

Project Completion Report Validation

Poverty Alleviation Fund Project II
Federal Democratic Republic of Nepal
Date of validation by IOE: April 2020

I. Basic project data

			Approval-revised (US\$ m)**		Actual (US\$ m)	
Region	Asia and the Pacific	Total project costs	213.48		183.07	
Country	Nepal	IFAD DSF grant (and percentage of total)	4.00	1.9 %	3.92	2.1 %
Loan number [project ID]	(1) G-I-DSF-8014- (2) 2000000459	IFAD DSF grant-add	5.01	2.3 %	2.99	1.5 %
Type of project (subsector)	Rural Development	Borrower	10.1	4.7 %	3.00	1.6 %
Financing type*	C	World Bank	179.99	84.4%	172.83	94.6 %
Lending terms**	DSF-Grant	Beneficiaries	14.38	7.7 %	0.00	0%
Date of approval	(1) 13/12/2007 (2) 30/12/2013					
Date of loan signature	(1) 08/05/2008 (2) 05/05/2014					
Date of effectiveness	31/07/2008					
Loan amendments	0	Number of beneficiaries	664,000		843,600	
Loan closure extensions	3					
Country programme managers	Benoit Thierry Lakshmi Moola (2014) Louise McDonald (2018) Tarek Kotb (2019-current)	Loan closing date	(1) 31/03/2013 (2) 12/30/2018		(1) 01/31/2018 (2) 06/30/2019	
Regional director(s)	Nigel Brett (current) Hoonae Kim	Mid-term review			13/05/2010	
Project completion report reviewer	Jorge Carballo	IFAD loan disbursement at project completion (%)			76.69 %	
Project completion report quality control panel	Eoghan Molloy Fabrizio Felloni	Date of the project completion report			12-2018	

Source: Project completion report and Operation Results Management System (ORMS-IFAD).

* Financing can be of 3 types: e-type = IFAD-initiated and exclusively financed (no co-financing), f-type = IFAD-initiated and co-financed, c-type = co-financier-initiated and z-type = no IFAD financing but IFAD supervised.

**Low debt sustainability; 100 per cent grant.

II. Project outline

1. The World Bank's Second Poverty Alleviation Fund project (PAF II) continued the same line of work as the first Poverty Alleviation Fund project (PAF I), working as a cross-sectoral, community-driven development (CDD) instrument for addressing the related problems of rural poverty and social exclusion. IFAD's contribution was through the financing of component IV to support capacity building and community organizations affected by the earthquake (see section on financing).
2. This Project Completion Report Validation (PCRVR) is an independent validation of the findings of the summary Project Completion Report (PCR) written by the project team and the Implementation Completion and Results report (ICR) written by the World Bank team. This PCRVR also considers the performance ratings provided by the Programme Management Department (PMD) of IFAD and suggests alternative ratings where deemed necessary.
3. **Project area.** The first Poverty Alleviation Fund Project (PAF I) covered 25 districts, six during the initial piloting of the project in 2004 and 19 after the extension in 2005. PAF II was initiated with the idea to cover all districts of Nepal to reach 30 per cent of the rural population.¹ At completion, the project covered 62 of the 77 districts in Nepal; 57 districts with regular program, three districts with innovative program and two districts with peri-urban piloting in Kathmandu and Rupandehi (see annex 2 for a full list of districts covered by the project).
4. **Project goal, objectives and components.** The project development objective was to improve the living conditions, livelihoods and empowerment of the rural poor, paying particular attention to groups that have traditionally been excluded because of their gender, ethnicity, caste and/or location.
5. The specific objectives for PAF II were to: (a) improve access to small-scale social and economic infrastructure and services, as prioritized by the beneficiary communities; (b) increase capital assets and/or incomes of beneficiary households; (c) increase citizen participation at the local level, community decision-making and management of local resources; and (d) generate an increase in employment at the village level, including both short-term (from project implementation activities) and long-term jobs (from economic activities facilitated by PAF II).
6. PAF II maintains the design features, activities and inputs from the first phase under the following components: i) small-scale village and community infrastructure; ii) income generating sub-projects; iii) innovation and special programs; iv) capacity building; and v) project administration/management.
7. **Target group.** Community organizations were categorized into four groups, depending on their years of experience based on their graduation process: Category A - over six years of mobilization period; Category B - from three to six years of mobilization; Category C - mobilization period of up to three years; and Category D - newly formed community organizations.
8. The project also classified the beneficiaries into four groups: a) Ka: Food sufficiency of less than three months—Extra Poor; b) Kha: Food sufficiency of three to six months—Medium Poor; c) Ga: Food sufficiency of six to eleven months—Poor; and d) Gha: Food sufficiency of 12 months or more than a year.
9. A district assessment was conducted in order to: assess the conditions of target groups and participatory processes; map the existence and activities of potential local partner organizations and community organizations; map other development programs in the area; and assess any security risks and how these might affect implementation and supervision.

¹ Project Completion Report.

10. **Financing.** Initially, PAF II had a total cost of US\$112.69 million of which the World Bank was financing US\$99.9 million through an International Development Association Development Grant, IFAD was financing US\$4.0 million through a DSF² Grant, the Government was to contribute US\$1.0 million and beneficiaries were to provide US\$7.68 million.³ In 2013, additional funds were approved as follow: US\$80.0 million from the World Bank (international development grant), US\$5.01 million from IFAD (Grant-DSF), US\$6.78 million from beneficiaries, and US\$9.10 million from the Government of Nepal.
11. In 2013, the World Bank provided an additional financing of US\$99.99 million. In the same year, IFAD committed US\$4 million to co-finance the support of the component on capacity building and US\$5 million for knowledge management activities. After the earthquake in 2015, the tranche of US\$5 million was repurposed as follows: US\$3 million for the earthquake response (starting from 2016) and US\$2 million for knowledge management. The last one was an additional program to PAF's regular program, and its objective was to support earthquake affected community organizations (COs) and their assets in such 14 districts.

Table 1
Project costs

<i>Financier</i>	<i>Appraisal (in 000' US\$)</i>	<i>Appraisal (Revised-2013) (in 000' US\$)</i>	<i>Percentage of appraisal costs</i>	<i>Actual (in 000' US\$)</i>	<i>Percentage of actual cost</i>	<i>Percentage disbursed</i>
IFAD Grant	4 000	9 018	4.22%	6 822	3.73%	75.6%
Government of Nepal	1 008	10 108	4.73%	3 000	1.64%	29.7%
Beneficiaries	7 688	14 380	6.74%	0	0%	0%
World Bank	99 997	179 994	84.31%	172 832	94.63%	90.7%
Total	112 693	213 500		182 654		

Source: Implementation Completion Report 2018, World Bank.

12. **Project implementation.** Both grants from IFAD and World Bank financing the second phase of PAF were approved in December 2007 and became effective in July 2008. The project was operational for a total of 10.5 years and was completed in December 2018.
13. PAF II started under the governance of the "PAF Act 2063" since 2006. Thus, PAF II is an autonomous, independent and professional organization governed by a separate law. The same institutional and implementation arrangements, which were in place for PAF I were also maintained for PAF II, with some minor adjustments to reflect lessons learned and the increased demands. For example, at the national level, part of the Long-Term Vision Plan covering 2007-2025 implemented after the expansion of the project was to increase the structure and staff to cope with increasing demands.
14. The overall project management responsibility continued to be with the PAF Board, chaired by the Prime Minister. The PAF Board established by the Vice Chairman (who also functioned as a full-time executive of PAF) and representation from ten other Members. The ex-officio members were the Secretary of the National Planning Commission, the Chairpersons of the Federation of District Development Committee, the Village Development Committee, the National Women's

² Debt Sustainable Framework.

³ Beneficiary contributions were expected to be in-kind, and not in cash. This explains the zero value for actual beneficiary contributions in Table 1.

Commission and National Dalit Commission. Other appointed members are five prominent professionals, including a woman, who have contributed to poverty alleviation in the country.⁴

15. The CO members, who also chose sub-projects for appraisal with the assistance of partner organizations, organized the sub-project selection and implementation. The matching fund by community group, as stipulated by PAF, was required for accessing the PAF fund, which was then deposited directly in community bank accounts. The management of funds was by community decision which also encompassed monitoring by a subcommittee.
16. **Intervention logic.** PAF II was a project with characteristics of employing the CDD approach in sub-project selection through the formation of COs formed by excluded and marginalized groups (e.g. women, Dalits, ethnic minorities, people from remote areas) and the grants provided directly to the bank account of the beneficiaries to raise their living standards by implementing the enterprise of their choice.
17. The PAF II worked essentially as a "social fund", which financed a variety of rural sub-projects. The key characteristics of PAF's approach include demand-driven activity, direct funding to community, community cost sharing, community institution building, high transparency in process, coordination, capacity building, and partner organization as facilitator.
18. Beneficiaries' contributions to participate in PAF-supported activities varied from 10 per cent in income generating activities (IGA) to 20 per cent in small-scale community infrastructures. However, in some cases, certain flexible objective criteria were built-in to cater for the needs of ethnic, caste, gender and poverty status of the beneficiaries. Attention was paid to income-generating activities that would be economically viable through linkage to markets. Care was taken to avoid proposals driven by non-governmental organizations (NGOs).
19. The project investments were divided into two categories: community infrastructure sub-projects and income-generating activities. The community infrastructure sub-project types were: buildings, irrigation, rural access, rural energy, water supply and sanitation, and miscellaneous (e.g. rice mill, water mill and information and communication technology support). For the IGAs, the sub-project types were: goat raising, buffalo raising, retail business, cow raising, pig raising, vegetable farming, poultry, ox raising and others.

III. Review of findings

A. Core criteria

Relevance

20. **Relevance of design.** As mentioned in the previous section, PAF II was a continuation of PAF I launched in 2004, which also followed the CDD approach for addressing the related problems of rural poverty and social inclusion. This approach was in line with the desire of rural and marginalized groups to play an active role in determining their own priorities and helping to manage investments intended to support them. In the region, CDD has achieved positive results by contributing to poverty reduction in conflict-affected countries.
21. PAF I was intended as a pilot project that brought important lessons that were embedded in the design for PAF II. Due to positive results achieved in the 25 pilot districts where PAF I operated, the targeted area for PAF II was expanded to a national coverage. The design of PAF II was not changed and continued to have the same component and implementation arrangements from PAF I, given the satisfactory results from the pilot phase. The sub-component for capacity building

⁴ PAF II, project completion report, 2018.

for local government was the only element that could not be implemented due to the turbulent environment and dissolution of local bodies during the period of implementation. However, in PAF II, as Nepal moved towards a new federal structure, capacity building was included in the design under the sub-component for "capacity building of local bodies".

22. The relevance of design was consistent with the policy commitment of the government from the tenth plan as a poverty reduction strategy that would alleviate poverty by mobilizing means and resources with the participation of international partners, Government, NGOs, private sector and civil society.
23. The design had some flaws calculating realistic targets for some of the activities. For example, the analysis conducted for the revolving fund revitalization scheme showed that 77,000 CO members were in need of cash transfer support. However, a later analysis showed that only 14,238 were in need of such support. Therefore, the original target was revised down to 14,000 CO members. Additionally, despite being a specific objective, the project log-frame did not include indicators for incremental employment (long-term and short-term) at the village level.
24. Even though the project sets a specific target on women's participation, the project does not include a clear gender strategy on how the projects plans to ensure women's participation in COs and how they will achieve empowerment. Some indicators used in the results framework presented in the project design are not gender-disaggregated.
25. **Relevance of objectives.** The project objectives proved to be relevant to national, World Bank and IFAD objectives. As previously mentioned, the emphasis on poverty reduction as one of the main objectives cuts across different development and social sectors such as agriculture, industry, social security, labor and employment, education, natural resources, and others. Therefore, the support from PAF II with a CDD approach in income generating activities, infrastructure, capacity development and other programmes is closely related to the government objectives of poverty reduction.
26. **Relevance of changes during implementation.** The specific objectives and their indicators remained unchanged throughout the life of the project. Due to the additional financing, the project revised some of their targets to adapt them to expansion in the project coverage and availability of funds. This revision also revised some overambitious targets set at design (e.g. pocket areas development pilots revised from 60 to 30). The reallocation of funds among components to specifically target earthquake-hit areas is considered highly relevant by this PCRV.
27. **Exit strategy.** PAF II did not plan at design an exit strategy for activities or infrastructure conducted by community organizations. This was not explored during the mid-term review and the project remained without an exit strategy until its completion. On the other hand, the 2020 Nepal Country Strategy and Programme Evaluation showed that the formation of community organizations into legally recognized organizations such as cooperatives enabled their access to further financing, both from rural banks and government entities. This was key to mitigate the absence of a full-fledged exit strategy.
28. **Overall,** PAF II followed the same strategy as PAF I and continued to be relevant in fighting rural poverty and achieving social inclusion in Nepal. The implementation of the project's CDD approach made PAF II a relevant tool to promote government objectives that were also aligned with the objectives of IFAD and the World Bank. Despite the lack of an exit strategy, the project made important efforts to improve the CO's sustainability through their transformation into legal and registered entities to facilitate their access to financial services. On the other hand, some targets on the logical framework were not calculated

realistically and gender disaggregated targets were not included. *On balance, this PCRV agrees with PMD and rates the relevance as **satisfactory (5)**.*

Effectiveness

29. The project benefited 843,600 households (131 per cent of target). In total, 794,000 CO members (134 per cent of target) benefited from IGA and infrastructure. An additional 495,000 non-CO members (90 per cent of target) also benefited. A total of 80 per cent of CO members were women (the target was 50 per cent). Out of the total CO members 99 per cent (the target was 80 per cent) were from groups from the following categories: 63 per cent were extra poor (class Ka), 26 per cent were medium poor (class Kha) and 10 per cent were poor (Class Ga).⁵
30. **Improvements in access to small-scale social and economic infrastructure and services, as prioritized by the beneficiary communities.** A total of 317,404 households (194 per cent of target) benefited from access to community infrastructure, of which 308,244 were CO members. A total of 4,449 infrastructure sub-projects (111 per cent of target) were implemented of which 41 per cent were under the *water supply and sanitation*⁶ category, 23 per cent under the *irrigation*⁷ category, 14 per cent under the *building*⁸ category, 13 per cent under the *rural access*⁹ category, 8 per cent under the *rural energy*¹⁰ category and 1 per cent under the *miscellaneous*¹¹ category.
31. The project estimated 70 infrastructure projects with functional operation and maintenance plans of which 69 achieved their objectives (98.5 per cent). The objective of these plans was to improve the sustainability of community infrastructures after the PAF II support concluded. Additionally, the project included a rehabilitation plan to rebuild 256 totally or partially damaged infrastructures by the 2015 earthquakes, of which 86 per cent was achieved. Initially, the project estimated to rehabilitate 288 infrastructure projects; however, the technical appraisal committee reduced this number to 219 infrastructure projects.
32. **Increase in capital assets and/or incomes of beneficiary households.** The project provided grants to COs to promote IGAs amongst their members. Under this model, the project provided 90 per cent grants and the communities themselves gave the remaining 10 per cent as a contribution. The results presented in the completion report showed that the activities related to livestock were the most common and dominant. Goat raising (58 per cent) and buffalo raising (14 per cent) were the most dominant IGAs supported by the project, followed by retail businesses (7 per cent) and cow raising (5 per cent). The remaining 16 per cent were divided among pig raising, vegetable farming, poultry, ox raising, and others. The project's target for promoting IGAs among CO members who belong to targeted households was 54 per cent. At completion, this target was overachieved by 3 per cent.
33. The grants provided by the projects and the contributions from CO members formed the revolving funds. When these funds started to be revolved, the interest earnings were added to the revolving funds, which made it grow. The 2017 follow up report showed that 100 per cent of CO members had access to the revolving funds. PAF II provided up to NPR 400,000 grants to each CO. As mentioned under the relevance section, the target for CO members benefiting from asset/cash

⁵ PAF II Project Completion Report 2018.

⁶ Gravity water supply, lift water supply (electricity, solar), latrine.

⁷ Shallow boring, deep boring, pond, Dhiki pump, lift (electricity or solar power), gravity/surface.

⁸ Community building, milk chilling centre, school, health post.

⁹ Gravel road, culvert, ropeway, bridge, foot trail.

¹⁰ Micro-hydro, solar, electrical, line extension.

¹¹ Rice mill, water mill (ghatta), pumpset, ICT support.

transfer for revolving fund revitalization was revised down to 14,000 members of which PAF II achieved 11,378 (83 per cent of target).

34. The project also implemented a Pocket Area Development Programme with the objective of scaling up activities for higher market demand, specialization on particular value chains to concentrate in pockets, and for selling in national and international markets.¹² Under this programme, the project formed 425 cooperatives (105 per cent of target). Additionally, 30 pocket areas (100 per cent of target) were developed and supported by the project for collective commercial production and marketing of commodities and 40 COs were functioning in urban and peri-urban settings (100 per cent of target).
35. **Increase in citizen participation and voice in local level and community decision-making and management of local resources.** This objective was developed under component 4 (capacity building) which consisted of social mobilization of COs, capacity building for the then District Development Committees (DDC)/ Village Development Committees (VDC), and target groups implementing IGAs. This component was the only one supported by IFAD funds. The project involved 74 per cent of DDC/VDC in monitoring PAF II activities (target was 100 per cent). PAF II envisioned a Local Resource Person¹³ at VDC or CO networks to provide social mobilisation support. Local resource persons were trained on administrative and fund management aspects before they started serving COs.¹⁴ The project was able to allocate at least one local resource person in 70 VDCs/COs (107 per cent of target).
36. Originally, the project aimed to provide training to 9,000 masons and 5,900 carpenters in earthquake-affected areas. In consultation with the National Reconstruction Authority, PAF II revised the initial target to 4,950 individuals of which 5,090 people (102 per cent of revised target) received training on earthquake resistant construction techniques.
37. **Generation of incremental employment at the village level, including both, short-term and long-term jobs.** The logical framework did not include specific indicators to verify the increase in employment at the village level. Some qualitative data found in the completion report indicate that the project improved employment generation mainly using local resources for the construction of small-scale village and community infrastructure. However, the qualitative data for treatment groups presented in the impact assessment shows an increase of 11.5 per cent in waged employment in the agricultural sector. Waged and self-employment for control group and treatment group remained practically the same.
38. **Overall,** the different targets set for each of the specific objectives were, in most cases, overachieved. The project effectively provided access to small-scale social and economic infrastructure and services, as well as access to financial resources to implement IGAs. Additionally, despite not achieving 100 per cent of target, the project also increased the participation of DDCs and VDCs in monitoring its activities. Unfortunately, the logical framework did not include specific indicators to measure employment generation at the village level. *This PCRV agrees with PMD and rates the effectiveness as **satisfactory (5)**.*

Efficiency

39. PAF II was approved by the World Bank and IFAD's executive board on 13 December 2007 and became effective on 31 July 2008, experiencing an effectiveness lag of eight months, which is above the regional average in the last

¹² PAF II project design.

¹³ Local resource persons who were expected to provide technical support to CO members especially in book-keeping and financial management and also to link them with local level governments for financial support beyond PAF closure.

¹⁴ PAF II project completion report.

ten years (4.8 months). IFAD's first disbursement took place only 14 months after the project became effective which is also above the regional average (9 months).

40. In total, IFAD funds amounted a total of US\$9.01 million of which US\$4.0 million were approved in 2007 and US\$5.01 were approved in 2013. The project was able to disburse 100 per cent of the first grant (2007), while the second one only disbursed 64.1 per cent. The first grant was disbursed in a period of six years with an annual average disbursement of US\$0.65 million. It can be concluded that the first grant was efficiently disbursed. Conversely, the second grant took 33 months to generate the first disbursement. The reasons for this delay were not found throughout the supervision reports, however, it could be said that this was one of the main reasons why the project could not disburse these funds in full. Both grants combined, the project had a 76.6 per cent disbursement rate at completion.
41. One of the main challenges in terms of efficiency was the excess of partner organizations engaged in the project. This resulted in a higher use of resources and time spent for the purpose of training, monitoring and supervision of the performance of partner organizations. The completion report reported that keeping partner organizations abreast of PAF's guidelines and criteria to maintain the uniformity in project implementation was a time-consuming and challenging task.
42. At design, PAF II calculated a project management cost ratio of 5 per cent. While this increased to 7.7 per cent at completion, this is still within IFAD standards. As shown in the 2019 Nepal Country Strategy and Programme Evaluation, PAF II was the project with the lowest project management cost ratio in the IFAD portfolio in Nepal under evaluation.
43. The ICR calculated the economic rate of return (ERR) for infrastructures and IGAs. At appraisal, the project estimated an ERR for all subprojects (infrastructure and IGAs) of greater than 15 per cent. At completion, the ERR was calculated at 15 per cent for IGAs and 24 per cent for infrastructure, which concludes that both type of investments were economically viable. This economic assessment was based on the economic data of 400 randomly drawn beneficiary households, with analysis of selected IGAs and infrastructures schemes.
44. **Overall**, PAF II pre-implementation processes were above the regional average. Despite some delays in generating the first disbursements of the first grant, the project managed to reach 100 per cent disbursement rate. However, the second grant suffered from a significant delay in generating the first disbursement that, consequently, affected its disbursement rate at completion. PAF II kept project management costs within IFAD standards and the project's ERR showed that IGAs were economically viable. *This PCRV agrees with PMD and rates the efficiency as moderately satisfactory (4).*

Rural poverty impact

45. The project conducted an impact assessment in 2018 as a follow up to the baseline survey conducted in 2012. A total of 1,410 CO member households were interviewed in the five baseline districts,¹⁵ of which 705 households were interviewed as treatment groups. Additionally, this PCRV also takes into consideration the information gathered by the Comprehensive Impact Evaluation conducted in 2018 by the World Bank.
46. **Household income and assets.** The impact assessment analysed the income growth between treatment groups and control groups in the period of 2012-2018. The results showed that income growth was higher in treatment households in the following districts: 45.72 per cent growth in Sunsari (22 per cent higher than control households) and 51.30 per cent in Kailali (1 per cent higher than control households). On the other hand, districts such as Dolakha (257.6 per cent growth)

¹⁵ Sunsari, Dolakha, Gulmi, Surkhet and Kailali.

and Surkhet (59 per cent growth) showed higher growth in control groups by 106 and 31 percentage points respectively. It was not clear from the report why these significant differences in the previously mentioned districts happened.

47. Livestock is one of the main sources of income in the selected districts. The baseline survey in 2012 showed that 94 per cent of treatment groups had livestock against 92 per cent in control groups. The 2018 impact assessment showed that 87 per cent of treatment households had livestock against 84 per cent in control groups. In both, treatment and control groups, there has been a slight and similar decrease in livestock ownership, which is consistent with a slight increase in land for agricultural purposes. However, based on the evidence provided in the impact assessment, treatment groups became less dependent on cow raising and shifted to goat raising, which represents one of the most economically viable activities supported by the IGAs. Additionally, the impact assessment found that the improved infrastructure had a positive impact on beneficiaries as they could spend more time on IGAs rather than household chores such as water fetching.
48. **Human and social capital and empowerment.** The creation of 27,454 COs and the exposure and engagement of their members in IGAs made them realize the need to improve their income for a better life. However, the impact assessment showed a decline in the involvement of participants in social and development organizations with an average of 14 per cent decline in treatment groups and 16 per cent decline in control groups. In the five surveyed districts, the treatment groups showed a decrease in involvement. However, the decrease in treatment groups was lower than in control groups, with the exception of Surkhet and Kailali. The impact assessment did not provide an explanation or reasons behind this decline.
49. Other interesting figures reported in the impact assessment were the distribution of executive female members in development and social organizations. The report showed that in the period 2012-2018 (for treatment groups),¹⁶ women participation as executive members increased only in Surkhet from 21 per cent to 33 per cent, but the other districts showed a steeply decline of 10.8 per cent in average. On the other hand, the 2019 Nepal Country Strategy and Programme Evaluation reported that the improvement of infrastructure reduced drudgery, particularly in water collection by women and children. This had the positive effect of allowing children, particularly girls, to attend school more regularly. It also increased the available time to adults, particularly women, for IGA. Similarly, with regard to women's role in decision-making, the comprehensive impact evaluation reported that the probability of women being consulted when a property is sold increased on average by 22.3 percentage points in treatment groups compared to a 5.7 percentage points in control groups, which the reports attributes to CO formation, social mobilization and capacity building.
50. **Food security and agricultural productivity.** The results presented in the impact assessment showed that 63 per cent of CO beneficiaries improved food security, which is slightly lower than the original target (68 per cent). The impact assessment showed that the proportion of households with food sufficiency level of less than three months declined from 11 per cent to 8 per cent between 2012 and 2018. Additionally, during the same period, the proportion of households with food security between 6 to 11 months has increased from 20 per cent to 40 per cent. The improved food status of beneficiary households is also evident from increased real per capita consumption by about 22 per cent between baseline and end line.
51. The impact assessment does not present data on agricultural productivity. However, the completion report shows data on the ERR of six IGAs, which can be used as a proxy indicator (see efficiency section). Additionally, the infrastructure development strategy implemented through the community infrastructure sub-

¹⁶ Data for control groups was not shown.

projects prioritized an increase in income through augmenting productivity, but unfortunately, there was no data to verify this in the completion report or the impact assessment.

52. **Institutions and policies.** PAF itself is an institution created by an Act of Parliament in 2006 as an autonomous body entrusted with a national poverty alleviation agenda. The Prime Minister's leadership, as the chair of the institution, was continued throughout the entire project life, in both phases, PAF I and PAF II. Neither the Government of Nepal nor The World Bank thought it necessary to review the structure, system and process of PAF implementation. The project also worked with partner organizations, which had experience and knowledge about the local situations to help communities break out of poverty.
53. Nonetheless, the completion report noted concerns regarding the institutional structure and governance of the project. The Prime Minister as chief executive of the Government of Nepal was entrusted (according to the PAF Act), among other things, to hold board meetings at least once every two months. However, the stabilization of the country at the time of the project posed some challenges for the Prime Minister to have meetings with such frequency. This would have affected PAF operations regarding policy decisions and directives.¹⁷
54. **Overall**, the results from the impact assessment conducted by PAF II showed that project activities had a positive impact on rural poverty. These results were more evident in areas such as household income and assets, human and social capital and empowerment; and food security and agricultural production. On the other hand, limited evidence was found in terms of institutions and policies. *This PCRV agrees with PMD and rates the project's impact on rural poverty as **moderately satisfactory (4)**.*

Sustainability of benefits

55. Community Organizations (COs) have helped their members to be committed to the cause of raising their income through the process of group consultation, discussion and arriving at a decision appropriate to their needs and demands. In terms of sustainability, at completion, there were two types of COs and their members. Firstly, there were some COs that have already entered into value addition enterprises undertaken by their members; for example, occupational enterprises (e.g. tailoring) where entrepreneurs have not only expanded the scale of operation, but also given jobs to others community members. Additionally, the PAF II impact assessment showed that at least 80 per cent of the groups which have received the revolving fund and savings fund are able to continue their activities without project support.
56. Secondly, there were CO members that had adopted certain activities but were not yet operational, putting themselves at risk of falling back into the poverty trap. The second type of COs were those still in need of capacity building and appropriate technical services. In 2016, in order to assess the sustainability of COs, the project conducted a maturity assessment. This assessment concluded that among the 16,334 COs studied, 42 per cent were identified as sustainable or close to be sustainable with the support of PAF. The completion report noted particular concern for the sustainability of COs created in the final two to three years of project implementation, given the uncertain future for PAF in general, and given the high level of dependency of these COs on PAF for support.
57. The completion report was critical of the lack of a meaningful exit strategy to gradually graduate the empowered COs and link them with other activities. Furthermore, according to the completion report, a detailed action plan was going to be prepared to support the different categories and specific needs of COs to address their differential gaps. However, neither the PCRV nor the 2019 Nepal

¹⁷ PAF II Project completion report.

Country Strategy and Programme Evaluation could verify these numbers or the creation of this action plan. As mentioned under the relevance section, the formation of COs into legally recognized organizations such as cooperatives enabled their access to further financing, both from rural banks and government entities, which to some degree helped to mitigate the absence of a full-fledged exit strategy.

58. According to the completion report, 69 per cent of the infrastructure are sustainable, with adequate operating and maintenance funds established by groups; while 30 per cent are labelled as "fairly sustainable", with "nearly adequate" funds, which entails a potential risk to the infrastructure sustainability.¹⁸
59. **Overall**, PAF II showed progress in empowering COs, which have gone beyond the production chain and are now accessing markets and entering into value addition processes. The formalization of COs into cooperatives proved to be a key step for continuous access to financial and non-financial services. However, the results of sustainability assessments conducted for COs and infrastructures showed that there is a potential sustainability risk after the conclusion of PAF's support. In addition, the lack of an exit strategy became a threat to the sustainability of some COs that required more access to capacity building and technical services. *This PCRV agrees with PMD and rates the sustainability of benefits as **moderately unsatisfactory (3)**.*

B. Other performance criteria

Innovation

60. Technically speaking, PAF II was an extension of PAF I, implemented at a national scale. Therefore, it can be said that the components and activities in PAF II were not innovations per se. However, the promotion of self-developing community organizations was itself considered an innovation by the 2019 Nepal Country Strategy and Programme Evaluation given that, in a country where community development has been heavily dependent on external support (NGO, donors), this is an important change.
61. Moreover, component 3 (innovations and special programs) was considered an innovation window that facilitated proposals meriting special consideration owing to exceptional need in a giving context or demonstrating innovative ways to improve livelihoods development and reach targeted groups. According to the completion report, the proposals supported under this program included: river-bed cultivation, forest-based cardamom cultivation, arsenic filter, evaporative cooling technology. It is worth noting that these same activities were also supported by PAF I, which detracts from their innovativeness to some degree.
62. **Overall**, taking into consideration the nature of PAF II as a follow-up project that expanded the strategic line of PAF I to a national level, it can be concluded that the main innovation that resulted from the implementation of the second phase was the self-development of community organizations after sub-projects were closed. This PCRV rates PAF II innovation as **moderately satisfactory (4)**, one point higher than PMD.

Scaling up

63. So far, PAF as a national independent entity has funded its activities through grants. The entity explored the possibility of creating a poverty alleviation fund at the local level to implement PAF-like activities with the mobilization of trained men and the support and contribution of the Government, donors and the private sector. In this manner, COs could be transformed into functioning cooperatives. However, neither the ICR nor the PCR reported any progress on this initiative. The PCR further notes that due to the change in government structure in Nepal, shifting

¹⁸ A sustainability study of community infrastructure conducted by PAF II in 2014, quoted in PAF II Draft Implementation Completion Report, 2019, World Bank.

to a federalized structure in 2015, PAF's centralized implementation model essentially became obsolete.

64. This PCRV agrees with PMD and rates scaling up as **moderately unsatisfactory (3)**.

Gender equality and women's empowerment

65. PAF II exceeded the expected level of women's participation achieving 80 per cent of CO members were women compared to the 50 per cent target at appraisal. Among CO members, women represented 78 per cent of the key positions. Women's inclusion was consistent across different caste/ethnic groups. Among total Muslim members, 91 per cent were women followed by about 83 per cent from Dalit, about 82 per cent from other caste/ethnic groups (largely Brahmin, Chhetri and Thakuri) and about 77 per cent from Janajati.¹⁹
66. PAF II interventions contributed to empowering women economically, socially and politically. According to the impact assessment, active participation of women in CO meetings resulted in increased confidence and self-respect. This in turn promoted women's control over resources (about 60 per cent of women CO members operate their own bank accounts) as well as improved their participation in decision-making processes in their households (such as those related to property buying and selling).
67. Another important factor addressed by PAF II was the workload as a way to improve women's empowerment. In order for women to engage in IGA, it was important to address possible constraints existing at the household level. In the project areas, women are primarily responsible for drinking water provision and as such, tend not to have the time and freedom to engage in other major activities. For this reason, the implementation of water supply and sanitation sub-projects were a key element to improve women's participation and empowerment. On the other hand, as mentioned before under the relevance section, the project did not include a clear gender strategy that would provide guidelines on how women were going to become instrumental in empowering women through the support of activities such as IGA, and some of the project's indicators were not gender disaggregated.
68. **Overall**, the project achieved its target on women's participation by 160 per cent. The project supported women to have key positions within their respective community organizations, which consequently, improved their decision-making power at the household and organization level. Sub-projects helped women to reduce their workload and prioritize IGAs. However, the project missed the opportunity to include a clear gender strategy and gender-disaggregated targets. This PCRV agrees with PMD and rates gender equality and women's empowerment as moderately **satisfactory (4)**.

Environment and natural resources management

69. In addition to the Operational Manual, PAF I followed an environmental management framework consisting of an environmental screening procedure, sectoral environmental guidelines, and a negative list of sub-projects that are not supported. During the preparation of PAF II, the environmental management framework was revised to: (i) simplify the screening of community projects; (ii) provide more directly relevant advice for the mitigation of environmental impacts; and (iii) allow PAF to expand operations into protected areas.
70. Environmental safeguards were put in place for small-scale infrastructure and IGAs. These environmental safeguards were implemented since PAF I and continued during PAF II, and consisted of an environmental assessment conducted by partner organizations before the implementation of every sub-project. However,

¹⁹ PAF II project completion report.

the compliance of environmental safeguards only improved after the recruitment of a full-time environmental officer in 2014. In the very first year of the project, emphasis was on the IGAs (mainly animal farming), while the later sub-project submissions focused on infrastructure sub-projects.

71. The review of performance of revolving funds stated that approximately 73 per cent of loans were to finance livestock (mainly goats and dairy animals). However, this increased focus on livestock creates a pressure on natural resources given the need to produce more forage, and there is no evidence of this issue being sufficiently attended by the project. According to the completion report, proper documentation of land donation and public land use was observed to be weak. The role of partner organizations/portfolio managers was insufficient in disseminating environmental safeguard concerns to COs and linking safeguard concerns with mitigation measures during the selection, monitoring, preparation of detailed project reports and construction of sub-projects.
72. This PCRV agrees with PMD and rates environment and natural resource management as **moderately unsatisfactory (3)**.

Adaptation to climate change

73. Exploitation of natural resources and rapid population growth in Nepal has contributed to climate change, resulting in land degradation, resource depletion, loss of biodiversity, shrinkage of glacier and extreme climate events including flood, landslide, heavy rainfall, droughts, heat wave and cold snaps.
74. Adaptation to climate change was not an issue that was highly considered during the design and implementation of the project. However, under the infrastructure investment category, irrigation was the second most implemented sub-project type (23.1 per cent) after water supply and sanitation (40 per cent).
75. PAF II was able to improve the resilience of local communities against climate change-related threats through supporting beneficiaries to implement a number of irrigation schemes – mainly small gravity-flow schemes. Several drinking water supply schemes were combined with multiple use of water using technology such as drip irrigation. New varieties of seeds were also introduced in the communities using the Revolving Fund mechanism already provided by the project.
76. This PCRV agrees with PMD and rates adaptation to climate change as **moderately satisfactory (4)**.

C. Overall project achievement

77. The project achieved important results through the financing of income-generating activities and infrastructure sub-projects. The income-generating activities successfully increased the income and assets of community organization members, mainly through the increase of livestock units and their production. This was also enhanced through the capacity-building component to improve the performance of community organizations. The access to small-scale social and economic infrastructure and services was the second pillar for the strengthening of COs supporting their access to markets, and in some cases, their inclusion in a higher step of the value chain.
78. The CDD approach and direct funding proved to be effective in keeping target communities at the forefront and reaching out to the intended beneficiaries. Overall, the CDD approach of PAF II encouraged communities to take initiatives to improve their livelihoods, particularly in organizing themselves into COs. The project provided resources directly to the poor, thereby bringing in ownership, efficiency and transparency to the activities implemented by PAF II.
79. Through the capacity-building component, PAF II was able to support the transformation of COs into cooperatives. This was considered an important proxy indicator for sustainability given that these cooperatives continued to request and

have access to financial services after their respective sub-projects were closed. However, the lack of an exit strategy represents a threat for those COs with weaker institutional and technical capacity.

80. This PCRV agrees with PMD and rates the project's overall achievement as **moderately satisfactory (4)**.

D. Performance of partners

81. **IFAD.** IFAD's role overall was rather limited. The World Bank, was responsible for the supervision and all fiduciary aspects of the project, including the agreed IFAD co-financing. However, IFAD participated in supervision missions, which were conducted twice a year (as reported in the IFAD PCR).
82. IFAD supported the project's knowledge management by participating in activities such as national TV programs, FM radio broadcasts, and publication of brochures and reports to inform about PAF related matters. In addition, innovative COs and members were given awards to encourage new ideas and approaches that contribute to poverty reduction.
83. By the end of the project, PAF produced and disseminated 616 success stories. It also produced four thematic documentaries and played a radio program in 55 radio stations in 40 districts. Likewise, 86 episodes were broadcast in TV and 125 episodes were played in national radio. It also managed to produce 195 district annual reports and newsletters, and five thematic brochures.
84. This PCRV agrees with PMD and rates the performance of IFAD as **moderately satisfactory (4)**.
85. **World Bank.** The World Bank provided, to the extent possible, the support needed to address factors that affected project implementation. The ICR reported, "missions were conducted regularly", but it did not report on the actual number of supervision missions conducted. While PAF II faced some institutional capacity limitations, the World Bank worked closely with the project to close those gaps. When the additional financing was provided, the teams made an effort to modernize the project, including the review of the PAF Act/by law based on the results of the mid-term review. However, it did not materialize due to Government's political demand for expansion and the uncertainty of the political economy. Throughout the project, The World Bank provided dedicated technical support to enhance monitoring and evaluation (M&E) capacity, especially in updating the management information systems and strengthening impact evaluation analysis.
86. **Government.** The completion report reported that the Government of Nepal was fully committed to the poverty alleviation agenda to uplift the living standards of the people targeted by the project. The PAF Act 2063 passed by the parliament in 2006, facilitated the project to act as an autonomous entity that could be implemented nation-wide. The participation of the Prime Minister as Chair gave the project high priority for the Nepalese Government. The implementation of the CDD approach was universally followed to ensure continuity and sustainability of the activities conducted by the project.
87. Pragmatic Operational Guidelines, Manuals, Operating Procedures, formats and templates were designed to aid smooth functioning of the project, and to facilitate easy communication with different stakeholders and the donors. These were instrumental in speedy completion of the tasks. Some examples of these guidelines include the guidelines for account management, operation and maintenance of infrastructure.
88. COs made subcommittees for participatory monitoring and the sub-projects were subjected to monitoring by the partner organization, VDC/DDC, and PAF. This monitoring covered input, process, compliance and outcome aspects. For

transparency and accountability, public and social audits were to be carried out along with management and financial audit. Regular monthly and trimester reports were to be submitted through partner organizations to PAF. However, with the expansion of the project to a national coverage, the M&E of partner organizations and COs became a challenging task due to the level of staff that had to coordinate activities at the district level.

89. There were several problems related to lack of capacity, especially due to expansion of activities, which involved almost 400 partner organizations to report to PAF management information systems. Inadequate human resources hindered the proper implementation of the M&E system. The lack of data consistency and accuracy across time was a major issue of project M&E implementation.²⁰ Moreover, the monitoring of revolving funds posed some challenges due to the lack of capacity to keep account books. However, during the last years of implementation, some efforts were made to overcome this challenge by training community resource persons.
90. This PCRV agrees with PMD and rates the performance of government as **moderately satisfactory (4)**.

IV. Assessment of PCR quality

91. One comprehensive completion report was produced covering activities financed by both the World Bank and by IFAD. This document was produced in the format of a World Bank ICR report. Meanwhile, a brief summary IFAD project completion report was produced based on the findings of the ICR. For the purposes of this PCRV, the ICR is considered as the primary completion report for the project, and an independent assessment of its quality is provided here.

Scope

92. The completion report covered most of the key aspects of the project, and contained all the required annexes. Various parts of the completion report were logically linked and integrated. One oversight is the lack of reporting on the number of World Bank supervision missions. However, on the whole, this PCRV rates the scope of the completion report as **satisfactory (5)**.

Quality

93. The completion report is on the whole well written and provides a good picture of the project's main achievements, including strengths and weaknesses, providing clear linkage between evidence and findings. The document accurately expands on issues such as the weak implementation of M&E. The document is well balanced between quantitative and qualitative data. This PCRV rates the completion report quality as **satisfactory (5)**.

Lessons

94. The completion report produced several lessons and provide important inputs for future projects in areas such as sustainability, technical assistance and knowledge management. The PCRV rates the lessons of the completion report as **satisfactory (5)**.

Candour

95. The PCR narrative is objective and conducts a fair balance between the achievements and shortcomings. The PCRV rates the candour of the completion report as **satisfactory (5)**.

²⁰ Implementation Completion and Results Report, 2018. World Bank.

V. Lessons Learned

96. The following lessons learned expand the analysis on a main issue gathered from the ICR (Sustainability) and adds a new lesson learned (Natural Resource Management) drawn from the findings of the PCRV.
97. **Sustainability of benefits.** The sustainability of community organizations after project completion is one of the main issues highlighted by the ICR and this PCRV. Based on recent institutional changes at the government and national project level, it can be concluded that funding from development partners may not continue over the long term. Therefore, it is essential for projects of this type to include exit strategies in their designs. This strategy has to include a forward-looking approach on how these organizations/cooperatives can continue to operate in a sustainable manner.
98. **Environment and Natural Resource Management.** The project's environmental management framework was set to: (i) simplify the screening of community projects; (ii) provide more directly relevant advice for the mitigation of environmental impacts; and (iii) allow PAF to expand operations into protected areas. In order to get the desired results, it is necessary to strengthen the capacity of portfolio managers to effectively disseminate environmental safeguards and raise awareness in COs on the importance of including these safeguards at all levels of the project life cycle.

Definition and rating of the evaluation criteria used by IOE

Criteria	Definition *	Mandatory	To be rated
Rural poverty impact	Impact is defined as the changes that have occurred or are expected to occur in the lives of the rural poor (whether positive or negative, direct or indirect, intended or unintended) as a result of development interventions.	X	Yes
	<i>Four impact domains</i>		
	<ul style="list-style-type: none"> Household income and net assets: Household income provides a means of assessing the flow of economic benefits accruing to an individual or group, whereas assets relate to a stock of accumulated items of economic value. The analysis must include an assessment of trends in equality over time. 		No
	<ul style="list-style-type: none"> Human and social capital and empowerment: Human and social capital and empowerment include an assessment of the changes that have occurred in the empowerment of individuals, the quality of grass-roots organizations and institutions, the poor's individual and collective capacity, and in particular, the extent to which specific groups such as youth are included or excluded from the development process. 		No
	<ul style="list-style-type: none"> Food security and agricultural productivity: Changes in food security relate to availability, stability, affordability and access to food and stability of access, whereas changes in agricultural productivity are measured in terms of yields; nutrition relates to the nutritional value of food and child malnutrition. 		No
	<ul style="list-style-type: none"> Institutions and policies: The criterion relating to institutions and policies is designed to assess changes in the quality and performance of institutions, policies and the regulatory framework that influence the lives of the poor. 		No
Project performance	Project performance is an average of the ratings for relevance, effectiveness, efficiency and sustainability of benefits.	X	Yes
Relevance	The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, institutional priorities and partner and donor policies. It also entails an assessment of project design and coherence in achieving its objectives. An assessment should also be made of whether objectives and design address inequality, for example, by assessing the relevance of targeting strategies adopted.	X	Yes
Effectiveness	The extent to which the development intervention's objectives were achieved, or are expected to be achieved, taking into account their relative importance.	X	Yes
Efficiency	A measure of how economically resources/inputs (funds, expertise, time, etc.) are converted into results.	X	Yes
Sustainability of benefits	The likely continuation of net benefits from a development intervention beyond the phase of external funding support. It also includes an assessment of the likelihood that actual and anticipated results will be resilient to risks beyond the project's life.	X	Yes
Other performance criteria			
Gender equality and women's empowerment	The extent to which IFAD interventions have contributed to better gender equality and women's empowerment, for example, in terms of women's access to and ownership of assets, resources and services; participation in decision making; work load balance and impact on women's incomes, nutrition and livelihoods.	X	Yes
Innovation	The extent to which IFAD development interventions have introduced innovative approaches to rural poverty reduction.	X	Yes
Scaling up	The extent to which IFAD development interventions have been (or are likely to be) scaled up by government authorities, donor organizations, the private sector and others agencies.	X	Yes
Environment and natural resources management	The extent to which IFAD development interventions contribute to resilient livelihoods and ecosystems. The focus is on the use and management of the natural environment, including natural resources defined as raw materials used for socio-economic and cultural purposes, and ecosystems and biodiversity - with the goods and services they provide.	X	Yes
Adaptation to climate change	The contribution of the project to reducing the negative impacts of climate change through dedicated adaptation or risk reduction measures.	X	Yes

<i>Criteria</i>	<i>Definition</i> *	<i>Mandatory</i>	<i>To be rated</i>
Overall project achievement	This provides an overarching assessment of the intervention, drawing upon the analysis and ratings for rural poverty impact, relevance, effectiveness, efficiency, sustainability of benefits, gender equality and women's empowerment, innovation, scaling up, as well as environment and natural resources management, and adaptation to climate change.	X	Yes
Performance of partners			
• IFAD	This criterion assesses the contribution of partners to project design, execution, monitoring and reporting, supervision and implementation support, and evaluation. The performance of each partner will be assessed on an individual basis with a view to the partner's expected role and responsibility in the project life cycle.	X	Yes
• Government		X	Yes

* These definitions build on the Organisation for Economic Co-operation and Development/Development Assistance Committee (OECD/DAC) Glossary of Key Terms in Evaluation and Results-Based Management; the Methodological Framework for Project Evaluation agreed with the Evaluation Committee in September 2003; the first edition of the Evaluation Manual discussed with the Evaluation Committee in December 2008; and further discussions with the Evaluation Committee in November 2010 on IOE's evaluation criteria and key questions.

PAF I and II Program Districts by Batches

<i>Project</i>	<i>Batch/Year of Intervention</i>	<i>Districts</i>	<i>Total</i>
PAF I	First Batch:		
	1. Initial Pilot Districts (2004/05)	Darchula, Mugu, Pyuthan, Kapilvastu, Ramechhap and Siraha	6
	2. Scaling up to other Districts (2005/06)	Achham, Baitadi, Bajhang, Bajura, Dadeldhura, Dailekh, Dolpa, Doti, Humla, Jajarkot, Jumla, Kalikot, Mahottari, Rasuwa, Rautahat, Rolpa, Rukum*, Sarlahi and Sindhuli	19
PAF II	Second Batch Districts (2008/09)	Okhaldhunga, Bara, Khotang, Salyan, Saptari, Udaypur, Solukhumbu, Sindhupalchowk, Panchthar, Dhading, Taplejung, Parsa, Bardiya, Dhanusha and Terhathum	15
	Third Batch Districts (2013/14)	Nuwakot, Arghakhachi, Gulmi, Myagdi, Gorkha, Lamjung, Banke, Dailekh, Bhojpur, Nawalparashi*, Sunsari, Surkhet, Morang, Dolakha and Kaillali	15
	Innovative program districts	Kanchanpur, Makwanpur and Chitwan	3
	Peri-Urban Pilots to tackle urban poverty	Kathmandu and Rupandehi	2
	*Districts as per new federal structure	Rukum (East + West) and Nawalparasi (East +West)	2
Total			62

Source: PAF-II ICR 2018.

Rating comparison^a

<i>Criteria</i>	<i>Programme Management Department (PMD) rating</i>	<i>IOE Project Completion Report Validation (PCRVR) rating</i>	<i>Net rating disconnect (PCRVR-PMD)</i>
Rural poverty impact	4	4	0
Project performance			
Relevance	5	5	0
Effectiveness	5	5	0
Efficiency	4	4	0
Sustainability of benefits	3	3	0
Project performance^b	4.25	4.25	0
Other performance criteria			
Gender equality and women's empowerment	4	4	0
Innovation	3	4	+1
Scaling up	3	3	0
Environment and natural resources management	3	3	0
Adaptation to climate change	4	4	0
Overall project achievement^c	4	4	0
Performance of partners^d			
IFAD	4	4	0
Government	4	4	0
Average net disconnect			1/12= 0.08

^a Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

^b Arithmetic average of ratings for relevance, effectiveness, efficiency and sustainability of benefits.

^c This is not an average of ratings of individual evaluation criteria but an overarching assessment of the project, drawing upon the rating for relevance, effectiveness, efficiency, sustainability of benefits, rural poverty impact, gender, innovation, scaling up, environment and natural resources management, and adaptation to climate change.

^d The rating for partners' performance is not a component of the overall project achievement rating.

Ratings of the project completion report quality

	<i>PMD rating</i>	<i>IOE PCRVR rating</i>	<i>Net disconnect</i>
Candour	-	5	-
Lessons	-	5	-
Quality (methods, data, participatory process)	-	5	-
Scope	-	5	-
Overall rating of the project completion report	-	5	-

Rating scale: 1 = highly unsatisfactory; 2 = unsatisfactory; 3 = moderately unsatisfactory; 4 = moderately satisfactory; 5 = satisfactory; 6 = highly satisfactory; n.p. = not provided; n.a. = not applicable.

Abbreviations and Acronyms

CDD	Community-driven development
CO	Community Organization
DDC	District Development Committees
DSF	Debt sustainability framework
ERR	Economic Rate of Return
ICR	Implementation Completion Report
IFAD	International Fund for Agricultural Development
IGA	Income Generating Activities
IOE	Independent Office of Evaluation
M&E	Monitoring and evaluation
NGO	Non-governmental organization
PAF	Poverty Alleviation Fund Project
PCR	Project Completion Report
PCR/V	Project Completion Report Validation
PMD	Programme Management Department
VDC	Village Development Committees

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