

## UK GRAIN STORAGE PROJECT NEPAL 1976-1985: AN EVALUATION

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# The Project

Over the decade beginning 1976 the UK aided the building of storage facilities for the Nepal Food Corporation (NFC). As conceived, the project would have helped spread the coverage of the NFC outside the Kathmandu valley. As implemented, storage has been constructed at Kathmandu. The project also included three years of storage management advice and training. In current prices the project cost approximately £1m.

# The Evaluation

The evaluation team included an Entomologist, a Civil Engineer, and an Economist. Their task was to consider the siting, design and construction of stores; the relevance and performance of technical cooperation, realised benefits, storage policy and commercial issues.

# Overall Conclusions

The project as completed will show a negative economic rate-of-return and has not expanded the activities of the NFC into those areas originally intended to benefit.

# The Main Findings

- In March 1985 the main site, Nhaku, was still inoperative.
- Many mistakes were made in the planning, preparation, design, and execution of the construction component of the project.
- Over-optimism characterised the expectation of the role which fragile Nepalese institutions might play.
- No systematic appraisal was made of numerous resitings.
- As built, the stores are of very high quality, despite contractor limitations, inappropriate design, and material supply difficulties.
- Site development has been piecemeal and protracted.
- Project control was poor with little or no financial reporting, and no effective work programming.
- Frequent monitoring did not achieve re-establishment of control.
- Training and storage management advice were well performed but have not been allowed to persist.

# Lessons

- Project planning should be comprehensive and should detail responsibilities in the knowledge of partners' abilities to fulfil them.
- The managerial, resource, and organisational changes necessary to allow effective use of project inputs post completion, need to be identified and agreed before project agreements are signed.
- If it cannot be demonstrated that institutional development will be sufficiently rapid, deep and diverse to allow for effective planning and implementation then project management should be kept in UK hands.
- Appropriate levels of likely grain savings should be determined on a world wide basis in consultation with the Tropical Development and Research Institute (TDRI), Exceptions to the use of very low levels of grain savings in project appraisal ought only to be allowed on the basis of objective evidence.
- Potential contractors should be identified and investigated prior to project agreements being signed.
- Greater use should be made of the Storage Department of TDRI in project preparation.
- The need to reappraise projects which change substantially should be made specific.
- Monitoring and reporting systems should be used as a means of ensuring control of projects.
- Projects should not be expanded in a series of minor increments.