

"Independent Evaluation of Process and Results - Review Report"

(Activity 4.4)

The Project:

"Enhancing the Capacity of Intermediary Business Organisation in Nepal"

ASIE/2007/133-329

Implemented by:

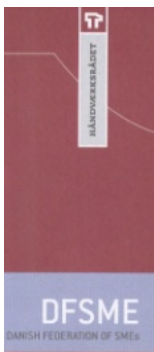
**European Economic Chamber of Trade, Commerce & Industry (EEC)
Nepal**

Under Grant Contract-External Action of the European Union



March 2010

Project Partners



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The Project:

**"Enhancing the Capacity of Intermediary Business Organisations in Nepal"
(ECIBON)**

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The Project:

"Enhancing the Capacity of Intermediary Business Organisations in Nepal" (ECIBON)

1. Background

1.1. General Information

Grant Contract-External Action of the European Community (ASIE/2007/133-329) was entered between the Commission of the European Communities "**The Contracting Authority**" and European Economic Chamber of Trade, Commerce and Industry (EEC)-Nepal "**the Beneficiary**" in June 2007 concerning the implementation of the Action entitled: "Enhancing the Capacity of Intermediary Business Organisations in Nepal" (the Action or ECIBON or Project). Implementation of the Action in earnest began in August 2007 from the first day of the month following date on which first instalment of the pre-financing was released by the Contracting Authority. The project officially folded on 31 January 2010. The estimated cost of the Action is € 294,205.80. The Contracting Authority agreed to undertake to finance a maximum of € 276,719.80 equivalent to 94.06% of the estimated eligible cost and balance is to be funded by the Beneficiary. The objective of the project is: "Institutional reinforcement consisting of capacity building of Nepalese-Intermediary Business Organisations (IBOs) and enhanced networking with their European counterparts".

ECIBON project document for European Commission grant was prepared by EEC-Nepal along with following partners for implementation in Nepal:

- a) Federation of National Cottage and Small Industries Nepal (FNCSIN), Nepal.
- b) Chamber of Commerce and Industry of Southern Sweden (CCISS), Sweden
- c) London Chamber of Commerce and Industry (LCCI), Great Britain
- d) The Danish Federation of Small and Medium Sized Enterprises (DFSME)

Out of the above, Chamber of Commerce and Industry of Southern Sweden (CCISS), Sweden pulled out from the consortium at the initial phase citing the closure of its International Department. Nevertheless, EEC-Nepal along with three project partners, the Danish Federation of Small and Medium-Sized Enterprises (DFSME), Denmark, London Chamber of Commerce and Industry (LCCI), Great Britain, Federation of National Cottage and Small Industries Nepal (FNCSIN), applied the same method of collaboration throughout the project period. EEC-Nepal, as the lead partner, saw to the over-all project planning as per the Plan of Action, implementation with result orientated goals for all activities and to further guide the project towards sustainability upon completion. LCCI and DFSME as European partners with expertise in the given field conducted activities as stated in the Plan of Action. LCCI played a key role of mediator in the process of match-making between Nepalese and European counterparts.

The project tenure was estimated to be 30 months including 1 month for winding up at the end of January 2010. The first mid-term review was conducted by us covering period August 2007-July 2008 (12 months). This final review in particular has given more focus on activities carried out during the period August 2008-January 2010

(18 months) and we have also taken into account the first mid-term review to see whether or not the project management team has followed our recommendations.

1.2. Project Purpose

The project aims to make Nepalese IBOs better equipped to service local Small and Medium Sized Enterprises (SMEs) and European intermediary counterparts to facilitate trade between Europe and Asia (Nepal) through:

- a) Institutional capacity building of SMEs in Least Developed Countries (LDCs) in Asia for sustainable development,
- b) Policy analysis and information by using new technology to make existing knowledge on foreign trade easily available to Nepal and to make Europe aware of the trade opportunities and vice versa,
- c) Development of new business opportunities through networking. The SME sector of Nepal can play a key role since it is one of the most important sectors of Nepal that contributes significantly to the gross domestic product, creates employment and earns foreign currency through exports. As representative of Nepalese SMEs, IBOs are excellent representative of the numerous Nepalese SMEs at the international stage,

1.3. Relevance of the Action

The Action is relevant to the objective since it provides scope for:

- a) strengthening the EU's political and economic presence across Asia,
- b) raising awareness of Europe in Asia and vice versa,
- c) strengthening mutual trade and investment flows between the regions,
- d) reinforcing the private sector and new business development, and
- e) enhancing the export capabilities and foreign direct investment prospect of the least developed countries (LDC) in Asia.

The Action is relevant to the priorities with regards to:

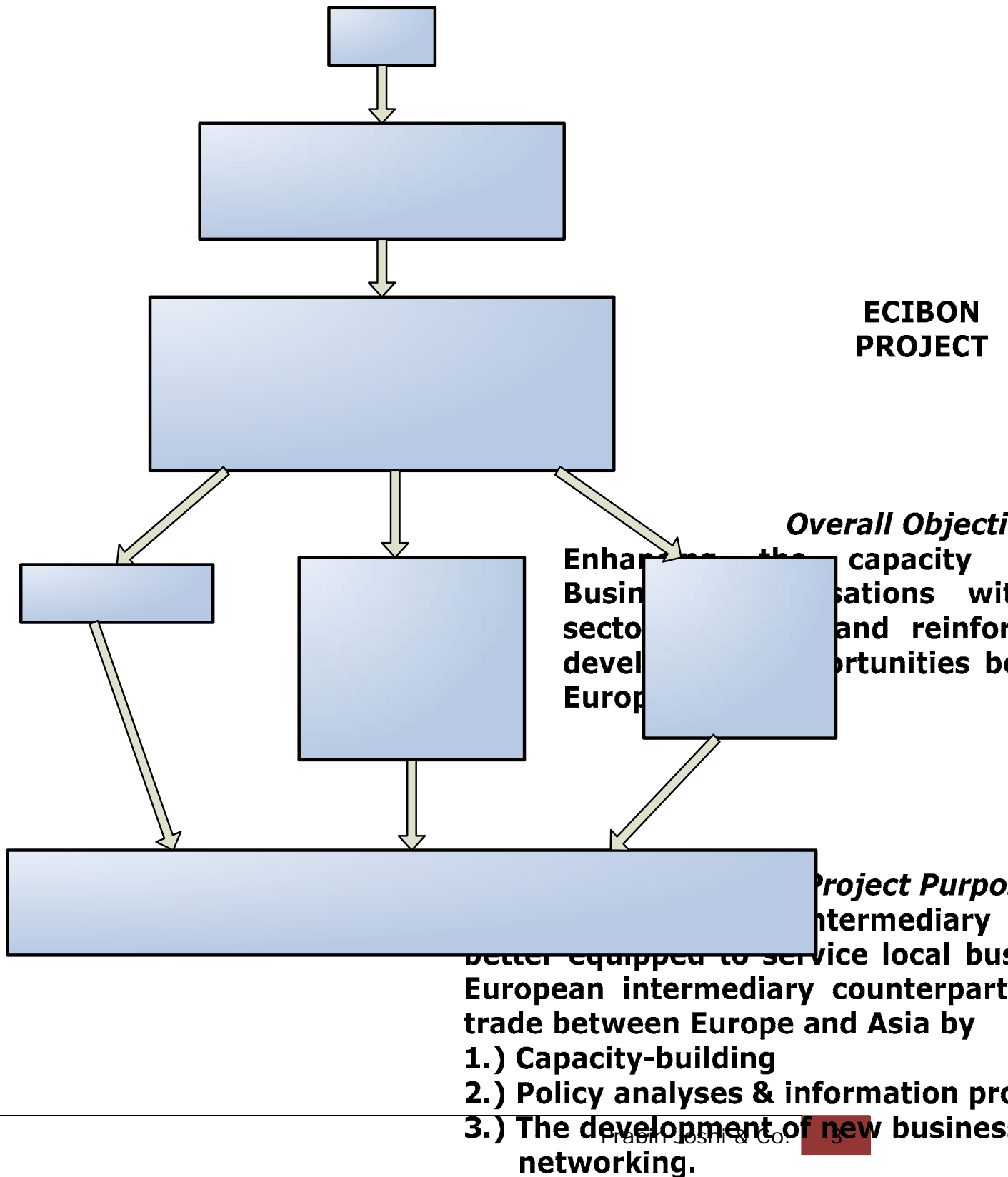
- a) alleviation of poverty through development & strengthening of SMEs,
- b) development of SMEs as viable alternatives to create employment which in turn can address different social issues of women and men, across varied classes, castes, ethnic and age groups and locations,
- c) involvement and capacity building of private sector intermediaries business organisations considering effect of liberation and globalization on SMEs raising question of viability, and
- d) improvement of their productivity and performance and be more competitive in the national and international markets.

The Action is relevant to the target groups as it provides:

- a) better access by IBOs to other IBOs, to relevant information on trade, to seminar/training in capacity building and IBOs becoming aware and concerned of business reality, and
- b) enables to give better support to their member SMEs.

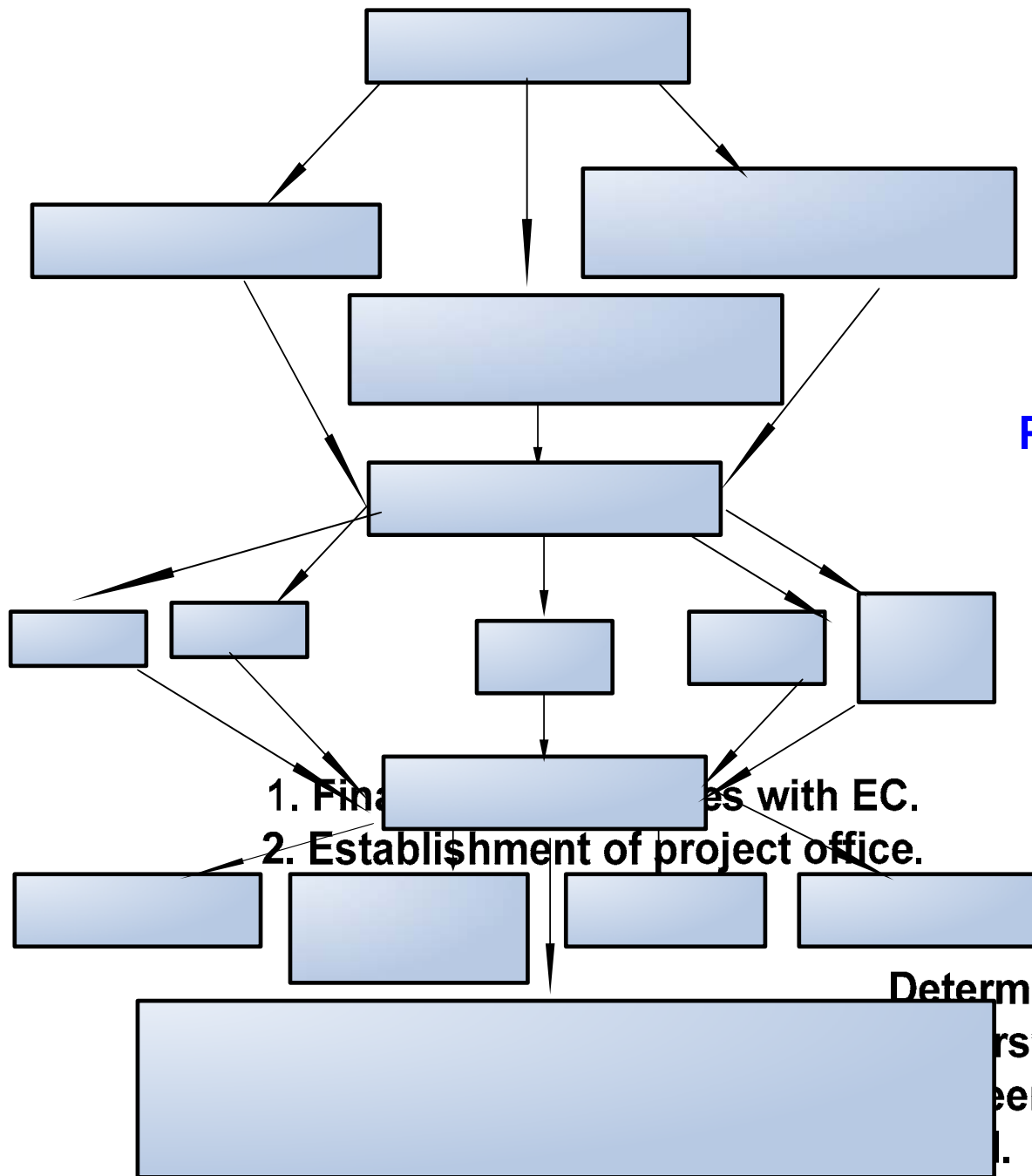
1.4. Conceptual Framework of ECIBON

The conceptual frame work of ECIBON would better be explained as below:



1.5. ECIBON Project Approach

The project approach of ECIBON consists of three major phases that are essential for the overall success of the project. The project management team is found generally to be professional while executing these phases: **a) Establishment, b) Implementation, & c) Sustainability**



1.6. Target Group

There were 15 direct Intermediary Business Organizations (IBOs) from five development regions of Nepal and 80 indirect IBOs spread across Nepal whose capacities were strengthened through training, information provision broadened network. 15 IBO-Network organisations were found selected on the basis of followings:

- a) availability of airstrip (because of then uncertain political situation prevailing in the country at the initial stage of project development),
- b) all five regional development regions needed to be represented,
- c) representation from Kathmandu considered to be a must,
- d) size, experience and resources of selected beneficiaries needed to differ amongst each other, and
- e) capacity building requirement.

15 direct beneficiaries benefited from the following activities:

- a) courses / seminars on different subjects related to trade between Nepal and Europe
- b) assessment of opportunities for potential trade and trade-related procedures and requirements with reference to trade between Nepal and the EU and
- c) establishment of a Nepalese and International IBO-network.

120 indirect beneficiaries benefited from regional seminars, networking with 15 direct beneficiaries on project activities, project publication, project website and direct mailing campaign to raise awareness among IBOs of business opportunities in Europe.

2. Objective of Independent Evaluation of Process and Results

This monitoring review has been split up in four separate categories:

- a) Did the programs progress as per the logical framework?
- b) Were the funds spent in the manner they were intended?
- c) Were objectives realized?
- d) What was the overall impact of the program?

The implementation of the project is based on proposal written by the ECIBON project partners and submitted to the European Commission for grant under Asia Invest program in 2006. The foundation on which the project is built is the logical framework of each activity and their over all impact. Within this logical framework the objectives / impacts of the project are determined. These objectives / impacts are relevant on this assessment as mentioned above.

The detailed description of the activities of the Action provides for Independent Evaluation of Process and Results, a review to be carried out in 29th month of the project implementation as mentioned in Activity 4.4. The purpose of this review is to evaluate the processes as well as the results of the project. The process is evaluated on the basis of the description of the activities as well as the planning and the allocated budget.

The aims of this review therefore are as below:

- a) Identify the effectiveness of activities and analyse the results of the project activities over the referred period;
- b) Determine to what extent the activities achieved the objectives of the project;
- c) Identify necessary adjustments and to make recommendations to optimise the actions of the project.
- d) This Independent Evaluation of Process and Results review is to reflect on the effectiveness of the activities undertaken during the period under review (30 months) in delivering the objectives defined under each activity.

Overall purpose of the review is to examine the concept, efficiency, effectiveness, relevance, impact and sustainability of ECIBON including an assessment of its management arrangements. The assessment focuses on logical framework as provided in the ECIBON document. Based on this assessment, the report identifies any relevant input or changes if the lead applicant were to receive similar grant from the European Union in future.

3. Methodology Applied

Since one of the objectives of the review is to examine the 'extent to which the activities undertaken are aligned with its objectives', it was necessary to review the activities in this light. Interviews with the project staff, project partners, IBO executives and IBO staff members were very helpful for this project review.

The methodology of assessment is as follows:

- a) Review of the project document, progress report of the project.
- b) Interact with the beneficiaries and stakeholders using semi-structured questionnaires and/or focus group discussion to gather relevant data.
- c) Review financial administration and mobilisation and utilization of resources.
- d) Prepare draft report and finalise the report based on the comments received.
- e) Tele interviews

For the purpose of this review, the team has reviewed contract document, all related annexes including description of the action, the Plan of Action, review financial administration management, books of account, resource mobilisation and utilisations periodic progress reports, Administrative Organisation and contracts etc., relevant minutes of different meetings etc. and has also interacted with stakeholders etc.

4. Findings and Recommendation

4.1. General Observations on Performance

The Project's Plan of Action shows that first six months of the project period was found to be used only for finalizing the project formalities like signing MoUs with donor and participating IBOs.. However, as explained to us by the project management team, this was necessary to identify project beneficiaries. The month of February and March 2008 does not have any activity in the Plan of Action (second revision) which is due to CCISS pulling out of the consortium. During the kick off

meeting, CCISS pre-poned the activities that they were supposed to carry out in above mentioned months.

While executing the project, there was generally no deviation as per the logical framework. The original Plan of Action was revised by partners during project kick off meeting in London as the Call for Proposal submission, date of acceptance of the project for EU financing and actual financing by the EU took over a year period. The Plan of Action was revised once again as one of the project partner organizations, CCISS pulled out from the consortium citing closure of its International Department. With the pull out resulting revision in the Plan of Action, all its responsibilities were transferred in part to London Chamber of Commerce and Industry (LCCI) and The Danish Federation of Small and Medium Sized Enterprises (DFSME).

Assistant Project Manager provided by FNCSIN was explained to have been inconsistent in their performance and the management team was observed to have outsourced the responsibility to professional consultant. It is observed that Project manager shouldered most of the responsibility.

Administration & Financial records were kept on recommendation of European Administrative Monitoring Expert from International Development Solutions, Hague, The Netherlands. However, after completing approximately 50% of her assignment in August 2008, the service was terminated citing no- contact with the project.

4.1.1. Rescheduling/revision of Plan of Action

We have noted that Plan of Action for Year I has been revised twice during October and December 2007. The comparatives between 2nd Revised Plan (After CCISS pulled out from the consortium) and actual performance till the project completion are as follows:

Activity		Original (As per contractual document)	1st Revision (During Kick off meeting)	2nd Revised Plan(After CCISS pulled out from the consortium)	Actual
No	Particulars				
FIRST, SECOND & THIRD YEAR (FROM AUGUST 2007 To JANUARY 2010 RESPECTIVELY) : 1st, 2nd, 3rd, 4th and 5th Semester					
0.1	Finalize all formalities with EC	Aug 07	Aug 07	Aug 07	31 July 2007
0.2	Establishment separate project-office	Aug/Sep 07	Aug/Sep 07	Aug/Sep 07	Aug/Sep 07
1.1.1	Seminar on "Doing Business with the EU and particularly Great Britain"	Mar-08	May-08	May 08	May 2008 (6th to 9th)
1.1.2	Seminar on 'Chamber management and Administration' and 'Membership Recruitment' for IBOs in Nepal.	Jul 08	Jan 08	Sep 08	2-6 Sept 08
1.1.3	Seminar on 'How to arrange and carry out Match-Making activities and events' and 'How to prepare and participate in Trade Fairs and Exhibitions'.	October 2008	Apr-08	Oct/Nov-08	17-18 &20-21 Nov 08
1.1.4	Seminar on International Documents and Payments' and 'Regional policy in Economy and Infrastructure -Lobbying and Advocacy-.	July 09	July 09	July 09	May 09
1.1.5	Training on relevant EU/WTO quality and social standards issues applicable	April 09	Mar/Jun 09	Mar /Apr 09	Mar /Apr 09
1.1.6	4 Marketing / International business courses for Nepalese business IBOs	Aug / Nov 08 & Feb/May09	Sep/Nov 08 & Jan /Mar 09	Sept/Nov 08 & Jan/March 09	Sept/Nov 09
1.1.7	Training of Trainers course to Nepalese business IBOs on trade promotion services aimed at the EU market.	Jan 09	Jan 09	Jan 09	19-23 Jan 09

Activity		Original (As per contractual document)	1st Revision (During Kick off meeting)	2nd Revised Plan (After CCISS pulled out from the consortium)	Actual
2.1.1	Assessment of opportunities in -three-sub-sectors for potential trade between SMEs in the EU counterpart countries and Nepal.	April/June 08	April/June 08	April/June 08	Completed March 09
2.1.2	General assessment of trade related procedures and requirements with specific reference to trade between Nepal and the EU partner	Aug/Oct 08	Aug/Oct 08	Aug/Oct 08	Completed Sep 09
2.2.1	Determination of the system to exchange business information between Nepali IBOs and European partners.	Nov/Dec 08	Nov/Dec 08	Nov/Dec 08	19 Nov 08 & 27th May 09 Website updated as and when necessary on regular basis. Website maintained by ECIBON Project and EEC-Nepal (designed and hosted by Softage Nepal in January 2010)
2.2.2	Direct mailing campaign to raise awareness among Nepalese SMEs of business opportunities in Europe and available knowledge among Nepalese IBOs.	Feb / Mar 09	Nov/ Dec 08 & Jan 09	Nov/Dec 08 & Jan/Apr/May/June 09	Started from April 09 (data Collection and completed end of January 2010)
2.2.3	Preparation of first annual EU Trade Report by EEC-Nepal -with support of European and Nepalese IBOs- for Nepalese IBOs and their members.	May/June/July 2009	May/June/July 2009	May/June/July 2009	Completed Nov 09
3.1.1	Organise a meeting for Nepalese IBOs.	Oct 07	Nov/Dec 07 & Jan 08	Nov / Dec 07 & Jan 09	16 -17 Jan 08
3.1.2	Sign cooperation agreements between EEC-Nepal and relevant Nepalese IBOs in the network	Nov 07	Nov 07	Nov 07	16 -17 Jan 08
3.2.1	Business meeting in Europe between Nepalese partners and EU partners for international kick-off , further introduction and more detailed planning of project: .	Dec 07	Oct 07	Oct 07	1-2 Oct 07

Activity		Original (As per contractual document)	1st Revision (During Kick off meeting)	2nd Revised Plan (After CCISS pulled out from the consortium)	Actual
3.2.2	Determine and sign (MoUs) for cooperation between European partners and EEC-Nepal.	Jan 08	Jan 08	Jan 08	Oct 07
3.2.3	Business meeting in Europe for closure of the project, agree on future cooperation and evaluate the process and the results of the project	Oct 09	Oct 09	Oct 09	31 August till 3 September 2009
4.1	Administrative monitoring	Sep/Oct 07, Jan/Mar/May/July 08	Sep/Oct07, Jan, March, May/July 08	Sep / Oct 07, Jan/Mar/May/July 08	2nd February 2008
		Nov-08, March/July/Aug/Nov-09	Nov-08, Mar/July/Aug/Nov-09	Nov 08 & March/July /Aug/Nov 09	Not Carried out
4.2	Meetings Advisory Committee	Jan/Apr/July 08	Jan/May/July 08	Jan/April 08	17 Jan /5 May 08
		Nov 08, Mar/July/Sep 09	Jan/Mar/July /Sep 09	Sept/Nov 08 & Mar/July/Sep 09	03 Sep 08 24 May 09 18 Dec 10
4.3	Independent mid-term monitoring of process and results	July 08	July 08	July 08	Dec 08
4.4	Independent evaluation of process and results.	Dec 09	Dec 09	Dec 09	January-March-010
4.5	Administration	Monthly basis from August 07 till Jan 10	Monthly basis from August 07 till Jan 10	Monthly basis from August 07 till Jan 10	Monthly basis from August 07 till Jan 10
4.6	Reporting	August 08 and December 09	August 08 and December 09	August 08 and December 09	Quarterly Update: Nov 07/ Feb, May, Nov 08; Interim Report: Aug 08/ Apr 09 / Oct 09, The final is due after the completion of the project in Jan 2010
4.7	Audit	Sep/Dec 09	Sep/Dec 09	Sep/Dec 09	Under process

Though the revision of the Plan of Action was carried out, the related financial budget revision was not carried out during whole project period. This has the impact on financial depletion since some of the activities have been carried over to Year II / III for implementation as per the request of European partners in the consortium.

4.1.2. Review of Activities

We reviewed various activities carried out in order to monitor whether they were executed to achieve required quantitative performance as required by the project document. Most of the activities as per rescheduled Plan of Action were completed in Year II of the project. During the period under review (year I/II/III) ECIBON has

achieved what was designed for implementation though some delays and few deviations were noted. Based on revised Plan of Action, we have provided details of actual performance against planned activities for Year I/II/III in **Annexure I**.

Observations on some activities

While reviewing some activities, it has been observed that though initiatives were made to implement, the timely execution of such activities could not be seen have been concluded for various reasons creating some issues on effectiveness or efficient implementation:

Activities	Remarks
Activity 2.1.1	Though assessment of opportunities in three sub-sectors having potential export to Europe was initiated in time but the assessment report could only be completed in March 2009 which was explained to be due to delay since assessment was made on research based study taking longer than expected time for right information.
Activity 2.2.1	Activity relating to determination of the system to exchange business information between Nepali IBOs and European Partners was initiated on time but was completed only in January 2010. This was explained to be due to more time spent by DFSME for need assessment and submission of necessary information on time.
Activity 2.2.2	Activity relating to direct mailing campaign to raise awareness among Nepalese SMEs of business opportunities in Europe and available knowledge among Nepalese IBOs started lately in April 2009 and completed in January 2010 only resulting long delay in completion which were explained to be due to main two reasons: requiring project to build the data base of the recipients / IBOs and due to unforeseen political events in the country.
Activity 4.2	Out of total planned seven Advisory Committee meetings, only five meetings have been held. It has been explained to be due to adverse political situation. Management further explained that in order to compensate, two extra meetings-one on project partner and one on project coordination committee were held within same budget limit.

4.2. Observations during Interaction

4.2.1. General Impression

Focus Group Discussion with IBO representative (both executives and staff members) revealed that their organisational, managerial and service delivery capacity has substantially improved.

The beneficiary IBOs expressed that they have benefited a lot from the project. Some of the comments made by them are as follows:

- Learnt on managing an organisation efficiently.
- Effective interaction with other beneficiaries.
- Networking among different IBOs.
- Excited to do business with European counterparts.
- Share 'best practices' amongst IBOs.
- Participation at project activities-built up confidence amongst the participants.
- They expressed that they would have learned more if they were able to participate at trade fairs.

4.2.2. Issues raised, comments/suggestions received from IBOs

During the interaction with IBOs, there were more issues, comments / suggestions received than anticipated which are highlighted below:

- a) Training programmes need to be practically oriented. They should be designed according to the level of understanding of the beneficiaries.
- b) The project should look into the requirement of the beneficiary rather than partner necessity.
- c) Experience of Europe is expected to be highlighted rather than any particular country.
- d) The beneficiaries expected that their product would be promoted in Europe as well.
- e) The participating beneficiaries complained that they do not know the overall concept of the project but were appreciative of the activities geared towards capacity building. They would like to have more interactions between the beneficiaries and project management team.
- f) They suggested that database software (being designed by DFSME) for keeping information has to be common for all IBOs.
- g) Training conducted for both executives and staff members commendable as it facilitates in understanding the concept, prepare plans and programmes of the IBO.
- h) Project is expected to develop backward linkages as well.
- i) Translate into Nepali a summary of, and the essential information contained in, the key research documents created in the project in order to enable the project beneficiaries to better understand the contents.
- j) Research based activities should be publicized widely in order for the end user to receive relevant market information.
- k) EEC-Nepal should take into confidence all 15 ECIBON direct beneficiaries in other similar projects.
- l) The help from London Chamber and Danish Federation should be sought in any activities that are to be conducted by ECIBON Partners and Beneficiaries.
- m) The IBOs suggested that EEC-Nepal should focus on "Developing Technical and Vocational Education" in future grant proposal to prepare skilled manpower in Nepal.
- n) EEC-Nepal as lead partner of ECIBON to act as a focal point to maintain the networking amongst partners, beneficiaries, other IBOs and related agencies pertaining to any required services after the completion of the project.

- o) Because of lack of resources at hand such as suitable amenities, it was difficult for them to disseminate the information to their member organizations. Even for those having excellent infrastructure was arduous for them to make further follow ups as their member organization did not have suitable infrastructure to support electronic mails.
- p) As most of the IBOs did not have basic requirements such as computers, fax and photocopy machines it was difficult for them to look for business / market information by utilizing internet search engines.
- q) Motivate them to use internet facilities as often as possible to seek the latest market information.
- r) The beneficiary IBOs opined that the best means of communicating is through email, telephone and fax. However, lack of office equipment and communication facilities with some IBOs is a major hurdle for achieving the project goals. One of the IBO (Darchula CCI) does not have email/internet facility.

4.2.3. Issues raised, comments/suggestions received by implementing partners

While interacting with implementing partners etc. and members of advisory committee, following comments and issues raised has been noted:

- a) The project management is better organised and in their opinion, efficient.
- b) The project is good means of exchange of information between implementing partners and beneficiaries.
- c) Selection of IBOs with different capacity in terms of understanding might be of some concern.
- d) Challenge of maintaining the web page in future.
- e) The beneficiary IBOs lacked experiences of exporting to third / European countries.
- f) Trainings were more suitable for the beneficiary IBO staff member as they could relate to organisation.
- g) English language of IBO staff members more understandable compared to executives.
- h) It was clear that the beneficiaries were able to network effectively amongst themselves. During the implementation of training sessions and seminars, the actual networking between the IBOs also is observed to become visibly stronger. Especially towards the end, the IBOs began actively developing ideas for collaboration and pooling of resources for e.g. export promotion activities for member companies working with similar products.
- i) During the implementation of training sessions and seminars, the actual networking between the IBOs is also observed to have become visibly stronger. Especially towards the end, the IBOs began actively developing ideas for collaboration and pooling of resources for e.g. export promotion activities for member companies working with similar products.
- j) A debate forum is noted to have been included on the website to provide a future platform for further exchange of ideas between the beneficiaries as well as other interested parties.

- k) In broad terms, the impact so far of the project on the beneficiaries has been that: they are now better acquainted with the content covered e.g. international trade, the workings and role of an IBO, and the role of lobbying and working with government; they have been provided with tools and media to support their knowledge of the content; and they have been provided with ongoing links e.g. website and protocols with LCCI and DFSME to maintain their knowledge.
- l) The main challenge with regards to the future sustainability and overall impact of the project lies in the very different capacities, skills and resources in the 15 participating IBOs.
- m) The IBOs ranged from quite professional trade organizations with some financial resources, fulltime salaried staff and many exporting members to local sub-chambers with no full time salaried staff, poor financial resources, insufficient IT equipment and -connections, rather poor English skills and no export experienced members.
- n) Business planning for IBOs, incorporating, short term (one year) plans, and longer term visions were covered with the result that the beneficiaries have been encouraged to develop their own plans in line with examples given.
- o) Throughout the programme the participants were encouraged to input by bringing in their own experiences and information requests, both to add to the course content and also to share with colleagues.
- p) The project encouraged enhanced working arrangements between board members and the IBO executives or secretariat to increase the effectiveness of the IBO.
- q) After the intervention of the project, beneficiaries were better placed to take forward their responsibilities in their respective IBOs to fulfil their roles to: provide relevant services to their members; and work with government to create a better environment in which business needs are understood.

4.2.4. Effectiveness of Project Activities & Management Team

Furthermore we also asked direct and indirect beneficiaries on effectiveness of project activities (chart 1) and project management team (chart 2). The following two charts highlight the response received from them:

Chart 1

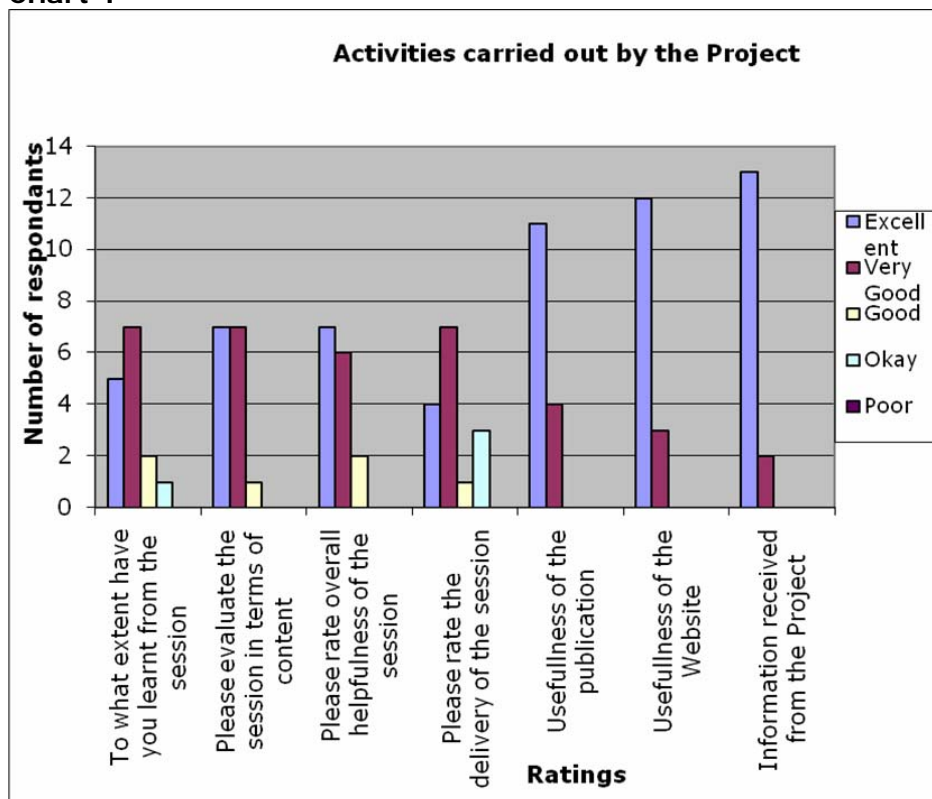
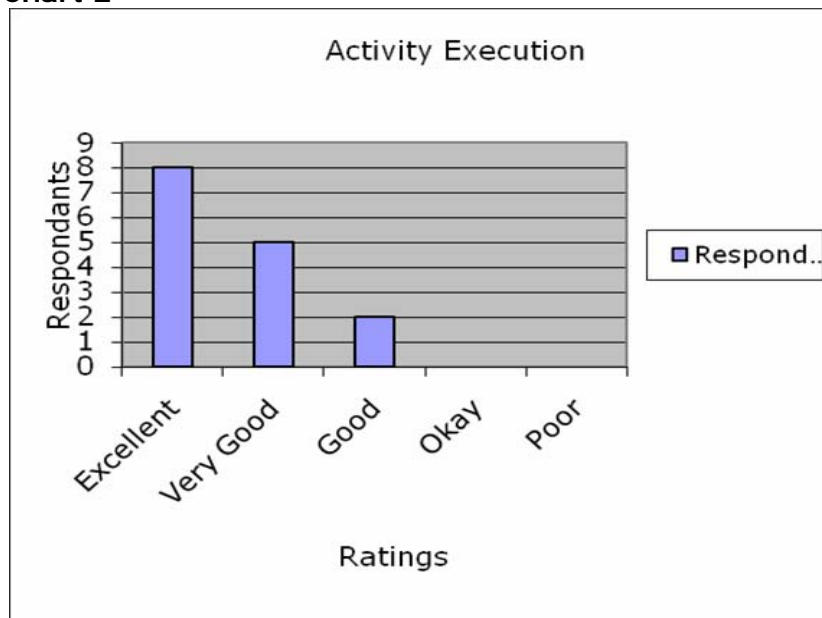


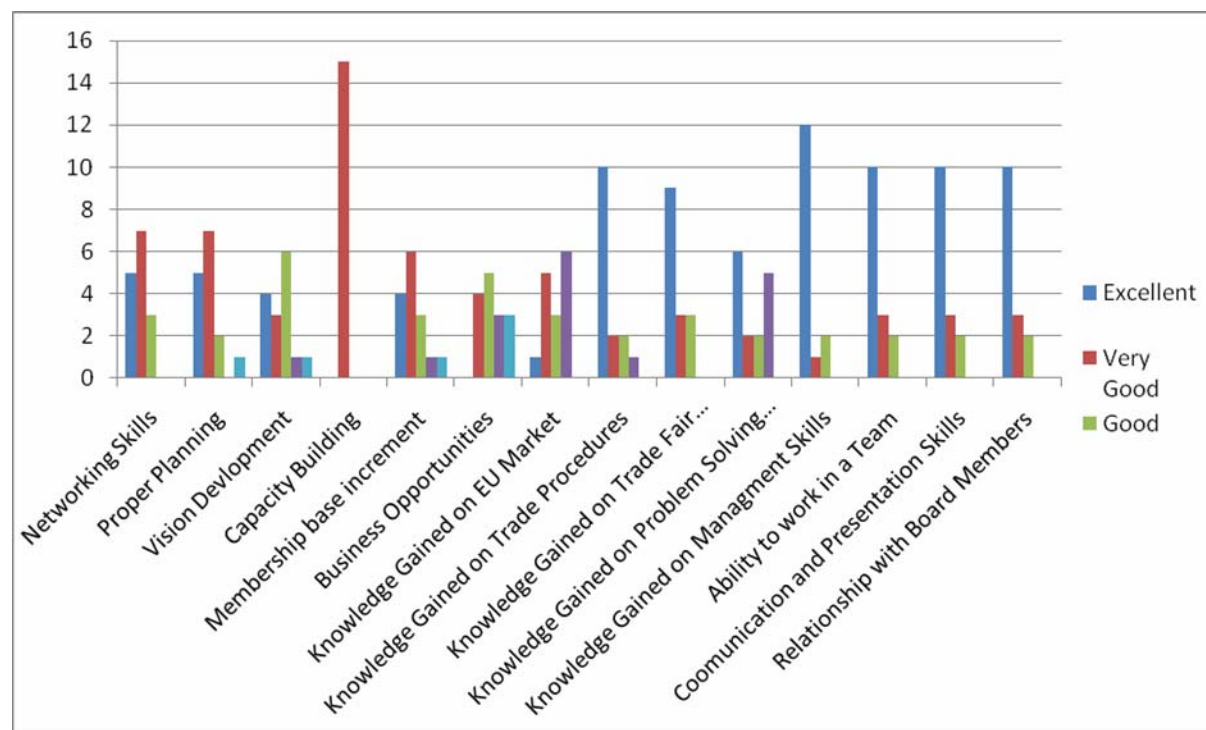
Chart 2



4.2.5. Accomplishment of the Project

In addition, questionnaire (**Annexure II**) was used to determine how well the aims and objectives of project activities were achieved. The overall expected outcome would be that the professional capacity of the beneficiaries be improved. The expected impact on the target groups can be broadly divided into following categories. As a primary source we interviewed Members of the Advisory Committee / Beneficiaries and also tele interviewed indirect beneficiaries requesting them to furnish us the impact of the project on their organization. In total we interviewed 15 IBOs.

ACCOMPLISHMENT OF THE PROJECT	Excellent	V. Good	Good	OK	Poor
Networking Skills	5	7	3	0	0
Proper Planning	5	7	2	0	1
Vision Development	4	3	6	1	1
Capacity Building	0	15	0	0	0
Membership base increment	4	6	3	1	1
Business Opportunities	0	4	5	3	3
Knowledge Gained on EU Market	1	5	3	6	0
Knowledge Gained on Trade Procedures	10	2	2	1	0
Knowledge Gained on Trade Fair Participation	9	3	3	0	0
Knowledge Gained on Problem Solving Skills	6	2	2	5	0
Knowledge Gained on Management Skills	12	1	2	0	0
Ability to work in a Team	10	3	2	0	0
Communication and Presentation Skills	10	3	2	0	0
Relationship with Board Members	10	3	2	0	0



4.3. Financial Administration

Financial status as of 31st July 2008, 31st March 2009, 30th September 2009 and 31st January 2010 based on the available financial information has been as below:

Particulars	Aug 07-July 08		Aug 08-March 09		April 09 - Sept 09		Oct 09 - Jan 10	
	NRS	EURO	NRS	EURO	NRS	EURO	NRS	EURO
Opening balance	-		1,519,099.73	14,657.61	1,268,944.68	11,745.68	2,142,258.71	19,285.55
Fund received from EC	8,120,537.77	84,536.10	7,070,832.96	68,225.60	7,370,752.70	68,225.60	-	-
EEC Contribution	-	-	-	-	-	-	-	-
5% Contribution	-	-	-	-	988,496.73	9,149.78	605,648.71	5,452.32
Exchange Gain (Loss)	(41,089.07)	(427.74)	47,443.67	457.78	25,486.46	235.91	(5,155.12)	(46.41)
Interest Income	32,727.45	340.70	9,881.38	95.34	12,782.81	118.32	10,410.07	93.72
Participants Fee	12,500.00	130.13	26,500.00	255.70	-	-	-	-
Total Available Fund (A)	8,124,676.15	84,579.18	8,673,757.74	83,692.02	9,666,463.38	89,475.29	2,753,162.37	24,785.18
Application	6,603,724.58	68,745.83	7,394,006.16	71,343.86	7,519,821.68	69,605.42	5,153,353.30	46,392.75
Add: Bank charges	1,851.84	19.28	10,806.90	104.27	4,382.99	40.57	6,237.20	56.15
Total Application Fund (B)	6,605,576.42	68,765.11	7,404,813.06	71,448.13	7,524,204.67	69,645.99	5,159,590.50	46,448.90
Balance of fund C (A-B)	1,519,099.73	15,814.07	1,268,944.68	12,243.89	2,142,258.71	19,829.30	(2,406,428.23)	(21,663.72)
Represented by:								
Bank balance FC	3,614,007.74	37,622.40	831,841.36	8,026.34	1,716,728.19	15,890.48	161,112.96	1,450.41
Bank balance LC	80,172.21	834.61	205,716.30	1,984.93	305,913.76	2,831.62	150,422.30	1,354.17
Cash in hand	26,406.00	274.89	190,072.00	1,833.98	5,420.00	50.17	-	-
Advances	33,500.00	348.74	144,644.09	1,395.65	145,892.03	1,350.41	456,458.31	4,109.24
Receivable from EEC Nepal	78,288.90	815.00	77,677.90	749.50	78,288.90	724.66	78,288.90	704.79
Subtotal	3,832,374.85	39,895.64	1,449,951.65	13,990.41	2,252,242.88	20,847.34	846,349.12	7,619.21
Less: (Payables and TDS)	(2,313,275.12)	(24,081.56)	(181,006.97)	(1,746.51)	(109,984.17)	(1,018.04)	(3,252,710.60)	(29,282.33)
Balance of fund C	1,519,099.73	15,814.07	1,268,944.68	12,243.89	2,142,258.71	19,829.30	(2,406,428.13)	(21,663.72)

4.3.1. Financial Resource Mobilisation

The project received three pre-financing sum:

i) As first instalment of Euro 84,536.10 during August 2007 to July 2008, ii) As second instalment of Euro 68,225.60 during August 2008 to March 2009 and iii) As third instalment of Euro 68,225.60 during April 2009 to September 2009 from the European Commission. Till date project received Euro 220,987.30 from the Commission. By the end of the project (31 January 2010) project has exhausted Euro 256,308.13 (paid / payable). The table below gives the description:

Contribution					Receivable	
EU	EEC-Nepal	Participant	LCCI	DFSME	EU	EEC-Nepal
220,987.30	11,818.25	385.82	2,161.07	936.46	20,019.25	4109.24

The matching contribution of 5.97% of eligible cost by the beneficiary amounts to Euro 15,301.60. Out of which Euro 11,191.36 has been realized so far, balance of Euro 4,109.24 is yet to be received. Administrative cost claimed by the beneficiary amounting to Euro 9,687.29 was reimbursed on June 2009. The rest is yet to be paid to the beneficiary.

Exact timing for contribution by EEC-Nepal to the project is not clear; it should have been deposited to the project account based on periodical eligible costs. This would have facilitated timely booking of contribution and assisted in implementation of project activities appropriately in line with the Plan of Action.

Project has also earned interest of Euro 648.08, net-off of tax withholding at the rate of 15%. This has been considered as part of the project income. Further to this, the project has received participation fee of Euro 385.82 including earlier reported amount of Euro 130.13 which has also been treated as matching contribution by beneficiaries for the project.

4.3.2. Financial Resource Utilisation

Effective implementation of project activities is generally reflected in the resource utilisation as well. Overall expenditure budget depletion till January 2010 is as below:

Table: Budget Depletion

Amount in Euro				
Budget codes	Particulars	Euro-Budget	Euro-Actual	Depletion %
1	Human Resources	124,778.00	108,726.96	87.14%
2	Travel	50,670.00	40,717.58	80.36%
3	Equipment and supplies	10,058.00	10,043.34	99.85%
4	Local office / Action costs	42,050.00	41,683.10	99.13%
5	Other costs, services	39,430.00	27,567.58	69.92%
6	Other	13,210.00	13,559.77	102.65%
7	Subtotal direct project of the action	280,196.00	242,298.33	86.47%
8	Administration Overhead	14,009.80	14,009.80	100.00%
9	Grand Total (7+8)	294,205.80	256,308.13	87.12%

Breakdown of detail depletion in line with budget is given in **Annexure III**

The budget depletion shows 87.12 % utilisation of total approved budget during the entire project period. The depletion is also affected by expenditures as reflected in Para 4.4.2 below. There has been full claim of administrative overhead cost of Euro 14,009.80 by EEC. Though the planned activities have been revised twice during the project period, it is noted that the approved budget is not revised with such revision of activities. Considering the budget depletion, the implementation is termed effective and efficient. In case of human resources, under depletion is noted due to pulling out of CCISS from the consortium as budget included cost for technical experts from CCISS with corresponding effect on other related cost such as travel cost as well. Regarding under depletion of other costs / services the major reason is termination of administrative monitor service from foreign expert (out of total budget of Euro 24,000 only Euro 11,270 was paid to consultant upto second semester of the project).

4.3.3. Reporting Differences

We noted following that excess expenses of Euro 2,812.17 was reported to EU for the period Aug 07-July 08 earlier which has been rectified as below in subsequent period:

Amount in Euro

S. No.	Budget Head	Reported Earlier	Reported 4.3 above	Differences	Remarks
1	1.1 Human Resources – Salaries	18,893.89	18,170.89	723.00	Not Claimed by CCISS
2	1.1.3 Human Resources - Per Diems Abroad	4,320.00	3,520.00	800.00	600 - Not Claimed by CCISS 200 - Less Claimed by DFSME
3	2.1 International Travel	6,486.10	5,661.60	824.50	500 - Not Claimed by CCISS 324.5 - Less Claimed by DFSME
4	2.2 Local Transportation	2,227.35	1,535.23	692.12	Wrongly Reported
5	4.2 Office Rent	5,152.45	4,338.05	815.00	Ineligible cost (to be reimbursed by EEC)
6	4.3 Consumables - Office Supplies	5,246.94	6,334.91	(1,087.97)	Less Reported
7	5.6 Financial Services	-	19.28	(19.28)	Missing in Reported
8	5.8 Visibility Action	1,112.96	1,127.15	(14.17)	Wrongly Reported
9	6 Others	2,110.05	2,031.08	78.97	Wrongly Reported
	Total (1-9)	45,549.74	42,738.19	2,812.17	
	Grand Total (as reported)	71,577.28	68,765.11	2,812.17	

4.4. Accounting Administration

4.4.1. The Process

The project has used accounting software (Exactly Gold) and account folios are in line with approved budget heads along with sub heads. Expenditures have been mostly accounted for on accrual basis. Ledger folios for party accounts are also maintained. We have also noted that the maintenance of Fixed Assets Register and reconciliation between account and register, supporting documents have been dully approved by delegated authority and bank reconciliation is done at period end etc.

Two separate saving bank accounts (foreign and local currency) have been maintained with national level commercial bank for the project fund operation. The signatories for both accounts remain same for the entire project period.

The account has been maintained in local currency by considering the standard exchange rate for fund received. Accordingly all fund received at first is deposited in Foreign Currency bank account and same is reflected at equivalent local currency by applying periodical standard exchange rate (average rate published in EU website) . The exchange fluctuation difference (gain or loss) is recognised at the time of transfer of fund from foreign currency bank account to local currency bank account.

There has not been any kind of planned audit be it internal or external. As per the Plan of Action, it was scheduled only after the completion of project, which as informed is already under process since the auditor has been appointed. An independent assurance (on site supervision) was carried by European Union's appointed auditor (Ernst & Young Reviseurs d`Enterprises – Brussels) during 16th and 17th December, 2008. Based on findings of the auditor, EU through letter 30th June 2009 has made an audit follow up and project management has also made effective resolution accordingly as below:

- Daily allowances not claimed by CCISS amounting Euro 600 charged in books of account on accrual basis have been reversed during July 2009.
- Room Location cost paid amounting Euro 815 to EEC Nepal has been reversed and accounted as receivable from EEC Nepal as reported in point no 4.3 till our review period.
- Over payment made to IT Support staff amounting Euro 67 for month of September 2007 was adjusted during the month of November 2009.

There has not been any practice of Control Self Assessment on project controls mechanism. It is observed that the project has generally complied with Administrative Organisation of Asia Invest Guidelines provided by the European Commission for its administration, technical and financial procedures.

4.4.2. Eligibility of Cost

- 4.4.2.1. As already noted that accrual basis of accounting being followed, the status of actual expenditures paid till January 2010 has been as below:

Particulars	Local Currency	Equivalent FC
Expenditures till January 2010	26,694,184.65	256,308.12
Less: Outstanding liabilities	(3,252,710.60)	(29,282.33)
Actual expenditures paid for	23,441,474.05	227,025.79

Budget depletion based on actual paid expenditures would be only 77.17 %.

- 4.4.2.2. Actual expenditures paid included salary expenses (under human resources) of local project staffs (project manager, finance and administration officer and administration assistant on account of increase salary @ 30%,40% and 50% respectively) with retrospective effect from the month of August 2009 amounting Euro 1,718.40 which is approved by General Secretary.

The exchange loss arising out of difference between standard rate of Euro 1=Rs. 96.060/103.639/108.035 and 111.081 first, second, third and fourth period respectively and actual rate prevalent on the date of transfer from foreign currency bank account to Nepalese currency bank account has been reflected as adjustment in the source of income. Since the financial budget does not provide for any provision relating to exchange gain or loss, this needs to have been addressed through mutual consulting between the contracting Authority and the Beneficiary.

- 4.4.2.3. Total administrative overhead cost amounting Euro 14,009.80 has been accounted during third period and fourth period amounting Euro 9,687.29 and Euro 4,322.51 respectively. Euro 4,322.51 yet to be paid to EEC Nepal by the project.

- 4.4.3. The project has generally been complying with the provisions of tax laws specially relating to tax withholding and deposit thereof.

In case of reimbursement of cost to the Beneficiary, especially remuneration to deputed personnel, the obligation of compliance requirement with tax laws is observed to have been bestowed upon the Beneficiary itself. It has been explained to have been complied with.

- 4.4.4. Financial reporting to the Contracting Authority is found to have been made only of expenditures reporting and does not reflect exchange differences etc. And hence we noted some differences with the books of account of minor value.

4.5. Transfer of ownership of Equipment, Vehicles and Supplies

In line with the provision of contract, the ownership of assets and supplies has physically transferred to EEC-Nepal and FNCSIN on 31st January 2010. Annex-6 (standard template) has been signed by all partners. The transfer details are appended in **Annexure IV**.

4.6. Visibility

In line with the provision of contract “ANNEX-9, Asia-wide Programmes-Visibility Records”, Visibility has been depicted as mentioned in Article 6 of the “General Conditions applicable to the EC-financed grant contracts for external actions”:

- Advertisement
- Letter head
- Certificates issued to participants
- Project brochures
- Business cards
- Training Materials
- CD Roms
- Publications (booklets)
- Project bags
- Flex backdrops
- Writing Pads
- EEC-Nepal News Letters
- Certificate of Appreciation (Memento) given to all stakeholders

4.7. Sustainability of the Project

Since the ECIBON project has been concluded, the question of long term sustainability of the project become more important, we noted that project management is cautious for sustainability issues and have endeavoured to address such issues in different ways:

- a. During one coordination meeting, it has been agreed among partners in principle to work with each other for sustainability of the project after the projection conclusion reflecting partners’ intention to continue, though the effect is still to be seen in coming days. Further, a 15 member IBO`s Coordination Committee under the Chairmanship of Mr. Shanta Krishna Shrestha, FNCSIN, Dolakha was formed which would be the potential alliance for the future to use the experience and knowledge earned from ECIBON project for other new projects and others.
- b. Closing meeting was held at DFSME Office, Copenhagen, Denmark during 31 August & 1 September 2009. Partners agreed that beyond the EU funded life of ECIBON project in which LCCI, DFSME and FNCSIN had all played key roles; partners would provide reasonable assistance to EEC-Nepal, its members and project beneficiaries in their capacity building activities. As a result, European Economic Chamber (EEC-Nepal) and London Chamber of Commerce and Industry (LCCI) / EEC-Nepal and DFSME signed Agreement of Cooperation in order to promote and strengthen the development of economic and trade relations and cooperation between the member organisations of both the Chambers so as to pave the way for more cooperation for the promotion of Nepal, Denmark and United Kingdom for trade, investment and technology transfer.

Sustainability of the project is dependent on the continuing ability of IBOs to counsel their members. This is greatly assisted through the use of the website and

publications of the project. For ensuring the long term sustainability, EEC Nepal should consider keeping the website updated on a continuous basis and that much of the information provided is about how to find updated information from very large and resourceful sites that are updated on a continuous basis.

4.8. Project Monitoring

Project monitoring generally is found to have been done on regular basis. Project management is observed to have regularly followed up the recommendations submitted by different monitoring authorities for improvement. We have illustrated some initiatives as below with management responses for issues raised at Partners` Closing Meeting held at DFSME Office, Copenhagen, Denmark during 31 August & 1 September 2009:

Activities	Management initiatives
<ul style="list-style-type: none"> Progress of participants who have participated at the project activities and those who have received necessary European market information and further encourage them to share the information with their member organizations. 	Keeping constant touch with beneficiaries and updating them on current EU market information.
<ul style="list-style-type: none"> Motivating them to use internet facilities as often as possible to seek the latest market information. 	Information desk at EEC-Nepal is encouraging beneficiary to use IT as much as possible.
<ul style="list-style-type: none"> Translating into Nepali a summary of, and the essential information contained in, the key research documents created in the project in order to enable the project beneficiaries to better understand the contents. 	As such no translation has been made; nevertheless, as and when the enquiry is made we provide the details in Nepali.
<ul style="list-style-type: none"> Research based activities should be publicized 	Publication on "Sub-sector" analysis was released at the 4 th Annual General Meeting of EEC-Nepal by Rt. Honourable Speaker of the House in the presence of Dr. Alexander Spachis (Ambassador to EU Delegation) and did receive wide publicity. As for other two publications we have already circulated 137 copies to Nepalese IBOs across the country.
<ul style="list-style-type: none"> The website will be designed and made functional by DFSME, but it will be the responsibility of EEC-Nepal to maintain and update it on a regular basis. To that end, personnel from EEC-Nepal shall be provided basic IT training to maintain the website. 	ECIBON website is hosted by providing necessary training to EEC-Staff responsible for Information Desk. EEC Nepal assumes responsibility for future update and maintenance of the page (training of staff from EEC Nepal will be provided as part of Website service provider) and for covering future hosting costs once what can be paid by the ECIBON project runs out.
<ul style="list-style-type: none"> To continue the professional works 	Has already been set up at EEC-Nepal

<p>developed by the ECIBON Project and also to maintain the net working among the partners organizations, IBOs and beneficiaries, the lead agency EEC Nepal informed the project partners that a separate desk at the Chamber would be set up and act as focal point for providing required services.</p>	<p>Secretariat</p>
<ul style="list-style-type: none"> It was agreed that beyond the EU funded life of the ECIBON project in which project partners, beneficiaries and Advisory Committee Members played a key role, EEC-Nepal will provide reasonable assistance in terms of networking, sharing of information, B2B meeting and other relevant activities to project beneficiaries and partners in their capacity building. 	<p>Has already been agreed and minuted.</p>

5. Conclusion

A key measure of the effectiveness of the programme is the extent to which the planned activities and outputs have been achieved. The objectives of logical framework and activities have generally been completed as per the plan of action and we are of the opinion that the objectives of the project have been successfully met to that extent. The review finds that project has completed/implemented activities successfully within the timeframe envisaged in the project documents though delays have been observed while implementing a few activities. Project seems conservative in expenditures as only 87.12% of allocated budget has been spent till the closure of the project. Team observes that sustainability of the project in future needs much more addressing since the visible impact of the project's activities would start to flow only in future. The project management team has demonstrative skill and experience in the administration of projective activities as well. From our evaluation we are of the view that the project generally demonstrated effective and efficient level of results.

Developing and sustaining business however is also dependent on continuing relationships with like-minded organizations outside Nepal, and the protocols signed with LCCI and the Danish Federation of Small and Medium Sized Enterprises will assist this greatly, as will similar understandings with other chambers of commerce in actual and potential markets for Nepalese trade, investment and technology transfer.

The future operation and maintenance of the website and its contents is considered to be the responsibility of EEC Nepal the continuation of which would create additional value in regards to attracting and maintaining members with specific interest in European trade and collaboration and thus contributing to the project sustainability.

It is also laudable to note that since EEC-Nepal started to acquire funding from the European Commission to implement Asia Invest Project in Nepal, they have had very

close working relationship with well over 70 Intermediary Business Organizations spread across Asia & Europe.

6. Recommendations

Project management team should see that all activities are carried out as planned and if any revisions required on timing for implementation of such activities, these also need to be carried out by giving effects to financial budgetary planning as well. It also needs to forecast whether initially planned financial budget required any revision to address the activities revisited or revised so that actual performance of activities co-relate with financial depletions.

We further recommend as below to ensure efficient, economical & effective long term sustainability of the project:

- a) Regular and formal meeting of IBOs Coordination Committee should be held and minuted for the long term sustainability.
- b) Networking and coordination should be improved between the projects and among the IBOs and stakeholders.
- c) The beneficiaries expect the project to build the organisational capacity of the IBOs, drawing on the support of external organisations where needed.
- d) The web page needs to be developed both in Nepali and English.
- e) We observed that project has not accounted 7% administrative cost on periodic basis, though have been accounted till project end. It should have been computed on periodic regular basis, so that contribution from the Beneficiary can be calculated on periodic basis and can be received on time.
- f) It should be clear in the Grant Contract about the resultant exchange gain due to foreign exchange fluctuation.
- g) There should have been periodic contribution of its part by the Beneficiary. Beneficiary should have also claimed administrative cost if any on periodic basis so that resources mobilised could be reflected appropriately on periodic basis.
- h) Despite the excellent and hard work of the ECIBON management team, the project's start and implementation was delayed considerably due to various formalities in regards to the Asia Invest funding and reporting. For the future funding this should be considered to close the formalities at the shortest period possible.
- i) During our direct and indirect (tele) interactions with beneficiaries and various stakeholders; many of them expressed the feeling that English Language was very important for them to sustain in International market.
- j) In order for IBOs to increase their membership, influence and effectiveness, they require regular contact with their members, closer working relations with government and other agencies.

- k) In regards to the issue of understanding and exploiting export potential, the target groups must have a better understanding of both the potential benefits and challenges of establishing export to EU markets.
- l) We recommend that future project similar to ECIBON, should select IBOs more carefully on the basis of available resources that they have in terms of their infrastructure, rather than on the recommendation of "Business – Apex Body".
- m) Work with the government should be done on a regular basis to create a better understanding environment in which business can flourish.

The recommendations may not provide external validation of its self-evaluation at the activity level, but we believe by offering timely advice on implementing future activities more significantly in order to move towards its project sustainability by creating pool of resource persons, by establishing networking amongst Nepalese and European IBOs, hosting informatics website and assisting in developing export/trade related study materials, these would help Government of Nepal on taking initiative for improving trade facilities services and on WTO issues and thereby contributing to the overall economy of Nepal.

Annexure I

Project Title: "Enhancing the Capacity of Intermediary Business Organization in Nepal" (ECIBON)

Project Beneficiary: European Economic Chamber of Trade, Commerce and Industry Nepal (EEC-Nepal)

Period: August 2007 To January 2010 (1st Month to 30th Month)

Activity	Activities	2nd Revised Plan of Action	Actual execution dates	Means of Verification	Quantitative Status	Quantitative Status	Remarks		Management Comments
No	Particulars				Planned	Actual	Time Frame	Evaluation Comments	
FIRST, SECOND & THIRD YEAR (FROM AUGUST 2007 TO JANUARY 2010) : 1st, 2nd ,3rd, 4th and 5th Semester									
0.1	Finalize all formalities with EC	August 2007	July 2007	Agreements and contracts			Pre poned	The project activities were officially carried out after receiving the first pre-financing from the European Commission to implement the project from 31 July 2007.	Noted
0.2	Establishment separate project-office	August & Sep. 2007	August 07	Agreement with house owner			On time	Rent agreement with house owner Mrs. Manju Rimal dated 2064/04/06 (22 July 2007) wef 2064/04/15 (31 July 2007) has been noted.	
1.1.1	Seminar on "Doing Business with the EU and particularly Great Britain"	May 2008 (6th to 9th)	May 2008 (6th to 9th)	Attendance list of participants, Training report & handouts and Partnership agreement	30 Rep. of IBOs	30 Rep. of IBOs	On time considering second revision	Seminar was conducted on scheduled time and planned 30 representatives from 15 IBOs fully participated.	Noted

				verified					
1.1.2	Seminar on 'Chamber Management and Administration' and 'Membership Recruitment' for IBOs in Nepal.	Sept-08	2-6 Sept 08	Attendance list of participants, training report & hands out, partnership agreement.	34 participants/6 days	37 participants/4 days	On time considering second revision	Only one trainer from LCCI instead of planned 2. Only 4 days training instead of planned 6 days.	Originally this service was to be provided by CCISS, after their pulling out of the Consortium, LCCI shouldered the responsibility
1.1.3	Seminar on 'How to arrange and carry out Match-Making activities and events' and 'How to prepare and participate in Trade Fairs and Exhibitions'.	Oct/Nov-08	17-18 & 20-21 Nov 08	Attendance list of participants, training report & hands out, partnership agreement.	34 participants	31 participants	Slight delays	Trainer from DFSME involved different than planned.	Trainer from DFSME was present at that time and focused mainly of "System Exchange Program" with the participants
1.1.4	Seminar on 'International Documents and Payments' and 'Regional policy in Economy and Infrastructure -Lobbying and Advocacy'.	July 2009	During May 2009	Attendance list of participants, training report & hands out, Contract agreement.	34 participants/4 days	42 participants/3 days	Pre poned	Only 3 days training instead of planned 4 days. Three topics covered in 3 days by the experts.	Originally this service was to be provided by CCISS, after their pulling out of the Consortium, LCCI shouldered the responsibility. 1 Expert from LCCI and 4 other experts from Nepal

1.1.5	Training on relevant EU/WTO quality and standards	March/April 09	During March/April 09	Attendance list of participants, training report & hands out, Contract agreement.	80 participants /4 Locations	100 participants / 4 locations	More participants than anticipated	Program conducted within the budget	Noted
1.1.6	4 Marketing / International Business courses for Nepalese IBOs.	Sept/Nov-08 & Jan/March-09	During Sept/Nov 09	Attendance list of participants, training report & hands out, Contract agreement.	80 participants	108 participants	Program not conducted in Jan/March -09	Locations chosen - Kathmandu, Itahari, Butwal and Nepalgunj instead of planned Kathmandu, Biratnagar, Narayanghat and Nepalgunj	As there were no direct beneficiaries from Biratnagar & Narayanghat it was decided to move the venue to Itahari and Butwal as the organizing of this particular seminar was entrusted upon direct beneficiary.
1.1.7	Training of Trainers course to Nepalese business IBOs on trade promotion services aimed at the EU market.	9-Jan	19-23January 2009	Attendance list of participants, training report & hands out, Contract agreement.	2 each from EEC-Nepal and FNCSIN	7 participants: 2 each from EEC-Nepal, FNCSIN and Beneficiary Organization and 1 from Project	Excess representation in Nepalese Delegation Team	Share their knowledge with project beneficiaries	Within the allocated budget with concurrence from EU office New Delhi extra three were sent on this training program. Upon their arrival in Nepal they shared their knowledge gained with the direct and indirect beneficiaries at various project seminars.
2.1.1	Assessment of opportunities in -three- sub-sectors for potential trade between SMEs in the EU counterpart countries and Nepal.	April 2008 -June 2008	During March-09	Assessment Report	Not Mentioned	125 copies printed and 200 on soft copies	Delay in publication	The publication was delayed and 200 copies of CD rom for direct mailing campaign as per activity 2.2.2 were only taken out in 25 January 2010.	Publication was based on demand side - Europe and supply side-Nepal. As it was research based study it took longer than expected to find right information. CD rom contained

									all the necessary information on business opportunities in Europe as well as detailed ECIBON activities.
2.1.2	General assessment of trade related procedures and requirements with specific reference to trade between Nepal and the EU partner	Aug-Oct 08	September 09	Assessment Report	Mentioned in activity 2.2.2 direct mailing campaign to raise awareness on these matters	200 hard copies and 200 soft copies printed	Delay in publication		As direct and indirect beneficiaries exceeded more than 135, we saw fit to distribute both hard and soft copies. Delay was due to constraint in finding up to data and frequent policy changes by the government of Nepal
2.2.1	Determination of the system to exchange business information between Nepali IBOs and European partners.	Nov/Dec 08	During 19th Nov 08 and 27th May 09, need assessment was carried out by DFSME	Existence of information desk. No of request from Nepalese and European IBOs. Registration in D-base Website.	15 IBOs	15 IBOs	Delayed. Webpage is being constructed.	It was jointly undertaken by European and Nepalese partners/DFSME. Suggestions from 15 IBOs was collected during Nov-08 and May -09. Softage Nepal was identified by DFSME to design and host ECIBON project Website. Contract to that effect was signed on 10th December 2009, task completed in January 2010 (www.eec-nepal.org.np)	This is a major task of DFSME and as they were not able to provide the necessary information on time, this particular activity got delayed. This is on going activity even after the completion of the project; we need to update it every now and then.

2.2.2	Direct mailing campaign to raise awareness among Nepalese SMEs of business opportunities in Europe and available knowledge among Nepalese IBOs.	During Nov/Dec 08 & Jan 09	Started from April 09 and completed on January 2010	Mailing/airmail list of Nepalese IBOs. No of correspondences with IBOs. Printing bill.	Direct mail to 95 IBOs of Nepal. 4 copies to each IBO (hard copy and CD-ROM).	137 IBOs one copy each of published document and one soft copy	Delayed for starting and completion .	As it was necessary to collect information on IBOs for database purposes, this activity took longer than anticipated which was explained to be due to unforeseen political events in the country.	It was necessary to conduct this campaign at the end of the project activities to furnish the recipients with all the information on Project activities. We also had to build the data base of the recipients / IBOs which took longer than expected
2.2.3	Preparation of first annual EU Trade Report by EEC-Nepal - with support of European and Nepalese IBOs- for Nepalese IBOs and their members.	During May-July 09	Nov 09	Print service, Internet, E-mail. Reports of 2.1. Mail service, CD-roms	200 copies	200 copies published also on soft copies	135 Copies have been dispatched to beneficiaries	The inventory records for in/out/balance of publications have not been maintained. Quantities for publications were not planned.	As it was research based study it took longer than expected to find right information. Keeping in view the number of beneficiaries the publication was printed
3.1.1	Organize a meeting for Nepalese IBOs	Nov-Dec 2007 & Jan 08	16th and 17th January 008	IBOs networking meeting report verified	30 reps. from 15 IBOs.	31 Reps. from 15 IBOs	within time frame as per second revision	16 - 17 January 09	Organized as per first revision
3.1.2	Sign cooperation agreement within the Nepalese Intermediary network.	Nov-Dec 2007 & Jan 08	16th and 17th January08	Signed agreements with project beneficiaries are verified.	30 reps. from 15 IBOs.	30 Rep of 15 IBOs	Some delays have occurred.	Agreement signed with all 15 IBOs participants on 15th January 2008.	Organized as per first revision

3.2.1	Business meeting in Europe between Nepalese partners and EU partners for Kick Off.	October 2007 (2 days)	2nd & 3rd Oct 20-2007	Project kick-off meeting minutes verified			Carried out in timely manner	Pre-poned originally planned for January 08. Representative of all five consortium partners noted. Minutes of Kick off meeting held in London seen.	As per the suggestions of European Partners this was pre poned to discuss necessary activities
3.2.2	Determined and sign MOUs for cooperation between European partners and EEC- Nepal/FNCSIN	January 08	Completed	Signed MOU by partners are partly verified.	3 Minutes	3 Minutes	Few delays	FNCSIN: MOU signed on 30th October 07 Verified.	Noted
								LCCI: MOU signed on 31st October 07 Verified.	Noted
								DFSME: MOU signed on 31st October 07 Verified.	DFSME submitted the signed document only in November 2008, the signatory submitted the document in person during her visit to Nepal
								CCISS : Dropped/pulled out from consortium on Dec 2007	Noted
3.2.3	Business meeting in Europe for closure of the project, agree on future cooperation and evaluate the process and the results of the project	Oct 09	31 August till 3 September 2009	Project closure meeting minutes	1 rep. each from project partners in total 5	3 reps from FNCSIN, 2 reps from EEC- Nepal, 2 reps from Project, 2 reps from LCCI and 1 rep from DFSME - in total 10	Delayed	Allocated participant 5, but those attend were 9 resulting over participation	The host country requested the time to be postponed. The project within the allocated budget requested the EU to increase the number of participants.

4.1	Administrative monitoring	Nov 07, Jan, Apr, May & July 08	2-Feb-08	Reports on administrative findings and actions to be implemented could be verified thru Administrative Organization Manual designed. The expert's advice on financial management was vouched by the Project Manager and the contract signed with the Expert. Hourly time sheet filled by the expert.	46 days	23 days	Some delays noted but monitoring was being carried out.	Per original action plan MOU with independent consultant should be signed on August 2007 at the beginning of the project but it has been signed on 2nd February 2008 only. Agreement verified. Though second revised action plan shows the schedule for Nov 07 and Jan 08.	European administrative monitoring expert Ms. Els Schapendonk representing International Development Solutions, Hague, The Netherlands was already identified in February 2008 and assisting the project management team in the Administration of the project. We were not able to sign contract with the individual as she was out of station. It was agreed with the individual that necessary contract would be signed and first installment of the payment would be made upon her completing 23 days (August 2008) of work as stipulated in the quotation. Upon the completion of her 50% work in August 2008 the project paid her 50% of contract amount on 13 August 2008.
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		During Aug/Nov-09	Not Carried out	<p>Reports on administrative findings and actions to be implemented could be verified thru Administrative Organization Manual designed. The expert's advice on financial management was vouched by the Project Manager and the contract signed with the Expert</p>			Not carried out	Contract with expert terminated.	<p>Till that period the expert provided us with all the necessary advice on Administrative and Financial management, which was also appreciated by Auditors from Ernst & Young Bedrijfsrevisoren - Reviseurs d'Entreprises, Belgium. Nevertheless, she was supposed to visit Nepal and further assist us in Administration which till now she has not done. Through our repeated request we have not heard from her and we felt that her services were no longer required as we have been following the guidelines of the European Commission to manage the project.</p>
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4.2	Advisory Committee Meeting	January & April 08	Jan 08 / May 08	Advisory Committee Minutes are verified			Some delays noted.	As per plan 2 executed	Noted
		Jan / Mar / Jul / Sep / Nov 09	Sep 08 / May 09 / Dec 09	Advisory Committee Minutes are verified			Some delays noted.	As per plan 5 out of 7 executed	Due to political situation, there was uncalled for Nepal closure called by various political parties. As the members come from various parts of Nepal, we were not able to execute all seven meetings as stipulated in the plan of action. Nevertheless, we managed to hold 5 meetings, besides 2 extra meeting - one on project partner and one on project coordination committee were held.
4.3	Independent mid-term monitoring of process and results.	July 08	Dec 08	Report	One	One	On time	Report accepted by the EU	Noted
4.4	Independent evaluation of process and results.	Dec 09 / January 10	Jan 10/ Feb 10	Report	One	One	Slight delays	Wrap up activities by project management completed only in Jan 2010.	As Project Management team was working to complete technical part & financial part of the project. Furthermore, 14 hours of power outage & frequent city closure called by the different

									political parties hampered our work schedule.
4.5	Administration	Every Month	Every Month	Paper work / attendance	30 months	30 months	On time		Noted
4.6	Reporting	Quarterly Update: Nov 07/ Feb, May, Nov 08; Interim Report: Aug 08/ Apr 09 / Oct 09, The final is due three months after the completion of the project in Jan 2010.	All submitted on time at EU office in New Delhi. Based on the report the project has received second and third pre financing from the EU. The final is due three months after the completion of the project tentatively in April 2010.	Verified report submitted at the EU	Report submitted to EU India, Nepal and project partners	Report submitted to EU India, Nepal and project partners	On time	Final reporting is due for submission by 30th April 2010	Noted
4.7	Audit	Sept/Dec -09	Started from January 2010 after the completion of the project	Audit Report	two times	one time	delayed	Of the three competitive quotations received BRS Neupane and Company was chosen and approved by the EU	In order to complete final financial report we had to verify all the necessary documents in the project office and with the partners to see if any were missing. After we made the verification we

									handed over the file to appointed auditor.
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Annexure II

**ECIBON Project Questionnaire
Evaluation of Process and Results (activity 4.4)**

Name of the Organization: _____

Contact Person/Position: _____

Place: _____

Date: _____

This questionnaire will be used to determine how well the aims and objectives for project work were achieved and will help us to improve the standards and organization of project work in future years.

Accomplishment of the project

The overall expected outcome would be that the professional capacity of the beneficiaries / target groups: Nepalese IBOs have been improved. The expected impact on the target groups can be broadly divided into following categories. After the intervention of the project the following is the expected impact on target groups. Please rate the followings with tick mark:

A) Networking skill:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

B) Proper planning and vision development:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

C) Capacity-building to handle chamber activities:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

D) Business opportunities through networking:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

E) Membership base increment:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

F) Your role & responsibilities for implementation of project:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

G) Identification of opportunities and constraints for trade between SMEs in Nepal and European counterpart countries:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

H) Sufficiency of project activities to furnish business information about EU market, to Nepalese IBOs and entrepreneurs:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

I) Increment in awareness and ability to cope with changes occurred from WTO rules and regulations:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

J) Ability of ECIBON project to give better support to your member SMEs:

1. Excellent 2. Very Good 3. Good 4. Okay 5. Poor

K) Annual audit of your organization - up to date?

1. Yes 2. No

L) Has your organization made export sales during last three fiscal year?

1. Yes 2. No

M) If answer of above (L) is YES. Is your export sales more than NRs 1 Million in each fiscal year?

1. Yes 2. No

N) Is domestic sales on increment trend in each three fiscal years?

1. Yes 2. No

O) Is your Organization affiliated with International Trade Organizations?

1. Yes 2. No

P) Is your organization independent on financial footings?

1. Yes 2. No

Q) Has your organization sufficient infrastructure facilities (building / computer / telephone / internet etc)?

1. Yes 2. No

R) Has the project helped you to develop any of the following skills?

Please tick item-wise.

- Problem solving skills.
- Planning skills.
- Management skills (e.g. responsibility for the day to day running and pace of the project, subdivision of the problem into manageable sections, anticipation of project deadlines, etc).
- The ability to work in a team.
- Communication and presentational skills.
- Any other skills.

S) Do you have any comments about project work or suggestions for ways in which it could be improved, which have not been covered by the questions above? (Not exceeding 100 words)

Details financial depletion based on budget line

Expenses	Budget (In Euro)	Actual (In Euro)	Depletion %
1. Human Resources			
1.1 Salaries (gross amounts, local staff)			
1.1.1 Technical	90,502.00	74,353.37	82.16
1.1.2 Administrative/ support staff	9,186.00	9,930.96	108.11
1.3.1 Abroad (staff assigned to the Action)	25,090.00	21,300.00	84.89
1.3.3 Seminar/conference participants	-	3,142.63	
Subtotal Human Resources	124,778.00	108,726.96	87.14
2. Travel			
2.1. International travel	39,200.00	32,137.39	81.98
2.2 Local transportation	11,470.00	8,580.18	74.81
Subtotal Travel	50,670.00	40,717.58	80.36
3. Equipment and supplies			
3.2 Furniture, computer equipment	9,400.00	9,046.02	96.23
3.3 Spare parts/equipment for machines, tools	658.00	806.45	122.56
3.4 Other (please specify)	-	190.87	
Subtotal Equipment and supplies	10,058.00	10,043.35	99.85
4. Local office/Action costs			
4.1 Vehicle costs	9,000.00	8,919.34	99.10
4.2 Office rent	18,570.00	18,277.93	98.43
4.3 Consumables - office supplies	8,780.00	9,666.04	110.09
4.4 Other services (tel/fax, electricity/heating, maintenance)	5,700.00	4,819.78	84.56
Subtotal Local office/Action costs	42,050.00	41,683.10	99.13
5. Other costs, services			
5.1 Publications	1,600.00	2,519.01	157.44
5.3 Auditing costs	6,000.00	6,000.00	100.00
5.4 Evaluation costs	28,680.00	15,674.04	54.65
5.6 Financial services (bank guarantee costs etc.)	400.00	220.27	55.07
5.8 Visibility actions	2,750.00	3,154.25	114.70
Subtotal Other costs, services	39,430.00	27,567.58	69.92
6. Other	13,210.00	13,559.77	102.65
Subtotal Other	13,210.00	13,559.77	102.65

7. Subtotal direct costs of the Action (1-6)	280,196.00	242,298.33	86.47
8. Administrative costs (maximum 7% of 7, total direct eligible costs of the Action)	14,009.80	14,009.80	100.00
9. Total eligible costs of the Action (7+ 8)	294,205.80	256,308.13	87.12



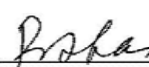
Annex 6
STANDARD TEMPLATE
TRANSFER OF OWNERSHIP

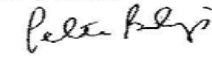
Name of the Asia-wide Programme: Asia - Invest
Contract reference no.: ASIE / 2007 / 133-329
Project Title: Enhancing the Capacity of Intermediary Business Organizations in Nepal (ECIBON)
Name of Beneficiary: European Economic Chamber of Trade, Commerce and Industry- Nepal

ITEM	DESCRIPTION OF ITEM	DATE OF PURCHASE	COST IN €	ESTIMATED CURRENT VALUE IN €	PREVIOUS LOCATION	GRANT
1	Office/Computer Table	31 August 2007	624.61	263.57	ECIBON Project	EEC-Nepal
2	Office/Computer Table	31 August 2007	208.20	87.83	ECIBON Project	FNCSIN
3	Office Wooden Partition	31 August 2007	520.51	219.80	ECIBON Project	EEC-Nepal
4	Sofa Set	31 August 2007	197.79	83.44	ECIBON Project	EEC-Nepal
5	Filing Cabinet - Attached	31 August 2007	104.10	43.92	ECIBON Project	EEC-Nepal
6	Reception Table	31 August 2007	208.20	87.83	ECIBON Project	EEC-Nepal
7	Book self	31 August 2007	104.10	43.92	ECIBON Project	EEC-Nepal
8	Office Chairs (Revolving)	27 September 2007	169.50	71.50	ECIBON Project	EEC-Nepal
9	Office Chairs (Revolving)	27 September 2007	33.90	14.30	ECIBON Project	FNCSIN
10	Flooring and Curtains	27 September 2007	623.16	252.89	ECIBON Project	EEC-Nepal
11	EPBAX System	1 November 2007	245.42	103.54	ECIBON Project	EEC-Nepal
12	Desktop Computer	8 November 2007	1482.41	625.39	ECIBON Project	EEC-Nepal

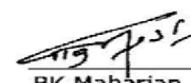
The above list was established to satisfy the requirements of article 2.3 and 7.3 of the General conditions applicable to EC – financed Grant Contracts for external actions (Annex II of the grant contract). Each described item is now ownership of the institution where it is located. All partners involved in the project implementation are in agreement with its content.

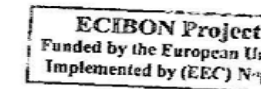
Done over the email on 31 January 2010


Binayak Shah
Secretary General
EEC-Nepal
Lead Applicant


Peter Bishop
Deputy Chief Executive
LCCI
Partner


Tine Bork
Head of Projects
DFSME
Partner


BK Maharjan
Secretary General
FSCSIN
Partner





Annex 6
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Name of Beneficiary: European Economic Chamber of Trade, Commerce and Industry- Nepal

ITEM	DESCRIPTION OF ITEM	DATE OF PURCHASE	COST IN €	ESTIMATED CURRENT VALUE IN €	PREVIOUS LOCATION	CURRENT LOCATION	COMMENTS
13	Desktop Computer	8 November 2007	741.20	312.69	ECIBON Project	FNCSIN	
14	Laptop	8 November 2007	1353.32	570.93	ECIBON Project	EEC-Nepal	
15	UPS System & Inverter	6 April, 21 Dec 2008 & 13 May 2009	731.15	308.45	ECIBON Project	EEC-Nepal	
16	Steel Closet	28 May 2008	74.95	31.61	ECIBON Project	EEC-Nepal	
17	Stand Fan	9 June 2008	41.64	17.56	ECIBON Project	EEC-Nepal	
18	Projector	9 June 2008	520.51	219.59	ECIBON Project	EEC-Nepal	
19	Samsung Printer	22 September 2008	193.25	108.70	ECIBON Project	EEC-Nepal	Out of order
20	Switch Hub	22 September 2008	48.31	27.17	ECIBON Project	EEC-Nepal	
21	External Hard disk	6 January 2009	72.37	40.71	ECIBON Project	EEC-Nepal	Out of order
22	Prolink ADSL Router	13 January 2009	55.00	30.93	ECIBON Project	EEC-Nepal	
23	Samsung Printer	13 May 2009	203.46	114.45	ECIBON Project	EEC-Nepal	
24	External Hard disk	13 May 2009	50.86	28.12	ECIBON Project	EEC-Nepal	

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ECIBON Project
Funded by the European Union
Implemented by (EEC)-Nepal




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Name of Beneficiary: European Economic Chamber of Trade, Commerce and Industry- Nepal


ITEM	DESCRIPTION OF ITEM	DATE OF PURCHASE	COST IN €	ESTIMATED CURRENT VALUE IN €	PREVIOUS LOCATION	CURRENT LOCATION
25	Vacuum Cleaner	30 November 2009	69.17	51.88	ECIBON Project	EEC-Nepal
26	Gas Cylinder	30 November 2009	40.69	30.52	ECIBON Project	EEC-Nepal
27	Digital Camera	30 November 2009	178.02	133.52	ECIBON Project	EEC-Nepal
28	Water Pump	30 November 2009	66.12	49.59	ECIBON Project	EEC-Nepal


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