Domain Status (HRR/**Tania**/Pia/Rajesh/Barbara – 45')
 - o Plenary discussion (JdM) – 15'

15:15 – 15:30 **Tea break**

15:30 – 17:00 Part II - **Domain 1: Contribution to an Inclusive Federal State, Human Security and the Rule of Law**

- Group work (1h30) Three groups discussion (45') and presentation (15' per group) based on the following questions:
 - o Group 1: Where are the opportunities to increase our political engagement? Does Switzerland want to continue the position of “wait and see” towards the TRC and COIED? Management and monitoring of Domain 1 – what works well and what are the constraints?⁶
 - o Group 2: Which project modalities do we chose for non-priority projects of the

⁶ This will provide response to Part III of the MTR objectives; Reflection on possible improvement

GoN? Does our investment in strategic partners lead to a sustainable strengthening of the sector?

- Group 3: How can domain 1 and 2 jointly address social discrimination through a focus on structural exclusion?

Group 1: Pia Hänni, Urs Herren, Aman Jonchhe, Manohara Khadka, Pramila Shrestha, Ivan Vuarambon (Facilitator: Martin Stürzinger; Note Taker: Mandakini KC)

Group 2: Tania Hörler, Yamuna Ghale, Jun Hada, Sarita Moktan, Pramesh Shrestha (Facilitator: Derek Müller; Note Taker: Sushila Thapa Magar)

Group 3: Barbara Weyermann, Rajesh Hamal, Prakash Regmi, Usha Bhandari, Anita KC, Binaya Raj Shrestha (Facilitator: Diepak Elmer; Note Taker: Sangita Yadav)

17:00 – 17:30 Presentation on partners' feedback on the SCS and the performance of the Swiss programme (JdM – 15' presentation and 15' discussion)

Wednesday 2 September (AM) – Session 3 (Part II)

Note taker for the morning session: Mandakini

08:30 – 09:20 Part II - **Domain 2: Contribution to improved livelihood and increased resilience of people especially the Disadvantaged Groups living in rural areas and small urban centres.**

- Presentations

- Short reminder on main targets, risks, lines of interventions, resources and partnerships, including past results and main findings of past evaluations. (JdM – 10')
- Domain Status (ELMDI/ **AMJ**/ Jun/ Binaya/ Usha/ Yamuna/ Manohara/ Prakash/ Sangita – 40')

09:20 – 10:30 Part II – Domain 2: Group work: 4 groups will be defined along the following interest/ expertise

- 1) Management of natural resources (forest, agriculture-land-water)
Manohara, Pramila, Diepak, Ivan (Facilitator: Yamuna; Note Taker: Sushila)
- 2) Transport/mobility
Binaya, Anita, Urs, Mandakini (Facilitator: Aman; Note Taker: Jun)
- 3) Employment and income, migration

Pramesh, Sarita, Derek, Julien (Facilitator: Usha; Note Taker: Barbara)

- 4) State building at the local level, provision of services and accountability
Pia, Rajesh, Tanja, Martin (Facilitator: Prakash; Note Taker: Sangita)

Each group will reflect on

- Domain status presentation: Issues of relevance, efficiency and effectiveness.
- Opportunities and challenges in its field of intervention, taking in consideration post-earthquake reconstruction and the new constitution process.
- How can the collaboration and the synergies with Domain 1 be enhanced?
- Contribution to the indicators listed in the SCS Annex B
- Monitoring: Indicators and means of verification: Is there a more efficient way? (Project data aggregations combined with SCS direct monitoring, what is needed at global level, what is needed for program steering) - Suggest possible improvement/adjustment of the RF indicators.

10:30 – 10:45

Tea break

10:45 – 11:45 Presentation of the conclusion of the group work (10' per group), questions and discussions (20')

11:45 – 12:30 Part II&III – Focus group discussion on Management– What works well and what are the constraints? How are we achieving a comprehensive (synergies, multiple livelihood options) and lasting impact in the geographic areas of concentration. Assessment of + and – of the Road corridor approach. Cross fertilization of experiences between central and western cluster. Considering the new constitution and the possible federal provinces.

12h30 – 13h30

Lunch

Wednesday 2 September (PM) – Session 4 (Part II and III)

Note taker for the afternoon session: Sangita

13:30 – 15:00 Overall conclusion on SE findings of Domains 1 and 2 – Preliminary discussion as an input in the MTR report.

- Synthesis of findings (JdM– 15')

- Plenary discussion to gather additional inputs and points not identified by the facilitator – (All - 30')
- Facilitated discussion on synergies between the domains: what have the synergies been? Can we enhance the synergies in future and if so, how? – 45'

15:00 – 15:15

Tea Break

15:15 – 17:30 Part II&III – **Domain 3: Implementation Modality (External): Contribution to effective aid for consolidation of peace and poverty reduction**

- Presentations
 - o Short reminder on Strategic outcomes and Indicators of success of Swiss aid modalities, including lines of interventions (JdM – 15')
 - o Status of the Domain focusing on external implementation modalities (ELMDI/ **Sarita Moktan**/ Sushila/ Manohara/ Tshewang/ Pramila – 30')
- Group work: Following questions will be answered by three groups. (1:30 h – 45' discussion and 15' per group presentation)

Group 1: Pia, Tania, Aman, Usha, Anita, Rajesh (Facilitator: Diepak; Note Taker: Sangita)

- o Do you think Implementation Modalities (External) can also be used for strengthening the interlinkage between Domain 1 and Domain 2?
- o What steps need to be taken in the coming days to make the necessary adaption? (Consider areas of interventions, Swiss approaches, additional resources, etc.)

Group 2: Manohara, Pramesh, Sushila, Binaya, Pramila (Facilitator: Urs; Note Taker: Prakash)

- o Swiss programmes/projects implemented by national actors have been challenged by fiduciary risks, lack of governance, and lack of capacity. Mismanagement and misappropriation of funds are potential risks. Delays in implementation, poor quality, and conflicts with stakeholders. Increased transactional costs (human resources and time invested on ICS, loss of staff due to weak governance, conflict of interest and time required for mitigation).
- o Please discuss and suggest concrete steps that Switzerland needs to do to address these challenges. Compare the recommended steps with the Line of Interventions specified in the SCS for Implementation Modalities (External) and note required adaption or introduction of new line of intervention.

Group 3: Martin, Barbara, Yamuna, Jun, Mandakini (Facilitator: Derek; Note Taker: Sarita)

- o As a small donor, Switzerland's biggest leverage in the development sector in Nepal is its 'goodwill'. It is felt that Switzerland's leverage is not the same as it used to be. If Switzerland does not promote or defend the 'goodwill', the leverage may be ultimately lost.

- What should Switzerland do in order to upscale the 'goodwill' and leverage this to make a meaningful contribution to Nepal's overall development.

Thursday 3 September (AM) – Session 5 (Part II and III)

Note taker for the morning session: Sangita

08:30 – 10:00 Part II & III - **Domain 4: Implementation Modality (Internal): Ensuring the high quality of program implementation and the orientation on results as well as sensitivity to conflict.**

- Presentations (45')
 - Short reminder on strategic outcomes and indicators of success of Swiss aid modalities, including a short summary of the discussion of the last 2 days to highlight how this domain can be used to implement the reflection on possible improvement for the SCS (Part III of the MTR) (JdM - 15')
 - Status of the Domain (focusing on Internal Implementation modalities such as equity and inclusion, Governance, Impartiality and conflict sensitivity, migration and disaster risk reduction including Cluster workshop summaries and access mapping exercise results) (**Barbara Weyermann** / ELMDI/ SM/ Sushila/ Manohara/ Tshewang/ Pramila – 30')

10:00 – 10:15

Tea Break

- World Café – 4 tables (1h45') – 15' per table – 10' presentation per table facilitator plus some time to move from one table to the next) – In a world Café setting we will discuss and reflect on the following points.
 - How good is the application of the cross cutting themes and GESI? Why?
 - Is the current monitoring system providing the required information for reporting at SCS level and if not why? Do we have the baselines?
 - How are the cluster workshops running? Do we need to change them? What is the use of access mapping?
 - Are the fund flows appropriate? Are we aware of our impact? Are we learning ?

12:00 – 13:00 Part IV – Looking to the future - Wrap up discussion and future plans (JdM led discussion)

- What are the main area for improvement/ adaptations/ adjustments identified during the past discussions? 30'
- What should be considered differently and what is our role in the enabling environment? 30'

13:00 – 14:00

Lunch

Thursday 3 September (PM) – Session 6 (Part IV)

Note taker for the afternoon session: Mandakini

14:00 – 15:30 Part IV – Looking to the future – Continuation of Wrap up discussion and future plans

- What type of information do we need from the monitoring system to prepare the next SCS?
- In light of the changing context, based on the discussion we had and the need to adapt to the current post-earthquake situation and the federal state structure, what are potential future areas of engagement both (1) until the end of the current SCS; and (2) for the next SCS period?
- Each participant will need to prepare a short statement about what he will do to ensure the delivery of the SCS.

15:30 – 15:45

Tea Break

15:45 – 17:00 Summary of next steps, responsibilities and closure of the workshop

- Friday – 4 September morning (JdM and note takers to meet and discuss inputs to MTR reports)
- Friday – 4 September afternoon (JdM and SDC – discussion of report draft structure and debriefing)
- Sunday 6 September – JdM leaves
- Monday 21 September – Draft MTR report submitted to SDC by JdM
- Monday 5 October – Deadline for feedback and comments to JdM
- Monday 12 October – Final report
- November – December – Response to recommendation and adaptation

Terms of Reference for the Facilitator – Mid Term Review SCS

The Swiss Embassy in Nepal intends to conduct a self-evaluation (SE) of its Swiss Cooperation Strategy (SCS) 2013-17. The SE will allow the Embassy to reflect and to deal in a systematic and effective manner with the following questions and challenges:

1. To assess if the context has changed. How have we adapted to the changing context and what was our influence in changing the context due to our work?
2. To determine the performance and status in achieving the targets of the SCS 2013-17:
 - a. To assess whether project activities correspond with planned or foreseen activities by the Swiss Cooperation Strategy: ***Are we doing everything right?***
 - b. To determine if the SCS approaches are being applied and whether they are still relevant in the current environment in the country. ***Are we doing the right things?***
 - c. To identify areas of improvements in project monitoring (and management if needed); to identify areas of improvement/adaptations/adjustments in the current results framework;
3. In light of the changing context, to identify potential future areas of engagement both (1) until the end of the current SCS; and (2) for the next SCS period.

The idea of a SE (opposed to an external evaluation) is that there should be a focus on learning and improving during the SE process. A three day residential workshop is proposed. An external expert shall facilitate the workshop (Facilitator - Consultant).

A detailed workshop programme shall be designed in consultation with the facilitator. The facilitator shall prepare a final report with the proposal of change along the objectives of the mid-term review (MTR) and its guiding questions, proposed adaptations of the Results Framework and the agreed adaptation of the SCS 13-17 due to changes in the context. The facilitator will also review the written material produced in the preparatory steps of the SCS and synthesize and present it during the workshop as required by the latter's program.

Tasks:

The following tasks are to be undertaken by the facilitator as part of the Mission.

Preliminary to the visit:

- (a) Review the Swiss Cooperation Strategy and related reports of the projects

- (b) Analyse the HH survey (baseline and actual) and other preparatory works undertaken for the MTR including the RCA, the photo journalist report and the evaluation report of Domain 1
- (c) Review all other related reports for the MTR
- (d) Engage in an e-mail discussion ahead of the MTR workshop with selected members in the Coof to define expectation, needs and the programme, and to develop preliminary material for the workshop and partners' feedback

During the visit in Nepal

- (e) Prepare and moderate the Self Evaluation Workshop
- (f) Debriefing session
- (g) Agree with the Embassy on the outline of the MTR report and its annexes

After the visit

- (h) Document the discussions and learning of the self evaluation workshop and prepare an MTR report for approval by the Swiss Embassy by latest September 21.

Tasks:

The results of this mission will be:

- An MTR report is produced not exceeding 15 pages (not counting annexes) including:
 - i. A brief summary of the changed context and SDC adaptation or influence on it.
 - ii. Summary of the self-evaluation of the relevance and efficiency of the SCS 2013-17
 - iii. Progress report on targets of SCS 2013-2017
 - iv. Recommendation for improvement in project monitoring and management if needed
 - v. Recommendations for potential future areas of focus in the light of the changing context both (1) until the end of the current SCS; and (2) the next SCS period.
 - vi. Annexes as needed

Reporting

The facilitator (consultant) will report to the Deputy Head of the Swiss Embassy for the entire duration of the assignment.

Timeframe

- Preliminary to the visit: 5 days
- In country visit: 6 days
- After the visit: 6 days for documentation of lessons learnt, conclusions, recommendations and follow up on recommendations if needed

The consultant is expected to arrive on or around Sunday, August 30 and to depart on or around Saturday, September 5. The SCS workshop will take place from September 1-3.

Annex 2: MTR Actions: Follow-Up Table

Actions	Responsibility	Deadline
Action 1: Set up a federalism working group in the Embassy to define possible support from Switzerland to Nepal.	HRR and Federalism Working Group (AMJ, ELMDI, HLT, LGP, KDN, REGPR)	October 2015
Action 2: Ensure alignment of post-earthquake activities with outcomes 2.1 and 2.2 and use key indicators of the SCS to report on progress.	AMJ + POs	Sep 2016 (AR 2016)
Action 3: More consistent engagement with key actors of government, political parties and civil society through informal exchange in order to advocate for core development values.	Management + POs	Regularly
Action 4: Mainstream the human rights-based approach (HRBA) in at least one Domain 2 project. Use this action to re-establish concrete links between Domains 1 and 2.	LGP, HAMRA + PO from a new project (e.g. in agriculture and/or skills development)	February 2016 (identification and further planning)
Action 5: Review the modifications provided in Table 1 to improve the quality of reporting at outcomes level in Domain 1.	HAMRA, HLT, LGP, REGPR, WEYBA	End of January 2016
Action 6: Review current approaches implemented by the SCS, analyse their success and usefulness, and choose only a few to include in the next SCS. • E.g. Cluster approach	ELMDI	Second half of 2016
Action 7: Define a clear vision for gender equality and social inclusion in view of future programming.	GESI team: Elaborate the action and make tangible proposals for follow-up steps to be presented during a PT meeting.	February 2016
Action 8: Review the fund flow analysis, and share the findings broadly to be used by others in SDC if found relevant.	ELMDI, PPS, SHRPR	June 2016
Action 9: Define the balance between a hands-off, hands-on and hands-in approach towards implementing partners.	HRR	First quarter of 2016
Action 10: Conduct an internal review of the means of verification for the indicators in Domains 1 and 2 as part of the learning process to develop the results framework for the next strategy.		This action will not be pursued.
Action 11: Assess work distribution among staff and current capacity building and training needs to develop a clear staff development process.	HRR, ELMDI	First quarter of 2016