

# EXTERNAL EVALUATION – SHORT REPORT

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Support to Nepal in the Field of Quality Infrastructure



Country | Region: Nepal  
Project number: PN 2012.2204.1 / FV-95086  
Implementation period: 07.2013 – 12.2017  
Executing agency: Physikalisch-Technische Bundesanstalt, Braunschweig & Berlin, Germany  
Implementing partner: Ministry of Industry, Singhadurbar, Kathmandu, Nepal  
PTB | Working group: Q 52  
PTB | Project coordinator: Dr. Christian Stärz + Dr. Julia Micklinghoff  
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This is an independent evaluation. The contents represent the view of the evaluator and cannot be taken to reflect the views of PTB.

**List of abbreviations**

<b>APPON</b>	Association of Pharmaceutical Producers of Nepal
<b>CB</b>	capacity building
<b>DAC</b>	Development Assistant Committee
<b>DFTQC</b>	Department of Food Technology and Quality Control
<b>DPR</b>	Department of Plant Resources
<b>EU</b>	European Union
<b>iSTE</b>	intermittent short-term expert
<b>MoI</b>	Ministry of Industry
<b>NML</b>	National Medicine Laboratory
<b>NQP</b>	national quality policy
<b>NTIS</b>	Nepal Trade Integration Strategy
<b>PTB</b>	<i>Physikalisch-Technische Bundesanstalt</i> , German Institute for Metrology
<b>QI</b>	quality infrastructure
<b>SMTQ</b>	Standard, Metrology, Testing, and Quality

## 1. Project Description

PTB, the German Institute for Metrology, supports a project in Nepal in the field of quality infrastructure (QI). The project is in its second phase (07/2013 - 06/2017) and has been extended for another six months in a cost neutral way. It will come to an end in 12/2017. The project objective (outcome) is defined as

*“The services of the Nepalese quality infrastructure institutions are geared, in the promoted fields, to international good practices and there is an increasing demand for these services on the part of the target group.”*

The project covers the following fields of implementation:

1. Strengthening of the basic metrological infrastructure
2. Consultancy facility for quality infrastructure
3. Public/Private Dialogue and awareness raising

The main implementation partner is the Nepal Bureau of Standards and Metrology (NBSM). Further partners responsible for quality control and market surveillance in Nepal were chosen as there are: National Medicines Laboratory (NML), Association of Pharmaceutical Producers of Nepal (APPON), Department of Plant Resources (DPR), Department of Food Technology and Quality Control (DFTQC), Federation of Nepal Chambers of Commerce and Industry, Standard Metrology Testing and Quality (SMTQ)-Forum Nepal. As the political partner, the Ministry of Industry (MoI) signed the implementation agreement and pledged to provide staff and a budget to cover follow-up costs. The project budget provided by the BMZ amounts to €1.5 m. and the commitment to a third phase was ensured in the course of Nepalese-German government negotiations, which took place during the evaluation field phase (November 2016) in Nepal.

## 2. Assessment of the project

The five OECD-DAC<sup>1</sup> criteria were applied to the findings and similarly the five Capacity WORKS success factors.

### 2.1 Status of the change process

Taking into consideration that the project has been extended by six months, until end of 2017, this evaluation has been undertaken at the  $\frac{3}{4}$  stage of the project.

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<sup>1</sup> Development Assistant Committee

## Relevance

The DAC criterion relevance is rated “good” (2).

The project is fully in line with national strategy papers. First of all, the NTIS<sup>2</sup> 2010 and 2016 highlight technical standards to meet market entry requirements as one area to be developed. The idea is to “increase the contribution for export potential goods and services to the national economy through improved trade enabling environment and strengthened value chain development of priority export potentials”, which is defined in this document as a development goal. Apart from NBSM, another important project partner is the DFTQC. This department belongs to Ministry of Agriculture and therefore included in the Agriculture Development Strategy 2014. “Enhanced food safety and quality standards, effective regulations and institutions” are defined as one output for increased competitiveness (p. 68f). Hence, the services of DFTQC, which have improved with the support of the project, correspond with this analysis.

PTB support is also highly relevant in the context of German-Nepal development cooperation. One priority field is “Sustainable Economic Development and Trade” to which PTB contributes with a choice of value chains in consultation with GIZ<sup>3</sup> programmes. The PTB project is equally important for the departments themselves: employees in all partner organisations acknowledge the outstanding skills of PTB worldwide in the field of QI. Private sector representatives in the export business who are dependent on laboratory services have, however, failed to see the significance of the project so far. It should be noted that they rarely use the labs of the Nepalese public sector.

The earthquake in 2015 had no impact on the analysis of the context or the derived strategies apart from the obvious need to reconstruct several laboratories that were (partly) destroyed by the disaster.

## Effectiveness

The DAC-criterion effectiveness is rated “satisfactory” (3).

The objective of the project (outcome) serves as reference for the assessment of the intervention’s effectiveness. Overall, the evaluation team perceived that PTB has significantly contributed to achieving the project objective. As the national metrology institute of Germany, PTB is part of the worldwide QI network and in an excellent position to assist POs in gaining international recognition and establishing links with international counterparts. However, it was observed that so far the project has only partly succeeded in finding an appropriate approach to promote QI related services and to respond to local demand for these services. To conclude, currently two out of five indicators on outcome level are achieved, two indicators are not yet achieved and for one indicator (the fourth) solid information is lacking and will only be available at the end of this project. The latter reflects within the result logic the highest level of the outcome level (compared to the other four indicators) describing the raison d’être of most

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<sup>2</sup> Nepal Trade Integration Strategy

<sup>3</sup> German International Cooperation

project activities. Therefore, it is given major importance by the evaluation team.

However, it is likely that four indicators will be reached by the end of the project. The achievement of one indicator (No 4) is not foreseeable.

Although the output level is not relevant for the assessment of effectiveness, the evaluation team compared the planned outputs with the current situation on the basis of the respective indicators.

In summary, most likely all the output indicators will be reached by the end of the project and some of which will be over-achieved. Particularly noteworthy is the flexibility shown by the project after the earthquake. The damage to the laboratory buildings hit the project hard so that the focus of the whole year of 2015 was at rehabilitating the POs' infrastructure and material.

### **Impact**

The DAC criterion impact is rated "good" (2).

The overarching long-term development result of the project is formulated in the proposal as: *Important contributions to the long-term Nepalese QI are being pursued through the qualification of the partner structures, enhanced strategic orientation and the intensification of the dialogue with the private sector* (shortened).

The general logic of the underlying hypothesis with regard to these impacts is plausible as described in the project proposal of April 2013. Compared to the results of the first project phase (2007 – 2012), the project generated a series of long-term improvements to the Nepalese QI: a) The improved staffing situation at NSBM, i.e. the number of permanent employees at the labs has been increased and at the same time the fluctuation of staff has been decreased. One important factor is certainly the persuasive and frequent efforts of PTB's consultancy; b) Some level of commitment of relevant ministries by allocating budget lines to ensure the functioning of QI related services; c) The Nepalese government and QI institutions gave expressed their interest in developing a national quality policy during the upcoming project phase. All in all, substantial contributions were made to meet prerequisites for the participation in national, regional and international trade. The evaluation team did not observe any negative impact.

## Efficiency

The DAC criterion efficiency is rated “very good” (1).

The outputs and outcomes of this project were achieved in a highly cost-effective manner.

Major reasons for this result are:

- PTB avoids large overhead costs by
  - a) not sending permanent representative(s) from PTB Germany to the project.
  - b) not using long-term experts but engaging highly qualified short-term experts.
  - c) not having an office infrastructure in Nepal.
- Each training includes a follow-up and prove more efficient than stand-alone measures.
- In general, trainings are replicated by introducing new qualifications to peer colleagues on the job.
- Coordination with the EU<sup>4</sup> project Trade and Private Sector Development Programme avoided doubling activities and created synergies.
- Calidena itself is a time-consuming and cost-intensive process but worthwhile in the eyes of the evaluation team because of the achievements like improved quality of essential oils at the various stages in the value chain to meet international standards.
- The fact that the project is in a position to extend the project for another six months in a cost neutral way also confirms that money was spent responsibly. Moreover, the project was able to absorb unforeseeable expenses due to the earthquake related damages.

At the same time, several aspects weaken the efficiency of the project:

- The frequent change of personnel in the partner organisations and at ministerial level.

The evaluation team discovered that implementation of capacity building (CB) measures was limited in some cases due to understaffing at the laboratory.

## Sustainability

The DAC criterion sustainability is rated “good” (2).

Taking into consideration the positive results achieved in this project phase, their sustainability is on the right road.

There are several reasons for this:

- For the last two years, staff fluctuation in the respective laboratories of the leading partner organisation, NBSM, has no longer been a problem. And there should be a general improvement of the situation in the near future, since the government plans to make laboratory work more attractive.
- Knowledge sharing by trained staff with their peer colleagues is in place.

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<sup>4</sup> European Union

- Improvement of the financial sustainability has been observed. Some departments now receive the approval of their ministry to budget for calibrations and proficiency testing costs.
- Project partners will have now access to the worldwide QI network even after project completion, allowing them to follow and contribute to international discussions that might help to maintain and develop their own standards and practices.

There are, however, several obstacles:

- The unavailability of maintenance services for most of the highly specialized laboratory instruments purchased in part by the project constitutes a risk to the project results achieved.
- The current political and financial support is on shaky ground, since government and government officials change quite often in Nepal.

One weak point in the project is not informing sufficiently potential customers about new QI services. If there is no rise in the demand for these services, the political and institutional commitment to sustain the achievements could be at risk.

## **2.2 Success factors for the observed results and change processes**

The five Capacity WORKS success factors reflect the effective cooperation management areas and should help to make project work process-driven and result-oriented.

### **Strategy**

The CW success factor strategy asks whether the cooperation partners have agreed on a plausible strategy to achieve the negotiated objectives and is currently achieved to 60%.

The strategic orientation of the current phase builds on the experience of the previous project phase and the recommendations from evaluation at the end of it. Hence the chief implementing partners and other stakeholders involved were already familiar with PTB and vice versa, which helped to avoid unrealistic expectations of the partnership between PTB and Nepalese organisations.

At NBSM level the evaluation team found a clear understanding of what the project is about, not least because one indicator defines the change envisaged at that level. Other partners are not as clear about the objectives of this bilateral cooperation. Only where a specific work had been jointly elaborated during the implementation phase did partner organisation representatives know what the target objective was and how it was to be accomplished. Difficulty in coming to a joint understanding might also be due to misleading formulation and inconsistencies in the result matrix including some indicators that have not been sufficiently clarified.

Looking at the practical strategy for capacity building, the project does not focus sufficiently on the dissemination of capabilities acquired through the project. The project should have developed a more consistent and more explicit strategy to keep the enhanced capacity in the respective department. Project experience shows that this priority can be fruitful.

The evaluation team questioned the choice of essential oils for an intense Calidena process and got the impression that weighing up all pros and cons has not been practised to a convincing degree.

## Cooperation

The CW success cooperation is currently achieved to 75%.

The project proposal was developed by PTB in cooperation with Mol and implementing partner organisations had the opportunity to comment on it before the Implementation Agreement was signed. It was subsequently presented in a kick-off workshop where over 90 participants worked out how to improve QI and with whom it would be an advantage to cooperate. On the whole the project has chosen the right partners, in particular NBSM as its “natural” main implementation partner.

Prior to implementation of activities, PTB conducted planning workshops with individual partners. With the exception of Calidena, however, this did not result in a reference document with defined objectives and indicators as a guideline for bilateral cooperation in the course of the project. Unfortunately, a joint planning workshop with all of the partners did not take place. Here, PTB may have missed an opportunity to foster partner ownership and mutual relationships in the project. Cooperation between DPR and NBSM has otherwise improved as a result of initiating the Calidena process. The two organisations have learned to avoid doubling activities and now appreciate each other. The involvement of the private sector also led to greater mutual understanding, even beyond Calidena-related issues.

The project coordinators and iSTE<sup>5</sup> visited the project frequently. This proved essential to reaching mutual agreement with the partner organisations on the steps to be taken next – i.e., until the following visit – and the distribution of responsibilities. No reference to the long-term perspective and the long-term objective for each partner during the project phase was made. This applies in particular to budget transparency for the current year if not for the full phase. The driving ambition of the partner organisations concerned is to improve their planning in terms of purchasing instruments. Also, a plan that defined the number of staff to be trained with PTB support was mentioned as helpful for their own annual planning.

Transparency was also a critical issue when it came to the selection of trainees for participation in international capacity-building measures. Criteria used by the Nepalese government and PTB for the selection of candidates did not match and common criteria had not been worked out. In some cases this caused distrust at partner level and it took many months to resolve the situation.

Irritation and reluctance to cooperate were the outcome of how Action Medeor was introduced to the Department of Drug Administration/ NML. The evaluation team assumes that the background is intercultural differences, i.e. different needs for formal procedures when partnerships change. Cooperation with other development partners on site, e.g., EU and GIZ, are fruitful. Joint agreements prevent doubling activities (e.g., training) and produce synergy effects.

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<sup>5</sup> intermittent short-term expert

## Steering structure

The CW success factor steering structure is currently achieved to 60%.

Operational steering structures have been put in place without creating parallel structures. This applies to logistics and administration tasks, where the PTB project operates under the GIZ umbrella and accesses its resources.

The steering itself is primarily done by PTB staff, whose project coordinator has been replaced several times due to PTB-internal necessities. The partner organisations did not see the constant replacement of the coordinator as an obstacle. This perception is probably due to the frequent visits of the iSTE, the same consultant throughout the whole project phase. The latter acted as a link between Nepal and the German PTB and hence personifying continuity. Currently the project faces the challenge of having two coordinators for an interim period until the new coordinator arrives mid 2017. The task of one of the present coordinators is to represent the project externally (political level), while the other acts as a communicator within the project. Various interfaces need to be identified and a joint approach agreed upon. Misunderstandings and friction seem inevitable.

A joint steering committee (implementation coordination committee) with the relevant partners has been set up but is not fully operational. Taking over steering functions was never part of its agenda. The last meeting took place in July 2015 and no one seems to miss it.

A clear improvement compared to the first phase of the project is the fact that a local representative was contracted at the beginning of this phase. Those concerned appreciate her work, which makes communication with Germany easier and numerous processes more efficient.

## Processes

The CW success processes is currently achieved to 80%.

The key process in this project is the identification of training needs and the organisation of capacity- building measures. Here, the project has the comparative advantage of PTB's globally recognised expertise and network of trainers in highly specialised fields. There is a mix of in-house training for the entire staff of a particular lab and training abroad for individual employees to learn from other lab standards. These measures were key in contributing to several accreditations. The laboratories are now familiar with international good practice and in a position to achieve re-accreditation independently.

Advocacy for different purposes and different addressees is a further crucial point in the logic of the project. This includes processes to achieve sufficient ministerial contributions in terms of budget and permanent staff, as well as those processes to inform potential customers (and the general public) about the value of quality standard guarantees. The idea of the project was for the SMTQ forum to adopt the initiative independently. This has only occurred to a limited extent during the whole phase and it seems that the forum is not in the position to initiate and follow up such activities properly. However, the project found alternatives how to create awareness among customers as part of the Calidena process in cooperation with APPON.

Steering tools for planning activities, monitoring indicators and the budget are in place and used as far as internal project management is concerned.

## Learning and innovation

The CW success learning and innovation is currently achieved to 60%.

The focus of this project is individual learning via technical training. In case not all employees participated in such training, knowledge sharing between the trained personnel and their colleagues occurred internally. The project has not developed a systematic approach to organisational learning. There were the project tried to initiate such process (NBSM), the support was not accepted by the partner. Following constant talks with NBSM employees to persuade them of the need to avoid high staff fluctuation and keep knowledge and capacities in their department, the new management level has successfully taken action to stabilise their personnel management. Other departments could profit from this experience. Learning opportunities should therefore be systematically exploited by the project.

So far, the project made too little attempts to learn more about how to meet customer and consumer needs, although the results were not distinct enough.

As part of the project activities, PTB has developed and successfully applied a method of handing over the Calidena process to the implementing partners. In January 2016, DPR took the lead by organising Calidena-related follow-up activities, while workshops with the stakeholders involved have already taken place twice. PTB merely funds these workshops but is not involved in the organisation or execution. This is a first since Calidena was developed (2007) and can therefore be truly called an innovation.

## 3. Learning processes and learning experience

The experience of the project could lead to lessons learnt that could be relevant to similar interventions:

- PTB delivers technical support to the project, which had capacity building for lab staff as its primary focus. The evaluation team had the impression that this increased – mainly technical – expertise leading to new services that meet international good practices and standards is sufficient as the outcome for most employees of the partner organisations. Engagement to contribute to a broader purpose with these improvements, such as greater food safety for consumers or economic development of the export sector, is low. Thus projects (also) of this kind demand a results-based approach that has as its starting point a plan to bring about change and what one wants to see at a higher level (nation- or sector-wide).
- PTB and its highly specialised expertise fills a niche in German development organisations and in the EU. Those who need the complementary support of PTB are very much aware of its service delivery options and make use of them. Hence, PTB visibility in this environment of close cooperation is guaranteed. Visibility at ministerial level – PTB's political partner and signing body under the implementation agreement – is low. This is due to the many secretary replacements during the project time span without informing the new person in charge about cooperation with PTB.
- For sure, the PTB project is strongly noticed by the EU since there is regular exchange and cooperation. PTB visibility among other international donors is estimated as poor.

For the most part, the interviewees did not consider this problematic: either PTB expertise is of no relevance to these donors or increased visibility could create new demands that PTB cannot meet.

- PTB is primarily perceived by its partners as a technical cooperation donor. Although PTB offered further expertise during this project phase (such as organisational development or lab design), no partner took up the offer. Otherwise, some organisational development did occur under the Calidena process. This confirms that process-oriented organisational development is possible (without labelling it as such) when a major concern is the door opener for change.

Finally, the evaluation team asked itself critically what it had learned from the evaluation process and how this could be enhanced in the future. If time is a limiting factor the kick-off workshop is given less priority compared to the validation workshop at the end. The evaluation team saw the latter as more important, since this is where the preliminary findings are presented and discussed. It proved helpful as it provided an opportunity to correct some of the findings and check the acceptance of both the analysis and the recommendations. Also instead of sending the inception report to all partners, an one-pager on the evaluation concept could be of more use.

#### 4. Recommendations

Recent negotiations between the Nepalese and the German Governments have indicated the continuation of PTB's support, therefore the recommendations focus on the new technical assistance project to start in January 2018.

##### Recommendations for PTB Q5

1. As to the project design/layout, the approach of a combination of vertical and horizontal measures should be maintained. Like this, the project is able to demonstrate the holistic nature of a national QI (being crucial for networking among QI organisations) and address cross-cutting and sector specific issues. Thus, also a high degree of flexibility to respond to upcoming challenges is maintained. As far as the economic sectors are concerned, the main focus should be those products or product groups which are most relevant for Nepal's economic development and trade (which should also be in-line with the German Development Cooperation).
2. Nepal should be supported in developing a national quality policy (NQP): this is crucial for the national QI's relationship vis-à-vis government and the private sector. An NQP based on a thorough consultative process involving public and private stakeholders and academia would create huge opportunities for strengthening linkages. An important element is a decision on key Nepalese priorities versus importing QI services (e.g. from India).
3. The national QI should be supported in the development of strategic plans for key activity areas such as metrology and conformity assessment (e.g. food testing).
4. Given that Nepal is currently revising its administration towards a federal structure, the project will have to address the demand for QI services at district level, for instance for testing and legal metrology.
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#### Recommendations for PTB Project management team

6. The project should have a stronger emphasis on the user-orientation of QI services on the basis of strategies developed at institutional level. In a structured approach, the project should support the POs in developing their stakeholder engagement activities including an analysis of key stakeholders and the development of a communication plan. This could then be used as a basis for developing communication materials and media for specific stakeholder groups and which are fit-for-purpose.
7. As far as the steering structure of the project is concerned, it is recommended to hold annual workshops for the purpose of establishing a process of joint and transparent planning and monitoring of project activities. Attendance in these workshops should be limited to key POs.
8. The project should introduce work packages as a tool to bundle activities into project-like interventions. These should include outputs, activities, responsibilities and be developed jointly and being specific for individual POs or VCs.
9. The PTB project team should make sure that important budget lines are transparent and that regular updates are provided to the main POs. These should include the budget being available for hardware (e.g. equipment, materials, and consumables) as well as expert days for consultancies and training measures.
10. Trainees should be selected according to transparent criteria that have been developed mutually by the respective institution and the PTB. Further, it is advised that the project monitors the success of the CB measures in a better way, for instance by standardised procedures for the evaluation of training measures as well as their mid-term impact.
11. The project should keep the contact to the respective person in the ministry to ensure ownership from their part and hence sufficient budget lines for the different QI institutions. This constant contact is even more important when the person in charge at ministry level has been replaced.
12. At institutional level, POs of the national QI should be supported in their mid- to long-term strategic planning.
13. The project should assist in revamping the QI platform (currently being covered by the SMTQ Forum) by creating institutional linkages to relevant government bodies (NBSM), private sector member associations, and technology centres in relevant sectors (if there are any). In order to increase the institutional commitment, members of the QI platform should include representatives of the national QI rather than volunteers only. Further, there is a need for more clarity as to the main tasks of such a platform to be agreed upon and documented in terms of reference.
14. The project should assist in establishing a national laboratory network as a platform for exchange of information and experiences among management and technical staff.
15. Also networking on management level should be encouraged by the project to foster cross-organisational learning.

#### Recommendations for PTB Project Q5 EVA

16. In order to inform partners of the purpose and scope of the upcoming evaluation, a one-pager on the evaluation concept should be produced and distributed



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