

**GAFSP Grant No.: TFOC1798**  
**Project ID: P181087**

# PROJECT IMPLEMENTATION MANUAL

for

## Food and Nutrition Security Enhancement Project II (FANSEP II)

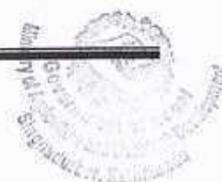


Government of Nepal

Ministry of Agriculture and Livestock Development  
Food and Nutrition Security Enhancement Project II

This Project Implementation Manual (PIM) is a fundamental document that provides the basis for implementation of the project activities oriented towards achieving the goals and targets in line with Grant Agreement (GA) and incorporated the elements of Project Appraisal Document (PAD). This document has been approved by the Government of Nepal (GoN), Ministry of Agriculture and Livestock Development (MoALD) on 2082/08/24 BS (10<sup>th</sup> December, 2025 AD).

This is a living document, that can be subject to amendments as per necessity during the implementation. Such amendments shall be operational only after approval from the MoALD with World Bank's No Objection.



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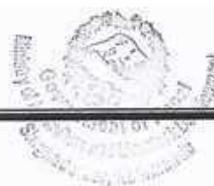
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**ABBREVIATIONS AND ACRONYMS**

ADB	Asian Development Bank
ADS	Agriculture Development Strategy
AFAOR	Assistant FAO Representative
AFSP	Agriculture and Food Security Project
AI	Artificial Insemination
AKC	Agriculture Knowledge Centre ( <i>Krishi Gyan Kendra</i> of the Provincial Government)
AOS	Annual Outcome Survey
ASDP	Agriculture Sector Development Programme
AWBP	Annual Work Program Budget
BCC	Behaviour Change Communication
BCT	Behaviour Change Theory
BL	Baseline
BMI	Body Mass Index
BP	Business Plan
BSS	Beneficiary Satisfaction Survey
CAFT	Community Agro-Forestry Technology
CBO	Community Based Organization
CGIAR	Consultative Group for International Agricultural Research
CHD	Child Health Division
CLSC	Cluster Level Selection Committee
CNA	Capacity Needs Assessment
CPCLC	Child Protection Learning Center
CPF	Country Programming Framework
CSA	Climate Smart Agriculture
CSO	Civil Society Organization
CSOs	Civil Society Organizations
CST	Climate Smart Technologies
CTNA	Comprehensive Training Needs Assessment
DA	Designated Account
DAGs	Disadvantage Groups
DFTQC	Department of Food Technology and Quality Control



DIME	Development Impact Evaluation
DLS	Department of Livestock Services
DoA	Department of Agriculture
DHS	Demographic and Household Survey
DoHS	Department of Health Services
DP	Development Partner
DTCO	District Treasury Control Office
EIA	Environmental Impact Assessments
EMP/SAP	Environmental Management Plan/Social Action Plan
EOA	End-of-assignment
EOD	Ending of Date
EoP	End of the Project
EPA	Environment Protection Act
ESCP	Environmental and Social Commitment Plan
ESF	Environment and Social Framework
ESMF	Environment and Social Management Framework
ESMP	Environment and Social Management Plan
ESMPs/ECOPs	Environment and Social Management Plans
ESS	Environmental and Social Standards
ESSM	Environment and Social Safeguard Measure
EVI	Economic Vulnerability Index
FANSEP	Food and Nutrition Security Enhancement Project
FANSEP II	Food and Nutrition Security Enhancement Project II
FAO	Food and Agriculture Organization of the United Nations
FAO RAP	FAO Regional Office for Asia and the Pacific
FAOR	Food and Agriculture Organization Representative
FAT	Farmer Acceptance Trial
FBS	Farm Business School
FCGO	Financial Comptroller General Office
FCHV	Female Community Health Volunteer
FCS	Food Consumption Score
FFS	Farmers Field School

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FG	Farmers' Group
FGDs	Focus Group Discussion
FIES	Food Insecurity Experience Scale
FLTs	Field Level Technicians
FMR	Financial Monitoring Report
FNS	Food and Nutrition Security
FOCUS	Forum for Community Upliftment System
FY	Fiscal Year
FYM	Farmyard Manure
GAFFSP	Global Agriculture and Food Security Programme
GAP	Good Agricultural Practice
GAPs	Good Agricultural Practices
GDP	Gross Domestic Product
GEMS	Geo-enabled Monitoring System
GESI	Gender Equality and Social Inclusion
GHG	Greenhouse Gas
GHP	Good Husbandry Practice
GIZ	German Agency for International Cooperation
GLP	Good Livestock Practice
GMP	Good Manufacturing Practice
GOE	General Operating Expenses
GOG	Grant Operating Guidelines
GoN	Government of Nepal
GR	Grant Recipients
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
GVP	Good Veterinary Practice
HACCP	Hazard Analysis and Critical Control Points
HANCI	Hunger and Nutrition Commitment Index
HDD	Household Dietary Diversity
HDI	Human Development Index
HH	Household



HNG	Home Nutrition Garden
HP	Health Post
HPI	Human Poverty Index
HQ	Headquarters
HR	Human Resource
HRD	Human Resource Development
HVC	High Value Crop
ICB	International Competitive Bidding
ICM	Integrated Crop Management
ICR	Implementation Completion and Results Report
ICT	Information and Communication Technology
IDM	Integrated Disease Management
IEC	Information, Education and Communications
IFAD	International Fund for Agriculture Development
INAGEP	Innovation and Agro-entrepreneurship Program
INMS	Integrated Nutrient Management System
IPF	Investment Project Financing
IPM	Integrated Pest Management
IPNMS	Integrated Plant Nutrient Management System
IPR	Implementation Progress Report
IS	Implementation Support
ISM	Implementation Support Missions
IWRMP	Irrigation and Water Resources Management Project
IYCF	Infant and Young Child Feeding
JICA	Japan International Cooperation Agency
KAP	Knowledge, Attitude and Practice
kcal	Kilocalorie
KIS	Key Informant Survey
LAPA	Local Adaptation Plan of Action
LGOP	Local Government Operation Act
LMBIS	Line Ministry Budget Information System
LNFSCC	Local level Nutrition and Food Security Steering Committee



LOA	Letter of Agreement
LUP	Land Use Plan
M&E	Monitoring and Evaluation
MAD-C	Minimum Acceptable Diet for children 6-24 months age
MDAC	Ministerial Development Action Committee
MDD-C	Minimum Dietary Diversity for Children
MDD-W	Minimum Dietary Diversity for Women
MFI	Microfinance Institutions
MGs	Matching Grants
MHs	Multiplier Herds
MIS	Management Information System
MIYCF	Maternal, Infant and Young Child Feeding
MIYCN	Maternal, Infant and Young Child Nutrition
MoALD	Ministry of Agriculture and Livestock Development
MoF	Ministry of Finance
MoFAGA	Ministry of Federal Affair and General Administration
MoFP	Ministry of Finance and Planning (Province)
MoHP	Ministry of Health and Population
MoLMAC	Ministry of Land Management Agriculture and Cooperative
MoU	Memorandum of Understanding
MoV	Means of Verification
MPI	Multidimensional Poverty Index
MPVN	Multi-purpose Village Nursery
MSDP	Multi-stakeholders' Dialogue Platform
MSMEs	Micro, Small and Medium Enterprises
MSNP	Multi-sector Nutrition Plan
MT	Metric Ton
MTR	Mid Term Review
NARC	Nepal Agricultural Research Council
NCB	National Competitive Bidding
NDHS	Nepal Demographic and Health Survey
NEE	Non-Expandable Equipment

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NFS	Nutrition Field School
NGOs	Nongovernmental Organizations
NGs	Nutrition Groups
NIIHA	Nuts and Fruits in Hilly Areas of Nepal
NLSIP	Nepal Livestock Sector Innovation Project
NoL	No objection Letter
NPC	National Planning Commission
NPR	Nepali Rupees
NPWC	National People Welfare Council
NS	Nutrition Security
NSB	National Seed Board
O & M	Operation and Maintenance
OFD	On Farm Demonstration
OPMCM	Office of the Prime Minister and Council of Ministers
OVI	Objectively Verifiable Indicator
PA	Productive Alliance
PACT	Project for Commercialization and Trade
PAD	Project Appraisal Document
PAR	Performance Analysis Report
PAAs	Productive Alliances
PCN	Project Concept Note
PCR	Project Completion Report
PCUs	Project Cluster Units
PD	Project Director
PDO	Project Development Objective
PGs	Producer Groups
PHC	Primary Health Centre
PIM	Project Implementation Manual
PMAMP	Prime Minister Agriculture Modernization Project
PMIS	Project Management Information System
PMU	Project Management Unit

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POs	Producer's Organizations
PPA	Productive Partnerships Agreements
PSC	Project Steering Committee
PTT	Participatory Tools and Techniques
PVS	Participatory Varietal Selection
RAP	Regional Office for Asia and the Pacific
RCs	Resource Centres (Multiplier herd, AI centre, Nurseries, etc.)
RDTA	Rural Development Tuki Association
REED	Rural Enterprise and Economic Development Project
RF	Result Framework
RFI	Rural Financial Institution
RFW	Result Framework
RM	Rural Municipality ( <i>Gaun Palika</i> )
SAR	South Asia Region
SBD	Standard Bidding Document
SC	Steering Committee
SDG	Sustainable Development Goal
SEA/SH	Sexual Exploitation and Abuse/Sexual Harassment
SEP	Stakeholder Engagement Plan
SGs	Small Grants
SHP	Sub-health Post
SLCCs	State Level Coordination Committees
SMEs	Small and Micro Enterprises
SMF	Social Management Framework
SMs	Social Mobilizers
SPG	Seed Producer Group
SPJ	Structured Professional Judgment
SPs	Service Providers
SQCC	Seed Quality Control Centre
SSNP-PAF	Social Safety Nets-Poverty Alleviation Fund
STEP	Systematic Tracking of Exchanges in Procurement
SUN	Scaling Up Nutrition



TA	Technical Assistance
TCC	Technical Coordination Committee
TCP	Technical Cooperation Programme
TIPs	Trials for Improved Practices
TL	Team Leader
ToC	Theory of Change
ToF	Training of Facilitators
ToR	Terms of References
ToT	Training of Trainers
TSS	Technical Support Services
TV	Television
UN	United Nations
UNCDF	UN Capital Development Fund
UNDAF	United Nations Development Assistance Framework
UNICEF	United Nations International Children's Emergency Fund
USAID	United States Agency for International Development
USD	United States Dollar
UTF	Unilateral Trust Fund
VAHW	Village Animal Health Worker
WASH	Water, Sanitation and Hygiene
WB	World Bank
WFP	World Food Programme
ZHC	Zero Hunger Challenge

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## CHAPTER 1

### 1 INTRODUCTION

#### 1.1 BACKGROUND INFORMATION

**1. Global food security and Nutrition Scenario:** Achieving the Sustainable Development Goals (SDGs) is the responsibility of all countries. Conflict, climate variability and extremes, economic slowdowns and downturns, lack of access to and unaffordability of healthy diets, unhealthy food environments, and high and persistent inequality continue to drive food insecurity and malnutrition all over the world. The world is still far off track to achieve Sustainable Development Goal (SDG) 2, Zero Hunger, with the global prevalence of undernourishment persisting at nearly the same level for three consecutive years after having risen sharply in the wake of the COVID-19 pandemic. Progress towards the broader goal of ensuring regular access to adequate food for all has also stalled; with an estimated 28.9 percent of the global population – 2.33 billion people – were moderately or severely food insecure in 2023. About 2.8 billion people in the world could not afford a healthy diet in 2022. In terms of population, between 713 and 757 million people (8.9 and 9.4 percent of the global population, respectively) were estimated to be undernourished in 2023. Updated projections show that 582 million people will be chronically undernourished in 2030, pointing to the immense challenge of achieving SDG 2 (Zero Hunger). This is about 130 million more undernourished people than in a scenario that reflected the world economy before the COVID-19 pandemic. (The State of Food Security and Nutrition in the World 2024<sup>1</sup>).

**2. Poverty, food security, and nutrition are closely linked with agriculture and rural conditions:** Despite being largely an agrarian country, Nepal is increasingly dependent on imports of agricultural commodities due to low productivity and the inability of the sector to respond to changing consumer demands for higher value and nutritious food including vegetables, fruits, and livestock products. Despite significant development and income improvements in recent years facilitated by significant remittances, Nepal remains one of the poorest and most food-insecure countries in Asia, with many Nepalese suffering climate shocks and poor access to services, especially groups in remoter areas but also subgroups in populated plains. There has also been a significant feminization of agriculture due to out-migration of male farmers with potential empowerment of women in households but also additional burdens. While this has been undergoing some reversal due to COVID-19 with return of migrants, feminization and aging of agricultural workers is still the highest in the region.

**3.** The agriculture sector is the mainstay of Nepal's economy, but the sector is facing several challenges, including climate change and impacts of other shocks such as the COVID-19 pandemic. The sector engages more than half of the labor force and produced about one fourth of the gross domestic product (GDP). This sector has high potential to create employment, accelerate rural poverty reduction, and improve national food security and nutrition. The sector and its associated livelihoods are under several pressures and changes: small landholdings, out-migration and feminization of agriculture activities, environmental stresses, and, increasingly, effects of disrupted weather patterns, together with relatively low farm input levels (fertilizer, water), resulting in low productivity. Climate change affects most Nepali agricultural systems and livelihoods but in complex and different ways.

**4.** Household food deficiency due to low agricultural productivity coupled with dominance of subsistence agriculture, limited livelihoods opportunities, inefficient food distribution, weak

<sup>1</sup> FAO, IFAD, UNICEF, WFP and WHO (2024). *The State of Food Security and Nutrition in the World – Financing to end hunger, food insecurity and malnutrition in all its forms*. Rome. <https://doi.org/10.4060/cd1254en>

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market linkages, inadequate irrigation facilities, poor supply chain and use of quality seed, frequent occurrence of natural calamities like flood, drought, landslide, hot wave (*Loo*), cold spell, hailstorm, and poor infrastructure are some of the key development challenges being faced by the country. The situation is further aggravated due to lack of awareness about healthy food, healthy food habit and sanitation. Of the seven states/provinces of Nepal, socio-economic condition of Madhesh Province is particularly poor despite it being entirely a *Terai* (plain land) belt and grain basket of Nepal.

## A. Country Context

**5. Nepal's agriculture remains characterized by subsistence farming with the continued use of traditional farming practices.** Small landholding of less than 1 ha per capita makes farming less profitable and competitive. Low returns from small landholding farming systems have encouraged youth to abandon farming and explore better prospects in cities and abroad. The underperformance and low returns from agriculture call for urgent adoption of more efficient market-based farming systems, which yield higher outputs and prices per unit of land. These include nutrient-rich and minor crops such as lentil, buckwheat, finger millet, and local beans. According to the NLSS-IV<sup>2</sup>, agricultural households with land have steadily decreased from 83.1 percent in 1995/96 to 60.3 percent in 2022/23. This decrease in land ownership is further reflected in the shrinking average size of agricultural land holdings, which has decreased from 1.1 hectares to 0.55 hectares in 2022/23.

**6. Nepal is a country with medium human development category:** The United Nations Development Programme (UNDP) has ranked Nepal 146th on the Human Development Index (HDI), with a HDI value of 0.601, placing country in Medium Human Development category. Nepal's ranking was 149 in 2021. Between 1990 and 2022, Nepal's HDI value changed from 0.395 to 0.601, representing a change of 52.2 percent. During the same period, life expectancy at birth has increased by 15.7 years, average years of schooling by 5.4 percent and expected school going years by 2.1 years in Nepal from 1990 to 2022. The 2022 female HDI value for Nepal is 0.562, contrasting with 0.635 for males, resulting in a Gender Development Index (GDI) value of 0.885 (UNDP, 2024<sup>3</sup>).

**7. Food and nutrition security remains a major concern.** An assessment carried out by WFP (2022) revealed that 23 percent of the households had inadequate food consumption, one third of the households lost some income, and minimum dietary diversity was not met by 46 percent children between 6-23 months of age, 55 percent household sources food through markets and access to food and vulnerability to shocks has deteriorated for daily wage labour. Food aid was the most frequent form of assistance (69.8 percent) and non-food item such in-kind was 29.4 percent. The female headed houses were more food insecure than male headed where 29% households had inadequate food consumption than male 22 percent<sup>4</sup>. Despite women's increasing interaction in agriculture, discrimination remains in terms of ownership over assets, access to resources, taking part in decision-making processes, benefit from capacity building, and economic gains. Nepal remains highly vulnerable to nutrition insecurity especially for women and children where about one-fourth of the children (25 percent) under five are stunted, 19 percent are underweight, and 8 percent wasted<sup>5</sup>; 53 percent of the children are anaemic; 17 percent women are under-nourished; and 41 percent of women anaemic<sup>6</sup>.

<sup>2</sup> NEPAL LIVING STANDARDS SURVEY IV 2022/23. Statistical Report. NATIONAL STATISTICS OFFICE.

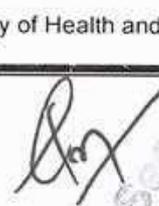
<sup>3</sup> Human Development Report 2023/24, 'Breaking the Gridlock: Reimagining cooperation in a polarised world'. United Nations Development Program (UNDP). <https://hdr.undp.org/system/files/documents/global-report-document/hdr2023-24reporten.pdf>

<sup>4</sup> (WFP Nepal, The impact of COVID-19 on Households in Nepal, May 2020 Page 16, 19).

<sup>5</sup> NDHS 2022 Nutrition. <https://www.unicef.org/nepal/nutrition>

<sup>6</sup> MoHP. 2017. Nepal Demographic and Health Survey, 2016. Population Division, Ministry of Health and Population, Government of Nepal, Kathmandu.




  
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FANSEP II is going to be implemented in the four Terai and four hill/mountain districts mostly in rural areas/RMs, they represent the vulnerable segment of the country in food security, nutrition, environment, and better life prospective.

**8. The climate change impacts, and the disaster risks are very high in Nepal.** Impacts of climate change and disasters is already taking a toll in Nepal. Frequent floods, drought, landslides, forest fires are on the rise. Rainfall patterns have changed and warming up is changing pest dynamics all of which are contributing to low agricultural productivity. Nepal's agriculture sector is highly vulnerable to climate-change due to its complex topography, subsistence-based practices, limited use of technologies and poor development of post-harvest storage infrastructure making rural areas and smallholder farmers more vulnerable to its impact. FANSEP II project area is highly vulnerable to climate and natural hazards, threatening food security. Millions of people have been affected, and thousands of lives have been lost from the recurrent natural disasters since 2005 in Nepal. The small holder producers and the rural households are most affected.

**9.** In the 2024 Global Hunger Index, Nepal ranks 68<sup>th</sup> out of 127 countries. With a score of **14.7**, Nepal has a level of hunger that is *moderate*. Global Hunger Index (GHI), a multidimensional approach to measuring hunger based on the values of four component indicators, viz., undernourishment, child stunting, child wasting and child mortality (GHI, 2024<sup>7</sup>).

**10.** The Global Food Security Index (GFSI) considers the issues of food affordability, availability, quality and safety, and sustainability and adaptation across a set of 113 countries. As per Global Food Security Index 2022, Nepal ranks 74<sup>th</sup> with an overall GFSI score of 56.9. It ranks 85<sup>th</sup> in terms of Affordability, 13<sup>th</sup> in Availability, 72<sup>nd</sup> in Quality and Safety pillar, and 84<sup>th</sup> in Sustainability and Adaptation (GFSI, 2022<sup>8</sup>).

**11. The struggle against poverty remains a formidable challenge:** Nepal is among the least developed countries in the world with about 17.4 percent people are poor with the Multidimensional Poverty Index (MPI) value of 0.074 contributed mostly by nutritional deprivations and insufficient primary schooling<sup>9</sup>. In terms of poverty trends, the incidence of multidimensional poverty nationally fell from 30.1 percent in 2014 to 17.4 percent in 2019. Disparities exist, with 28 percent of rural dwellers are MPI poor as compared with 12.3 percent in urban areas. Across FANSEP II provinces, 39.5 percent of people in Madhesh Province are MPI poor, in Gandaki Province 9.6 percent of people are multidimensionally poor, while this falls to 7.0 percent in Bagmati Province. However, in terms of number of poor, the largest number live in Madhesh Province (NPC, 2021<sup>10</sup>). The percentage of the population living below the poverty line (Absolute poverty) stand at 20.3 percent, with rural areas experiencing a rate of 24.66 percent and urban areas at 18.34 percent (Ministry of Finance, Economic Survey 2023-24).

**12.** While federalization offers opportunities to take service closer to the people, institutional arrangements at the provincial and local government level are still emerging with most of them operating fully. Though the provision for planning and implementing agricultural activities are vested within the local and provincial governments, their capacity for planning, implementing, and monitoring local development initiatives is still very low. The local and provincial

<sup>7</sup> Global hunger Index-2024, How Gender Justice Can Advance Climate Resilience and Zero Hunger. <http://www.globalhungerindex.org/pdf/en/2022.pdf>

<sup>8</sup> Global Food Security Index, 2022. The Economist Group. <https://impact.economist.com/sustainability/project/food-security-index/explore-countries/nepal>

<sup>9</sup> UNICEF. 2021. Nepal Multidimensional Poverty Index, 2021: Report Analysis towards action. <https://www.unicef.org/nepal/reports/nepal-multidimensional-poverty-index-2021-report>

<sup>10</sup> NPC, 2021. Nepal Multidimensional Poverty Index: Analysis Towards Action. Government of Nepal, National Planning Commission. [https://www.npc.gov.np/images/category/MPI\\_Report\\_2021\\_for\\_web.pdf](https://www.npc.gov.np/images/category/MPI_Report_2021_for_web.pdf)



governments are faced with the challenge of continuing service delivery particularly to the communities that are remotely located, needs to be supported by FANSEP II.

### B. Government's Priority for Agriculture, Food Security and Nutrition

13. Food security is a crucial concern for everyone, and Nepal's many policies have made it a key priority. Following the footpath of the Interim Constitution of Nepal 2007, the Constitution of Nepal 2015 has enshrined "right relating to food" as one of the fundamental rights in article 36 of the Constitution. According to this article, (1) every citizen has a right to food, (2) every citizen has a right to safety from the state of being in risk of death due to food scarcity, and (3) every citizen has a right to food sovereignty in accordance with the law. The "Right to Food and Food Sovereignty Act, 2075 (2018)" has been enacted for the implementation of this provision. This is very much in line with the agenda of Sustainable Development Goals (SDGs), "leaving no one behind and transform the way the world ends hunger, ensure food security, and tackle malnutrition in all its forms". The SDGs are agenda for the world and for Nepal as well. The SDGs11 aims to "transform our world" by achieving 17 goals for people and the planet and offer a tremendous opportunity for Nepal. Of 17 SDGs, SDG 2 reflects GoN priority for agriculture, food security and nutrition. SDG 2 is about ending hunger, achieving food security and improved nutrition, and promotion of sustainable agriculture.

14. The "Right to Food and Food Sovereignty Act, 2075 (2018)" has been enacted for the implementation of this provision (Nepal Law Commission, 2018). As per the right to food and food sovereignty act 2018, every citizen shall have the rights (a) to have regular access, without discrimination, to adequate, nutritious, and quality food, (b) to be free from hunger, (c) to be safe from the state of being in danger of life from the scarcity of food, (d) to obtain sustainable access to food and nutrition support by the persons or families vulnerable to famine or food insecurity, and (e) to use culturally Acceptable food. Under the chairpersonship of the Minister of the Government of Nepal, who looks after matters relating to agriculture, provision of formulating National Food council to manage the acts of protection, promotion and fulfillment of the right to food, right relating to food security and food sovereignty. At the provincial level, Provincial Food Councils, under the chairpersonship of the Minister who looks after the matters of agriculture, play a coordinating role in ensuring the fulfillment of the Act. Through its Local Food coordination Committees, under the chairpersonship of the Mayor of the Municipality or the Chairperson of a Rural Municipality, as the case may be, functions for implementation of the act at the Local level.

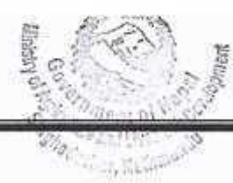
15. With a view to making Nepal free from hunger and malnutrition by 2025, the Ministry of Agricultural Development (MoAD) launched the Zero Hunger Challenge Initiative on December 19, 2014. As a follow-up to this activity, "Nepal: Zero Hunger Challenge National Action Plan (2016 - 2025)" was formulated.

16. Some other plans, policies, and strategies formulated to address the problem of food and nutrition insecurity in Nepal include: Multisector Nutrition Plan (MSNP) II (2018-2022) targeting women, children and adolescent girls in the country; National Climate Change Policy 2019 aiming to improve food security and nutrition by adopting climate-friendly agriculture systems and other adaptation measures; Nepal's Sustainable Development Goals Status and Roadmap: 2016-2030; and Agriculture Development Strategy (ADS).

17. The Agriculture Development Strategy (ADS) was formulated with the expectation to guide the agricultural sector of Nepal over the period of 2015-2035. ADS prioritizes food security with its vision statement "A competitive, sustainable and inclusive agricultural sector that contributes to economic growth, improved livelihoods, and food and nutrition security." As per ADS, the percentage of households reporting inadequacy of food consumption in 1995/96 was

<sup>11</sup> Adopted by 193 countries in 2015 including Nepal.

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50.9% and reduced to 15.7% in 2010/11. By 2035, ADS targets to achieve self-sufficiency in food grains (0-5% trade surplus in food grains), and reduction of stunting, underweight and wasting to 8%, 5%, and 1%.

18. The National Planning Commission (NPC) launched the third Multi-Sector Nutrition Plan (MSNP) for eight years from the 2023 to 2030. MSNP-III focused on improving the availability, quality and accessibility of nutrition-specific and nutrition-sensitive services, while promoting positive social behavior change. It also aims to institutionalize a nutrition-friendly governance system across all three tiers of the government. The nutrition specific interventions will largely be delivered through the health sector while nutrition sensitive interventions will be mostly by non-health sectors including education, agriculture (crop and livestock), water and sanitation, women, and children in collaboration with the local government. The MoALD has focused on increasing access and availability of food, including animal proteins, among the vulnerable groups through its Food and Nutrition Security Plan of Action. These priorities complement the spirit of the National Nutrition Policy and Strategy 2004 and the Nepal Health Sector- Strategic Plan (2023 – 2030), that aims to improve maternal, adolescents and child nutrition. Key strategies for MSNP-III will be to scale up both essential nutrition specific and sensitive interventions as well as nutrition enabling environment.

19. The NPC plays a coordination role with government and various non-government organizations for overall food system and most importantly food and nutrition security. The government is enforcing the Agriculture Development Strategy (ADS), Multi-sector Nutrition Plan (MSNP) III (2023-2030), and Zero Hunger Challenge National Action Plan (2016-2025) aiming to improve food and nutrition security status of the people. The National Planning Commission has developed a Food Systems Transformation Strategic Plan (2022-2030), a national policy, to transform Nepal's food Systems that is more resilient, equitable and sustainable and contributes to achieve SDGs.

20. In addition to above, the Government of Nepal has launched several Projects/programs in support of agriculture development. They include the Asian Development Bank (ADB) funded Nuts and Fruits in Hilly Areas Project, IFAD funded Agriculture Sector Development Programme (ASDP), World Bank funded Projects namely Rural Enterprise and Economic Development Project (REED), Nepal Livestock Sector Innovation Project (NLSIP), Food and Nutrition Security Enhancement Project (FANSEP), GIZ funded Green Resilient Agriculture Production Ecosystems Project and GON's Prime Minister Agriculture Modernization Project (PMAMP) and FANSEP II is aligned to all these GoN initiatives.

21. The donor food security group comprised of the Asian Development Bank (ADB), European Union (EU), International Fund for Agriculture Development (IFAD), Food and Agriculture Organization of the United Nations (FAO), Japan International Cooperation Agency (JICA), DFID, United States Agency for International Development (USAID) regularly interact where opportunities for cooperation between donors are articulated and areas for collaboration identified. FANSEP II provides synergy on their initiatives. The FANSEP II project is well aligned with FAO's country priorities.

**C. Sectoral and Institutional Context**

22. **The agriculture sector's contribution to GDP has shown a declining trend steadily decreasing, yet it remains a significant player in the economy:** As a predominantly agrarian country, nearly 78.1 percent of the population live in rural areas<sup>12</sup> and 60 percent of them are engaged in agriculture. Agriculture is the mainstay of Nepal's economy and the

<sup>12</sup><https://www.statista.com/statistics/761008/nepal-share-of-rural-population/#:~:text=In%202022%2C%20the%20share%20of,total%20population%20and%20urban%20population>

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dominant source of employment. At present, agricultural growth has been instrumental for reducing poverty, providing a livelihood for about two-thirds of the population. However, agriculture accounts only 25.16 percent of the GDP in 2024-25<sup>13</sup>.

**23. The agriculture sector faces multifaceted challenges.** These include: (a) low availability of good quality seed, improved animal breeds, and other farm-level inputs; (b) thinly spread and inadequate extension support with weak research-extension-farmer linkages; (c) low investment in productive assets, including supplementary irrigation infrastructure to reduce rain dependence; (d) poor market linkages due to high transfer and transaction costs and weak market leverage of small farmers; (e) impacts of climate change evidenced through changes in pest dynamics, irregular rainfall pattern, declining soil fertility because of low organic matters, and lack of rainwater for irrigation; (f) inadequate institutional capacity to support resilience; and (g) volatile markets and weak nutrition sensitiveness of agricultural interventions.

**24. Nepal's agriculture sector was seriously affected** from the devastating earthquake of April 2015, followed by massive landslides and floods in August 2017. The Russia-Ukraine crisis, coming on top of the Covid-19 pandemic shock, has tipped Nepal into a multi-faceted crisis in agriculture affecting the crucial areas of food, feed, fuel, fertilizer, and finance. Nepal's inflation reached a 70-month high in mid-June 2022 with 8.56% compared to 4.19% in mid-june 2021. By mid-June 2025, the year on year consumer price inflation stood at 2.72 percent compared to 4.17 percent a year ago (NRB, 2025)<sup>14</sup>. The small holding farmers targeted as the beneficiaries under FANSEP II in the hill districts (Gorkha, Dhading, Sindhupalchok and Dolakha) were most affected from the devastating earthquake of April 2015 and the Terai districts (Dhanusha, Mahottari, Saptari and Siraha) severely affected from the flood of 2017. The small and female-headed households suffered the most. Food, seed, feed stuff and the major agriculture infrastructures were damaged. Cattle and poultry suffered losses and damages with high cases of abortion, stress syndromes and less milk production due to death and injury, increase the risks of zoonotic diseases, insufficient feeds and fodders. Damage to poultry farms affected the supply of chicken to local markets. Damage to district and outreach service centers affected access to crop and livestock services.

**25. Nepal's agriculture sector has seen a dramatic shift toward feminization.** The proportion of the labor force in the agriculture sector fell from 74 percent in 2008 to 62 percent in 2020, with women farmers constituting 76 percent of the labor force,<sup>15</sup> with the outmigration of menfolk to urban areas and beyond. Despite this, women continue to face exclusion with respect to ownership over assets, access to resources, decision-making processes, capacity-building opportunities, and consequently, economic gains. Low returns from agriculture and the lack of competitiveness have resulted in increased migration of youth looking for options outside of the country. In 2021 alone 630,000 youth left Nepal for overseas job. According to the Ministry of Labor, Employment and Social Security, an average of 2000 youth leave Nepal on daily basis and the number is only rising<sup>16</sup>. This has resulted in an

<sup>13</sup> Economic Survey 2024-25. Ministry of Finance.

<sup>14</sup> Nepal Rastra Bank, 2025. Current Macroeconomic and Financial Situation (Based on Eleven Months Data of 2024/25). <https://www.nrb.org.np/red/current-macroeconomic-and-financial-situation-english-based-on-eleven-months-data-of-2024-25/>

<sup>15</sup> World Bank, 2022. Employment in Agriculture. <http://data.worldbank.org/indicator/SL.AGP.EMPL.FE.ZS?locations=NP>

<sup>16</sup> <https://nepalnews.com/>, July 3, 2022.



increased workload of women who are already overwhelmed with household chores to take up farming. Approximately 15 percent of the population still suffers from inadequacy of food in Nepal, where subsistence farmers and female headed households are the most food insecure<sup>17</sup>. The agriculture and the food security situation in the project RMs in FANSEP II, are representative to the country situation in both the geography (hills and Terai) in Nepal.

**26.** According to the data of Agri-census 2022 and population census 2021, about 62 percent of total household of the country are engaged in agriculture; of them 32.4 percent are female-headed agriculture household. Among total economically active population 10 years and above, 57.3 percent are engaged in agriculture, forestry, and fishing sectors, of them 53.6 percent are female, and 46.4 percent are male. The situation is similar in the RMs targeted by the project.

**27. Food insecurity, poor nutrition, and malnutrition continue to pose risks to Nepal's human capital accumulation and utilization.** Despite the country's progress in reducing stunting in children below 5 years of age, from 57 percent in 2000 to 25 percent in 2022 (Nepal Demographic and Health Survey 2022), Nepal continues to face challenges in key areas of infant and young child feeding, including exclusive breastfeeding, maternal and child anaemia, infection treatment in children, and micronutrient deficiencies—all of which are critical immediate and underlying factors contributing to malnutrition. Much of undernutrition occurs during the first 1,000 days of life. Without appropriate food intake and care for young children and women, and with declining environmental health, damage to physical and cognitive development is largely irreversible, with future impacts on health and economic productivity. In contrast, children who escape stunting are more likely to survive and stay in school, and 33 percent are more likely to escape poverty as adults and go on to earn incomes 5–50 percent higher than their stunted peers. While rural incomes are low, an estimated 13 percent of daily incomes are spent on food, the second highest for rural households among South Asian countries.<sup>18</sup>

**28. Nepal's agriculture sector is highly vulnerable to climate change.** By the 2080s, Nepal is projected to warm by 1.2°C–4.2°C, under the highest emission scenario compared to the baseline period 1986–2005.<sup>19</sup> Temperature increases are projected to be higher than the global average and expected to be strongest during the winter months, especially in the high mountains. Precipitation is projected to increase gradually, especially in the east and in central areas, with increased likelihood of heavy precipitation events. More rainfall is expected in more intense periods, especially in the wetter season, leading to increasing risk of flooding and landslides. Increased rainfall will not compensate for increased and extreme high temperatures and variability, which will likely contribute to increasing water scarcity and drought risks, especially in rainfed and lowland areas, the west and mountains, and dry and winter seasons. Changes in precipitation patterns are likely to affect rainfed agricultural activities, causing significant annual yield variability and higher production risks. The direct economic cost of climate vulnerability in the agriculture sector in 2020 was 1.5–2.0 percent of gross domestic product (GDP).<sup>20</sup> Agriculture is expected to experience increased stresses from high temperatures and dry periods for rainfed crops, especially in the terai and hill areas. Increased occurrence of diseases and pests of crops and livestock; loss of arable land from flash floods and landslides; and accelerated soil degradation and loss of fertility, will result in declining crop yields. These stresses have the potential to affect food security, overall production, and nutrition requirements at the household level. Addressing climate change

<sup>17</sup> Nepal Earthquake 2015; Post Disaster Need Assessment Report- Sector Reports

<sup>18</sup> World Food Programme. 2017. *Counting the Beans: The True Cost of a Plate of Food Around the World*.

<sup>19</sup> Nepal, World Bank Group, and Asian Development Bank (2021): Climate Risk Country Profile.

<sup>20</sup> NAP (National Adaptation Plan) 2021.



impacts in the sector is a priority to address increasing food insecurity and also reduce the pressure on the national economy as the agriculture sector together with forestry contributes to about one-fourth of the national GDP.

**29. Nepal's Agricultural Development Strategy (ADS) and the 16th Development Plan provide the main policy framework for the sector.** The ADS was endorsed by the Cabinet of Ministers in 2015 to support the GoN's vision of "A self-reliant, sustainable, competitive, and inclusive agricultural sector that drives economic growth and contributes to improved livelihoods and food and nutrition security." The ADS calls for a 4 percent growth in agriculture GDP by 2020 and 6 percent by 2025, through four strategic pillars: (a) improving governance, with targets for credibility of policy commitment, engaging stakeholders (both from government and civil society) in the formulation, implementation, and monitoring of results on the ground; (b) increasing productivity, by developing effective agricultural research and extension and efficient use of agricultural inputs, promoting efficient and sustainable practices and use of natural resources (land, water, soils, and forests), and increasing resilience to climate change and disasters; (c) promoting profitable commercialization, by transforming the agricultural sector from subsistence farming toward higher levels of commercial agriculture, connected to local, national, and international markets; and (d) enhancing competitiveness, by capturing the energy, innovation, and inventiveness of the private sector and cooperative sector to spur growth and development in the sector.

**30. Achieving food and nutrition security and reducing poverty are national goals of the Government of Nepal (GoN),** in line with commitments to realize the Sustainable Development Goals (SDGs) and Zero Hunger Challenge. The country's agricultural development priorities are aligned with these two main goals and the Sustainable Development Agenda—particularly SDG1 and SDG2—focusing on access to increased employment opportunities, sustainable management of natural resources, supportive infrastructures development, creation of new avenues for economic growth, coping with emerging effects of climate change, social inclusion, and development of farmer-responsive governance.

**31. The proposed project is consistent with the World Bank Country Partnership Framework (CPF) for Nepal FY19–23 discussed by the World Bank Board of Executive Directors on August 7, 2018 (Report No. 121029-NP), and extended to FY24 by the corresponding Performance and Learning Review (PLR).<sup>21</sup> By directly supporting improved income generation, inclusion, and resilience, the proposed project is aligned with the priorities articulated in Focus Areas 2 and 3 of the PLR.<sup>22</sup> Further, the proposed project directly supports the priorities articulated in the Country Climate and Development Report (2022)<sup>23</sup> by supporting: (a) the Green, Inclusive, and Resilient Development (GRID) approach, which will include scaling up climate-smart agriculture (CSA) practices reaching the most marginalized and deprived communities in food insecure and disaster-affected districts; (b) human capital development for the nutrition security of poor and vulnerable people, particularly pregnant and nursing women and children below 2 years of age; and (c) federalism in building the capacity of municipal governments in planning, implementing, and monitoring the project.**

<sup>21</sup> Report No. 168048-NP, January 17, 2022, discussed by the World Bank Board on February 22, 2022.

<sup>22</sup> It will contribute directly to three objectives under two focus areas: 'Strengthened institutions for public sector management and service delivery' (Objective 1.2) under the first focus area Public Institutions, and 'Improved access to services and support for the well-being of the vulnerable groups' (Objective 3.2) and 'Increased resilience to health shocks, natural disasters, and climate change' (Objective 3.3) under the third focus area, Inclusion and Resilience.

<sup>23</sup> Nepal Country Climate and Development Report, September 2022. World Bank Group, Nepal Country Office.

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32. The project is consistent with the country's Third Nationally Determined Contribution (NDC) 3.0 (2025), National Adaptation Plan (NAP; 2021-2050) and Long-term Strategy for Net-zero Emission (LTS; 2021-2050). The NDC 3.0 targets upgrading watershed health and vitality, increasing soil organic matter content, improving cattle shed for quality farm-yard manure production, and promoting climate friendly crop and livestock production system, among other interventions. Nepal's NAP has outlined nine priority adaptation programs for the agriculture and food security sector and water resource conservation. Additionally, Nepal's LTS aspires to reach net-zero emission by 2045 where sustainable agriculture and land use management are taken as key elements. The project contributes to the NDC, NAP and LTS targets by supporting: (a) access to and promoting climate-resilient and improved seeds and breeds through farmers' field schools; (b) irrigation schemes including conservation of spring sheds; and (c) building the capacity of the local government in planning, implementing, and monitoring climate and nutrition smart agriculture activities/practices.

33. The project builds on the achievements and lessons learned from FANSEP. In FANSEP, FFSs were found to be a successful approach for disseminating new farming techniques, testing innovations, and integrating new ideas on good agriculture or animal husbandry practices. Second, farmer groups and women groups were found to be an effective platform to deliver entrepreneurial and business skills, nutrition education, and BCC interventions. Third, HNGs have been effective in engaging women groups in the production of vegetables high in micronutrients and establishing HNGs for increased availability of nutrient-rich foods at the household level. Rice, maize, wheat, and potatoes are the dominating crops and cattle, buffalo, goat, and poultry are the major livestock kept in the FANSEP II project area. Traditional and subsistence methods of farming lead to limited use of improved livestock breeds, crops varieties and management practices with an excessive dependence on weather outcomes. In addition, the inadequate institutional capacity with poor extension services for the crop and livestock practices affects adversely for the effective service delivery at the field level. All these resulted in low productivity and production of both crop and livestock.

34. The underperformance of the traditional systems stresses the need to modernize and make the agriculture sector more responsive to both market requirements and the nutritional needs of the domestic population. Increasing productivity of traditional crop and animal husbandry practices, diversifying agriculture enterprises by customizing them to be more efficient and nutritionally sensitive and having better access to market outlets will help achieve agricultural development in the project area of FANSEP II, in Nepal.

## 1.2 OBJECTIVES OF THE PROJECT

### 1.2.1 Project Development Objective (PDO)

35. The Project Development Objective (PDO) of the FANSEP II is to enhance climate resilience and improved agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal. The project intends to increase agricultural productivity through increased adoption of climate smart agriculture (CSA) technologies. Central to this project is the concept of climate resilience which is defined as beneficiaries' ability to withstand and recover from climatic shocks, particularly droughts and rainfall. This would be achieved through the application of Climate Smart Agriculture (CSA) practices as well as diversification in crops grown and additional income generated. The project will deliver on CSA's "triple-wins" through: (i) sustainable increase in productivity and farm incomes (food security); (ii) enhanced resilience to impacts of climate change and variability (adaptation); and (iii) reduced greenhouse gas (GHG) emissions per unit of product, and increased carbon sequestration (mitigation). This approach will help: (i) optimize the management of different



CSA interventions depending on local natural resources and livelihoods systems (agriculture and livestock); (ii) take into account the external environment (devolved governance structure, policies, strategic plans, regulations, markets, among others) that might influence relationships between stakeholders; and (iii) encourage inclusive stakeholder consultations to strengthen institutional capacity (at national, provincial, municipality and community levels) and enhance service delivery. Likewise, the nutrition practices will be improved through supporting diversified diets and increased nutrition intakes and improved feeding and caring practices for pregnant and nursing women and children between 6 to 24 months.

### 1.2.2 Specific Objectives

36. The specific objectives of this project are to:

- enable farmers in the project area to adopt improved agricultural production (climate resilient) technologies and management practices for improving agriculture and livestock productivity
- contribute to food security, nutrition and livelihoods of the poor and vulnerable households (HHs) in the project area.
- enhance the food security of vulnerable groups and enlarging the livelihoods base for farm income.
- reduce food and health risks among vulnerable groups and improve income earning and employment opportunities for the poor HHs in targeted communities; and
- contribute to enhancing nutrition security in project area through the promotion of diversified diets, increased nutrition intakes and improved feeding practices for pregnant and nursing women and children up to 2 years of age.

### 1.2.3 Result Framework of the Project

37. Key result areas of the project are as follows:

#### PDO-Level Indicators

- Farmers adopting improved climate-smart agricultural technology (disaggregated by gender)
- Increased crop and livestock productivity by direct beneficiaries (disaggregated by crop and animal species)
- Increased household income (disaggregated by farm and off-farm income, gender (female headed household)
- Reduced food insecurity experience scale score of direct beneficiaries
- Improved Minimum Dietary Diversity of pregnant and nursing women
- Improved Minimum Dietary Diversity of children (6–24 months)

#### Intermediate Result Indicators, Component A

- Farmers receiving inputs or services on climate resilient or sustainable agriculture practices
- Farmers reached with agricultural assets/ services
- The land area provided with new/improved irrigation services

#### Intermediate Result Indicators, Component B

- Producer-based organizations supported (number)
- Number of subprojects (business plans) submitted by the producer groups
- The number of subprojects (business plans) financed by the project on a matching grant basis
- Increased Net farm income
- Processing, storage, and market facilities constructed and/or rehabilitated

#### Intermediate Result Indicators, Component C

- Persons who have received improved nutrition services and products, (gender-disaggregated)
- Improved Household dietary diversity score

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Minister



Table 1.1: FANSEP II Result Framework

Project Development Objectives (PDO): The Project Development Objective (PDO) is to enhance climate resilience, improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal.										
Results Indicators	Unit of Measure	Baseline	Target Values			Frequency	Data Source	Methodology for Data Collection	Responsibility	Description/ Definition
			YR 1	YR 2	YR 3					
PDO 1 Farmers adopting improved agricultural technology CRT (disaggregated by gender)	Number	0	8000	17000	23625	Annual	HH Survey Report, PMIS Report	The adoption number is measured as the product of (i) the share of PG members adopting at least one improved technology (measured in the sample covered by the household survey) and (ii) the number of PG members provided with access to improved agricultural technologies (from the PMIS)	External Survey Firm, TA/PMU	This indicator is defined as the number of farmers (members of crop or livestock PGs supported by the project) who have adopted an improved agricultural technology promoted by FANSEP-II
Of which female	(number)	0	5200	11050	15356					
Of which Male	(number)	0	2800	5950	8269					
PDO 2: Increased crop and livestock productivity by direct beneficiaries (disaggregated by crop and animal species) (GAFSP Tier 2 Outcome Indicator)	Percent					Annual	HH Survey Report	Crop and livestock production are measured as the ratio of production (kg, MT, L) over the size of the land area or animal herd. Productivity for a composite group of agricultural products is measured as the weighted average of the productivity of the individual crops or animals, where each weight is based on the share of land/output allocated to that crop.	External Survey Firm/PMU	The indicator is defined as improvements in production per ha or animal resulting from improvements in production practices through FANSEP-II inventions.
Crops (food grains)	Percent	BL	BL+5 %	BL+10 %	BL+15 %					Food grains include rice, maize, and wheat.
Crops (vegetables)	Percent	BL	BL+5 %	BL+15 %	BL+25 %					Vegetables include potato, tomato, cauliflower, bitter gourd, cucumber, bottle gourd, sponge gourd, pumpkin, okra, peas and beans, cabbage, radish, carrot, and brinjal.
Livestock (meat)	Percent	BL	BL+5 %	BL+12 %	BL+20 %					Livestock Meat includes goat meat
Livestock (milk)	Percent	BL	BL+5 %	BL+10 %	BL+15 %					Milk includes cow and buffalo milk.

Food and Nutrition Security Enhancement Project II (FANSEP II)

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Project Implementation Manual (PIM)

Project Development Objectives (PDO): The Project Development Objective (PDO) is to enhance climate resilience, improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal.										
Results Indicators	Unit of Measure	Baseline	Target Values			Frequency	Data Source	Methodology for Data Collection	Responsibility	Description/ Definition
			YR 1	YR 2	YR 3					
PDO 3: Increased household income (farm and off-farm) (GAFSP Tier 1 Indicator, gender-disaggregated)	Percent	BL	BL+5 %	BL+10 %	BL+15 %	Annual	HH Survey Report	Household income is calculated as the sum of the net revenues (income minus total costs) from all sources of livelihood activities of the household including the imputed value of the household's self-cultivated and self-consumed crops. Both farm and off-farm income sources are included as per the GAFSP M&E requirements. The value of the household's self-cultivated and self-consumed crops will be imputed by multiplying the amount of crop consumed by the average sale price of same crop at household/RM/district levels, with a preference for data points at the lowest available level. For crop income and livestock income, costs of production such as cost of inputs, labor, and veterinary services were subtracted from the total sales revenue of crops and livestock.	External Survey Firm/PMU	This indicator is defined as the improvement in household net income through FANSEP-II interventions. Household income is calculated as the sum of the net revenues (income minus total costs) from all sources of livelihood activities of the household including the imputed value of the household's self-cultivated and self-consumed crops. Both farm and off-farm income sources are included as per the GAFSP M&E requirements.
Female-headed households	Percent	BL	BL+5 %	BL+10 %	BL+15 %	Annual		The FIES indicator based on 12-month recall period is the indicator recommended by FAO and GAFSP M&E guidelines, where the longer period allows to capture seasonality. The indicator is based on an estimation of the probability that each household belongs to a specific category of food	External Survey Firm/PMU	This indicator is defined as the improvement in household net income through FANSEP-II interventions, for female headed households.
PDO 4: Reduced Food Insecurity Experience Scale (FIES) (gender disaggregated) (GAFSP Tier 1 Indicator)	Percent	BL	5%	10 %	15 %	Annual	HH Survey Report	The FIES indicator based on 12-month recall period is the indicator recommended by FAO and GAFSP M&E guidelines, where the longer period allows to capture seasonality. The indicator is based on an estimation of the probability that each household belongs to a specific category of food	External Survey Firm/PMU	This indicator measures the percentage of households that experienced food insecurity at moderate and severe levels during the 12 months prior to data collection. The questions refer to the experiences of the individual respondent or

Food and Nutrition Security Enhancement Project II (FANSEP II)

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Project Implementation Manual (PIM)

**Project Development Objectives (PDO):** The Project Development Objective (PDO) is to enhance climate resilience, improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal.

Results Indicators	Unit of Measure	Baseline	Target Values			Frequency	Data Source	Methodology for Data Collection	Responsibility	Description/ Definition
			YR 1	YR 2	YR 3					
Female-headed households	Percent	BL	5%	10%	15%			insecurity severity (moderate and severe), as determined by the household's position on the scale. Data for this indicator need to be collected from a representative sample of FANSEP-II beneficiaries households.		of the respondent's household as a whole.
<b>PDO 5: Improved Minimum Dietary Diversity for pregnant and nursing women (MDD-W) (GAFSP Tier 1 Indicator)</b>	Percent	BL	BL+5 %	BL+15 %	BL+25 %	Annual	HH Survey Report	Data are gathered from a representative sample of project households by administering a questionnaire to female respondents 15-49 years of age. Respondents are asked to recall the food groups that they consumed over the previous 24 hours using open recall method. The indicator is then calculated as share of woman who meet MDD in numerator, divided by total number of women aged 15-49 years. Improved MDD for woman is defined as the percentage change in MDD levels between baseline and reporting year	External Survey Firm/PMU	The Minimum Dietary Diversity for Women is a dichotomous indicator of whether or not women 15-49 years have consumed at least 5 out of 10 defined food groups the previous day or night.
<b>PDO 6: Improved Minimum Dietary Diversity for Children (MDD-C) between 6 and 24 months</b>	Percent	BL	BL+5 %	BL+15 %	BL+25 %	Annual	HH Survey Report	Data are gathered from a representative sample of project households by administering a questionnaire to the child's caregiver. Respondents are asked to indicate whether or not	External Survey Firm/PMU	The MDD for children represents the percentage of children 6-23 months of age who consumed foods and beverages from at least five out of eight defined food

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Project Implementation Manual (PIM)

Project Development Objectives (PDO): The Project Development Objective (PDO) is to enhance climate resilience, improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal.										
Results Indicators	Unit of Measure	Baseline	Target Values			Frequency	Data Source	Methodology for Data Collection	Responsibility	Description/ Definition
			YR 1	YR 2	YR 3					
(GAFSP Tier 1 Indicator)								their child consumed any food over the previous 24 hours from each of the eight food groups. The indicator is then calculated as share of children who meet MDD in numerator, divided by total number of children aged 6-23. Improved MDD for children is defined as the percentage change in MDD levels between baseline and reporting year.		groups during the previous day or night
<b>Intermediate Result Indicators</b>										
<b>Component A: Climate and Nutrition Smart Technology Adaptation and Dissemination</b>										
IR.A.1 Farmers receiving inputs or services on climate resilient or sustainable agriculture practices (GAFSP Tier 2 Output Indicator)	Number	0	8,000	17,000	27,000	Annual	Progress reports, annual reports, PMIS Report	The (unique) beneficiaries who received inputs/services on resilient or sustainable agriculture practices from FANSEP-II will be captured from the PMIS. As part of the data entry and report generation process in the PMIS, inputs or services received by beneficiaries will be categorized according to whether they are climate resilient or sustainable agriculture practices.	TA/PMU	This indicator measures the number of farmers who have received inputs or services on resilient or sustainable agriculture practices by the FANSEP-II.
IR.A.2 Farmers reached with	Number	0	11,000	22,500	33,750	Annual	Progress reports,	The (unique) beneficiaries who received agricultural assets/services <sup>24</sup> from	TA/PMU	This indicator measures the number of farmers who were provided with agricultural

<sup>24</sup> Assets include property, biological assets, farm and processing equipment, and so on. Services include research, extension, training, education, information and communication technologies (ICTs), production-related services (for example, soil testing, animal health/veterinary services), phytosanitary and food safety, agricultural marketing support services, access to farm and postharvest machinery and storage facilities, employment, irrigation and drainage, and finance.

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Project Implementation Manual (PIM)

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Results Indicators	Unit of Measure	Baseline	Target Values			Frequency	Data Source	Methodology for Data Collection	Responsibility	Description/ Definition
			YR 1	YR 2	YR 3					
agricultural assets/ services (CRI) Of which female (CRI)	number	0	7,150	14,625	21938		PMIS Report	FANSEP-II will be captured from the PMIS.		assets or services as a result of FANSEP-II support.
IR.A.3 The land area provided with new/improved irrigation services (GAFSP Tier 2 Output Indicator)	Hectare	0	400	1000	1,200	Annual	Progress reports, PMIS Report	When the irrigation scheme completion report is submitted by the groups supported by FANSEP-II, this indicator will be captured entered into PMIS at the individual level.	TA/PMU	This indicator measures the total land area (ha) that has benefited from the project's investments in new or improved irrigation services <sup>25</sup> by the FANSEP-II.
<b>Intermediate Result Indicators</b>										
<b>Component B: Income Generation and Diversification</b>										
IR.B.1 Producer-based organizations supported (number)- (GAFSP Tier 2 Output Indicator)	Number of organizations	0	540	1,100	1,350	Annual	Progress reports, PMIS Report	The producer organizations are established or strengthened to enhance agricultural, livestock, fishery production, processing, or marketing, and provide services to their members. The number counted as the number of producer organizations receiving at least one intervention (inputs, assets or services) from FANSEP-II.	TA/PMU	This indicator measures the number of relevant associations, whether or not formally registered, that are either established through or strengthened by the FANSEP II project.
IR.B.2 Number of subprojects (business plans) submitted by the producer groups	Number	0	375	750	1,000	Annual	Progress reports, PMIS Report	The number of subprojects will be measured as the number of producer groups that have submitted matching grant scheme as each producer group can submit only one	TA/PMU	This indicator measures the number of business plans submitted by Producer group under the matching grant scheme.

<sup>25</sup> Improved irrigation services may include: (i) area provided with new irrigation (ha); and (ii) area provided with improved irrigation (ha). Irrigation services refer to the better delivery of water to arable land, including better timing, quantity, quality, and cost-effectiveness for the water users. New irrigation services refer to the provision of irrigation services in an area that has not had these services before. Improved irrigation services refer to the upgrading, rehabilitation, and/or modernization of irrigation services in an area with existing irrigation services.



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Project Implementation Manual (PIM)

**Project Development Objectives (PDO):** The Project Development Objective (PDO) is to enhance climate resilience, improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal.

Results Indicators	Unit of Measure	Baseline	Target Values			Frequency	Data Source	Methodology for Data Collection	Responsibility	Description/ Definition
			YR 1	YR 2	YR 3					
IR.B.3 The number of subprojects (business plans) financed by the project on a matching grant basis.	Number of business plans	0	275	550	720	Annual	Progress reports, annual reports, PMIS Reports.	Data will be gathered from the field and updated in PMIS on a regular basis	TA/PMU	This indicator measures the number of subprojects completed under the MG scheme.
IR.B.4 Increased Net farm income	Percent	BL	BL+5 %	BL+12 %	BL+20 %	Annual	household Survey Report	Data will be gathered from a representative sample of members of the producer group that are recipients of matching grants by administering a questionnaire	External Survey Firm, TA/PMU	This indicator measures the net farm income (total revenue- total cost) for beneficiaries receiving matching grants
IR.B.5 Processing, storage, and market facilities constructed and/or rehabilitated (number) (GAFSP Tier 2 Output Indicator)	Number of facilities	0	16	32	32	Annual	Progress reports, PMIS Report, Geo-referencing	This indicator measures the number of facilities constructed or rehabilitated by the FANSEP II project. Data will be gathered from the field after the completion of such infrastructure and updated in PMIS on a regular basis.	TA/PMU	This indicator is defined as the number of both handling/processing/storage facilities <sup>26</sup> and marketing facilities constructed or rehabilitated by the FANSEP-II project.

**Intermediate Result Indicators**  
**Component C: Improving Nutrition Security**

<sup>26</sup> Storage facilities include structures used for mid-to long-term storage or preservation of produce such as post-harvest handling centers, collection centers, markets, agro-processing, storage, quality control and other marketing related facilities. Market facilities are the structures used to sell produce, such as marketplaces and shading structures. Processing facilities include equipment and machinery that are used for the transformation of agricultural produce (such as mills, hullers, shellers, extractors, and slaughterhouses for livestock) where value is added.

Food and Nutrition Security Enhancement Project II (FANSEP II)



Project Implementation Manual (PIM)

Project Development Objectives (PDO): The Project Development Objective (PDO) is to enhance climate resilience, improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal.										
Results Indicators	Unit of Measure	Baseline	Target Values			Frequency	Data Source	Methodology for Data Collection	Responsibility	Description/ Definition
			YR 1	YR 2	YR 3					
IR.C.1 Persons who have received improved nutrition services and products, (gender-disaggregated) (GAFSP Tier 2 Output Indicator)	number of people	0	7,000	14,500	16,250	Annual	Progress reports, annual report, PMIS Report	Data will be gathered from the field through field level staffs about the nutrient intervention updated in PMIS on a regular basis.	TA/PMU	This indicator is defined as the number of people with access to a basic package <sup>27</sup> of nutrition services as a result of FANSEP-II project support.
IR.C.2 Improved Household dietary diversity score including nursing mothers and children under two years (1,000 days mother target)	Number	BL	BL+5 %	BL+12 %	BL+20 %	Annual	Survey Report	The HDDS will be calculated based on WHO norms for 12 food groups. The measurement will come through sample survey among all beneficiary HHs of the project receiving nutrition related interventions.	External Survey Firm/PMU	The Household Dietary Diversity Score (HDDS) is a population-level indicator that is used as a proxy measure of household food access.
IR.C.3 Number of subprojects (business plans) financed by the project on a small grant basis.	Number of small grants	0	150	300	400	Annual	Progress reports, PMIS Reports,	Data will be gathered from the field and updated in PMIS on a regular basis	TA/PMU	This indicator measures the number of subprojects completed under the small grant scheme.
<b>Intermediate Result Indicator</b>										
<b>Component D: Project management, communication, and M&amp;E</b>										
IR.D.1 Persons receiving capacity development support, gender-disaggregated	Number	0	200	500	700	Annual	Progress reports, annual reports,	This indicator counts both the capacity development activities <sup>28</sup> to technical staff for project delivery (e.g., training of trainers) and activities to	TA/PMU	This indicator counts the number of persons who received technical assistance and capacity development activities at the institutional

<sup>27</sup> The basic package of nutrition services includes, among other things, provision of home nutrition garden, nutrition field school, small grant, or community nutrition education programs.

<sup>28</sup> The capacity development activities will include not only formal training but all other types of tools such as on-the-job training, coaching, mentoring, exposure visit, exchange of good practice, peer to peer learning, etc. however, this indicator should not include trainings provided to people receiving direct benefits.

Food and Nutrition Security Enhancement Project II (FANSEP II)

Project Implementation Manual (PIM)

**Project Development Objectives (PDO):** The Project Development Objective (PDO) is to enhance climate resilience, improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal.

Results Indicators	Unit of Measure	Baseline	Target Values			Frequency	Data Source	Methodology for Data Collection	Responsibility	Description/ Definition
			YR 1	YR 2	YR 3					
(GAFSP Tier 2 Output Indicator) of which female	Number	0	100	250	350		PMIS Report	enhance institutional capacities of project-related institutions.		level through the FANSEP II project.
IR.D.2 Beneficiary satisfaction rate with relevance, timeliness and effectiveness of services provided by the project	Percent					Bi-Annual	Survey Report			This indicator is defined as the number of surveyed beneficiaries satisfied with services provided by the project as a proportion of surveyed target beneficiaries
IR.D.3 Grievances registered addressed within the delay set by the project GRM	Percent	0	75%	80%	90%	Annual	Progress reports, annual reports, PMIS Report		TA/PMU	The indicator measures the proportion of grievances received by the GRM system, set up by the project, and addressed within the standard period set up by the GRM system.
IR.D.4 Periodic reports submitted on time	Number (cumulative)	0	2	4	6	Semi-annual and annual	Progress reports, annual reports	This indicator counts the number of periodic reports submitted in due time.	TA/PMU	The periodic report includes semi-annual and annual reports progress reports for mission, and survey reports including beneficiary surveys.

Food and Nutrition Security Enhancement Project II (FANSEP II)

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1.3 SCOPE OF THE PROJECT

1.3.1 Project Location

39. FANSEP II continuing to support in the same geographical areas (the eight erstwhile FANSEP districts, 4 in hills and 4 in Terai) that were heavily affected by the COVID-19 pandemic and supply chain disruptions as well as inflation of food prices. Of these eight districts, four districts namely Siraha, Saptari, Dhanusha and Mahottari are located in Madhesh province, three districts namely Dhading, Sindhupalchok and Dolakha in Bagmati Province, and one district namely Gorkha located in Gandkai Province (Figure 1.2). There are two RMs selected from each district (a total of 16 new RMs) based on a similar vulnerability ranking to that of the 16 RMs selected for FANSEP. Details of FANSEP area are provided in Figure 1.1 and Table 1.2.

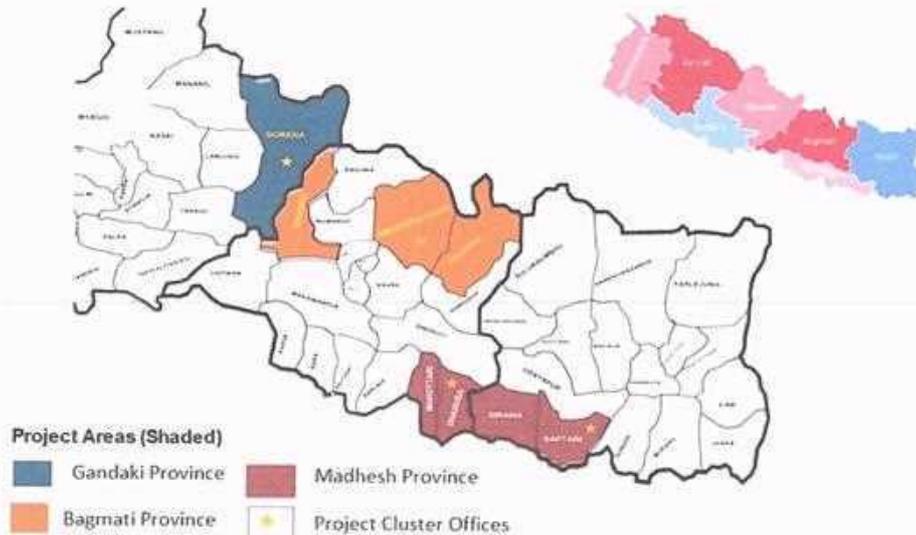


Figure 1.1: FANSEP implemented districts

Table 1.2: Project Area

Province	PCU	District	FANSEP RM	FANSEP-II RM
Madhesh Province	Dhanusha	Dhanusha	Mukhiapatti Musharniya and Dhanauji	Bateshwor and Janak Nandini
		Mahottari	Pipara and Ekdara	Samsi and Sonama
	Saptari	Saptari	Rajgadh and Bishnupur	Chhinamasta and Mahadeva
		Siraha	Aurahi and Bariyarpatti	Nawarajpur and Laxmipur Patari
Gandaki Province	Gorkha	Gorkha	Barpak sulikot and Gandaki	Aarughat and Sahid Lakhan
Bagmati Province	Gorkha	Dhading	Benighat Rorang and Gajuri	Siddhalek and Galchi
		Sindhupalchok	Sindhupalchok	Lisankhu pakhar and Indrawati
	Dolakha	Dolakha	Kalinchok and Tamakoshi	Melung and Baiteshwor

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40. Barpak Sulikot & Gandaki RMs in Gorkha and Benighat Rorang & Gajuri RMs in Dhading were the project area in FANSEP (2018-2023), Gorkha cluster. However, in FANSEP II, the neighboring Arughat & Sahidlakhan RMs in Gorkha and Siddhalek & Galchi in Dhading are identified as the project RMs. Indrawati & Lishankhu Pakhar in Sindhupalchok and Kalinchok & Tamakoshi were the project RMs in the FANSEP, however, Sunkoshi & Tripurasundari in Sindhupalchok and Baiteshwor & Melung RMs in Dolakha are identified in FANSEP II.



Figure 1.2: Map showing FANSEP II project districts and RMs under Hill Cluster

41. Dhanauji & Mukhiyapatti Musharniya in Dhanusa and Pipara & Ekdara in Mahottari were the former project RMs with targeted project expansion in Janak Nandini & Bateshwor in Dhanusha and Sonama & Samsi in Mahottari are the project RMs in FANSEP II. In the next cluster, Bishnupur & Rajgad in Saptari and Aurahi & Bariyarpatti in Siraha were the project RMs in FANSEP (2018-2023) and now Chhinamasta & Mahadeva in Saptari and Laxmipur Patari & Nawarajpur RMs in Siraha are identified as the project RMs in FANSEP II.



Figure 1.3: Map showing FANSEP II project districts and RMs under Terai Cluster

### 1.3.2 Project Beneficiaries

42. The project will benefit **55,000 direct beneficiaries from the 16 RMs** through scaling-up of best practices from FANSEP. The project primarily targets vulnerable (earthquake-affected, acutely food insecure, disadvantaged, marginalized, and women-headed) households as in FANSEP. The nutrition interventions mainly target households with young children, adolescent girls, and pregnant and lactating women of golden 1000 days (sunaula hazar din). Among the 55,000 project beneficiaries, **38,750 beneficiaries will receive direct interventions from Components A and B through the formation of 1,350 PGs**, while the remaining **16,250 beneficiaries will constitute 650 nutrition groups receiving interventions under Component C**. The project will continue supporting existing beneficiaries from FANSEP RMs for their sustainability through interventions such as strengthening of AI units, multiplier herds, and seed PGs. These PGs will be selected and supported based on their capacity to serve as resource centers for new project RMs and PGs to supply seeds and breeds. At least 65 percent of the direct beneficiaries are expected to be female.

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Ministry of Agriculture and Livestock Development  
Singhadurbar, Kathmandu

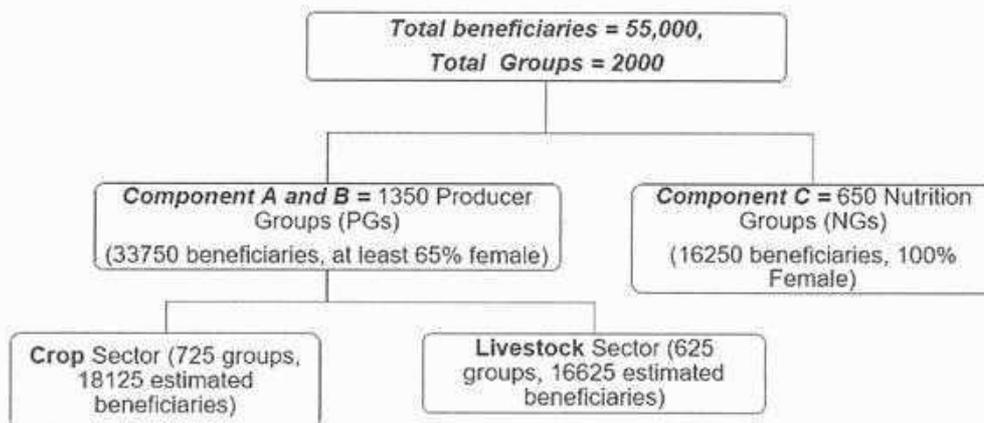


Figure 1.4: Beneficiary and Group of FANSEP II

43. In addition, farmers from adjacent communities are expected to be indirect beneficiaries as they will learn from project-supported farmers, adapt the technologies through farmer-to-farmer extension, and benefit from information delivered by the project.

1.3.2 Theory of change

Challenges: Poor food and nutrition security in Nepal caused by (i) increased vulnerability to declining soil fertility, climate change, (ii) low availability of good quality inputs and training on best practices to improve agricultural productivity, (iii) low investment in productive assets, low levels of commercialization, and poor market linkages, and (iv) low awareness, capacity and sensitization of nutrition

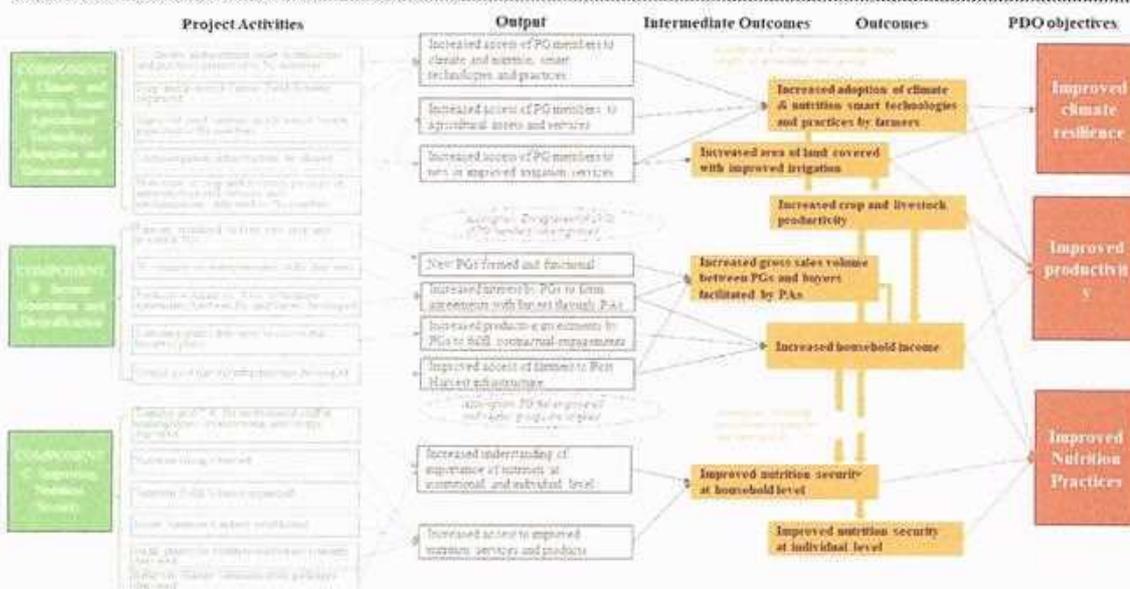


Figure 1.5: Theory of Change of FANSEP II

44. The project's components are closely intertwined and have been designed to complement each other to address the key challenges related to poor food and nutrition security in Nepal caused by: (a) increased vulnerability to declining soil fertility, impacts of climate change, and pest and diseases; (b) low availability of good quality inputs and training on best practices to address the low agricultural productivity of smallholder farmers; (c) low levels of investment in productive assets, commercialization of agricultural output, and links with commercial buyers; and (d) low awareness, capacity, and sensitization of the importance of food and nutrition security.

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### 1.3.3 Project Components

**45. The following four interrelated components of the FANSEP are maintained in FANSEP II:** (A) Climate and Nutrition Smart Agricultural Technology Adaptation and Dissemination, (B) Income Generation and Diversification, (C) Improving Nutrition Security, and (D) Project Management, communication, and monitoring and evaluation (M&E).

#### 1.3.4.1 Component A: Climate and Nutrition Smart Technology Adaptation and Dissemination (GAFSP US\$7.8 million)

**46. This component will focus on promotion of best practices and technologies** such as climate-resilient crop varieties and livestock breeds, climate-smart technology, and husbandry practices in the 16 new RMs. The interventions under Component A will be delivered through producer groups (PGs) formed under Component B. This component will consist of two sub-components viz. A1: Technology adaptation and testing, and Sub-component A2: Technology dissemination and farmer skills development.

#### 47. Subcomponent A1: Technology Adaptation and Testing

*Through this subcomponent, the proposed project will support the implementation of improved climate- and nutrition-sensitive technologies and associated practices identified collaboratively with the Nepal Agricultural Research Council (NARC) in the project municipalities by FANSEP. Additionally, ready-to-roll out technologies and cultivars developed by NARC for the agro-ecological conditions similar to the project target areas, or the Consultative Group on International Agricultural Research, may be considered with priorities to technologies that enhance climate-resilient production systems and livelihoods. Key activities to be supported under this subcomponent will include: (a) on-farm demonstration of CSA technologies and practices; (b) provision of improved seeds and breeds that were validated in the local context in FANSEP; and (c) trainings relevant to such demonstrations and distributions.*

#### 48. Subcomponent A2: Technology Dissemination and Farmer Skills Development

*This component will implement activities that enable farmers to master the management skills (improved agriculture practices) to achieve climate resilience and mitigation. The activities will be implemented throughout the project area covering all 16 RMs. Key activities under this subcomponent will include: (a) conducting of 485 crop and livestock FFSs; (b) establishment of 16 artificial insemination (AI) units; (c) establishment of 16 goat multiplier herds; (d) establishment of 16 community-level fodder resource nurseries supporting plantations covering 320 ha; (e) promotion of community seed programs for improved seed replacement rate through establishment of 24 community-based seed production groups; (f) 325 crop promotion programs; and (g) 300 goat promotion programs, 120 dairy promotion programs, and 60 rural poultry promotion programs. Further, through this subcomponent, the project will support 400 small-scale irrigation schemes covering 1,200 ha,<sup>29</sup> including conservation of intake sites (spring sheds) to capture and store runoff water and arrest soil erosion in project RMs and provide mechanization support to 100 PGs across the project area, with prioritized access for women producers.*

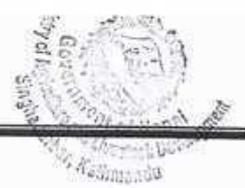
**49. The main expected results from this component are dissemination and adoption of improved and climate resilient agricultural and livestock technologies by members of PGs; enhanced availability of good quality seeds and breeds for farmers at the local level; increased area of land covered with irrigation and increased crop and livestock productivity**

#### 1.3.4.2 Component B: Income Generation and Diversification (GAFSP US\$5.4 million)

**50. This component will support selected PGs in diversifying their income generation capacity through critical business skills, productive assets and value-added activities, and market**

<sup>29</sup> Most irrigation schemes supported cover less than 1 ha of land.

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linkages. This component will consist of two sub-components. This component will consist of two sub-components, i.e. Sub-component B1: Strengthening Producer Groups, and Sub-component B2: Market Linkages through Productive Alliances.

#### 51. Sub-component B1: Strengthening Producer Groups (PGs)

The subcomponent will form and mobilize 1,350 new PGs (725 crop and 625 livestock) and build their capacity and entrepreneurial skills. These groups will receive trainings in group dynamics, leadership, decision-making, problem solving, risk management, preparation of business plans, bookkeeping, crop planning, and simple operation and maintenance of farm equipment. Central to these activities are to enable them to form and participate in broader productive alliances and negotiate effectively in their favour/welfare. Given the successful pilot in FANSEP, 32 new FBSs will be conducted.

#### 52. Subcomponent B2: Market Linkages through Productive Alliances (PA<sup>30</sup>)

This subcomponent will consolidate links between producer organizations and buyers including micro, small, and medium enterprises; traders; and rural financial institutions (where feasible) through Productive Alliances by financing business plans to meet the goals of the agreement with buyers. The activities financed under this subcomponent are: (a) around 720 matching grants<sup>31</sup> schemes for targeted beneficiaries to finance the business plans developed under Subcomponent B1; and (b) formation of 16 multi-stakeholders' dialogue platforms at the RM level. The matching grant schemes will be provided and implemented following the grant operating guidelines formulated under FANSEP, with necessary amendments whenever necessary. The eligibility criteria will include a financially and technically sound business plan including proposed activities; operational, environmental, and social risks and mitigation measures; potential to enhance beneficiaries' climate resilience and adaptation; and potential to achieve climate change mitigation (for example, introducing energy-efficient facilities). The dialogue platforms are expected to provide opportunities for the buyers, producers, and service providers to meet, interact, and explore business opportunities. In addition, around 32 critical infrastructures to support the strengthening of the Productive Alliances in the project RMs such as collection centers, storage, markets, and processing and grading facilities will be established to strengthen the supply chain and reduce postharvest losses. The designs of these infrastructure will be based on climate-resilient approaches ensuring they do not generate negative externalities or generate potential adverse effects on the environment and public health.

53. MG Scheme will be implemented to finance eligible business plans (BPs) that demonstrate real potential for marketing and income generation for the target beneficiaries, contribute to building climate resilience, and including investments to enhance food safety.

54. Key results expected from this component are increased interest by PGs to form agreement with buyers through PAs; increased productive investment by PGs to fulfil contractual engagement; and improved access of project beneficiaries to critical infrastructure (market and handling, processing) leading to increased gross sales volume between PGs and buyers facilitated by PAs and increased HH income

#### 1.3.4.3 Component C: Improving Nutrition Security (GAFSP: US\$ 4.8 million)

##### 55. Subcomponent C1: Institutional Capacity Strengthening

This subcomponent will engage in capacity building of 16 RMs to entrench, sustain, and advocate for improved nutrition and climate resilience outcomes in their communities. This subcomponent will provide capacity building for political leadership, bureaucracy, and/or

<sup>30</sup> A PA is defined as an agreement between a group of organized farmers and a buyer, for the provision of a certain goods in certified quantity and quality.

<sup>31</sup> Up to 15 percent contribution from the PGs, mostly in kind.

Society



program/technical leadership responsible for agriculture and livestock development and health and nutrition at the municipalities and for established ward- and local-level Nutrition and Food Security Steering Committees. Where ward- and local-level Nutrition and Food Security Steering Committees are not constituted, the project will advocate with the abovementioned stakeholders of the municipalities to constitute and make these committees functional. The subcomponent will provide support in the following areas: (a) orientation on the Government's current MSNP III through annual orientation sessions for stakeholders mentioned above; (b) advocacy and technical support for prioritization of a defined package of nutrition-related investments in annual work plans and budgets and securing resources from the Multi-Sectoral Nutrition Program to implement the same; and (c) selection of municipalities on a pilot basis to conduct a minimum service standards review for health posts/primary health care facilities to assess readiness for delivery of the prescribed of health and nutrition services and to advocate during annual stakeholder orientation sessions, with an evidence-based approach, for resources through conditional grants to ensure such services to communities.

#### **56. Subcomponent C2: Nutrition Field School (NFS) and Home Nutrition Gardens (HNGs)**

This subcomponent will support the newly constituted 650 nutrition groups from 16 RMs, with exclusive participation of women of reproductive age (preference will be given to pregnant and nursing women and mothers of children 0–2 years of age) and beneficiaries from schools to (a) participate in at least 128 NFSs; (b) establish 650 HNGs; and (c) access 400 small grants. Each of these activities will be complemented with a strong social and behavior change communication package to improve the production and consumption of nutritious and diverse foods at the household level. The allocation of small grants will be based on demand and implemented as per small grant guidelines, but with contributions from the groups in kind only. Cash contributions will be sought only in cases where contribution in kind is not feasible. Associated technical support to establish and maintain these grants will be provided, where relevant. In addition to the crops and breed interventions of the ongoing project, the NFSs and HNGs will also promote local nutritious and neglected crops.

57. Key results expected from this component includes increased understanding of importance of nutrition at institutional and individual level, increased access to nutrition services and products, leading to improved nutrition (MDD, HDD, FIES) at individual and HH level.

#### **1.3.4.2 Component D: Project Management, Communication and M&E (GAFSP: US\$2 million, GoN US\$2 million)**

58. The main objectives of this component are to: (a) ensure effective strategic and operational planning, implementation, and M&E of project activities, efficient use of funds, as well as coordination of interventions across Components A, B, and C implemented by participating stakeholders and strategic partners (for example, Food and Agriculture Organization of the United Nations [FAO]); (b) evaluate the project's outcomes and impacts on beneficiary groups, and (c) communicate efficiently to various public and private entities on project activities, outcomes, best practices, and lessons learned. In addition, this component will support: (a) compliance with the World Bank's fiduciary and safeguard requirements; (b) interagency coordination; (c) experience sharing among beneficiary groups; (d) grievance management; (e) knowledge management and learning among project stakeholders; and (f) day-to-day operations of the Project Management Unit (PMU) and Project Cluster Units (PCUs). The manuals, strategies, and guidelines produced by the ongoing project for selection and award of matching and small grant schemes, implementation of FFSS, FBSs, and NFSs, livestock promotion programs (goat, dairy, and poultry), selection and award of mechanization support, and selection and construction of infrastructural activities such as collection centers, irrigation schemes, markets, and processing centers will be used by the project, with amendments, as needed.



## CHAPTER 2

### 2 INSTITUTIONAL ARRANGEMENT, TA SUPPORT AND IMPLEMENTATION ARRANGEMENTS

#### 2.1 INSTITUTIONAL ARRANGEMENT

59. The FANSEP II implementation arrangements have been built on the existing arrangements of FANSEP.

60. The federal MoALD will be the executing ministry. At the central level, the project will consist of: i) the Project Steering Committee (PSC); ii) a Technical Coordination Committee (TCC); and iii) a PMU.

61. At the sub-national level, the project will have four PCUs to look after eight project districts.

##### 2.1.1 Project Steering Committee

62. A PSC chaired by Secretary of MoALD will act as an apex body for the project governance and to provide direction for policy and guidelines formulation, endorsement of the annual work program, and overseeing project implementation.

63. The PSC comprises the following members:

Secretary, MoALD	Chairperson
Executive Director, NARC	Member
Joint Secretary, PDCCD, MoALD	Member
Joint Secretary, NPC	Member
Joint Secretary, MoF	Member
Joint Secretary, MoHP	Member
Joint Secretary, MoFAGA	Member
Director General, DoA	Member
Director General, DLS	Member
Director General, DFTQC	Member
Member Secretary, National Farmer Commission	Member
Representative, National Peasant Coalition	Member
Project Director, FANSEP II	Member Secretary

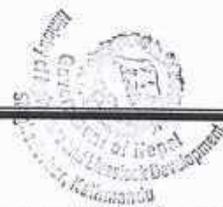
64. The PSC will meet once in a quarterly. The committee may invite officials as per requirement relevant to the subject of the discussion agenda to the meeting. The member secretary will, in consultation with the chairperson, will fix the date, time and venue for the meeting, and send invitations on the chair's behalf to the members. S/He will keep the records of the meetings and circulate among the members and the related agencies for action.

65. Broadly, the first quarterly meeting will focus on the annual progress against the targets set for the preceding FY and endorsement of the annual program and budget of the current FY, the second on the policy and program for the succeeding FY, and the third on the approval of necessary technical guidelines for program implementation and program discussion for succeeding FY. If needed, additional meetings can be called as required and necessary.

66. The PSC will endorse the project's annual work plan and budget, monitor FANSEP II progress, provide oversight and policy guidance, and resolve any outstanding issues. A primary focus of the PSC will be to facilitate inter-agency cooperation to ensure achievement of the project's development objectives.

67. Specific responsibility of PSC are as follows:

- (a) provide oversight of the project implementation;
- (b) issue policy and operational directives as needed;



- (c) address the constraints-; financial, technical, administrative, procurement and donor coordination as and when they emerge;
- (d) review the overall progress status of the project and provide guidance as per required;
- (e) facilitate and coordinate among inter-ministerial agencies and provide guidance on the issues faced;
- (f) keep special track on sub-projects financed under small and matching grant program to determine the effectiveness and ensure whether anticipated results are achieved; and
- (g) any other tasks as needed.

### 2.1.2 Technical Coordination Committee

68. A TCC chaired by the Joint Secretary of PDCCD, established through a minister level decision made on 27 December 2018 for FANSEP, will act as a main body for the project governance. It will mainly be responsible for implementation oversight and provide technical advice and necessary recommendations to PSC.

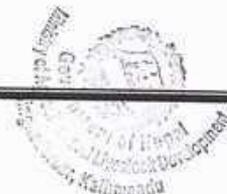
69. The composition of TCC is as follows:

Joint Secretary, PDCCD, MoALD	Chairperson
Deputy Director General, DoA	Member
Deputy Director General, DLS	Member
Deputy Director General, DFTQC	Member
Chief, Child Health Division, MoHP	Member
Director, Planning Division, NARC	Member
Chief, Development Cooperation and Coordination Section, MoALD	Member
Chief, Food and Nutrition Security Section, MoALD	Member
Project Director, FANSEP II	Member Secretary

70. The TCC will meet once quarterly. The committee may invite officials as per requirement relevant to the subject of the discussion agenda to the meeting. The member secretary will, in consultation with the chairperson, will fix the date, time and venue for the meeting, and send invitations on the chair's behalf to the members. S/He will keep the records; of the meetings and circulate among the members and the related agencies for action. Broadly, the TCC is mainly focused to provide technical guidance to the project and make necessary recommendations to the PSC. If needed, additional meetings can be called as required and necessary.

71. Specific responsibility of TCC are as follows:

- (a) review technical aspects of progress on implementation and provide technical guidance and suggestions as required;
- (b) provide technical guidance on Annual Work Program Budget (AWPB), guidance on the preparation of technical guidelines for the implementation of project activities;
- (c) provide technical advice to PMU and PCUs and technical solution in the effective implementation of the project activities;
- (d) help to maintain coordination between the project and other technical departments for effective project implementation and service delivery;
- (e) provide recommendation to PSC for approval; and
- (f) any other tasks as required.



### 2.1.3 Project Management Unit (PMU)

72. MoALD has established PMU in Lalitpur. It has been established as the lead implementing agency to oversee the implementation of the project activities. Day-to-day project administration and management will be carried out by this central unit.

73. The PMU will be headed by a Project Director (PD) deputed by the MoALD/GoN. The PD will be a gazetted class I level position (Joint Secretary level of the agriculture service of the GoN). He/she would be operationally and managerially in-charge of the organizations established at the central, provincial and local levels for implementing the project. The PD will have the authority to make decisions related to the project administration as well as financial management. The PD will be supported by three gazetted class II level (Under Secretary level of the agriculture service) officers designated as Senior Planning Officer, Senior Monitoring and Evaluation Officer and Senior Agriculture Officer. These senior officers will also be deputed from MoALD for the entire project period. There will be four gazetted class III level (with crop science, livestock and agri-economics background) Technical Officers to assist in the smooth functioning of the project's management, along with Account Officer, Accountant and Administrative Assistant deputed as core staff as per GoN regulation. Computer operators, office assistants and drivers will be hired for the project period on service contracts.

74. The PMU led by the PD will perform the following activities:

- (a) prepare and get approval on annual work plans and budgets;
- (b) serve as secretariat for PSC and TCC and assist PSC and TCC to carry out their respective roles and responsibilities;
- (c) coordinate and collaborate with all the concerned stakeholders at central, provincial and project RMs
- (d) ensure the technical assistance and support services from FAO-TA in project implementation at central, PCUs and RMs;
- (e) ensure adequate and timely supervision, monitoring and evaluation of project activities from PCUs
- (f) implement project's HRD plan with concurrence from the World Bank (WB);
- (g) prepare and issue quarterly and annual progress reports;
- (h) participate, support, and be involved with the Project Implementation Review and support missions dispatched by the GAFSP/WB and implement agreed action plans prepared by the WB missions in consultation with the PMU/PD;
- (i) coordinate project activities among the implementing agencies;
- (j) ensure appropriate governance and accountability including thorough management of a suitable grievance redressal system
- (k) respond to complaints or grievances against project's activities and performance and handle them in a fair and timely manner;
- (l) maintain and ensure regular updating of project web-portal including Project Management Information System (PMIS) and websites;
- (m) prepare knowledge documents, resource materials, guidelines, norms, manuals and curriculums etc. for project implementation; and
- (n) ensure that cross cutting issues are embedded in the project activities, namely: (i) women's participation and gender equity; (ii) environment and social safeguards; and (iii) good governance.

Secretary

Hon. Dhanendra Prasad Pariyar  
Minister



75. PMU will appoint one procurement and one financial management consultants following approved processes and procurement methodologies to support the project units at various levels.

76. Staffing details of PMU/PCUs including FAO-TA has been given in Annex 2.1.

#### 2.1.4 Project Cluster Unit (PCU)

77. Already established four PCUs in the FANSEP will continue for the FANSEP II. Two districts will be supported by each PCU to oversee the implementation of project activities in four RMs (Gaun Palikas) as given below.

SN	PCU	Districts	Rural Municipalities (Gaun Palikas)
1	Saptari	Siraha and Saptari	4
2	Dhanusha	Dhanusha and Mahottari	4
3	Gorkha	Gorkha and Dhading	4
4	Sindhupalchok	Sindhupalchok and Dolakha	4
<b>Total</b>	<b>4</b>	<b>8</b>	<b>16</b>

78. PCUs will work in close coordination with and support of the Agricultural Knowledge Centres (AKCs) established under the provincial government. PCUs will coordinate with all RMs for smooth implementation of the project activities and service delivery to the project beneficiaries. The PCUs will also provide technical backstopping at the RM level, ensure effective program delivery, and implementation and timely progress reporting.

79. PCUs will represent PMU at the district. The PCUs led by a coordinator/chief will tentatively perform the following activities:

- prepare and submit annual work plans and budgets for PCUs and get the approval of PSC via PMU;
- screen business plans submitted by eligible entrepreneurs, FGs and cooperatives to award the project matching and small grants;
- ensure that agreements between PMU and grant recipients are effectively implemented;
- ensure adequate and timely supervision, monitoring and evaluation of matching and small grant projects;
- prepare monthly, quarterly and annual progress reports;
- participate, support, and be involved with the GAFSP/WB Project Implementation Review at the cluster level;
- coordinate project activities among the implementing agencies at the cluster, provincial and RMs level;
- encourage participation of farmers' organization (FGs, farmer cooperatives), and NGO federation and other relevant stakeholders;
- facilitate planning and inter-agency coordination at municipal level;
- assist in selection of project sites and beneficiaries and participatory monitoring (ensuring involvement of different stakeholders such as CSO, media as part of the team);
- organize public hearing, media briefing/media trip and stakeholder monitoring activities;
- organize/mobilize, supervise and monitor FFSs, OFDs, NFSs, HNGs, FBSs, PAs and MSPs at the RMs levels;
- ensure appropriate governance and accountability including thorough management of a suitable grievance redressal system;

Hon. Dr. Madan Prasad Puriya  
Minister



- (n) respond to complaints and grievances against project's activities and performance and handle them in a fair and timely manner at the cluster level;
- (o) assist PMU to regular updating of project web-portal including PMIS;
- (p) ensure that crosscutting issues are embedded at the cluster level, particularly, (i) women's participation and gender equity, (ii) prepare and regularly update direct beneficiaries list at the cluster level, (ii) environment and social safeguards, and (iii) good governance; and
- (q) undertake any other related activities reasonably requested by the PMU/PD.

## 2.2 FAO-TA SERVICES FOR PROJECT IMPLEMENTATION

80. The GoN has identified FAO as the main provider of TA to this project, building on the successful collaboration under FANSEP. The agreement for TA services from FAO to FANSEP II was signed between GON (MOALD) and FAO on August 07, 2024 with a budgetary provision of United States Dollar (US\$) Three million five hundred thousand (USD 3,500,000). The TA from FAO is geared towards improving project performance, incorporating best practices and document lessons learnt. Three specific areas have been identified for FAO TA based on their comparative advantage and experience and these include: (i) support to the further strengthening of the extension services and dissemination of improved technology packages through FFSs, on-farm demonstrations, FBSs, NFSs and HNGs etc.; (ii) assist targeted smallholder farmers and their organizations to develop and strengthen market linkages; (iii) support the rollout of the NFSs; and (iv) quality assurance of the service delivery including operation of the web-based PMIS. The TA activities are designed to strengthen the capacities of the public service providers and targeted beneficiaries of the project and to enhance the effectiveness of the project interventions.

81. TA will also be provided to the implementation of the interventions related to the nutrition improvement at household level, including the scaling up of improved kitchen garden models, introducing backyard poultry, and the establishment of NFSs. Building on ongoing efforts, the TA will thus support the practical application of dietary guidelines, promoting nutrition education and creating menus based on the locally available seasonal food items. The TA aims to increase dietary diversity as well as the coping mechanisms for food deficit periods by promoting new ways of preserving and processing nutrition dense food. Project management support will be provided for implementation and monitoring of nutrition outcomes at household level. Annex 2.2 presents the roles and responsibilities of the FAO-TA. Similarly, FAO will also prepare detailed work plan for providing TA services to FANSEP II in its inception report.

82. FAO provisioned 124 personnel (including field level technicians and support staffs) to support FANSEP II activities, 12 at the PMU level, 16 at the cluster level and 96 at the rural municipality level. At a central level, under overall supervision of FAO Representative (FAOR), technical supervision of the Lead Technical Officer (LTO) designated by the FAO Regional Office in Bangkok, and in close consultation and coordination with Assistant FAOR (programme), FAO provisioned a project Team Leader (TL) who will support planning, implementation and management of FAO TA to FANSEP II activities. TL will be supported by seven specialists (each on livestock production; monitoring & evaluation; crop production; agribusiness & market linkage; capacity development; gender, environment & social safeguard; and nutrition). These specialists will provide technical backstopping support in the planning, implementation and management of activities related to their expertise and guide cluster specialist and FLT's to implement FANSEP II activities. An admin finance specialist and admin assistant will assist in day-to-day admin and finance activities.

83. To ensure the environment and social safeguard compliances, gender, environment and social safeguard specialist at central level is in place through FAO technical assistance team



to provide backstopping to project team. PMU level specialist from FAO-TA team is responsible to assist project management unit for capacity enhancement of project team on ESMF requirements and to ensure quality assurance and technical supervision of safeguard requirements. Environment and social safeguard specialist will also capacitate FAO TA cluster technical specialists and provide necessary guiding document to assist PCUs in ESMF measures. Cluster level environment and social safeguard focal person are responsible to coordinate to project management at central level and to the FLT's at field level in order to streamline environment and social safeguard compliances.

84. At a cluster level, FAO provisioned 16 technical specialists (M&E -2, Crop production -4, Livestock production -4, nutrition -4, Agribusiness and enterprise development- 2). Four cluster specialist each for nutrition, livestock production, and crop production will support effective planning and quality implementation of nutrition, livestock and crop related interventions at PCU level, respectively.

85. Two Cluster M&E specialist, each will look after Hill cluster (four hilly district of project) and Terai cluster (four Terai districts of the project); they support effective planning and quality monitoring of FANSEP II activities and provide guidance to the field-based project staff and coordinate with stakeholders at municipality and cluster level for timely recording and reporting. Similarly, two cluster Agribusiness and enterprise development specialist, each will look after Hill cluster (four hilly district of project) and Terai cluster (four Terai districts of the project).

86. In each district there will be 12 field technicians to look after two RMs i.e. six in each RM (two field technicians each for crop, livestock and nutrition). These field technicians are mobilized at the RM level to support implementation of FANSEP II activities, support to form and mobilize producer groups, nutrition groups and document data, information and report accordingly to the respective Specialist at PCU. FAO will provide the detailed description of responsibilities of each project personnel deputed under TA through their TOR mentioned in the inception report. The provision of human resource for FAO TA to assist FANSEP II in its implementation is given below:

Table 2.1: Details of TA Human Resource

Position	Number of persons	Per Person Input Months	Total Man Month
<b>A. Human Resource at PMU level</b>	<b>12</b>		
<b>A.1 Specialist</b>			
Team Leader	1	30	30
M&E Specialist	1	30	30
Capacity Development Specialist	1	17	17
Crop Production Specialist	1	25	25
Livestock Production Specialist	1	25	25
Nutrition Specialist	1	25	25
Gender, Environment and Social Safeguard Specialist	1	20	20
Agribusiness and Market Linkage Specialist	1	24	24
<b>A.2 Support Staffs</b>	<b>4</b>		<b>120</b>
Admin and Finance Specialist	1	30	30
Admin assistant	1	30	30



Position	Number of persons	Per Person Input Months	Total Man Month
Drivers	2	30	60
<b>B. Specialist at Project Cluster level</b>	<b>16</b>		<b>456</b>
Cluster M&E Specialist	2	28.5	57
Cluster Nutrition Specialist	4	28.5	114
Cluster Livestock Production Specialist	4	28.5	114
Cluster Crop Production Specialist	4	28.5	114
Cluster Agribusiness and Enterprise Development Specialist	2	28.5	57
<b>C. Field Level Technicians</b>	<b>96</b>		<b>2688</b>
Crop Technicians	32	28	896
Livestock Technicians	32	28	896
Nutrition Technicians	32	28	896

87. Implementation activities at the farm level, will be mainly supported by technicians (Crop, Livestock and nutrition) as shown in above table. The technicians will provide technical services and will devote most of their time providing handholding support to implementing field level activities related to crop, livestock and nutrition. These staffs are hired only for the lifetime of the project and positioned at the RM offices.

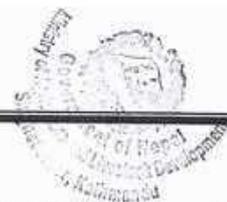
### 2.3 IMPLEMENTATION ARRANGEMENT

88. The project will be implemented over a period of three years from the FY 2023/24 to 2026/27. The approach of the project is to involve the PGs and NGs in planning, implementing, and evaluation of project interventions so as to improve the design and relevance of activities, enhance adoption of improved climate smart and nutritionally sensitive technologies and practices, and enhance the sustainability prospect of the project outcomes.

89. The implementation arrangements will follow the existing arrangements for the recently closed FANSEP. The MoALD will be the executing ministry and will work in coordination of line agencies to implement the project. At the central level, the project will include (a) the existing FANSEP Steering Committee, strengthened by a representative of the Ministry of Foreign Affairs and General Administration (MoFAGA) and Ministry of Health and Population (MOHP), to provide strategic oversight and guidance, (b) a Technical Coordination Committee to provide technical guidance and recommendations to the Steering Committee, and (c) a PMU for day-to-day project administration and management. At the decentralized level, the project will have PCUs in each of the targeted municipality clusters to ensure smooth activity implementation, monitoring, and coordination at the local level. For the implementation of specific interventions, the project will collaborate closely with NARC, specialized technical departments (Department of Agriculture, Department of Livestock Services, Department of Irrigation, Department of Health Services, Department of Food Technology and Quality Control, and so on), and other relevant public agencies and NGOs. All requisite short- or long-term consultants will be appointed to support the project units at various levels.

#### 2.3.1 Implementing Agencies

90. The cost centers for the implementation of FANSEP II programs and interventions are PMU at central level and 4 PCUs at cluster level. The implementation units PMU and 4 PCUs shall be technically guided and backstopped by MoALD and other relevant agencies in

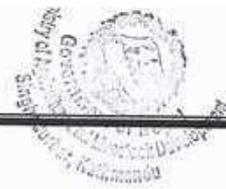


implementation of the project activities under Components A, B, and C. The FAO will work in close coordination and consultation with PMU at central, PCUs at cluster level and through FLT's at municipal level for providing technical assistance in implementation of project activities. The project is supposed to meet technological and services needs of the poor and disadvantaged farmers living in selected RMs of Madhesh Province, Bagmati Province and Gandaki Province. This approach is dictated by the need to target the small and marginal farmers whose agricultural production is particularly low and variable and their capacity to cope food insecurity is vulnerable.

**91. Each of the 4 PCU** will be headed by a gazetted Class 2 officer, designated as cluster chief (Senior Agriculture Officer), undersecretary level of the agriculture service, deputed from the MoALD. There will be two positions of gazetted Class 3 officers designated as Agriculture Officers in each PCU. Similarly, there will be three assistant-level staff in each PCU: one accountant and two junior technicians. All these staff will also be deputed from the GON for the entire project period. The PCUs will also provide technical backstopping for implementation at the ward/field level and follow-up progress reporting. There will be additional technical staff (technical officers and technicians for the project duration) at the PCU in implementation of the project activities. The technical staff to be posted at the PCU will be hired through the project. Some of the project interventions envisaged by the project, such as matching grants, will be implemented and facilitated by the PCU. Furthermore, the PCU will be responsible for (a) coordinating and implementing the project activities at the municipal level, (b) encouraging participation of farmers' organizations (farmer groups and farmer cooperatives) and NGO federation and other relevant stakeholders, (c) facilitating planning and inter-agency coordination, (d) assisting in the selection of project sites and beneficiaries and participatory monitoring (ensuring involvement of different stakeholders such as civil society organizations and the media as part of the team), (e) organizing public hearings, media briefings/media trips, and stakeholder monitoring activities, and (f) ensuring appropriate governance and accountability, including through management of a suitable grievance redressal system. The PCUs will also coordinate with and support the RM-level Food and Nutrition Security Committees.

**92.** NARC has the national mandate for organizing and carrying out research in their respective areas. However, NARC has already provided the list of crop and livestock related CSA technologies after validating them in FANSEP areas. FANSEP II will support the implementation of improved climate- and nutrition-sensitive technologies and associated practices identified collaboratively with the NARC in the project municipalities by FANSEP. Additionally, ready-to-roll out technologies and cultivars developed by NARC for the agro-ecological conditions similar to the project target areas, or the Consultative Group on International Agricultural Research, may be considered with priorities to technologies that enhance climate-resilient production systems and livelihoods. Hence, NARC will have no direct roles in implementation of FANSEP II activities. However, the Executive Director of NARC will be the member of the project steering committee and will support in project governance and to provide direction for policy and guidelines formulation, endorsement of the annual work program, and overseeing project implementation. The nutrition programs will be implemented by field level nutrition technicians in coordination with PCUs and RMs and through grassroots level structures of health facilities of respective provinces and RMs [Health Office (HO), Health Posts (HPs) and Primary Health Center (PHC)].

- a. Project components and sub-components are organized around activities being led by an implementing agency. MoALD will depute technical officers from among the implementing agencies in the PMU. The technical officers will work with the PD, on the one hand, and with colleagues in his/her agency, on the other, to help develop, implement and monitor the execution of annual plans.



- b. PMU will prepare and update project implementation manual (PIM), program implementation guidelines and manuals which clearly specifies the set of activities to be carried out, the key steps in each activity, beneficiary groups to be involved at different steps, and processes to be used as per the selection criteria defined, and type of work and reporting norms.
- c. The TA team will work in close coordination and consultation with PMU at central and PCUs at cluster level for providing technical assistance in implementation of project activities. The TA team will assist project in providing trainings to famers, project beneficiary selection, farmer group formation & mobilization, conducting FBS, FFS, NFS, HNGs; preparation of extension materials, guidelines and manuals; implementation of matching & small grants; and other required technical assistance in all the FANSEP II interventions.
- d. The working conditions at agriculture and livestock sections under the RMs are very poor. The project will finance to equip these technical sections with basic tools and equipment, office equipment and logistics.

93. The following figure shows the institutional and implementation arrangement of FANSEP II.

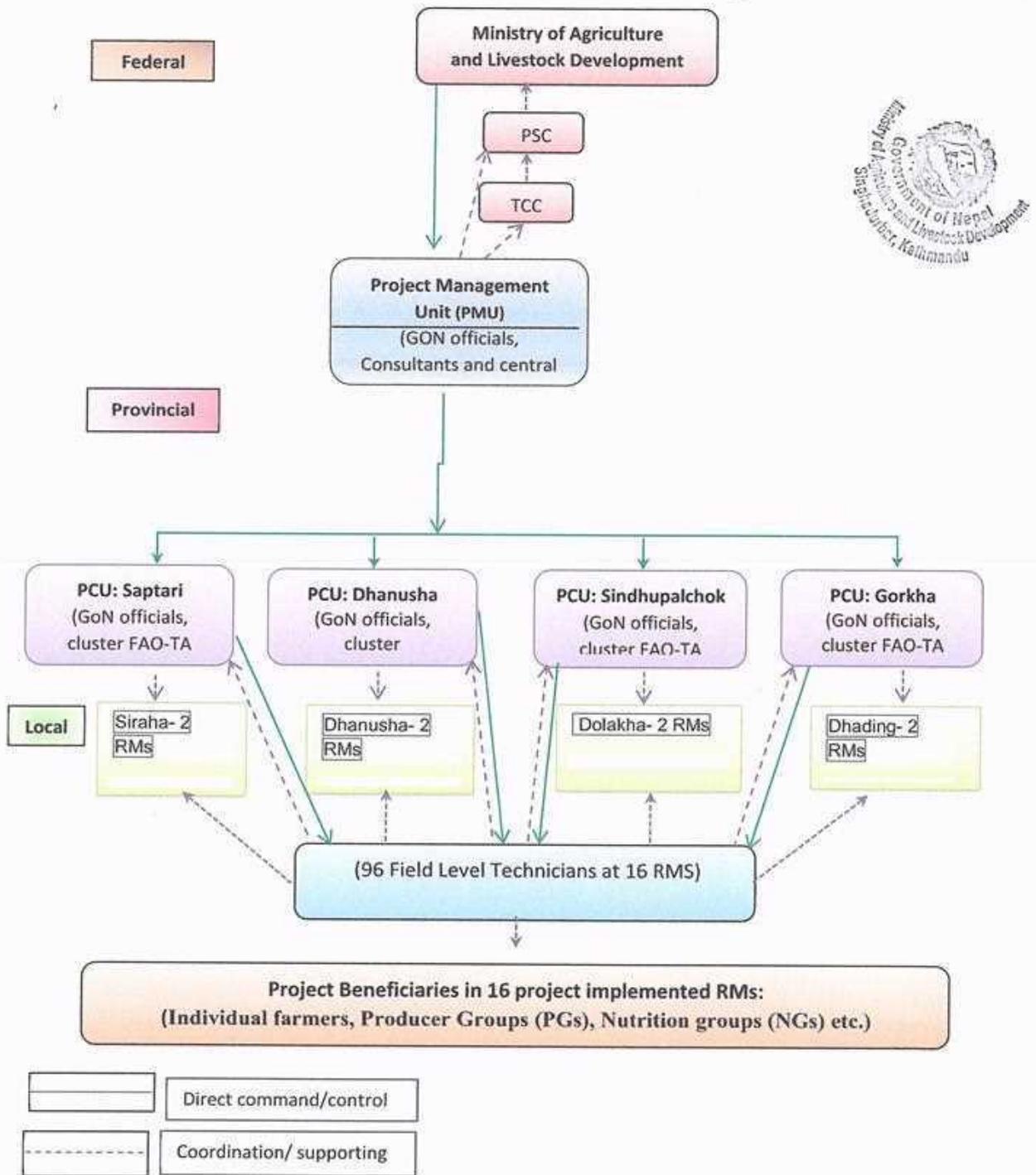


Figure 2.2: Instructional and implementation arrangements of FANSEP II

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**94. Sustainability: FANSEP II aspires to scale up best practices from FANSEP and sustain them.** Sustainability of FANSEP-supported activities will be secured by (a) building institutional capacity of the local government and community institutions, (b) promoting technologies that are climate friendly yet within the capacity of the beneficiaries to implement, (c) strengthening community-based seed production system for seed availability, (d) linking farmers to market and input suppliers, and (e) developing business plans and guidelines for operating enterprises and seed processing and storage facilities. Project interventions will be planned in consultation with women consistent with the increased feminization of agriculture and uptake.

### 2.3.2 Role of Community Organizations

**95. Producer/Nutrition Groups:** The project will primarily work with PGs and NGs – each organized for specific purposes. These PGs/NGs will be the entry point for project activities in a village (a village may comprise one settlement or more than one settlement). Groups will be formed and registered by FLTAs as per the agreed criteria and in consultation with the PCUs, agricultural, livestock and health sections functioning under the targeted RMs. The PGs and NGs will provide contribution to the targeted project activities in cash/kind or both.

## 2.4 SELECTION OF PROJECT LOCATION

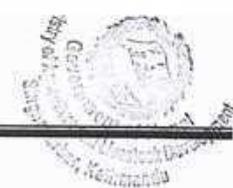
**96.** The objective of the project is to enhance food and nutritional security in vulnerable communities which include Dalits, indigenous people (Janjatis), women, marginal farmers, landless HHs and remote area population. They are generally resource poor, food insecure, socially excluded and hence they lack access to basic public services. Therefore, the main basis for the selection of project location and beneficiaries will be guided by these realities/elements.

### 2.4.1 Selection of Project Districts and Rural Municipalities (RMs)

**97.** The FANSEP II is continuing to support in the same geographical areas (the eight erstwhile FANSEP districts) that were heavily affected by the COVID-19 pandemic and supply chain disruptions as well as inflation of food prices. These districts remain a priority due to: (a) continued impact of post-earthquake losses; (b) climate change vulnerability ranking; (c) human development index ranking; (d) food security status; and (e) poverty status. The project will primarily target vulnerable (earthquake-affected, acutely food insecure, disadvantaged, marginalized, and women-headed) households as in FANSEP. The nutrition interventions will mainly target households with young children, adolescent girls, and pregnant and lactating women. The 16 new RMs will be selected based on the same vulnerability ranking and are either at the same level or close in ranking to the 16 RMs selected for FANSEP. The FANSEP II RMs are shown in table 2.2 of the section

### 2.4.2 Selection of Beneficiaries

**98.** The project will primarily target vulnerable (earthquake and flood affected, acute food insecure, smallholder, female headed household, landless workers and marginalized) households and aims to reach approximately 55,000 direct beneficiaries as mentioned in PAD. In general, as stated earlier, food insecure HHs – marginal farmers, landless HHs, Dalits, indigenous people, women, landless HHs, and other vulnerable groups of population will be the targeted beneficiaries, of which at least 65% will be female. Smallholder and marginal farmers who constitute the majority of the poor in Nepal will be prime beneficiaries. The nutrition interventions will mainly target households with young children, adolescent girls, and pregnant and lactating women. In addition, farmers from adjacent communities are expected to be indirect beneficiaries as they will learn from project-supported farmers, adapt the technologies through farmer-to-farmer extension, and benefit from information delivered by the project. Similarly, rural agricultural Labors, for whom both demand for labor and income



generation are expected to go up, will indirectly benefit from the project as farm-level productivity increases.

99. The project already identified the project beneficiaries. The major criteria used for the selection of beneficiaries through survey were: house structure of the respondent that include type of roof and number of storey, the size of land holding and number of adult livestock owned by the household. The beneficiaries with more than two storeys building and RCC roof or more than 20 Kattha of land in Terai and more than 20 ropani of landholder families or HHs with more than five adult cattle or more than ten adult goats or more than 15 poultry birds will be excluded from the target beneficiary. The beneficiary selection survey is carried out at HH level with small number of questions (around 15).

100. The set questionnaire was at first pre-tested. After pre-testing, the necessary editing and modifications was made on the questionnaire to finalize it. The beneficiary selection survey is carried out by the PCUs using the human resource working at RMs level initially and later the field level technicians under the FAO TA were mobilized in the survey. The total of 44609 beneficiaries were selected. Among them 38971 HHs were under eligible criteria.

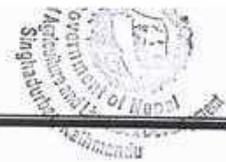
101. After the completion of project beneficiaries' selection, the project will -form FGs by sub-component and components for implementation of programs and start group selection process. All crop, livestock and nutrition groups will be formed from these eligible households. Similarly, project will develop guidelines, manuals and strategies for implementation of different programs and activities of project. Beneficiaries for crop and livestock related interventions will be selected avoiding overlap as far as possible.

## 2.5 ORGANIZATION OF BENEFICIARIES

The project will be primarily implemented through purposive beneficiary groups organized in accordance with the nature and purpose of the intervention under each of the project components. Therefore, the main approach will be to organize beneficiaries into homogeneous groups and sub-groups at the grassroots level. The implementation of the FANSEP II activities will be carried out through the groups. All eligible beneficiaries are organized into producer groups (PGs) and nutrition groups (NGs). Interventions related to crop and livestock (component A and component B) will be rolled out through producer groups (PGs). Interventions related to Component C will be implemented via NGs. Regarding the interventions, each PGs or NG will receive at least one major intervention, along with feasible and relevant supportive interventions (outline in table 2.4). The selection of PGs and NGs for the major intervention will be determined by the operational guidelines associated with the specific intervention established in FASEP. To carry out the major intervention, distinct guidelines have been set for matching and small grants, the livestock promotion initiative, and the home nutrition garden program. The guidelines detail the objectives of the interventions, the criteria and processes for group selection, budget allocations, and additional information. Home Nutrition Gardens (HNGs) will be established for each member of the nutrition group, providing them with a package of nutrition-related inputs, including seasonal vegetable seeds, saplings, poultry chicks or ducklings, semi-intensive coops, and training. Details regarding crop promotion program can be found in Annex 3.1. Major intervention under each component is thoroughly discussed in sections 3, 4, and 5.

### 2.5.1 Social Mobilization and Capacity Building of Beneficiaries

102. As stated, the Project will adopt participatory approach where the farmers and the local communities will be proactively involved in planning, implementing, and evaluation of project interventions. Key to this approach is to ensure their access and accountability in decision making. Nevertheless, direct beneficiaries will be technically guided and backstopped by



PMU, PCUs and FAO TA team both at the central and PCU level. The RM level technicians will focus on social mobilization, technical training, facilitation of FFS/NFS/FBS, support in input distribution, data collection, capacity building of PGs and nutrition groups and in implementing project interventions throughout the project cycle.

**Table 2.2: Beneficiary Survey FANSEP II**

PCU	District	RM	Target HHS	HHS surveyed	Eligible HHS
Saptari	Saptari	Chhinamasta	2874	3428	2975
		Mahadeva	2922	3547	3221
	Siraha	Nawarajpur	1970	2455	2011
		Laxmipur Patari	2814	3646	3153
Dhanusha	Dhanusha	Bateswor	2160	2152	1757
		Janak Nandini	2502	2664	2491
	Mahottari	Samsi	3168	3173	2913
		Sonama	3540	3493	2968
Sindhupalchowk	Dolakha	Melung	2230	2238	1951
		Baiteshwor	2502	2483	2085
	Sindhupalchowk	Sunkoshi	2070	2051	1890
		Tripurasundari	1698	1740	1575
Gorkha	Gorkha	Aarughat	2880	2776	2534
		Sahid Lakhan	3180	3153	2642
	Dhading	Siddhalek	2712	2788	2430
		Galchi	2778	2822	2375
<b>Total</b>			<b>42000</b>	<b>44609</b>	<b>38971</b>

**2.6 COST SHARING MECHANISM**

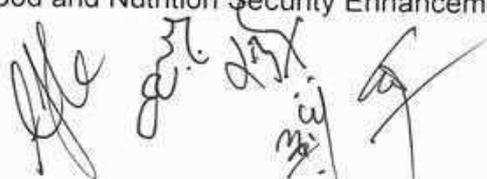
103. There are broadly two categories of FANSEP II interventions: (1) those that receive full support from the project, and (2) those that require a minimum contribution of 15% from beneficiaries, either in cash, in kind, or a combination of both. The table below summarizes the cost-sharing mechanism associated with FANSEP II.

**Table 2.3: Cost-sharing mechanism in FANSEP II**

Major Interventions/Activities	Unit	EoP target	Cost Sharing		Remarks
			Project	Beneficiary	
<b>Component A: Climate and Nutrition Smart Agriculture Technology Adaptation and Dissemination</b>					
<b>Subcomponent A1: Technology adaptation and Testing</b>					
1	On-farm demonstrations of CSA technologies and practices in crop and livestock	Number	1132 (Crop CSA 395, Livestock CSA 362, Shed improvement 375)	100%	Unit cost ('000 NPR): 30 for Crop and Livestock CSA, 50 for livestock shed improvement and FYM management
2	Distribution of foundation seeds for SPGs	MT	58	Maximum 85%	Minimum 15%

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Major Interventions/Activities	Unit	EoP target	Cost Sharing		Remarks	
			Project	Beneficiary		
	PBS Number	78000	Maximum 85%	Minimum 15%		
3	Distribution of improved seeds to farmers	MT	915	Maximum 85%	Minimum 15%	
4	Strengthening advisory services and skill development	As per approved program and PIM		100%		
<b>Sub-component A2: Technology Dissemination And Farmer Skills Development</b>						
5	Establishing FFSs (crops, potatoes, vegetable, Dairy, Poultry and Goat)	Number	485 (Crop-325, Livestock-160)	100%		Unit cost ('000 NPR): 200 for Crop; 318.6 for Dairy FFS; 299.6 for goat FFS; 315.7 for Poultry FFS
6	Farm machineries and equipment support to groups for drudgery reduction and resilience (female, Marginalized and DAGs)	Number	100	Maximum 85%	Minimum 15%	Unit cost ('000 NPR): 175.
7	Emergency plant protection support programs	times	40	100%		
8	Animal health camps in collaboration with project RMs	Number	28	100%		
<b>9 Seed and Breed Improvement Programs</b>						
9.1	Establishing/strengthening AI Units in project rural municipalities for breed improvement	Number	16	100%		Unit cost including follow up support ('000 NPR): 1400.
9.2	Strengthening of existing AI units in project rural municipalities of <b>FANSEP</b>	Number	11	100%		Unit cost for 2 years ('000 NPR): 400.
9.3	Establishment of farmer managed Boer goat multiplier herds/units (in <b>new RMS</b> )	Number	16	Maximum 85%	Minimum 15%	Unit cost including follow-up ('000 NPR): 899.
9.4	Follow up support to established farmer managed Boer goat multiplier herds/units (in <b>existing FANSEP RMs</b> )	Number	15	Maximum 85%	Minimum 15%	Unit cost for 2 years ('000 NPR): 600.
9.5	Establish forage resource centers with nursery at community level	Number	16	Maximum 85%	Minimum 15%	Unit cost including follow-up ('000 NPR): 550.
9.6	Support to existing Seed Producer groups for seed production support	Number of SPGs	16	Maximum 85%	Minimum 15%	Unit cost for 2 years ('000 NPR): 400.
9.7	Support to New Seed Producer groups for seed production support	Number of SPGs	8	Maximum 85%	Minimum 15%	Unit cost including






Major Interventions/Activities	Unit	EoP target	Cost Sharing		Remarks	
			Project	Beneficiary		
					follow-up ('000 NPR): 400.	
9.8	Distribution of seasonal forage seeds/sets/saplings and seasonal vegetable seeds for PGs	As per approved program and PIM	100%			
10	Provision of promotion programs (Crops and Livestock)	Number	805 (Crop 325, Goat 300, Dairy 120, Poultry 60)	Maximum 85%	Minimum 15%	Unit cost ('000 NPR): Crop 400; Goat 500; Dairy 380; Rural Poultry: 355)
11	Support for small irrigation programs (general scheme)	Number	395	Maximum 85%	Minimum 15%	Unit cost ('000 NPR): 150. Will be provided to Crop PGs
12	Establishment of Deep boring/tubewell in new RMs	Number	5	Maximum 85%	Minimum 15%	Unit cost ('000 NPR): 300.
<b>Component B: Income Generation and Diversification</b>						
<b>Sub-component B1: Strengthening Producer Groups (PGs)</b>						
1.1	Organizing & capacity strengthening of PGs in crops and livestock	As per approved program and PIM		100%		
1.2	Implementation of Farm Business School (FBS)	Number	32	100%		Unit cost ('000 NPR): 10000.
2	Establishing a multi-stakeholder dialogue platform among key actors in value chains	As per approved program and PIM		100%		
3	Financing simple BPs through the MGs					
3.1	Provision of matching grant to fund BPs	Number	720	Maximum 85%	Minimum 15%	Unit cost ('000 NPR): 600.
3.2	Meetings, interactions, Capacity buildings etc.	As per approved program and PIM		100%		
4	<b>Development of Critical market infrastructure</b>					
4.1	Support to village markets, collection centers, Hat Bazar infrastructure rehabilitation/improvement	Number	16	Maximum 85%	Minimum 15%	Unit cost ('000 NPR): 1500.
4.2	Support to establish handling and processing structures	Number	16	Maximum 85%	Minimum 15%	Unit cost ('000 NPR): 2000.
4.3	Capacity building for rehabilitated market staffs, PGs, relevant stakeholders, etc.	As per approved program and PIM		100%		
<b>Component C: Improving Nutrition Security</b>						
<b>Sub-component C 1: Institutional capacity strengthening</b>						
1	Institutional capacity building and strengthening	As per approved program and PIM		100%		
<b>Sub-component C2: Nutrition Field Schools and Home Nutrition Garden</b>						



Major Interventions/Activities	Unit	EoP target	Cost Sharing		Remarks	
			Project	Beneficiary		
2	Nutrition Field School (NFS)					
2.1	Establish NFSs	Number	128	100%	Unit cost ('000 NPR): 260	
2.2	Support to project implemented RMs for providing child anthropometrics assessment tools	Number	16	100%	Unit cost ('000 NPR): 120	
2.3	Support project implemented RMs for improving breast feeding rooms	Number	16	100%	Unit cost ('000 NPR): 120	
2.4	Providing small grants	Number	400	Maximum 85%	Minimum 15%	Unit cost ('000 NPR): 500
3	<b>Home Nutrition Garden (HNG) Support</b>					
3.1	Formation/strengthening existing groups targeting pregnant/nursing 1000-day mothers for establishing HNG	Groups	650	100%		
3.2	HNG support to health nutrition groups	Groups	650	Maximum 85%	Minimum 15%	Unit cost including follow-up ('000 NPR): 255
3.3	Seasonal vegetable seed support to HNGs established in year 2	Groups	325	100%		

**Table 2.4: Major and Supportive Interventions in FANSEP II**

Group Type	Major Intervention	Supportive Intervention
Crop Group (725)	1. Matching Grant (395) 2. Crop Production Promotion Program (325)	1. Demonstration (395); 2. FFS (325) 3. Small irrigation (295) 4. Mechanization support (100) 5. Improved Seed Distribution, including potato (920 mt) 6. Capacity Building
Livestock Group (625)	1. Matching Grant (325) 2. Livestock Promotion Program (Dairy-120, Poultry-60, Goat-300 = 480)	1. Demonstration (735) 2. FFS (160) 3. Seed/sets support 4. Capacity Building
Nutrition Group (650)	1. Home Nutrition Garden (HNG) for all 650 groups 2. Small Grant (400)	1. Nutrition Field School (128) 2. Training, interaction, fair/exhibition 3. Preparation and broadcasting the nutrition related BCC materials 4. Support program for local campaign (World Food Day, Breast Feeding Week, Nutrition Day etc.)

## CHAPTER 3

### 3 COMPONENT A: CLIMATE AND NUTRITION SMART AGRICULTURE TECHNOLOGY ADAPTATION AND DISSEMINATION

#### 3.1 INTRODUCTION

104. Central to this component is to focus on the promotion of climate and nutrition smart crops and livestock technologies and associated practices which were mainly identified by the Nepal Agricultural Research Council (NARC) for improving productivity. There are two sub-components of this component, namely i) Technology adaptation and testing, and ii) Technology dissemination and Farmers' skills development. Both the sub-components encompass crop and livestock technologies.

The component will work towards increasing supply of quality resources particularly seeds and breeds to farmers that were validated in the local context in FANSEP in addition to providing customized training to support demonstrations and promotional programs. Particular attention will be given to ensuring the inclusion of women, youth, and other vulnerable segments of the rural population. Community-based seed and breed production groups will be established to produce seeds and breeds which were locally practiced and tested during FANSEP. In this context, coordination and cooperation with the private seed and breed multiplier FGs will be critical. Rehabilitation of small-scale irrigation schemes will be supported which have proven to be highly successful in increasing productivity and cropping intensity. In view of increasing engagement of women in agriculture, project promoted technologies will be made women-friendly. Gender-friendly mechanization support will be provided to the producer groups. Extension services will aim at reducing the gap between farmers and research.

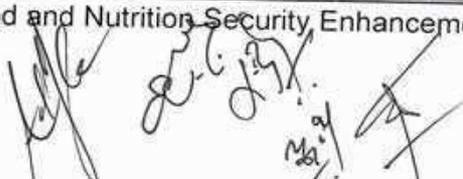
**Climate Smart Agriculture (CSA)** is an approach that aims to build climate resilience by integrating climate change into the planning and implementation of sustainable agricultural strategies. The project has identified such CSA technologies and improved practices and promoted locally appropriate solutions to increase climate resilience by addressing three interrelated elements of CSA, namely (i) sustainably increasing productivity, (ii) building and enhancing resilience (adaptation), and (iii) identifying opportunities to reduce/remove emission of greenhouse gases (GHGs) (mitigation).

Since all technologies may not necessarily be climate-smart and nutrition-sensitive simultaneously, assessing the technologies based on climate-smart and responsiveness to nutrient composition is important. Sometimes, locally available indigenous crops are more nutritious than exotic/improved varieties and crops, specifically, this applies to indigenous food crops like buckwheat and finger millet.

#### 3.2 SUB-COMPONENT A1: TECHNOLOGY ADAPTATION AND TESTING

105. **Support the implementation of climate smart agriculture technologies and improved practices in crop and livestock production:** The project will support the implementation of the 20 CSA practices (14 crops and 6 livestock) identified and validated by FANSEP during its tenure. Besides these, there are other technologies and cultivars already recommended by NARC which have the potential to be used in the FANSEP target areas.

106. FANSEP II is cognizant of the priorities of the government of Nepal on climate smart initiatives. Thus, the project will consider the recommendations of National Climate Change Policy, (2019) which has clearly identified priority areas for both crop and livestock. Detailed list of the CSA technology and practices to be used in FANSEP II are presented in Annex 8.




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**107. Training and capacity building:** In coordination with sub-component A2, the project will build the capacity of extension agents at the grassroots (municipality) level. Training and capacity development plan for FANSEP II has already been developed as per FANSEP II cost tab and agreement with FAO-TA. (Annex 3.2). The project will encourage the use of ICTs for learning and adopt a Training of Facilitators (ToF) approach to ensure that the trained facilitators (both the farmer facilitators and field technicians) will go back to their respective locations and train/facilitate FFS groups on the crop and livestock.

**108.** As indicated earlier, the project will prioritize on technologies, and varieties tested and recommended in FANSEP through "on-farm demonstrations" for which all the inputs required will be provided by the Project. This will also include establishment of Boer goat multiplier herds, crossbreeding local cow and buffalo with Jersey and Holstein Friesian and Murrah breeds respectively besides Giriraja, New Hampshire, and Black Australorp poultry. Focus on the establishment of farmer-managed goat multiplier herds for the supply of quality breeding bucks of the Boer breed at the community level will be implemented in all feasible project municipalities. Similarly, AI units will be established/strengthened in the municipalities that have committed to support and take over the functions from the start of the process. The AI will help in upgrading the cattle and buffalo population and increase the milk productivity of these animals. For poultry, 6-8 weeks brooded chicks of Giriraja, New Hampshire, and Black Australorp will be sourced from reliable/ registered hatcheries (both government as well as private sector).

### 3.2.1 Objective

**109.** The main objective of this sub-component is to support the implementation and adaptation of climate-smart and nutrition-sensitive crop and livestock production technologies by the members of producer groups as per their local context and needs.

### 3.2.2 Expected outputs

**110.** The main expected outputs of this sub-component are:

- 23,625 farmers adopted CSA agricultural technology and improved practices.
- Productivity of food grains, vegetables, meat and milk increased by 15%, 25%, 20% and 15%, respectively.
- Increased availability (supply) of improved inputs (58 MT of foundation seeds, 78000 number of pre-basic seeds, 915 MT of improved seeds) and improved agronomic, husbandry, and post-harvest practices.
- Strengthened capacity of extension agents of agriculture and livestock at RM level.

### 3.2.3 Activities

**111.** Activities to be supported under this sub-component include (a) on-farm demonstration of CSA technologies and practices, (b) provision of improved seeds and breeds that were validated in the local context in FANSEP, and (c) training relevant to such demonstrations and distribution.

**Activity 1: On-farm demonstration of CSA technologies and practices:** The key objectives of demonstrating CSA technologies and practices are to, (i) introduce new technologies and improved practices in the producer groups, (ii) learn about and adopt climate resilient and improved practices, (iii) raise awareness for increased uptake of improved seeds and technology, and (iv) build farmer capacity to analyse and solve problems on their own. The Project will demonstrate 14 climate smart technologies and improved practices for crop and 6 for livestock, recommended by NARC in FANSEP. The demonstration package will also include the technologies and improved practices recommended by NARC and CSA practices



promoted by the WB in similar agro-ecological region to FANSEP II which are presented in Annex 8.

- 112.** Altogether 9875 farmers from 395 crop producer groups (each group consists of average 25 members) will be targeted to participate in on-farm demonstrations related to crops. Demonstrations will be conducted through the project formed PGs. Inputs required such as seeds, fertilizers, poly-houses, agro-chemicals, tools, and equipment for demonstrations will be provided free of cost from the project. To disseminate the learnings of demonstration, field days should be organized and 20-30% of the total cost of the demonstration can be allocated to field days and documentation.
- 113.** Successful raising of livestock will depend on availability of quality feed and proper management of livestock. To support this, FANSEP II will demonstrate 360 livestock related validated CSA and improved technologies on cultivation of different varieties of oats as a winter forage, comparative testing of different breeds of goat (local vs Boer), feeding animals with UMMB, use of Ivermectin to control the parasites of goats. Backyard poultry farming using Giriraja, New Hampshire, and Black Australorp all of which have been found to be beneficial for farmers. Other important technologies, such as inclusion of legumes with the grasses in livestock feeding, flushing goats during breeding season, teat dipping with povidone iodine solution, vaccination against the infectious and communicable diseases, castration of bucks at the age of three months, use of AI in animal breeding are some of the improved practices to be demonstrated.
- 114.** The improved animal shed provides a confined space that protects animals from cold, sun, and rain. Unlike traditional sheds with muddy floors, which make resting difficult, are hard to clean, and lead to urine loss, the improved shed enhances farmyard manure (FYM) quality. FYM, a key organic fertilizer in Nepal, boosts crop production and soil fertility, supporting ecological farming. This management practice optimizes animal dung and urine collection and use, reducing environmental pollution and reliance on chemical fertilizers, reducing greenhouse gas emissions, and lowering production costs. To achieve this objective, project will carry out 375 demonstrations on livestock shed improvement and FYM management.
- 115.** The project will carry out demonstrations and field days which will be integrated into the ongoing FFS, whereas, in other crop and livestock producer groups, demo farmers will be identified by the groups themselves based on the interest, suitability of land, and prime location for the demonstrations. This will not only save time but also provide greater learning environment. In consultation with the FFS members, the FFS facilitator will invite the farmers involved in the demonstration on these events. All the cost and inputs required to organize demonstrations and field days will be provided by the project at free of cost.
- 116.** The project aims to assist a total of 725 crop producer groups and 625 livestock producer groups. Not all the PGs will be covered via the on-farm demonstration. The choice of participating PGs will be determined by various essential criteria, such as the planned FFS locations, the readiness of the PGs to engage in the demonstration, the strategic positioning of the PGs to maximize demonstration impact, and the availability and appropriateness of the land and animal types for the technology being demonstrated. Among the members of PG, one member will be selected by the group to rollout demonstration. The selection of the farmers for demonstrations will be based on established criteria such as, (i) democratic selection of members in consultation with farmer group, (ii) availability of land based on the type of commodity to be demonstrated. (e.g., 500 square meters for forage demonstration), and (iii) number of lactating animals with him/her in the case of livestock. Selection of beneficiaries/participants for project supported activities such as FFS, demonstrations will be done in coordination with relevant officials from the local government. Refer to Table 3.1 for



details on the activities for on-farm demonstration of CSA technologies and practices. The budget details for each demonstration will be as detailed in **Annex 7.1**.

**Table 3.1: On-farm demonstration of CSA technologies and practices in crops and livestock**

S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Demonstration of crop-related validated CSA and improved technologies	Number		125	150	120	395
2	Demonstration on livestock shed improvement and FYM management	Number		118	182	75	375
3	Demonstration on livestock-related validated CSA and improved technologies	Number		156	146	60	362

**Activity 2: Provision of foundation and improved seeds that were validated in the local context in FANSEP**

117. Experience has shown that yield increases up to 15 to 20 percent can be realized just by providing quality seeds. Thus, FANSEP will embark upon provision of improved seeds of cereals and vegetables to its beneficiary farmers. Both source seeds and improved seeds will be secured from NARC and other registered private companies using competitive bidding process. About 58 MT of foundation seeds of rice, maize, wheat, and potato pre-basic seeds will be distributed on 85% subsidy and that will produce 8381 metric tons of improved seed. The seeds produced from FANSEP supported seed producer groups/farmers will be tested and duly labelled by the SQCC authorized seed laboratory under the province prior to the distribution. The foundation and improved seed procurement and distribution process will be guided by the seed multiplication and distribution strategy of FANSEP II, the brief of the strategy is presented in Annex 3.1 VII. The quantity indicated above may not be sufficient to meet the local demand. Thus, the Project will carry out demand assessment and meet the short fall either by increasing production target or linking up with other seed producer farmers in the working areas or other registered sources. Likewise, 915 MT of improved seeds of rice, spring rice, maize, wheat, lentil, and potato (basic seed), and seasonal vegetables will be provided to the farmers and FGs on 85% subsidy. Table 3.2 provides a summary of foundation seed distribution to the Seed Producer Groups and the cost details are as per **Annex 3.1 VII & 7.1**.

**Table 3.2: Details of the activities for the provision of improved seeds in FANSEP II**

S.N.	Details of activities	Unit	Target				Total project target
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
<b>1. Distribution of foundation seeds for SPGs</b>							

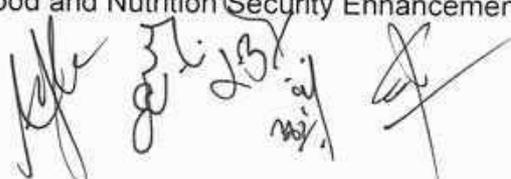
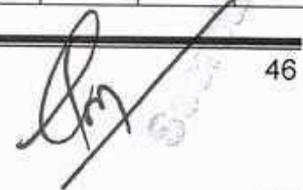
S.N.	Details of activities	Unit	Target				Total project target
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1.1	Rice	MT		5	8		13
1.2	Maize	MT		2	2	2	6
1.3	Wheat	MT		13	13	13	39
1.4	Distribution of potato (pre-basic seed tubers)	Number		26000	26000	26000	78000
<b>2. Distribution of improved seeds to farmers</b>							
2.1	Rice	MT		40	60		100
2.2	Spring rice	MT		6	10	10	26
2.3	Maize	MT		14	10	10	34
2.4	Wheat	MT		90	150	150	390
2.5	Lentil	MT			10	10	20
2.6	Potato (basic seed)	MT		145	100	100	345

### Activity 3: Training relevant to demonstrations and distribution

118. Training and capacity building of both farmers and technicians are important to ensure effective dissemination and uptake of CSA technologies. FANSEP II will provide training on CSA practices to farmers, technicians and extension agents from municipalities in the context of their agro-ecological environment. Some of the activities planned include (i) one-week forage resource centre and nursery management training for farmers, (ii) two-week duration training for technicians on AI, (iii) one-week refresher training for technicians on AI, (iv) seed production training to the representatives of SPGs, (v) ToT on FFS to municipal technicians, (vi) three-day long cluster level training courses on seed production and management, use of farm machineries, and agriculture and livestock insurance. Details of the activities are shown in Table 3.3 and the associated cost is presented in Annex 7.1.

**Table 3.3: Strengthening advisory services and skill development**

S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Forage resource centre and nursery management training to farmers	Times		4	4		8
2	Training for technicians on AI (2 weeks)	Times		2			2
3	Refresher training for technicians on AI (1 week)	Times			2	2	4

4	Seed production training to representatives of Seed Producer Groups (SPGs)	Times		4	4	4	12
5	ToF on FFS (Crop & Livestock) to municipal technicians	Times			2		2
6	Cluster-level training on Seed production and management training; Farm machinery operation and maintenance; Agriculture and Livestock Insurance (3 days)	Times			8	4	12

### 3.3 SUB-COMPONENT A2: TECHNOLOGY DISSEMINATION AND FARMERS' SKILLS DEVELOPMENT

119. This sub-component aims to increase the productivity of crops and livestock by enabling farmers in the project area to adopt improved agricultural production technologies and management practices (especially those promoted under sub-component A1).

#### 3.3.1 Objectives.

120. The main objectives of this sub-component are to:

- enable farmers to master the management skills (CSA technology and improved practices) required for sustainable production, and intensification of agriculture practices.
- give farmers the practical skills required for informed, decision-making based on accurate problem analysis in their local contexts.
- provide access to technology to 27000 farmers (at least 65% women) through the participation in different technology dissemination services.

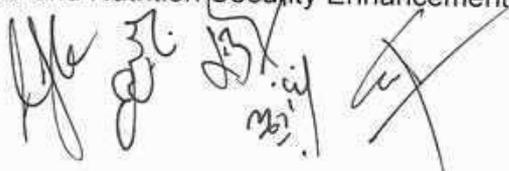
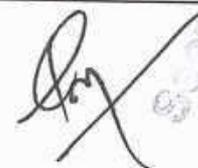
#### 3.3.2 Expected outputs.

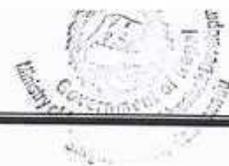
121. The expected outputs from this sub-component are:

- increased number of farmers accessing CSA technology on crops and livestock through engagement in 485 FFS (325 crops and 160 livestock).
- 27000 farmers accessed with technology dissemination services delivered by the project (of which 65% are female).
- 23, 625 farmers adopting improved crop and livestock production technologies.
- community-based seed production system established in FANSEP RMs and FANSEP II RMs through the establishment of 24 seed producer groups (8 in FANSEP RMs and 16 in FANSEP II RMs) and improved seed replacement rate.
- community managed 16 Boer goat multiplier herds, 16 AI units and 16 forage resource centres with nurseries established and strengthened.
- 1200 ha of land irrigated with the support of 395 small-scale irrigation schemes for the poor and marginalized farmers.
- women and marginalized groups increased access to agriculture mechanization with the provision of mechanization based upon the feedback received from the PCUs and support to 100 PGs across the project areas.
- farmers, PGs, technical officers, and field technicians trained, and capacity strengthened at RMs level

#### 3.3.3 Activities

122. Key activities under this sub-component include: (i) conducting 485 crop and livestock FFSs; (ii) establishment of 16 artificial insemination (AI) units; (iii) establishment of 16 goat



multiplier herds; (iv) establishment of 16 community-level fodder resource centre with nurseries supporting plantations covering 320 ha; (v) promotion of community seed programs for improved seed replacement rate through establishment of 24 community-based seed production groups; (vi) 325 crop promotion programs; (vii) 300 goat promotion programs, 120 dairy promotion programs, and 60 rural poultry promotion program, (viii) support 400 small-scale irrigation schemes covering 1,200 ha, including conservation of intake sites (spring sheds) to capture and store runoff water and arrest soil erosion in project RMs, and (ix) provide mechanization support to 100 PGs across the project area, with prioritized access for women producers. However, based on the similarities of the above-mentioned nine activities, they are grouped into four broad programs which are described below.

### Activity 1: Farmer field school in crop and livestock and adoption support program

**123.** The project will promote participatory learning, skills development, and dissemination through FFS. To contextualize FFS the existing FANSEP curriculum are revised and updated based on the lesson learned from the FANSEP to suit the project area and farmers' needs. This revision and update were made after series of consultations, meetings, and discussion with the officials of respective PCUs, PMU, and FAO TA team followed by the consultation workshop with the experts held on 7-10 January 2025 at Kathmandu. Farmer Field School is a well-established extension approach focused on 'learning by doing' and 'seeing is believing' which builds upon principles of adult education and experiential participatory learning and will be used to implement the package of practices to demonstrate climate smart agricultural and livestock technology and improved practices, deliver targeted training programs, and integrated extension services to the targeted farmers for rice, maize, potatoes, and vegetables in crops, and dairy, goat and poultry in livestock. Producer groups will, thus, be enabled to see and assess the benefits, first-hand and informed decisions as to which technologies and practices are most suitable for their farming systems. Following the rollout of FFSs, the members will be provided with adoption support which includes seeds, breeds, fodder resources, and basic tools to promote the newly acquired skills in their fields in the following season. Particular attention will be given to women's participation to ensure that the technologies and activities supported address their needs.

**124.** This program will include activities like establishing FFSs for crops, potatoes, vegetables, goats, poultry, and dairy, distribution of seasonal seeds of vegetable, and forage crops for wider adoption and group support for drudgery reduction on farm machinery and equipment. The selection of participants of the FFSs is guided by FFS manuals which include, (i) participant must be natives of the target community, (ii) agriculture/livestock farming is the major source of their livelihood, (iii) experience and mature farmer, (iv) farmer from poor and marginalized community, (v) commitment to provide time for FFS, and (vi) interest in learning. Wherever possible, priority will be given to the female farmers of the groups. The trainers of these FFS should have the ability (i) to mobilize the groups, (ii) be able to clearly communicate, (iii) be able to make quick decisions, (iv) be friendly, loyal, time bound, and confident, (iv) respect others' view and ideas, (v) disciplined and well respected in the community are some of the basic characteristics of the facilitators. The location of the FFS would be the place convenient to almost all the participants as identified by themselves. The duration of the FFS course will be of one complete production period for the crop FFS and for the livestock FFS it will be of 8-10 months. There will be 15-17 sessions that includes three preparatory meetings, one stakeholder consultation meeting, and one farmers' field day. The farmer field day will be organized at the end of the FFS. The details of FFS curriculum, farmer and facilitator selection criteria, modalities, and reference materials are provided in the crop and livestock (goat,

poultry, and dairy) FFS manuals. This program also includes the emergency plant protection support program through an Integrated Pest Management (IPM) approach and animal health camps in collaboration with the project RMs. The project will conduct animal health camps in collaboration with the respective RMs and veterinary hospital and livestock services expert centres of the districts for vaccination, disease control and awareness raising. The budget ceiling/cost, and provisions for FFS will be as per approved FFS guidelines and **Annex 3.1 (Crop 3.1 IV & Livestock 3.1 V)**. Summary of the activities is presented in Table 3.4, and detailed cost at Annex 7.1.

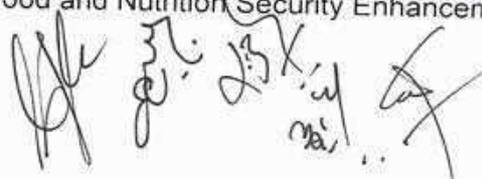
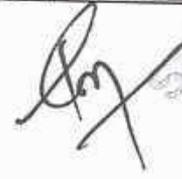
**Table 3.4: Farmer field school in crop and livestock and adoption support**

S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Establishing FFSs (crops, Potatoes, vegetables)	Number		125	125	75	325
2	Establishing FFSs (goat, poultry, dairy)	Number		80	80		160
3	Farm machinery and equipment support to groups for drudgery reduction and resilience (female, Marginalized, and DAGs)	Number		100			100
4	Emergency plant protection support programs (IPM)	Number		16	16	16	48
5	Animal health camps in collaboration with project RMs (Support for veterinary medicines, vaccines, and other logistics)	Number		16	8	8	32

### Activity 2: Seed and breed improvement program

**125.** For the genetic improvement of dairy animals mainly cattle and buffaloes, the project will promote **artificial insemination (AI) technology**. For this, each project municipality will be supported to strengthen or establish the AI unit for improving the access to service to the beneficiaries. As mentioned in the annex 3.1 (VI), the support for AI is contingent upon demonstrable commitment from the respective RMs to run these units from their own resources for sustainability. The livestock technicians of the municipalities will be provided training on artificial insemination to enhance or refresh their skills and the National Livestock Breeding Office (NLBO) of the DLS will be coordinated for a regular supply of liquid nitrogen and frozen semen (Jersey and Holstein Friesian for cattle and Murrah breed for buffalo). As in general AI program run by the GoN, as the revenue, the beneficiaries will pay the cost of semen straw, it is currently NRS. 25 per dose of semen, for the AI of cow or buffalo. The unit will be run with the commitment of the respective RMs.

**126. Promotion of crossbred Boer goat farming through the establishment of 16 community managed Boer goat multiplier herds:** The goat multiplier herds managed by the farmers will be developed in each project's rural municipalities. As far as possible, the



purebred Boer buck procured from NLBO, Goat Genetic Resource Centre under the DLS, and Goat Research Centre under NARC will be distributed. Based on performance evaluation, following the setup protocol developed by the DLS and Animal Breeding Division of NARC, the crossbred bucks will be selected and made available to goat producer groups for genetic improvement of native goats of both hills and Terai clusters. The project will provide 100% pure Boer bucks, two bucks in each herd, to upgrade the performance of local goat in the project RMs. Subsequently, the project will also provide one 100% pure buck in each multiplier herds to support and strengthen the program and make the herds sustainable for the production and distribution of 50% crossbred bucks for the meat productivity enhancement of the goats in the project RMs. The project, as mentioned in the **annex 3.1 (III, a)**, has made the provision for the necessary budget to support the data collection, recording and documentation. The beneficiaries involved in this program will contribute at least 15% of the total cost either in cash or kind or both. The bucks and does produced from these programs will be procured by the PCUs, with high priority, by following the general rules and regulations of the Government of Nepal, to carry out their approved annual programs of the project. Remaining bucks and does are either kept with the farmers to increase their herd size or sold out to the near communities or to other buyers. The number and schedule for distribution and associated budget are reflected in Annex 7.1.

**127.** In addition to the establishment/strengthening of AI Units and Boer goat multiplier herds in project RMs the project will also support goat, dairy, and rural poultry production promotion program and follow-up supports. To further support this, the project will establish the community-level forage resource centres with nurseries for a better supply of fodder and forage to the livestock and dairy production. Necessary budget and details for the forage resource centre with nursery has been mentioned in the **annex 3.1 VII**.

**128. Promotion of community seed program for improved seed replacement rate through the establishment of 24 community-based seed production groups:** Assessment of the existing SPGs from the FANSEP RMs and potential farmer groups of FANSEP II RM will be done in consultation with the agriculture section of the respective RMs. Discussion meetings will be organized with the potential SPGs to assess their potential for producing, processing, storing, and marketing of different crop seeds. During the meeting, the potentialities, basic facilities, and technical experiences available to run the seed business/enterprise will be assessed. The basic facilities will also include the irrigation facilities available in the seed production plot of the SPG members to produce crop seed because irrigation is one of the most important factors for quality seed production. The project will select at most 8 existing seed producer groups from FANSEP RMs and will identify at least 16 new seed producer groups in the FANSEP II RMs. The project will provide quality foundation seeds in close coordination with NARC and licenced seed producers. From this foundation seeds, improved seeds will be produced by the members of SPGs under the supervision of SQCC authorized provincial seed laboratories. The seed producer groups will be further trained and supported with crop inspection, crop harvesting, seed sampling, seed testing, and certification facilities so that they will produce quality seeds that will be sold out to the community people and other farmers. During the later period of the project, the SPGs will be linked with Digitally Enable Seed Information System (DESI-2) for placing the source seed demand and Digitally Enabled Seed Management System (DESES) to sell the seeds throughout the country including the Government of Nepal seed subsidy program.

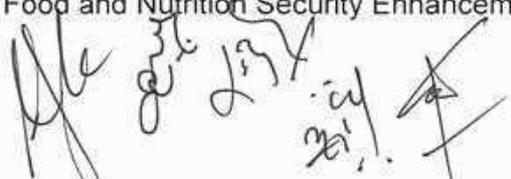
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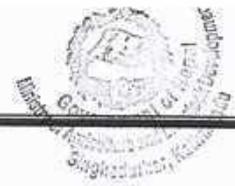
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129. The SPGs shall be trained, and their crop will be inspected by the inspector during seed production. In addition, four priority crops (rice, maize, wheat, and potato) will be promoted for seed production. A sum of 58 metric ton of foundation seeds will be provided to the SPGs. Besides, the SPGs will be trained on seed production and 3 days cluster level training will be organized for them on seed production, management, farm machinery operation, maintenance; and agriculture insurance. Likewise, support to be provided to the existing SPGs for the establishment of 24 community-based seed production systems (support for field inspection, seed harvesting, seed sampling, lab test, tagging and bagging with technical backstopping and quality assurances and control through SQCC/provincial seed labs). The annual targets are presented in Table 3.5, the project and SPGs contributions for the establishment of community-based seed production program is presented in annex 3.1 VIII, and cost of activities details are given in Annex 7.1.

**Table 3.5. Activities details under the seed and breed improvement program**

S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Establishing/strengthening AI Units in project rural municipalities for breed improvement	Number		16			16
2	Follow up support programs for established new AI units in new RMs	Number			16	16	32
3	Strengthening of existing AI units in project rural municipalities of FANSEP	Number		11	11		22
4	Establishment of famer managed Boer goat multiplier herds/units (in new RMS)	Number		8	8		16
5	Follow up support to established farmer managed Boer goat multiplier herds/units (in new RMs)	Number			8	8	16
6	Follow up support to established farmer managed Boer goat multiplier herds/units (in existing FANSEP RMs)	Number		15	15		30
7	Establish forage resource centers with nursery at community level	Number		16			16
8	Follow up support for forage resource centers with nursery at community level				16	16	32
9	Support to existing (FANSEP RMs) and New (FANSEP II RMs) Seed Producer groups for seed production support (field inspection, seed sampling, lab test, tagging and	Number of SPGs		24	24	17	24



S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
	bagging with technical backstopping and quality assurances and control through SQCC/central agriculture lab/ provincial seed labs) SQCC/central agriculture lab/ provincial seed labs)						
10	Distribution of seasonal forage seeds/sets/saplings for wider adoption in dairy and goat PGs	Times		16	8	8	32
11	Distribution of seasonal vegetable seeds for PGs	Times		8	8	8	24

### Activity 3: Provision of promotion program (crops and livestock)

**130.** The project will implement crop and livestock promotion programs and their follow-up support. The Crop production promotion program will follow the modality and budgetary requirements **as per annex 3.1 IX**. The Livestock promotion programs include (i) Goat production promotion program, (ii) Dairy production promotion program; and (iii) Rural poultry promotion program. These Livestock promotion programs will be implemented based on the approved guidelines **and annex 3.1 I, II & III**.

**131.** Production and productivity of most of the staples are already very low. Thus, the crop promotion program aims to boost the production and productivity using improved technologies and practices that are location specific. Target crops are cereals such as rice, wheat and maize and vegetables including potato. Cereals will be accorded 70% weightage of the total target while minor crops (native to the locality, have nutrition value and neglected)-and vegetables will be accorded 10% and 20% weightage, respectively. Factors to be considered in selecting the crops are (i) priority of the targeted community, (ii) nutritional value, (iii) resilience to climate change, (iv) market potential, (v) labor demand, and (vi) ease of adoption and management requirement. The selection criteria for crop promotion programs are provided in **Annex 3.1 IX**.

**132.** Through the availability of a range of options the crop production promotion program is expected to increase the area of cultivation and to boost the productivity. Crop promotion program will be granted to the eligible PGs. Members of the producer groups will use the crop promotion program to adopt the recommended and improved production practices. For a single crop promotion program, the minimum area to be covered by the technology through promotion program will be 3 hectares for cereals and 1 hectare for vegetables, minor crops (underutilized or neglected crops), and potato.

**133.** The crop production promotion program will be implemented on a cost-sharing basis. Subsidy will be provided after the assessment of the submitted proposal. The extent of support provided will not exceed 85% of the total cost as per the detailed breakdown and the assessment criteria for crop production promotion are provided in **Annex 3.1 IX**. Details on annual and total targets are presented in Table 3.6, and their costs are given in Annex 7.1.

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Table 3.6 Activities details under the crop and livestock promotion program

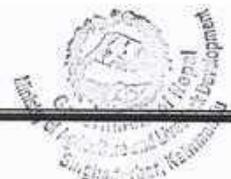
S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Crop production promotion program	Number		125	125	75	325
2	Goat production promotion program	Number		150	150		300
3	Follow-up support to goat production promotion program	Number			150	150	300
4	Dairy production promotion program	Number		60	60		120
5	Follow-up support to dairy production promotion program	Number			60	60	120
6	Rural poultry promotion program	Number		30	30		60
7	Follow-up support to rural poultry promotion program	Number			30	30	60

**Activity 4: Support for climate-resilient irrigation program**

134. This program includes support for small irrigation, the establishment of deep tubewell irrigation, and their support programs. The FANSEP II will support a small irrigation program (general schemes), and deep boring/tubewells that were initiated under FANSEP. A total of 395 small irrigation schemes will be supported, besides the completion of 8 Deep boring in the existing RMs of FANSEP initiated in the preceding phase. Detailed target and cost of the activities are given in Table 3.7 and Annex 7.1.

Table 3.7. Activities details of the climate-resilient small irrigation program

S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Support for small irrigation programs (general scheme)	Number		195	200		395
2	Establishment of Deep boring/tube well in new RMs	Number			5		5
3	Follow-up support for Deep boring/tube well in new RMs	Number				5	5



4	Follow-up support for Deep boring/tube well in existing RMs	Number	8			8
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**135. Deep tube wells** will be constructed in FANSEP II implemented terai districts namely Siraha, Saptari, Dhanusha, and Mahottari. The implementation process of deep tubewells (DTWs) in FANSEP II will follow several technical, administrative, and community-related processes and steps. The DTWs construction will be completed in two phases. The first phase consists of the construction of deep boring, testing, pump installation, pump house construction, overhead tank construction, three phase electricity connection including wiring, transformer connection, and panel board including Time of Day(TOD) meter connection. After completing the first phase, the remaining work like reviewing and updating the design and estimate of the distribution system, procurement and mobilization for distribution system construction, testing, and public hearing will be completed in the second phase. Therefore, it takes two fiscal years for the completion of the whole process. The details of Implementation Process Proposal screening criteria of DTWs are mentioned in **Annex 3.1 (XI)**.

**Activity 5: Mechanization support to the producer group**

**136.** This Project will also provide mechanization support to 100 producer groups across the project areas, with prioritized access for women producers. Small-scale appropriate machineries<sup>32</sup> for seed sowing/planting, interculture operations including fertilization and irrigation, harvesting and processing will be supported from this project. Particular attention will be given to women's participation, prioritizing their empowerment and meaningful engagement not just as a participant but also to ensure their active role in decision-making processes, including the selection of topics of experiential learning as per their needs and choices. The selection criteria for farm machineries and equipment support to groups for drudgery reduction and resilience (female, Marginalized and DAGs) are presented in **annex 3.1 X**.

**3.4.4 Other Miscellaneous Activities**

Other detailed activities to be undertaken under this Component A are provided in the activity plan and cost tables in **Annex 7.1**.

<sup>32</sup> Appropriate machinery includes zap planter for maize seed sowing, push row seeder, and garden planter for sowing maize, soybean, pea, radish, cauliflower, and cabbage seeds, hand-operated bag spreader for fertilizer application, zero till seed drill, multi-crop planter, and mini tiller seed drill for rice, wheat, lentil, and maize planting, drum seeder for sowing of soaked rice seeds in the puddled field, wheel hoe weeder for removing weed in wheat, lentil, and vegetables dry field, Cono weeder-for removing weed in rice field, solar pumps, and electric pumps, a paddle thresher for rice threshing, an electric open drum thresher for rice and wheat threshing, and an electric maize sheller, for community maize threshing purposes.

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## CHAPTER 4

### 4. COMPONENT B: INCOME GENERATION AND DIVERSIFICATION

#### 4.1 INTRODUCTION

137. This component will contribute to the achievement of the PDO by strengthening household and community capacities in managing their productive assets more efficiently, stimulate market linkages, raising their income and build their resilience to climate risk. The objective of Component B is to improve and diversify the income generating capacity of targeted beneficiaries by reducing transaction costs through investments in critical business skills and productive assets, supporting value-added activities, and building market linkages. This component will consist of two sub-components viz. **Sub-component B1: Strengthening Producer Groups (PGs) and Sub-component B2: Market linkages through Productive Alliances (PAs).**

#### 4.2 SUB-COMPONENT B1: STRENGTHENING PRODUCER GROUPS (PGs)

##### 4.2.1 Objective

138. This sub-component aims to organize and strengthen PGs representing the targeted smallholder farmers by organizing them around commodities of common interest, and enhance their capacity in terms of good governance and leadership skills, group dynamics, decision-making, problem-solving and risk management, book-keeping, meeting organization, agricultural seasonal planning, marketing, value addition, preparation of simple business plans, and simple M&E.

139. The component will build on Component A by working with the PGs to increase their market orientation, complementing the productivity enhancing skills acquired through the FFS approach.

##### 4.2.2 Expected Results

140. The main expected output of this sub-component is formation and strengthening the capacity of 1350 (725 crop and 625 livestock) PGs on entrepreneurial skills and help them develop saleable business plan (BPs). In addition, the support will also include helping the producer groups (PGs) in market structure construction/rehabilitation, processing and handling of agricultural products including the preparation of operation and maintenance (O&M) manual of established structures and building the capacity of market executive members and their staff.

##### 4.2.3 Key Activities

#### Activity 1: Organizing & capacity strengthening of PGs in crops and livestock

141. Key activities to be supported in this sub-component include:

- organizing/formation of 1350 PGs;
- three days training to PGs on business management;
- one-day training to PGs on agriculture seasonal planning;
- two-day training on gender mainstreaming;
- a three-day district level training to PGs representatives on preparation of simple business plan and entrepreneurship development;
- one-day RM level orientation program for PGs about PAs; and
- implementation of 32 Farm Business School (FBS).

All the budget ceiling/cost and expenditure details of FBS will be made **as per Annex 4.2 I**. The project will use FANSEP guideline, curriculum and manual to implement the FBS. Details are given in **Table 4.1** and Annex 7.1

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Table 4.1: Organizing &amp; capacity strengthening of PGs in crops and livestock

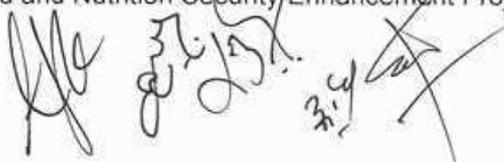
S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Organizing/formation of PGs	Number	1350				1350
2	Beneficiary selection survey for FANSEP II	Times	1				1
3	Providing training on gender mainstreaming (RM level) (2 days)	Number		16	16	8	40
4	Providing district level training to PGs representatives on preparation of simple business plan, ESMF and entrepreneurship development (3 days)	Number		16	16	8	40
5	Cluster level interaction program for productive alliances among PGs, financial institutions, buyers, suppliers and stakeholders	Number		4	4	4	12
6	Orientation program to PGs and Pas (RM level) 1 day	Number		16	16	8	40
7	Implementation of Farm Business School (FBS)	Number		16	16		32

#### 142. Organizing/Formation of Producer Groups

In general, each PG will comprise of 25 members. The groups will serve as a common platform for the members in ensuring access to multiple services. The members will be brought together in view of their solidarity around their common needs, economic activities and development potentials. While forming the group, the potential members will be familiarized with the scope and benefit of their united action as producers. It is to be ensured that no members from the same household are engaged in crop and livestock groups simultaneously. This means, a member can only join one group, either crop or livestock. All the groups will have to be registered in the RM, have established a bank account, and acquired personal account number (PAN). Participation of women in each group must be maintained at least 65 percentages. The group must organize regular monthly meeting, maintain minute register and regular monthly saving to generate saving the fund.

143. In order to develop common understanding among PGs about the activities to be pursued, they will be oriented on the following aspects:

- Name of the PG,
- Objectives and activities,
- Membership norms
- Functional committee/sub-committees,
- Office bearers in each committee (e.g. Chairperson, Secretary, Treasurer),
- Roles and responsibilities of the office bearers and members,
- Resource mobilization strategy,
- Bookkeeping arrangements,
- Frequency of meetings,
- BP preparation.






144. Table 4.1, 4.2 and 4.3 present tentative activities to strengthen PGs which are disaggregated by (a) direct support or intervention to PGs, (b) capacity enhancement related activities to enable the technical staff to enhance their capacity to support PGs and complementary activities to be undertaken by PCUs or RMs as part of activities to strengthen their capacities. These complementary activities will need to be undertaken in order that they will be able to support PGs effectively as envisaged by the project.

#### **Capacity Building of Producer Groups**

145. Activities for capacity building of PGs will include imparting knowledge and skills on leadership, governance, group dynamics, gender mainstreaming agriculture seasonal planning, preparation of simple BPs and entrepreneurship development and business management, and negotiation skills with buyers and input suppliers. These activities will be facilitated through PCU staff, FAO TA cluster level value chain specialists and field level technicians. FBSs will be conducted through trained FBS facilitators. and FFS comes under component A and facilitated through trained FFS facilitators crop and livestock.

### **4.3 SUB-COMPONENT B2: MARKET LINKAGES THROUGH PRODUCTIVE ALLIANCES (PAs)**

146. This subcomponent will consolidate linkage between producer organizations and buyers including micro, small, and medium enterprises; traders; and rural financial institutions (where feasible) through Productive Alliances by financing business plans to meet the goals of the agreement. The activities financed under this subcomponent are: (i) provision of around 720 matching grant schemes for targeted beneficiaries to finance the business plans developed under Subcomponent B1; and (ii) formation of 16 multi-stakeholders' dialogue platforms at the RM level. In FANSEP MSDP facilitated the interaction among the stakeholders of value chain, resolved some implementation level issues, established PAs. The matching grant programs will be established and executed in accordance with the small and matching grant operating guidelines developed under FANSEP, with appropriate revisions made as necessary. The multistakeholder dialogue platforms are expected to provide opportunities for the buyers, producers, and service providers to meet, interact, and explore business opportunities. In addition, around 32 critical infrastructures such as collection centers, storage, markets, and processing and grading facilities will be established to strengthen the supply chain and reduce postharvest losses. The design of these infrastructures will be climate friendly. Major areas to be focused on in this sub-component will include: (i) mapping of key value chain actors and factors; (ii) establishment of a multi-stakeholder dialogue platform; (iii) financing simple BPs through MGs and (iv) supporting the development of critical market infrastructure.

#### **4.3.1 Objective**

147. This sub-component aims to consolidate the linkages between PGs and market actors, including micro, small and mid-size enterprises, traders, by: i) deepening the understanding of agriculture value chains and markets in the targeted areas; ii) developing a multi-stakeholder dialogue platform bringing together the producer base and market actors; iii) the provision of financing for simple BPs developed under Sub-Component B1 through a MG scheme; and iv) financing the upgrade/rehabilitation of critical market infrastructure.

#### **4.3.2 Expected Results**

148. The expected results of this sub-component are:

- 1350 number of producer groups supported with the major project interventions inter-linked with component A. This support includes training, seed, breed to increase the productivity of crops and livestock, increased access to market and increased income of households.
- 720 numbers of simple BPs financed by the project through MGs; through these matching grants the income of PG members is expected to be increased.

- 32 numbers of critical market infrastructure constructed/rehabilitated for easy and efficient marketing of agricultural produce, and
- Establishment of market linkage through productive alliances and multi-stakeholder dialogue platform among key actors in value chains established

#### 4.3.3 Activities

##### Activity 1: Market linkages through multi-stakeholder dialogue platform

149. This will include establishment of RM level multi-stakeholder dialogue platform involving key value chain actors and organizing meetings with the objective of facilitating the formation of an alliance between producer and buyers. The platforms will be established based on the revised guideline. The PCUs, cluster level specialists and field level technicians will facilitate the MSDP formation and meetings where the producer, buyer and other service providers such as agrovets, cooperatives, collectors etc. will have an opportunity to discuss business options. Details of these activities are presented in **Table 4.2 and Annex 7.1**.

**Table 4.2: Details of activities for market linkage development**

S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Orientation and formation of RM level multi-stakeholder dialogue platform (involving key actors of value chain)	Number		16			16
2	Meeting of RM level multi-stakeholder dialogue platform	Times		32	32	32	96

##### Activity 2: Financing simple BPs through MGs

150. Altogether 720 MG schemes will be financed for eligible BPs that demonstrate real potential for income generation and diversification. Eligible PGs will receive MGs in accordance with the procedures outlined in the small and matching grant guidelines (summary included in **annex 4.1**) and figure 4.3. As an outcome/impact of MG, increased net farm income (total revenue- total cost) will be assessed by gathering representative sample of members of the PGs that are recipients of matching grants by administrating a questionnaire. Data will be gathered during baseline, midline and endline.

151. For this the project will form a cluster level selection committee for the selection of BPs, chaired by PCU chief. Committee members will include section chief of agriculture/livestock/health of the concerned RM, representative of RM level farmer's association/networks, and representative of MFIs. Agriculture officer of PCU as appointed by PCU chief will act as member-secretary in the selection committee. The details of these activities are presented in Table 4.3 and Annex 7.1. The budget ceiling/cost, subsidy and expenditure details for matching grants will be **as per Annex 4.2 II**.

Table 4.3: Financing simple BPs

S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Provision of matching grant to fund BPs	Number		275	275	170	720
2	Field verification for screening of matching grants	times		275	275	170	720
3	Formation of project cluster level selection committee for selection of business plans	Number		4			4
4	Interaction program with PGs	Number		20	16	16	52
5	Cluster level technical session of PCUs with field level technicians and project facilitators	Number		24	24	16	64
6	Orientation on E & S safeguards and compliance with project staffs (PMU & PCUs)	Number		1			1
7	Refresher workshop on E & S risk management and their compliance monitoring process with project staffs	Number			1	1	2
8	Cluster level training on E & S, ESMF and compliance to field technicians	Number			4	4	8
9	Orientation on ESMF to beneficiaries of the matching and small grant and other project activities (RM level)	Events		16	16	16	48
10	RM level Orientation program on GRM mechanism to famers/technicians	Events			16	8	24
11	Periodic Stakeholder consultation on E & S in project areas	Events			4	4	8
12	Cluster level training to field level technicians on occupational health and safety (2 days)	Events		4			4
13	E & S risk and compliance monitoring reporting interaction with Field Level technicians (1 day)	Events		8	4	4	16

Implementation and administration of MG and SGs will follow the guideline/manual prepared during FANSEP, with appropriate revisions made as necessary. The eligibility criteria will include: (i) the PG must be a project beneficiary registered in the RM, (ii) have a PAN, (iii) the proposals must address the targeted commodities of FANSEP II, (iv) 65 percent membership must be women, (v) self-declaration of not receiving grant from other organization within the last two years, (vi) ability to commit least 15 percent contribution from PG, (vii) meet safeguard requirements, and (viii) evidence of buy back agreement<sup>33</sup>. If the land is leased, then the lease agreement should

<sup>33</sup> Contractual agreement between farmers (producers) and buyers: both agree in advance on the terms and conditions for the production and marketing of the agriculture products. These conditions usually specify the price to be paid to the farmer, the quantity and quality of the product demanded by the buyer, and the date for delivery to buyers.

be for a minimum of two-years. The cost-sharing mechanism for this activity is outlined in Table 2.3.

152. The following flow diagram shows process/steps of financing simple BPs through MGs scheme under component B.

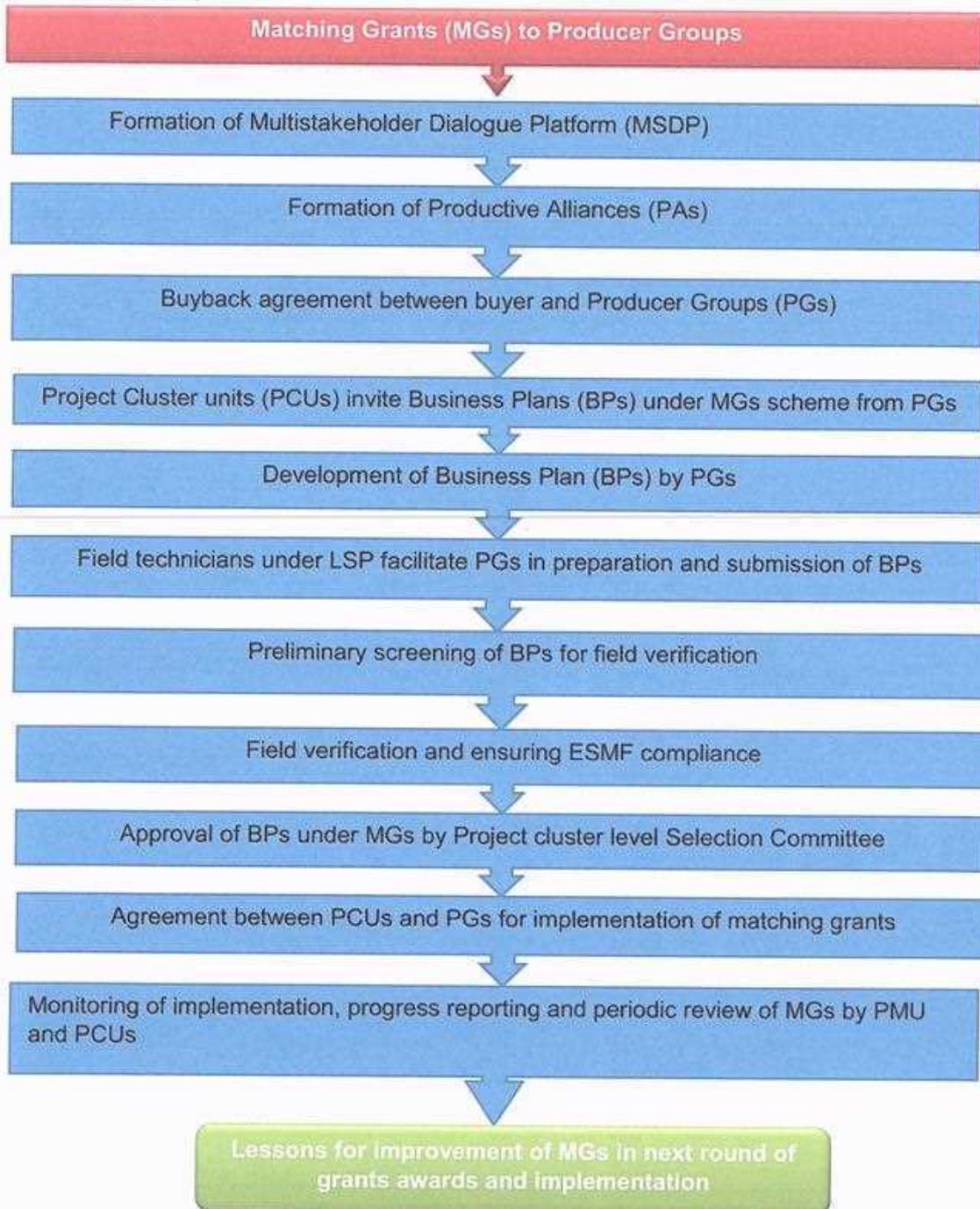


Figure 4.1: Flow Diagram for Implementation of Matching Grants in FANSEP

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### Activity 3: Development of critical market infrastructure

**153.** These activities will particularly focus on rehabilitation of old market or establishment of new market, storage facilities, processing and handling units/structures to complement the BPs funded under the MG scheme. Operation and maintenance (O&M) activities and related capacity building will be provided for these facilities, including the preparation of a business plan to run the facility profitably and sustainably. The procedure to select and establish the market infrastructure will be based on the revised guidelines annexed to this document. These investments in different locations across the project area are expected to serve as a platform for different stakeholders to explore business opportunities in addition to providing a well-managed market infrastructure.

**154.** The establishment of collection centres, market infrastructure, handling and processing structures is expected to strengthen and support post-production services besides serving as a platform for the buyers, producers and service providers to come under one roof. Through various training courses and constant mentoring, the Project will build the capacity of market management committee to ensure efficient and sustainable functioning of these markets. Project support includes financial contribution of up to 85 % as grant but not exceeding NPR 20 lakhs per scheme for handling and processing centres and NPR 15 lakhs for market structures. The balance of 15 percent is to be provided by the beneficiaries either in the form of cash, kind or both. Cost estimates for the construction of these facilities are to be guided by the local government rate or technical cost estimate of the construction/scheme. Details on activities are shown in Table 4.4 and cost estimates in Annex 7.1.

**Table 4.4: Critical market infrastructures**

S.N.	Details of activities	Unit	Target				Total project target
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Support to village markets, collection centers, Hat Bazar infrastructure rehabilitation/improvement	Number		8	8		16
2	Support to establish handling and processing structures	Number		8	8		16
3	Capacity building for rehabilitated market staffs, PGs, relevant stakeholders, etc. (O&M, overall market management (RM level) (1 day)	Number		8	8	4	20
4	Knowledge sharing and exposure trips for field level staffs	Number		4	4	4	12

#### 4.4 IMPLEMENTATION STRATEGY

##### 4.4.1 Establishment of a multi-stakeholder dialogue platform

**155.** A multi-stakeholder dialogue platform will be developed in each RMs to provide a mechanism for identifying key issues, setting priorities, and coordinating actions along agriculture commodity chains. This activity will also support knowledge sharing and exposure trips for selected PG representatives to disseminate information related to good practices that can be replicated, market opportunities, and results. This platform will be established with the concept of one value chain one platform. The participants in the platform could be producers, entrepreneurs, financiers, traders (exporters, wholesale traders and retailers), processors, regulators, service providers (public, private and non-government) and so forth.

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#### 4.4.2 Partial Financing of BPs through MG Assistance Scheme

156. Selected BPs of the PGs that clearly demonstrate market potential will be financed through a combination of project financing (grant element), a contribution from the PGs (in cash or kind or both). The market potential will be evaluated by PCUs, cluster level specialists and field level technicians. Finally, by the selection committee of grants. The implementation guidelines for small and matching grants developed in FANSEP will be utilized in FANSEP II, with appropriate revisions made as needed. The MG instrument is included in the project based on indications that market failures limit credit access to small-scale emerging farmers who are willing to invest some of their own capital in productive on-farm investments in crop and livestock. In addition, the grants provide a unique opportunity to support and incentivize access to privately provided technical services where needed. Eligible BPs may include, inter alia, group infrastructure (e.g., crop and livestock commodities storage facilities, collection centres, produce cooling and processing equipment, packaging equipment, etc.), improved crop varieties and breeds (e.g. drought resistant crop varieties, breeds and technologies tested and validated under Component A, etc. A conditionality mechanism will be built into the MG to ensure that the sub-projects do not generate negative externalities and will be screened for potential adverse effects on the environment and public health, as well as to ensure minimum gender participation within the grant recipients (65% of all grant recipients will need to be female).

#### 4.4.3 Arrangement for the Allocation of MG Fund

157. As stated, the PGs will be supported with competitive MG funds upon assessment of their BPs. The extent of support provided will not exceed 85% of the total cost of the selected scheme. Such support will be provided to the enterprises under three different categories in view of the nature of the proposed scheme, its scale of operation and the capacity to provide the enterprise owned fund. The payment modality of MGs will be in three instalments. The first instalment will be provided to PGs just after agreement, the remaining two instalments will be provided based on work progress of sub-projects.

158. Commodity production, processing and marketing linkages will be developed by establishing contacts with the related traders and through PAs which will be facilitated by PCUs, TA from cluster specialists and field level technicians. Learning opportunities will be provided to the collectors and processors about the value chain activities and their associated benefits by organizing inter-cluster/inter-district exposure visits.

159. The project will keep rooms open for new initiatives with MGs for innovative technologies. It will provide opportunity for the PGs to pilot new activities emerging out of their experiences as relevant to the project objectives, based on the evaluation of their business plans. Support will also be extended for storage, quality control and packaging facilities for the development of commodity value chains. Grant will be provided based on the BP submitted by the eligible PG or its members. The BP will be very simple, to be exclusively prepared in Nepali language by the interested candidates after the training provided by PCUs in collaboration or support of the TA. The grant will be provided to selected BPs by selection committee based on annual target of PCUs.

#### 4.4.4 Provision of Community Infrastructure Development through Producer Groups

160. The project will support small community infrastructure such as irrigation systems, storage facilities, post-harvest infrastructural requirements, farm machinery, etc. development activities through MG mechanism. Such support will be provided to competitively selected PG per rural municipality. Depending upon the priorities decided by the PGs, emphasis will be given for supporting the construction and rehabilitation works that directly or indirectly contributes to production, post-harvest and marketing processes. In this regard, the selected activities for support could cover development of the micro-irrigation, post-harvest infrastructure, storage



facilities and marketing sheds. In view of the fact high expenses related to construction and rehabilitation of community infrastructure, the project will encourage the PGs to explore opportunities for joint ventures with other agencies (e.g. RMs, District Coordination Committees (DCCs) and other projects) wherever possible.

#### 4.4.5 Support to Critical Market Infrastructure

161. The project will invest in market infrastructure rehabilitation/ new market structure establishment like hat bazar, collection centres to support a better integration of smallholders in agriculture value chains and facilitate their access to market opportunities. The provision of this market infrastructure will be carried out through grant agreements. Project will invite applications for this infrastructure based on annual target and select the appropriate applications through based on established criteria which include (i) technical feasibility, (ii) quality of proposal, (iii) number of beneficiaries benefitted, (iv) proportion of equity investment from PGs, (v) GESI, (vi) climate & environment friendly and (vii) sustainability. The selection process and other procedures will be conducted in accordance with the **'Market Infrastructures Improvement/Rehabilitation and Handling & Processing Structures Establishment Guideline, 2078.'** The selection will be done by a 4-member selection committee chaired by the PCU chief including officials from the agriculture/Livestock section of relevant municipalities. The cost sharing mechanism of this activity is mentioned in table 2.3.

#### 4.4.6 Mobilization of Technical Assistance

162. TA from cluster offices, with the guidance of the agribusiness expert will assist PGs to identify the commodities with the greatest market potential and improve the understanding of supply and demand by identifying, characterizing, and mapping producers, potential buyers, input and service providers, MFIs, barriers to and lessons learnt from earlier initiatives, etc. TA will prepare a market led production plan for commodities/breeds/seeds with better understanding of market demand and mapping of actors and factors associated with the selected commodities. It will be location specific based on climate, topography, market infrastructures availability, market demand, skill of PG members etc.

163. TA will be used to strengthen PGs to improve their "Farming as a Business" skills and help build their knowledge and business acumen to make their farm operations more profitable. This support is expected to lead to better organizational management, business planning and making market led production decisions. Specific emphasis will be given to building women and youth leadership skills.

## CHAPTER 5

### 5 COMPONENT C: IMPROVING NUTRITION SECURITY

#### 5.1 INTRODUCTION

**164.** Food security and nutrition security are related and linked but are distinct concepts. Food security exists when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life (FAO, 1996). Food security has four dimensions (i) availability of food, (ii) access to food, (iii) utilization and (iv) stability. Nutrition security considers food quality has consistent and equitable access to healthy, safe, affordable foods essential to optimal health and well-being. Nutrition and food safety are inextricably interconnected. Nutrition security has three dimensions (i) access to adequate food, (ii) care and feeding and (iii) sanitation and health. Food security addresses only access to adequate food, while another two dimensions of nutrition security are not addressed; therefore, this component of FANSEP II focus on ensuring nutrition security and it's all dimension.

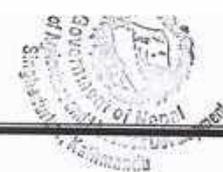
**165.** This component of project addresses the underlying causes of malnutrition (inadequate access to food) and immediate causes of malnutrition (inadequate dietary intake) and making the food system responsive to these causes with a view to providing adequate, safe, diversified and nutrient-rich food year-round through the establishment and operationalization of home nutrition garden at household level, conducting nutrition awareness and advocacy programs, training/orientation, nutritious food recipe preparation and demonstration, celebrating various nutritionally important events and days, operationalization of experiences learning platform in nutrition field schools (NFSs) and home nutrition gardens (HNGs) to ensure the linkages to others at community level.

**166.** Malnutrition refers to deficiencies, excesses or imbalances in a person's intake of energy and/or nutrients. Malnutrition can result from a faulty or inadequate diet or from a physiological inability to absorb or metabolize nutrients. The major underlying causes of malnutrition are (a) inadequate access to food, (b) inadequate care and insufficient health services and (c) an unhealthy environment that may lead to inadequate dietary diversity and diseases which are the immediate cause of malnutrition. Malnutrition covers three broad areas (i) undernutrition (stunted, wasted, underweight), (ii) overweight and obesity and (iii) micronutrient-related malnutrition (vitamin A deficiency, Iodine deficiency disorder, Iron deficiency anaemia etc.). Risk of malnutrition varies in different geographical region/location, socio-economic status, gender, ethnicity, residence, lifestyle and age groups. Therefore, identifying underlying causes and responding to malnutrition is the most crucial. Nepal has committed to the global communities to end all forms of malnutrition by 2030.

**167.** In Nepal, in 2022, 25% of children under five were stunted, 19% were underweight and 8 % were wasted on the other hand 1% of child under 5 years have overweight and obese. Furthermore, Anaemia among women of reproductive age (15-49 years) was dropped from 41 % in 2016 to 34% in 2022 and 53% in 2016 to 43% in 2022 among children under 5 years. 10% of women aged 20-49 and 27% of adolescent girls aged 15-19 are of short stature. In addition, 10% of women and 26% of adolescent girls are thin. The prevalence of overweight or obesity is 35% among women and 6% among adolescent girls.

**168.** In Nepal in 2022, more than half of population (56%) of women aged 15-49 years consumed foods from at least five of the 10 possible food groups (minimum dietary diversity) whereas 54% consumed unhealthy foods and 66% consume sweet beverages. In case of children age of 6-23 months, 48% of children aged 6-23 months receive meals with a minimum dietary diversity, 82% receive meals at the minimum frequency, and 43% are fed a minimum acceptable diet. Forty-

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three percent of children aged 6–23 months consume sweet beverages and 69 % consumed unhealthy food<sup>34</sup>.

**169.** Under the federalized context, the project will support for creating the enabling environment for improved service delivery including strengthening institutional capacity of local organization and human resource capacity enhancement, promotion on agriculture/food based nutritional program, providing nutrition education and awareness activities up to ward level, technical backstopping and orientation program to members of municipal level nutrition and food security steering committee formed by MSNP-III, school teachers, students, members of women's groups, health mother groups and farmer's groups, nutrition facilitator under MSNP III, social mobilizer, FCHV, local leader and strengthened coordination among stakeholders. The project will work directly with communities including golden 1000 days population (pregnant women, lactating and nursing mother of under 2 years aged child), women of reproductive age group, adolescents and FCHVs, on the group-based approach through nutrition group

**170.** Nutrition Field School (NFS) an experiential learning approach helped to motivate and adopt the improved dietary consumption and care practices by supporting a package of inputs and services through home nutrition garden (HNG) to all members complemented by the nutrition BCC messages for improving the utilization of available nutritious foods with quality care practices, food safety and food hygiene, healthy diet and dietary diversity, intake of Minimum Dietary Diversity (MDD) and related food groups, hygiene and sanitation, access to public health services, nutritious food recipe preparation and demonstration etc.

**171.** Key expected results from this component are reduction on the Food Insecurity Experiences Scale (FIES) of direct beneficiaries (baseline-15%), improved Minimum Dietary Diversity (MDD) intake for pregnant and nursing women (baseline +25%), improved Minimum Dietary Diversity (MDD) for children between 6-24 months age (baseline+25%), and improved Household Dietary Diversity (HDD) Score including nursing mothers and children under two years (BL+25%).

**172.** Component C (improving nutrition security) of this project will consist of two sub-components, i.e. subcomponent C1: Institutional Capacity Strengthening and subcomponent C2: Nutrition Field School (NFS) and Home Nutrition Garden (HNG).

## 5.2 SUB-COMPONENT C1: INSTITUTIONAL CAPACITY STRENGTHENING

### 5.2.1 Objective

**173.** Focused on institutional and human resource capacity strengthening, the objective of this sub-component is to support sub-national (provincial and local governments) nutrition and food security steering committee and public outreach delivery in the project areas based on capacity needs assessment and participatory diagnosis of the underlying causes of malnutrition. Therefore, the project will conduct those training, orientation, workshop and capacity strengthening related activities that would directly respond to underlying causes of malnutrition, promotion of agriculture/food based nutritional program and providing nutrition education and awareness.

**174.** The delivery of the major part of the FANSEP II depends upon capacity of the government agencies, political leadership, stakeholders, program/technical leadership responsible for agriculture and livestock development and health, FCHV, farmers group and nutrition groups. Experiences of FANSEP and lesson learnt of various projects and programs have indicated the need of training and orientation activities for them to enhance their awareness, sensitization and analyse the causes of malnutrition and respond accordingly and promote healthy life living. This project will support rural municipality level government especially nutrition and food security

<sup>34</sup> Nepal Demographic Health Survey (NDHS) 2022

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steering committee, an existing MSNP III networks and public outreach delivery in the project areas through training and orientation to stakeholders and members of farmer group and nutrition groups on improving nutrition security, nutrition sensitive planning and budgeting and effective actions. Furthermore, provide technical guidance and resources through conditional grants to nutrition groups ensuring the nutrition sensitive services, agriculture/food based nutritional program activities, and care for improving nutrition security at HH and community level.

### 5.2.2 Expected Results

175. Expected results of this sub-component are (a) increased number of institutions (government/ public, private, non-governmental, cooperatives and groups) whose capacities have been strengthened for examining underlying causes of malnutrition and promote healthy living, and (b) increased number of institutions delivering services related to the establishment and operationalization of NFSs and HNGs, small grant sub-projects effectively with quality.

### 5.2.3 Key Activities

176. This component has proposed various activities to strengthen the institutional capacity strengthening of governmental, non-governmental and private entities involved in improving nutrition security related activities in the project areas. These are linked to activities related to capacity building and strengthening of institutions involved in the improvement of nutrition security at local level. These activities among others, include programme orientation and interaction to local government officials, and/or program/technical leadership responsible for agriculture, livestock development and health & nutrition at the municipalities level, members of established RM level Nutrition and Food Security Steering Committees (formed by MSNP III), stakeholders, teachers, students, FCHVs and women group on nutrition BCC, nutrition food recipe preparation and demonstration, establishment and proper management of HNG, operationalization of NFS, promotion of nutrition centric production and consumption, importance of locally produced nutritious foods and its consumption for improving their minimum dietary diversity intake and reduce use of junk food.

#### Activity 1: Institutional capacity building and strengthening

177. For building and strengthening the capacity of institutions involved in nutrition security the project will support the activities listed in **Table 5.1** and **Annex 7.1**.

**Table 5.1: Activities related to institutional capacity building and strengthening**

S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Prepare and publish training modules for nutrition education and awareness	Number		1			1
2	Rural Municipality level interaction program for capacity strengthening of local nutrition and food security steering committee (1 day)	Events		16	16	16	48
3	Training to public outreach services for understanding of local nutrition impact pathways and to delineate respective roles and responsibilities (women's group, mother's group, influencers/ change agents, FCHVs, social	Events		48	32	16	96

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S.N.	Details of activities	Unit	Target				
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	Total
	mobilizers, Junior Technicians) (RM level) (1 day)						
4	Training/ orientation to local schoolteachers on importance of locally produced seasonal foods, vegetables, fruits and animal products consumption (RM level) (1 day)	Number		60	24	12	96
5	Orientation to school students on importance of locally produced seasonal foods, vegetables, fruits and animal products consumption (1 day)	Number		60	24	12	96
6	Training on improvement of local food recipes for mother groups representatives and women (RM level) (1 day, demonstration included)	Number		16	16	16	48
7	Participation and support on RM level agriculture & nutrition related fair/exhibition	Number		8	12	8	28
8	Support to project implemented RMs for providing child anthropometrics assessment tools (child height/length board and weighing scale)	Number			16		16
9	Support project implemented RMs for improving/strengthening breast feeding rooms	Number			16		16
10	Assist local secondary schools to establish HNGs (where feasible)	Number			32	32	64

### 178. Intervention Strategies:

179. The basic strategies to design interventions related to institutional capacity strengthening of local government agencies, bureaucrats, schoolteachers, students, nutrition groups (golden 1000 day's targeted), farmer groups, health mothers' group, women's group, FCHVs, and private agencies will be as follows:

- Training, orientation and awareness program will be organized for enhancing women's empowerment
- Food and nutrition security and HH minimum dietary diversity will be improved through encouraging resilience capacity of women's group, health mother groups, nutrition groups, farmer's group and other various agencies and stakeholders.
- Nutrition groups will be registered in RM, receiving PAN no. and open bank Account, and home nutrition garden (HNG) will be established and operationalized including backyard poultry promotion at HH of each member of nutrition group for making availability, accessibility and consumption of nutritious vegetable, fruits, animal source protein for promoting dietary diversity on daily meal of family year-round.
- Nutrition BCC messages will be provided for promotion of intake of healthy, safe and nutritious diet, dietary diversity, good food behaviours and practices, hygiene and sanitation.



- DFTQC's recommended nutritious food recipe preparation, and its demonstration will be organized for imparting knowledge and skills on preparation and its consumption at HH level.
- Agriculture/food-based nutrition and nutrition centric production will be promoted/ advocated for better production and consumption for improving the nutrition security, healthy living of beneficiaries and unintended beneficiaries through enhancing their knowledge and skills on nutrition education, awareness, healthy and safe nutritious diet & dietary diversity and their consumption through organizing various training /orientation and interaction program with members of RM level nutrition and food security steering committee, school teachers, students, social mobilizer, FCHV, private agencies,
- Activities will be performed in collaboration and cooperation among the likeminded agencies and strengthen coordination with local government.
- School nutrition garden will be established and operationalize in selected local secondary schools of project's RMs through providing technical and input support for it. It will be developed as a learning platform/knowledge centre for students and teachers for promotion of production and consumption of vegetables and fruits year-round at family meal and snacks/day meal.
- Breast feeding room will be established/strengthen/improved in project's site RM for promoting breastfeeding at workstation for staff and service seekers beneficiaries.
- Tools for conducting anthropometric measurement and growth monitoring of children will be supported for health facilities of project's RM.
- Various component of project will be linked wherever possible for improving nutrition security.
- One-day training and orientation manual (MSNP II conduction supporting handbook manual) developed in FANSEP will be used for FANSEP II with few updates in data/statistics

### 5.3 SUB-COMPONENT C2: NUTRITION FIELD SCHOOL AND HOME GARDENS

#### 5.3.1 Objective

180. The overall objective of this sub-component is to support, an experiential learning approach, known as NFS in targeted community, following behaviour change theory to remove barriers and identify catalysts for improved food-based nutrition practices, production and consumption of safe and healthy diversified nutritious food at local level. The experience of the AFSP and FANSEP has demonstrated that an integrated community-based approach is a successful model for addressing the multiple underlying causes of malnutrition faced by rural populations in diverse Agro-ecological zones. The project will work in group approach through nutrition group comprises members among Female Community Health Volunteer (FCHV), golden 1000 days populations, women of reproductive age group.

**181. Behaviour Change Theory:** This sub-component will be focused on Behavioural Change communication (BCC). Whatever the model or theory considered, changing behaviour requires change in knowledge, attitude and practice (KAP). Hence, this sub-component will work with and strengthen community institutions to remove barriers, bad habits and beliefs and identify catalysts for improved food-based nutrition practices in the targeted RMs. This subcomponent will design and develop various nutrition BCC messages and materials for wider dissemination and support to enhance knowledge and awareness level of the beneficiaries and their families to adopt good practices to improve minimum dietary diversity, health and nutrition of targeted population and their family members.

182. Under this sub-component the project will support activities related to three areas namely NFS, HNG and providing small grants.

#### 5.3.2 Expected Results

183. Expected results of this sub-component are:

- reduced Food Insecurity Experience Scale (FIES) by direct beneficiaries by 15 % over the baseline
- improved Minimum Dietary Diversity (MDD) of pregnant and nursing women by 25 % over the baseline

- improved MDD for children between 6-24 months increased by 25% over the baseline.

### 5.3.3 Key Activities

184. This sub-component supports the establishment and operation of NFSs and HNGs and implementation of small grants.

#### Activity 1: Nutrition Field School (NFS)

185. NFS implementation modality along with guideline, curriculum, manual and budget will be revised and updated based on experiences/ lessons learned under the FANSEP. Major changes and amendments with focus on food-based nutrition, healthy diet and dietary diversity will be made. Likewise, NFS will include session on nutritional status assessment and nutrition situation analysis (of only five selected model children for learning objective and comparative studies will be dropped). It will focus mainly on the identification and consumption of locally-available nutrient-dense foods, nutrition-sensitive agriculture, food safety, hygiene and WASH education, preparation of nutritious food recipe and demonstration, nutritional assessment and growth monitoring, , setting up HNG, diet and dietary diversity, minimum dietary diversity (MDD) of pregnant, nursing and lactating mothers, and children 6-23 months, Household dietary diversity (HDD) and guidance on balanced diet, safe household/ family food and complementary feeding.

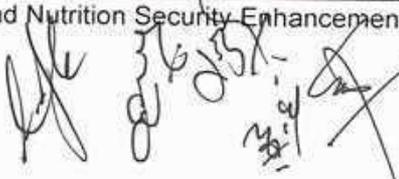
186. FANSEP II will follow the same package of NFS practiced in FANSEP with major changes and amendment on NFS operationalization modality on duration of 18 months and 18 sessions (one session per month, duration of session will be 3-4 hours) instead of 2 years duration for 24 sessions in FANSEP. Key changes will include revised NFS manual, reduced preparatory meeting from three to two days, doing away with the concept of comparative study and supportive study while nutritional assessment and nutrition situation analysis (NSA) will continue for learning approach. Furthermore, recommended nutritious food recipe preparation and demonstration event will be organized four times. Special sessions on problem-based issues and technical sessions will be organized by inviting external resource person from district health office, health section chief of RM office and/or health worker of nearby health facilities, chief and/or representative technician of agriculture and livestock development section, women and child development section and/or project officials during the NFS duration.

187. NFS will be operationalized in all project's rural municipalities. In total, 128 NFSs will be operationalized during the project period where 64 NFSs will be established and operationalized in year 1 and continued and accomplished in year 2 whereas remaining 64 NFSs will be established and operationalized in year two and continued and accomplished in year three of project period. Two trained facilitators will facilitate and manage each NFS, with technical backstopping of cluster-based and PMU-based nutrition specialist of FAO TA and governmental project officials. The budget ceiling/cost and expenditure details for NFS will be as per **Annex 5.1 (II)**.

188. The participants of the NFS will include generally 25 members of two or more nutrition groups of nearby locality particularly pregnant women, and nursing mothers and mother of children under 2 years (Golden 1000 days population), and women of reproductive age. Among the two facilitators for each NFS, potential co-facilitators will be selected among potential FCHV and/or members of nutrition group, while nutrition technician deployed from FAO TA act as main facilitator. Those selected potential facilitator, and co-facilitators will be trained with 14 days training of facilitators (ToF) in NFS facilitation. Those graduated facilitators will conduct 18 sessions for 18 months as per revised curricula, manual, guidelines of NFS.

#### Activity 2: Small Grants (SGs)

189. Matching Grant (MG) and Small Grant (SG) implementation guideline developed under FANSEP will be used for operation of small grants. Similarly, the cost and modality for small grants has been detailed in **annex 4.2 II**. Additionally, a conditionality mechanism has been built into the small grant to ensure that the sub-projects do not generate negative externalities and will be screened for potential adverse effects on the environment and health. The screening and final




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selection of SG proposals submitted from nutrition groups will be done by Cluster Level Selection Committee (CLSC). The project will provide small grant sub-projects up to NRs 5,00,000 (five hundred thousand) as an 85% subsidy. Beneficiaries are expected to contribute at least 15% of the total cost in cash, kind, or both. NGs awarded and financed with SG once will not be applicable/eligible again for receiving another SG during the project period. 400 small grant sub-projects will be financed during the project period.

190. The following flow diagram shows process of financing small grants under component C

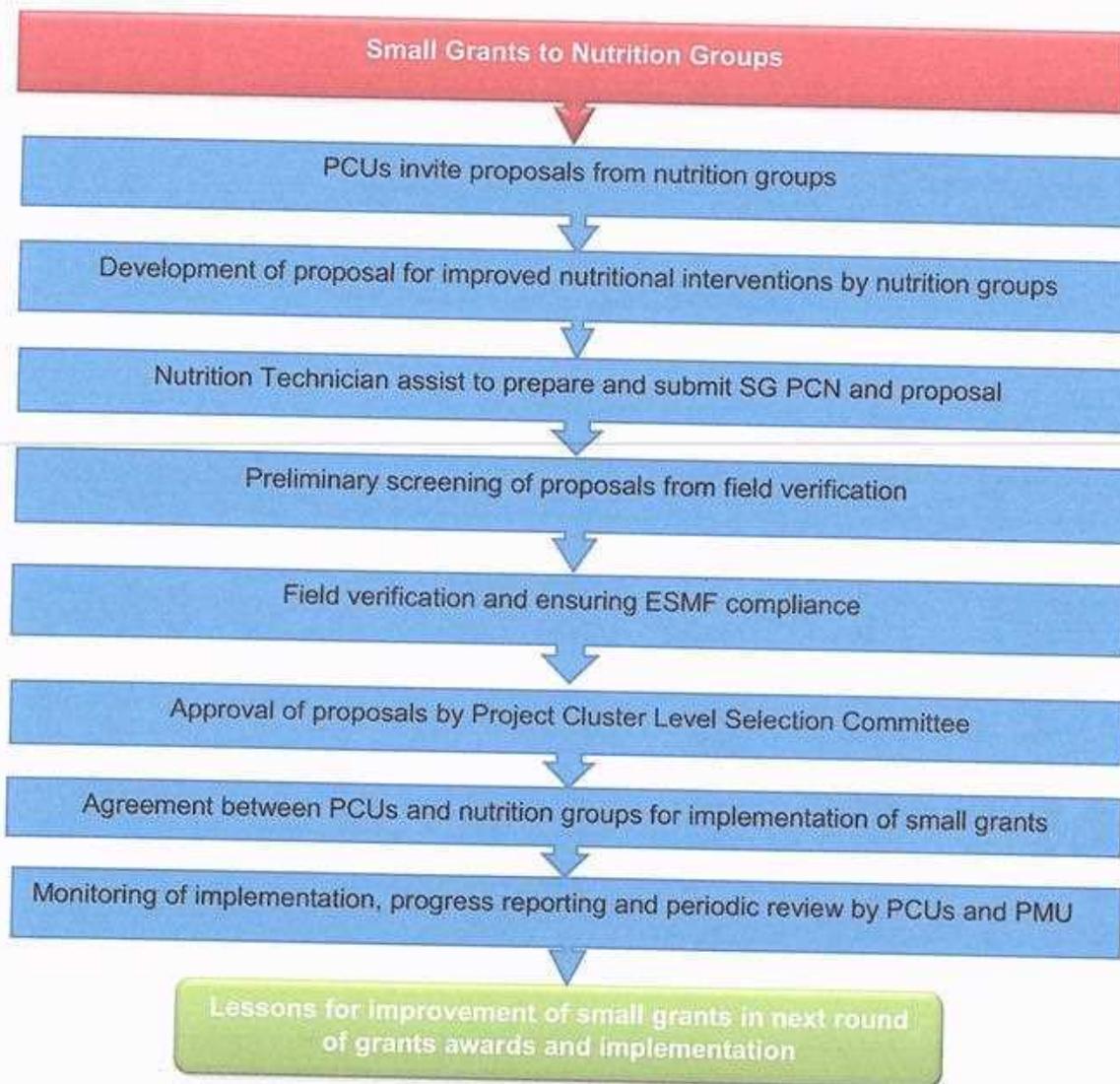


Figure 5.1: Flow Diagram for Implementation of small grants in FANSEP II

191. Brief narrative with year wise and total target and link to below table.

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**Table 5.2: Small grants sub project target of FANSEP II**

S.N.	Name of PCU	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Sindhupalchok	Number		32	32	23	87
2	Gorkha	Number		40	40	28	108
3	Dhanusha	Number		40	40	25	105
4	Saptari	Number		38	38	24	100
<b>Total</b>				<b>150</b>	<b>150</b>	<b>100</b>	<b>400</b>

192. Below activities presented in table 5.3 are proposed for promoting NFS and HNG in the project areas

**Table 5.3: Activity schedule for promoting NFS and SGs in the project areas**

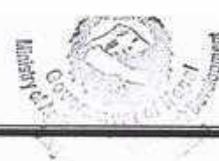
S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Establish and operationalize NFSs (year one)	No. of NFS		64	64		128
2	Follow up program for operationalization of NFS (year two)	No. of NFS			64	64	128
3	Providing small grants (SG) to potential nutrition groups	Number		150	150	100	400
4	Field verification for screening of small grants	Number		150	150	100	400
5	Broadcast nutrition related materials (Radio/TV/FM) at central level	Number		12	12	8	32
6	Broadcast nutrition related materials at local level (from PCUs)	Number		48	32	32	112
7	Support program for local campaign for PMU and PCUs (World Food Day, Breast Feeding Week, Nutrition Day etc.)	Event		16	16	8	40

## 5.4 INTERVENTION STRATEGIES

### 193. Intervention strategies for NFS

- Potential 25 participants will be selected for a NFS among the pregnant women, nursing and lactating mother and mother of under 2 years child age (golden 1000 days population) among members of two or more nutrition groups of local vicinity.
- Trained facilitators will be developed through 14 days Training of Facilitators (ToF) on NFS facilitation. Trained nutrition technician and FCHV/member of nutrition group will be mobilized as main facilitator and co-facilitator for establishment and operationalization of each NFS respectively.

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- Appropriate place and time will be decided for conducting NFS in centre of local vicinity, a walking distance at most of 30 minutes and have space/hall for comfortable seating, facilities of drinking water, local hotel for serving the nutritious snacks, facility of toilet.
- Preparatory meetings for conduction of NFS will be organized as per guideline, inviting and ensuring the presence of ward chairperson, ward member, chief or representative of health section, thematic section head and or representative of RM and other stakeholders.
- Short-term facilitator/resources person will be managed for conducting the special session on problem/issues based, and few technical topics in NFS
- Each learning session day will be organized for 3 Hrs to 4 Hrs once a month in 18 months where a nutrition status assessment and nutrition situation analysis will be performed by subgroup of NFS participants in support and backstop of NFS facilitator.
- Diet and dietary diversity analysis of HH family meal of last 24 Hrs will be performed using format developed by FANSEP II in support of NFS facilitator.
- Proper record and report of NFS will be done in accordance with recording and reporting tools/forms/format developed by FANSEP II in support of NFS facilitator, cluster-based specialist especially in support of M& E Specialist.
- PCU will make availability of all the required training materials, recording forms and format, Height board, 2 in 1 weighing scale, MUAC tapes for children and women for nutrition assessment, cooking utensils, stationaries and advance amount as per approved norms in advance before initiation and conduction of NFS.
- The environmental and social compliance of project must be fulfilled while conducting the NFS.
- Recommended nutritious food recipe preparation and demonstration will be conducted in NFS and orienting them for making the local recipe more nutritious adding locally available nutritious food item.
- NFS nutrition day celebration and closing of NFS will be organized as per guideline and share major learning and results of NFS for broader dissemination and enhancing the knowledge and awareness on nutrition BCC. On that day, RM level stakeholders, NFS participants and their family members, members of farmers groups (crop and livestock) and health mother groups of that vicinity will be invited as guest and participants.
- Coordinate and collaborate with RM office and other likeminded agencies for celebration of various nutrition related days, nutrition and agriculture fare and exhibition.
- Develop radio jingles, TV program for improving nutrition security in local languages (where applicable), develop IEC/BCC nutrition messages, technical notes, flip charts, poster pamphlet, booklets for enhancing the knowledge on nutrition BCC, awareness.
- Various component of project will be linked wherever possible for improving nutrition security. More nutritious crops and vegetables and animal source food production and consumption for improving the nutrition security will be advocated during the time of NFS session and NFS nutrition day based on the local preferences
- NFS operationalization guideline/ directives 2077 developed in FANSEP will be followed with updates on modality and budget as per PIM for FANSEP II.

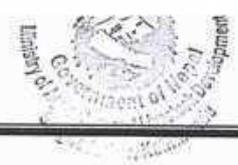
#### 194. Intervention strategies for small grant

- Small grant sub project will be awarded and financed to potential nutrition group as targeted by FANSEP II.
- Nutrition group awarded and financed SG support once will not be eligible to receive another SG during project period.
- All the procedure of SG from release of notice to selection of potential nutrition group for awarding small grant support will be organized based on guidelines related to matching and small grants. Cluster level selection committee will be the responsible for the selection of sub project.

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- Small grant support will be provided to those sub project that contribute for improving nutrition security, rural poultry farming (dual proposed chicken and/or duck farming), vegetable farming (dark green leafy vegetables and/or other vegetables), legumes and nut farming, roots and tubers farming, fast fruiting (yield within 1 year) fruits farming (vitamin A rich and/or other fruits), mushroom farming, fish farming, processing, packaging and labelling of food items.
- Small grant support program under FANSEP II will finance at most NPR 5,00,000 as 85 % conditional subsidy grant with expectation of at least 15 % contribution of nutrition group as cash or kind or both.
- Production and consumption of diversified nutritious food and increase income generation by selling the surplus amount of food stuffs produced under SG will be promoted and encouraged.
- The environmental and social compliance of project must be fulfilled while conducting the SG sub project.
- Expenses made for operationalization of SG sub project by nutrition group will be deposited in the bank account of respective nutrition group after ensuring the official procedures. Amount of advance will be provided to the awarded nutrition group based on guideline.
- Potential member/representative of nutrition group will invite and participate on 3 days training on business plan preparation and ESMF orientation that will enhance knowledge and skills on preparation of SG PCN and full proposal however there is need of support from nutrition technician, cluster-based specialist and PCU officials.
- Regular monitoring and supportive supervision of SG sub project and NFS will be conducted by PMU official, FAO TA Kathmandu and cluster, PCU officials for ensuring the quality of work and making it more effective and efficient.
- Various component of project will be linked wherever possible for improving nutrition security. More nutritious crops and vegetables and animal source food production and consumption for improving the nutrition will be given higher priority while awarding the small grants sub projects based on the local preferences.
- Small and matching grant implementation guideline/directives 2077 developed in FANSEP will be used for FANSEP II with few updates
- The budget ceiling/cost, subsidy and expenditure details for SGs will be as per Annex 5.1 (III).

### Activity 3: Home Nutrition Gardens (HNGs)

**195.** This will contribute to PDO of project, improving minimum dietary diversity of pregnant women, nursing and lactating mothers and children of age 6-23 months and household dietary diversity through production and consumption of nutritious vegetables and fruits along with eggs and meat from backyard poultry by the targeted smallholder farming communities in FANSEP II project sites. This aims to help address the underlying causes of malnutrition by making the food system responsive to the causes with the view to supply adequate, safe, diversified and nutrient-rich food all the year round utilizing their own surroundings. For poor and marginalized people, household garden produce can make a critical contribution to the household diet and intake of minimum dietary diversity and provide several other benefits particularly for women and children.

**196.** The home garden is traditionally a very important piece of land for rural HHs covering an area of about 50 to 500 m<sup>2</sup>. The home garden can be defined as a farming system which combines different physical, social and economic functions on the area of land around the family home. Within the typical home garden include social areas for meetings and gardens with minimum 5-6 items of seasonal vegetables, fruits plant and backyard poultry and physical areas for storage, living, washing and waste disposal. It is a place for people to live in, but it also produces a variety

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of foods and other things for both household use and income. Project will develop separate guideline for the implementation of HNGs. The budget ceiling/cost, subsidy and expenditure details for HNGs will be as per **Annex 5.1 (I)**.

**197.** Many villages are located at some distance from towns and markets. Food supplies coming from outside are often expensive and difficult to transport, especially when heavy rain or floods or roads are damaged. A well-developed home nutrition garden can supply sufficient vegetables and fruits and eggs and meat through backyard poultry farming for daily family meal consumption. Growing food at home saves money and out of pocket for purchasing the fruits, vegetables, egg and meat. effort and ensures a regular supply of food when roads are cut off.

**198.** The contribution of home gardens to the household food supply is significant in rural and peri-urban areas of Nepal. HNG is important component which ensure minimize hidden hunger (micronutrient deficiency) and contribute for ensuring the nutrition security and food security that is helpful for reducing malnutrition.

**199.** Experiences gained from the FANSEP will be directly relevant to the FANSEP II as well. FANSEP II will work directly with nutrition groups by providing the input support package program and technical backstopping for establishment and operationalization of HNG year-round. This component will also be associated with Component A- Technology Adoption and Testing and Component B for selling surplus for income generation.

**200.** All members of 650 nutrition groups will receive HNG inputs support package program for establishment and operationalization of HNG at HH level. HNG program will be implemented in two year and HNG input supports on package program basis. The budget contribution for HNG support package program will be at most 85% subsidy of FANSEP II and at least 15 % contribution of nutrition group (in terms of cash or kind or both). The budget ceiling/cost, subsidy and expenditure details for HNGs will be as per Annex 5.1 (I). Table 5.4 and 5.5 below presents activities proposed for supporting HNG in the project areas and cost details are in Annex 7.1.

**Table 5.4: Cluster wise target for HNGs establishment**

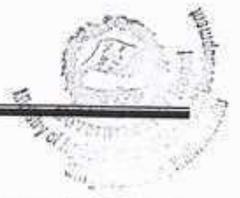
S.N.	Name of PCU	Unit	HNGs establish in HH of members nutrition group
1	Sindhupalchok	Number	130
2	Gorkha	Number	180
3	Dhanusha	Number	175
4	Saptari	Number	165
<b>Total</b>			<b>650</b>

**Table 5.5: Activities scheduled under Home Nutrition Garden (HNG)**

S.N.	Details of activities	Unit	Target				Total
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1	Formation and strengthening of nutrition groups targeting pregnant/lactating and under 2 years age children for establishing HNG	Groups	650				650
2	HNG support to nutrition groups	Groups		325	325		650
3	HNG follow-up support to nutrition groups	Groups			325	325	650
4	Seasonal vegetable seed support to established HNGs in year one	Groups				325	325
5	Preparation of extension materials and booklets for promotion of nutrition security and food security targeted to small and vulnerable households	Times			1	1	2

**201. Intervention strategies for HNGs**

- Nutrition group will be formed and strengthened with an average 25 members for establishment of HNG at HH level. HNG package program is designed for 25 members per each nutrition group.
- HNG input package support program will be provided to all members of each nutrition group and HNG program will operationalize in two years duration. Follow up support for continuation of HNG will provide in year two.
- Backyard poultry farming/rearing of dual-purpose poultry will be managed in semi-intensive coop (fencing) for production and consumption of eggs and meat.
- At least 5-6 types of seasonal vegetables seed (composite package) will be provided in 3 seasons per year by FANSEP II for operationalization of nutrition garden for production and consumption of vegetables and make dietary diversity of HH diet year-round.
- Furthermore, at least 4 types of fruit saplings will be provided to each member of nutrition group for managing nutrition garden and demonstration by FANSEP II.
- Nutrition group members will manage for fencing of nutrition garden and fruit plants with locally available wooden logs, bamboo stick, tree branches etc.
- HNG input support package program will be rolled out for establishment and operationalization of HNG at HH of every member of 650 nutrition groups during project period. The HNG support program will be provided in overall at most 85 % subsidy grants from FANSEP II and at least 15 % contribution from group as cash or kind or both. The details of cost and contribution of HNG package program is given in annex 5.1
- The expenses made under the HNG input support program will be deposited in bank account of respective nutrition groups after completing the financial procedures.



- Frequency of technical backstopping by field level technician (Agriculture, livestock and nutrition) will be managed for proper and effective operationalization of HNG.
- Regular monitoring and supportive supervision will be conducted by PMU official, FAO TA Kathmandu and cluster, PCU officials for ensuring the quality of work and making it more effective and efficient.
- Various component of project will be linked wherever possible for improving nutrition security
- HNG establishment and operationalization guidelines/directives 2077 prepared in FANSEP will be followed/used in FANSEP II with few update/changes on HNG package program and its budget as mentioned in PIM for FANSEP II.

202. FAO TA service will focus on technical backstopping from centre to field level. Specifically, TA will support the delivery of the following activities:

- (a) Assist and support PMU to develop guidelines, directives, manuals, technical documents/ note and IEC/BCC materials related to the NFS, HNGs, small grants, various training models on promotion of health education and awareness through the revision of the existing materials developed and used in FANSEP and additional documents as per need with inputs from agriculture, livestock, food safety, and health sectors.
- (b) Training and capacity development related activities will be carefully planned based on needs assessment; and
- (c) FAO TA will organize ToF on NFS facilitation (14 days) to develop potential facilitators for operationalization of NFS in project sites.

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## CHAPTER 6

### 6 COMPONENT D: PROJECT MANAGEMENT, COMMUNICATION AND MONITORING AND EVALUATION

#### 6.1 INTRODUCTION

203. This component is very important and crucial to the project since delivery of all outcomes and outputs under the project will depend on this component. This component is related to (i) overall management and operation of project, (ii) communication with government, non-government organisations and relevant project stakeholders, (iii) effective monitoring & evaluation of project activities, and (iv) data management, reporting and dissemination of project results.

#### 6.2 MAIN OBJECTIVES

204. The main objectives of Component D on project management, communication and M&E are to: (i) ensure effective strategic and operational planning, implementation, and M & E of project activities; (ii) evaluate the project's outcomes and impacts on beneficiary groups, with special focus on mid-term and final results; (iii) collection, analysis and reporting of the PDO and intermediate indicators, and (iii) communicate efficiently to the ministry or concerned agency (supervising entity, FAO, other) on project activities, outcomes, best practices and lessons learnt.

205. In addition, this component will support: (a) compliance with the World Bank's fiduciary and safeguard requirements; (b) interagency coordination; (c) experience sharing among beneficiary groups; (d) grievance management; (e) knowledge management and learning among project stakeholders; and (f) day-to-day operations of the Project Management Unit (PMU) and Project Cluster Units (PCUs).

#### 6.3 EXPECTED RESULTS

206. As a result of the effective implementation of this component, the project expects the following results (a) effective management and operation of project (b) timely submission of periodic reports to the implementing agency (MoALD), supervising entity (WB) and other key stakeholders (c) development and operation of efficient M & E system of the project (d) timely redressal of grievances registered in project

#### 6.4 KEY ACTIVITIES

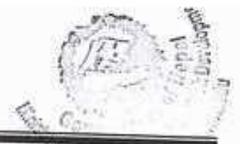
##### 6.4.1 Project Management and Coordination

207. **Project Management:** The project administration and implementation arrangements are built on relevant existing institutions and capacities and reflect the technical characteristics as well geographic location of the project's activities. As stated earlier, the MoALD will be the executing ministry and will work closely with other relevant stakeholders to implement the project.

208. **Provision of Project Management Unit (PMU):** Day-to-day project administration and management will be carried out by a central PMU based in Kathmandu valley. The PMU will be established by the MoALD.

209. As part of the Project Management, Communications and M&E under component D, the project will undertake the following activities regularly.

- (a) Prepare/update knowledge documents,
- (b) Develop, operationalize, update and maintain Project Management Information System (PMIS) and website.
- (c) Record/register grievances/complaints and redress timely without delay,
- (d) Prepare project reports (monthly, quarterly and annual) as required by the MoALD, GAFSP and WB requirements, and
- (e) Cause to undertake beneficiary selection, baseline, and mid-line surveys.



(f) Record the number of technical and non-technical events and workshops organized by the project

**210. Provision of Cluster Offices:** As discussed earlier, four PCUs will support the implementation of the project activities in eight districts. They will function directly under the command of the PMU. Each PCU will implement project activities in two districts as follows:

- (a) Saptari to implement project activities in Siraha and in Saptari districts;
- (b) Dhanusha to implement project activities in Dhanusha and Mahottari districts;
- (c) Gorkha to implement project activities in Gorkha and Dhading district; and
- (d) Sindhupalchok to implement project activities in Dolakha and Sindhupalchok districts.

211. Table 6.1 below shows annual activities under project management and communication.

**Table 6.1: Annual activities of the project management unit**

Sub-components, Outputs and Activities	Unit	Year wise target				Total Project Target
		Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
<b>1 Operation of the PMU and PCUs</b>						
1.1 PMU Office operation, monthly	Month		12	12	12	36
1.2 PCU Offices operation, monthly	Month		12	12	12	36
1.3 Office rent for PCUs	Month		12	12	12	36
1.4 Salary and allowances of government staff (PMU & PCUs)	Month		12	12	12	36
1.5 Salary and allowances of contract staffs (PMU & PCUs)	Month		12	12	12	36
1.6 Fuel, repair and maintenance cost (PMU & PCUs)	Month		12	12	12	36
1.7 Cost for implementation of meeting of technical, project steering and provincial level committee	Number		20	20	20	60
1.8 Cost for different types of office meetings (PMU & PCUs)	Number		80	80	80	240
<b>1.9 Procurement of office equipment, furniture &amp; furnishing and maintenance of PMU</b>						
1.9.1 Furniture and furnishing for PMU	Lump sum			1		1
1.9.2 Furniture and furnishing for PCUs and RMs	Lump sum		16	4		20
1.9.3 Reconstruction and maintenance of office rooms at PMU	Lump sum			1		1
1.9.4 Equipment and machinery for office and program hall of PMU	Lump sum			1		1
1.9.5 Office equipment and machinery for PCU & RMs	Lump sum		16	4		20
1.9.6 Procurement of moisture meter and weighing balance for crop cutting	Lump sum			4		4
1.9.7 Desktop computer & laptops (for PMU and PCUs)	Number		10	8		18
<b>1.10 Provision of consultants including procurement and finance</b>						
1.10.1 Procurement Specialist for entire project period	Person Month		9	12	12	33

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Sub-components, Outputs and Activities	Unit	Year wise target				Total Project Target
		Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
1.10.2 Finance Specialist for entire project period	Person Month		9	12	12	33

**212. Linkage and Coordination with the Executive Offices of the RMs:** Given limited capacity of the RMs, the project activities will be implemented by the PCUs in close coordination with the Agriculture, Livestock and Health Section of the project RMs with explicit target to hand over the project activities to them by the end of the project. TA will extend its technical support through team of specialist at central level and cluster level and through FLT's at municipal level. The FLT's and cluster level technicians will assist PCUs for beneficiary verification, household ID verification, group formation, group registration and implementation of activities as per the approved program/budget of the PMU. There are 6 FLT's (2 for crop, 2 for livestock and 2 for nutrition) in each RMs and their duty station would be the respective RMs. Moreover, PCUs will conduct interaction, orientation and other activities at RM level for the purpose of linkage and coordination with project RMs.

**213. Service Delivery Approach:** Majority of the project intervention will be delivered through the PGs and NGs formed by the project and registered in the respective technical section of the project RMs. Project will also conduct some activities targeting representatives of local government agencies, specifically agriculture, livestock, public health and sanitation related staff of RMs to enhance their capacity. In short, the project will work with and through the respective RMs.

**214. Beneficiary Groups and Project Grant and program Support:** The project activities will be primarily implemented through selected project beneficiaries and beneficiary groups organized in accordance with the nature and purpose of the intervention under each of the project components as discussed above. The grant and programs operating guidelines (GPOG) will describe in detail how the matching grants as provisioned in Component B, small grants as provisioned in component C and other programs under Component A, B and C will operate. The GPOG will depict in detail about the grant and program operating process and mechanism. The manuals, strategies, and guidelines produced by the FANSEP for selection and award of matching and small grant schemes, implementation of FFSSs, FBSs, and NFSs, livestock promotion programs (goat, dairy, and poultry), selection and award of mechanization support, and selection and construction of infrastructural activities such as collection centers, irrigation schemes, markets, and processing centers will be used by FANSEP II, with amendments, as needed.

## 6.5 COMMUNICATION AND MONITORING & EVALUATION

**215. Table 6.2** below presents key activities to be undertaken by the project for monitoring and evaluation of the project performance. The project will follow result-based M&E framework.

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**Table 6.2: M&E related activities**

Sub-components, Outputs and Activities	Unit	Year wise target				Total Project Target
		Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
<b>Sub-component D2: Communication and monitoring &amp; evaluation</b>						
<b>2</b>	<b>Communication and M&amp;E</b>					
2.1	Orientation workshop of FANSEP II at PCUs (Cluster level & RM level)	Number		20		20
2.2	Publication of Project Implementation Manual	times		1		1
2.3	Development of project website and regular updating	Number		1	1	1
2.4	Developing Project Management Information system (PMIS) and regular updating	Number		1	1	1
2.5	Compliance Status survey (to be captured from a regular project survey)	Number			1	1
2.6	Beneficiary Satisfaction Survey (to be captured from project regular survey)	Number			1	1
2.7	Coordination/interaction programs and workshops with ministry and other relevant project stakeholders	Number		6	6	3
2.8	Coordination program and workshop with 3 project provinces and related stakeholders	Number		4	4	4
2.9	Inter-project experience sharing/cross learning visit programs	Number		2	2	2
2.10	Project progress (quarterly and annual) review workshop	Number		4	4	4
2.11	Preparation and printing of Annual progress books for PMU & PCUs	Number		5	5	5
2.12	Preparation and printing of Project Completion Report (PCR)	Number				1
2.13	Preparation and publication of project diary	copies		800	800	
2.14	PMIS and GEMS training for project staffs (central level and cluster level)	Number		5	5	3
2.15	Updating and publication of guidelines, manuals, learning and extension materials of project	Number			4	
2.16	Preparation and publication of agriculture technology & extension materials/booklets/bulletins/ pamphlets/ profiles on improved agriculture technology (PMU & PCUs)	Number			10	5
2.17	Study Programs on seed storage and processing under PCUs	Number		4		
2.18	Documentary of project implementation, works performed and success stories etc.	Number				1

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Sub-components, Outputs and Activities		Unit	Year wise target				Total Project Target
			Year 1 (2023/24)	Year 2 (2024/25)	Year 3 (2025/26)	Year 4 (2026/27)	
2.19	Provide abroad training on procurement methods of World Bank funded projects/ Participation in subject matter related international trainings	Number			1	1	2
2.20	Provide overseas/abroad training cum exposure visit for project staffs and related stakeholder	Number		1	1	1	3
2.21	Training to project stakeholders on GESI & environment and others.	Number			4	4	8
2.22	Trainings to project staffs (M&E, procurement, data analysis, FFS, insurance, skill enhancement, and others)	Number		6	8	4	18
2.23	Mission management	Number		3	3	3	9
2.24	Conduction of baseline survey of Project	Number		1			1
2.25	Undertake annual outcome survey/ mid-line survey	Number			1		1
2.26	Conduct end-line survey of Project	Number				1	1
2.27	Project completion workshop (at central, provincial, district and RMs level)	Number				12	12
2.28	Public hearing and audit of the project (PCUs)	times		4	4	4	12
2.29	<b>Program monitoring cost</b>	Month					
2.29.1	Program monitoring travel cost (PMU)	Month		12	12	12	36
2.29.2	Financial monitoring travel cost (PMU)	Month		12	12	12	36
2.29.3	Program conduction & monitoring travel cost (PCUs)	Month		12	12	12	36
2.30	<b>Vehicles for monitoring programs implemented in the project districts</b>						
2.30.1	4 WD vehicle	Number		1			1
2.30.2	Procurement of car for PMU	Number		1			1
2.30.3	2 wheelers (PMU and PCUs)	Number		32			32
2.30.4	Cost of tax for the vehicles handed over by the FAO-TA to Government	Lump Sum				1	1

216. Baseline survey will be conducted by PMU to establish benchmark of the before project situation. Progress will be compared against the benchmark. Qualitative changes will be examined through FGDs and interactions with the project associated functionaries. Quarterly progress reports will be produced by the cluster level officers stationed at the PCUs. They will be validated at the PMU and corrective measures will be taken as necessary.

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## CHAPTER 7

### 7 PROJECT COST AND FINANCING

#### 7.1 OVERALL PROJECT COST

217. FANSEP II is jointly financed by the GAFSP and the Government of Nepal, with GAFSP providing a contribution of US\$ 20 million grant to the Government of Nepal (GoN). The GoN will contribute US\$ 2 million (which represents approximately 9.09% of the total project cost) as a counterpart funding, resulting in an overall project budget of US\$ 22 million.

218. While direct beneficiaries will be contributing a part of the project activities through cost sharing in project interventions such as matching & small grant and related project activities which include, MGs, SGs, HNGs, livestock promotion programs, market infrastructures, processing & handling structures and so forth. However, these have not been taken into account.

219. Given the World Bank as the supervising entity for this project, the project will comply to the financing rules and regulations of the World Bank. Figure 7.1 below shows GAFSP and GoN contribution.

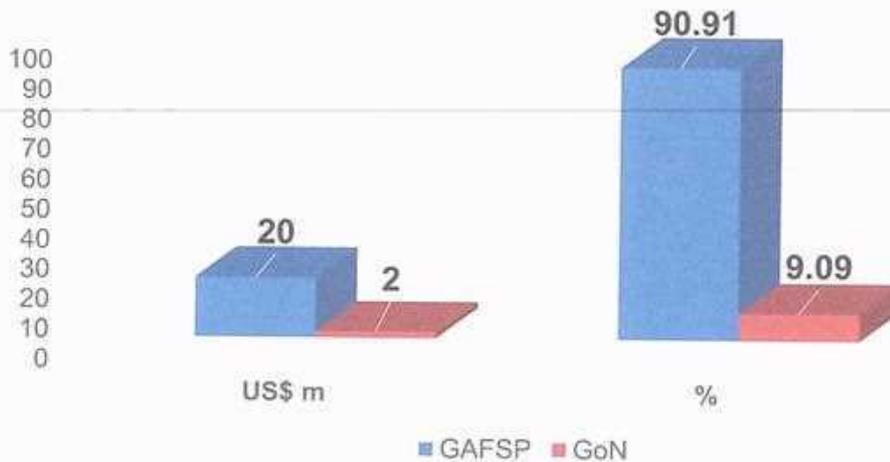


Figure 7.1: Project financing by source

#### 7.2 DISTRIBUTION OF PROJECT COST BY COMPONENTS

220. Table 7.1 below shows financing scheme/project cost by components. This has been prepared based on detail activity schedule and unit cost estimation as presented in Annex 7.1.

Table 7.1: Financing by components and source

Project Components	Total Project Cost (US\$ million) <sup>35</sup>	Source (US\$ million)		Weightage (%)	% GAFSP Financing
		GoN	GAFSP		
Component A: Climate and Nutrition Smart Agricultural Technology Adaptation and Dissemination	7.8	-	7.8	35.5	100

<sup>35</sup> Contribution from the beneficiary are not considered for estimating total cost of the project.

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Project Components	Total Project Cost (US\$ million) <sup>35</sup>	Source (US\$ million)		Weightage (%)	% GAFSP Financing
		GoN	GAFSP		
Component B: Income Generation and Diversification	5.4	-	5.4	24.5	100
Component C: Improving Nutrition Security	4.8	-	4.8	21.8	100
Component D: Project management, communication, and M&E	4.0	2.0	2.0	18.2	50
<b>Total (Including Budget for FAO-TA to FANSEPII)</b>	<b>22.0</b>	<b>2.0</b>	<b>20.0</b>	<b>35.5</b>	<b>90.91</b>
<b>Budget for FAO-TA to FANSEP II</b>	<b>3.5</b>		<b>3.5</b>	<b>15.91<sup>36</sup></b>	<b>100%</b>

Note: Exchange rate: 1 US\$ = NPR 130.

221. As seen in above table, of the total project cost, 35.5% is allocated to component A, followed by Component B (24.5%), and 21.8% in component C on improving nutrition security. Likewise, 18.2% of the total project cost is allocated to the component D on project management, communication and M&E.

222. Annual project cost breakdown by component is earmarked in Table 7.2 below with details of project annual cost distribution by component and activities in **Annex 7.1** for components A, B, C and D, respectively. These are tentative and may subject to change based on annual approval of program and budget. Limited inter-component transfer may also be allowed after baseline survey and mid-term review with no objection approval from the GAFSP.

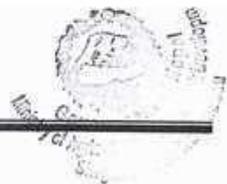
**Table 7.2: Annual project cost by components**

Details	Year 1 (2023-24)	Year 2 (2024-25)	Year 3 (2025-26)	Year 4 (2026-27)	Total
<b>Component A</b>	0	435072	418483	160422	1013977
<b>Component B</b>	14750	299120	271250	116842	701962
<b>Component C</b>	3250	261355	253745	106230	624580
<b>Component D</b>	0	190600	161980	167080	519660
<b>Total, NPR '000</b>	<b>18000</b>	<b>1186147</b>	<b>1105458</b>	<b>550574</b>	<b>2860179</b>
<b>Total, US\$ '000</b>	138.462	9124.208	8503.523	4235.185	22001.377
<b>Total, US\$ millions</b>	<b>0.14</b>	<b>9.12</b>	<b>8.50</b>	<b>4.24</b>	<b>22.00</b>
<b>Percent</b>	<b>0.63</b>	<b>41.47</b>	<b>38.65</b>	<b>19.25</b>	<b>100</b>

Note: Exchange rate: 1 US\$ = NPR 130

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<sup>36</sup> The FAO technical assistance cost is incorporated into the overall project budget of US\$ 22.0 million and is integrated within all four components.



## CHAPTER 8

### 8. FINANCIAL MANAGEMENT (FM)

**223.** The overall financial management of the Project is provided in this Chapter, while the Small and Matching Grants-specific financial management procedures are provided in the Small and Matching Grants Guidelines established under FANSEP.

**224. The FM arrangement of the FANSEP will apply to this project.** The FM of the project will be based on the country systems, policies, and procedures. The PMU of the project will be responsible for overall FM of the project, supported by the four Project Cluster Units (PCUs). The PMU and PCUs have established under the FANSEP are functioning in FANSEP II. Each PCU will be responsible for FM of four rural municipalities.

#### 8.1 PLANNING AND BUDGETING

**225.** The PMU, in close coordination with MoALD, PCUs (Cluster Units) and relevant stakeholders, will prepare annual work programs and budgets based on Project Appraisal Document (PAD), PIM and related cost tables. PMU will submit activity-based annual workplan and budget in Line Ministry Budget Information System (LMBIS) for required approval. The approved annual program and budget will be endorsed by PSC and shared with WB. A separately identifiable budget is maintained to track the expenditures incurred under this project.

**226.** The PCUs will adequately consult with the respective Provincial MoLMAC, WB and target RMs prior to the submission of the annual program and budget.

#### 8.2 FUNDS FLOW ARRANGEMENT

##### 8.2.1 Accounting and Funds Flow

**227.** The funds flow is limited to the PMU and PCUs and will not flow to municipalities. Also, the PCUs' FM will be limited to expenditures for grants, procurement of seeds and equipment, minor works, and training to beneficiaries.

**228.** The project activities are largely financed through the GAFSP grant proceeds, along with counterpart funds from the GoN. The GAFSP grant proceeds will be used to pay out project expenditures belonging to various components and expenditure categories in line with the Grant Agreement. These expenditures will be pre-financed by GoN fund and will be reimbursed from WB upon determination of project expenditures. Key activities under each component will be traced and linked with an appropriate expenditure category. Project expenditures will be administered within the budget appropriation limits. Accounting, record keeping and reporting will be based on category and activities. Government financial will be a parallel financing to cover the government staff cost and other costs as mentioned in the project legal agreements including PAD. Record of beneficiary contributions for grants will also be maintained and reported in the financial reports as per government policy. PMU shall maintain the grant register, withdrawal register, and other records as prescribed in the disbursement letter and grant agreement.

**229.** Statement of Expenditure (SOE) based disbursement modality will be followed in this project. The PD and the Account Officer will be authorized signatories under the project. All requests for disbursement from the World Bank, reimbursement to the government treasury or direct payment to payees (amount above the threshold specified in the Disbursement and Financial Information Letter (DFIL) should be submitted through withdrawal application in the World Bank's Disbursement Portal Client-connection.

The MoALD and Financial Comptroller General Office (FCGO) will be responsible for certifying the annual consolidated unaudited and audited project financial reports. MoF shall delegate authority to the PMU through Authorized Signatory Letter in the format specified in the Disbursement Letter for submitting request for disbursement to the World Bank. When a

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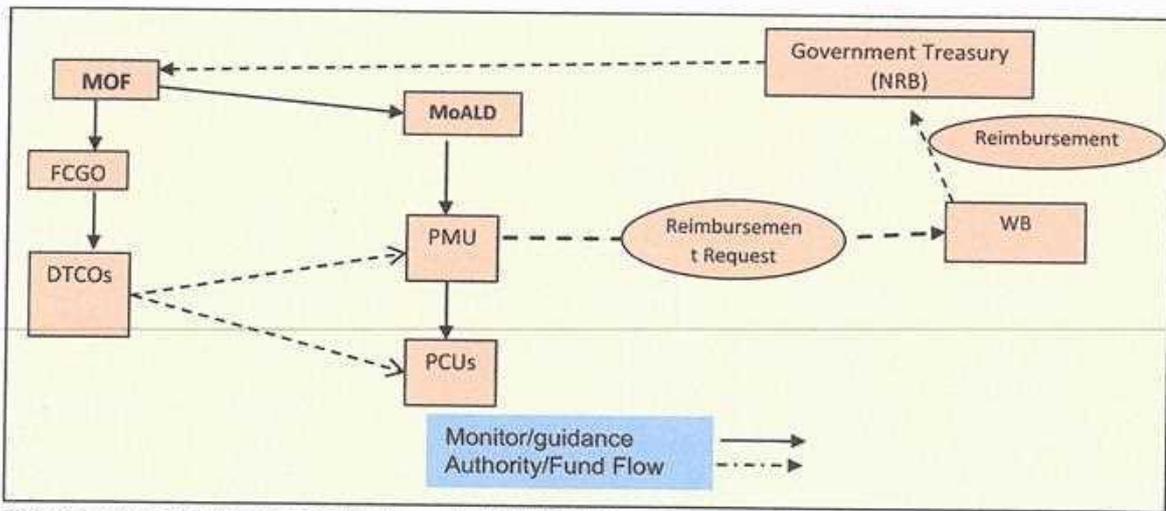
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Secretary

withdrawal application is submitted by the PMU via the client connection system, the World Bank will process the reimbursement, and the eligible expenditures will be transferred to the government treasury account set up at Nepal Rastra Bank in Kathmandu.

230. In case of TA part, direct payment is made to FAO under UN Commitment issued by the World Bank. FAO will submit to PMU information regarding payment received from the World Bank which will be included in the project's financial statements (quarterly and annual unaudited and annual audited Report) and GoN consolidated financial statement.

**8.2.1 Funds Flow from the Central Level (MoF) to Operating Level Offices/Cost Centers**

231. PMU and the four PCUs will be cost centres for the FANSEP. The proposed authority and fund flow process is presented in Figure 8.1 below.

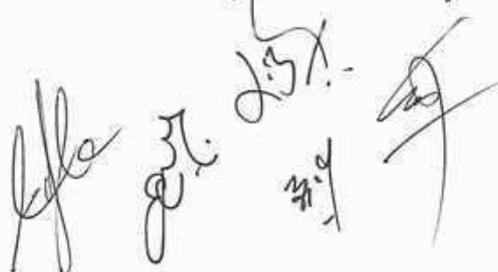


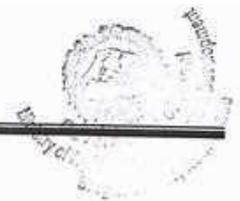
**Figure 8.1: Fund flow mechanisms in FANSEP II**

232. The GoN will notify the approval of annual work program and budget submitted by the project through the Red Book and Line Ministry Budget Information System (LMBIS). After the approval of annual work program and budget all cost centers will have access to required funds for the approved programs in LMBIS through respective District Treasury Controller Offices (DTCOs).

233. The DTCOs will get guidance from the FCGO to release funds or make payment to the cost centers. As the GoN is expected to identify this project as a priority (PI) program, fund release in the first quarterly is based on budget. The second and third quarterly releases are contingent upon performance, and submission of physical progress reports. If performance achieved in previous quarterly is at least 50% of the target, funds are released, or payments are made automatically to the cost centers. For performance less than 50 %, fund release or payment is only made after the DTCO obtains authorization from the Secretary of respective Ministry. Regarding the performance relating to financial management key indicators will be developed. The indicators will be regarding the planning and budgeting, realization of budget, expenditures, accounting and record keeping and reporting and budgeting as well as release of budget will be tied up with defined indicators. For example, the third quarterly budget may not be released or the payment of third quarterly expenditure may not be made if performance is less than 50%.

234. Fund release for the GAFSP's share of expenditures will be pre-financed through GoN's funds and later reimbursed by the GAFSP/WB based on Statement of Expenditures. In addition to the GoN's financial management policies and procedures. The financial management procedure for FANSEP II will be based on WB disbursement guidelines and other additional financial management requirements as per the Grant agreement, PAD and this PIM.



### 8.3 FINANCIAL CONTROL

235. The funds that are released to PMU will be operated under the joint signatures of the PD and the Account Officer. Similarly, the funds that are released to PCUs will be operated under the joint signatures of the PCUs chief and the accountant.

236. The PMU and PCUs will administer expenditures, maintain records, prepare monthly, quarterly and annual financial reports, and arrange for auditing, including internal and external audit. The PCUs shall submit monthly, quarterly and annual financial report to PMU for compiling and reimbursement claim from GAFSP/WB. The format for such reporting will be as GoN financial reporting forms and additionally in line with the attachment forms of the Disbursement Letter, which ensure PMU for receiving required information to claim reimbursement from the World Bank. The PMU is required to provide necessary records and SOE to WB/GAFSP with each application for withdrawal of financing proceeds as per the Grant agreements and the Disbursement Letter.

237. The expenditures of PMU and PCUs will be maintained in Computerized Government Accounting System (CGAS). PMU should obtain access to PCUs' CGAS to enable real-time information sharing and monitoring. The accounts for expenditures will also be maintained based on activities in line with the approved budget

238. The MoALD will periodically monitor both financial and physical progress of the project. The PMU will monitor both financial and physical progress of the PCUs on quarterly basis. The PCUs will also monitor its expenses on quarterly basis. The format for monitoring and report will be developed and apply in MoALD and PMU level monitoring.

239. Based on the reports provided by the PCUs, consolidated financial reports will be prepared by the PMU for this project. Financial reports will be submitted to WB on a quarterly basis, no later than 45 days after the end of the quarter (period of three months), annual unaudited financial statements by three months and annual audited financial statements by nine months from the end of each F.Y. The PMU and PCUs will maintain all required ledgers and records required by the GoN. The PMU will prepare implementation progress report on a quarterly basis. The report will include on the physical, financial and procurement progress.

240. GON's **internal control system** will be applied to monitor the progress of the Project in accordance with sound accounting practices. The PMU as well as Financial Management and Procurement Specialist will have the key responsibilities in monitoring internal control system, project expenditure tracking, assets management, monitoring fiduciary aspects and procurement management of PCUs. The project to also ensure that the grants implementation is governed by grant operational guidelines.

### 8.4 STAFFING

241. The Finance Section of PMU will be headed by an Account officer with necessary number of Accountants for support. Each PCUs will be staffed by at least one accountant who will be responsible for maintaining the accounts in accordance with government procedures, and for submitting monthly, quarterly, annual and other required statements of expenditures to PMU. The PMU will be supported by at least one Financial Management Specialist, which will be increased based on project workload. Adequate staffing (including financial management specialist) will be ensured to enable efficient Financial Management and regular monitoring of the project.

### 8.5 AUDIT AND FINANCIAL MONITORING

242. **Internal Audit:** The respective District Treasury Controller Office (DTCO) is responsible to carry out the internal audits of both PMU and PCUs as per the Government Policy. Internal audits will be carried out on quarterly basis. Each cost center is responsible to follow up with the concerned DTCO to ensure such timely internal audits. Each cost center is also responsible to maintain its accounts as per the requirement of GON and WB, for timely internal audits. Internal audit reports of PCUs shall be shared with PMU within 7 days from receipt of the reports every quarter.

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**243. External Audit:** The external audit of the project will be carried-out by the Office of the Auditor General of Nepal in accordance with the covenants of Financing Agreement. PMU is responsible to coordinate for timely external audit of the Project and timely submission of consolidated project external audit report to the World Bank. The PMU and each PCU's will maintain a record of audit observation and prepare the action plan for regular follow up /settlement. PMU will review, track progress and follow-up on the progress made by each PCU and PMU itself.

**244. Supervision and monitoring:** Project implementation progress will be closely monitored by the PMU in line with the PIM and Grant Operational Guidelines. The financial monitoring of all clusters will be conducted based on the annual plan prepared by the FM team along with the checklist for monitoring and reporting, which will cover FM risks, issues, mitigating measures and review of financial transactions and reports regularly. FM monitoring, through field verification in all clusters, will ensure the expenditure are incurred as per project development objectives complying with legal agreements and only eligible expenditure are claimed from the bank.

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## CHAPTER 9

### 9 PROCUREMENT MANAGEMENT

#### 9.1 GENERAL

245. FANSEP II will carry out procurements in accordance with the World Bank Procurement Regulations for IPF Borrowers (September 2023) and the provisions stipulated in the Financing Agreement will be applicable for procurement activities under this project. In addition, the project will also follow the Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated October 15, 2006, and revised in January 2011 and July 2016.

246. The procuring entities will be the PMU and already established (in FANSEP) four cluster offices (PCUs), to support the selected municipalities within the clusters. Procurement of goods, works and non-consulting services to be procured under National Procurement Procedures will be carried out in accordance with Paragraph 5.3 and 5.4 under Section V. For procurement under Open-National Procurement Method (NCB), World Bank approved model bidding document will be used, which incorporates caveats as explained in below and stated in the Project Procurement Strategy for Development (PPSD).

- Model bidding documents, including contract conditions agreed with the Bank (as amended from time to time), shall be used. Bidding documents shall be made available by mail or in person or through e-GP portal to all who are willing to pay the required fee.
- The eligibility of bidders shall be defined under Section III of the Procurement Regulations. Accordingly, no bidder or potential bidder shall be declared ineligible for contracts financed by the Bank for reasons other than those provided in Section III of the Procurement Regulations.
- The request for bids / request for proposals document shall require that Bidders / Proposers submitting Bids / Proposals present a signed acceptance (in the form attached) at the time of bidding, to be incorporated in any resulting contracts, confirming application of, and compliance with, the Bank's Anti-Corruption Guidelines, including without limitation the Bank's right to sanction and the Bank's inspection and audit rights.
- Qualification criteria (in case pre-qualifications were not carried out) shall be stated in the bidding documents for all contracts, irrespective of the value, and if a registration process is required, a foreign firm declared as the lowest evaluated bidder shall be given a reasonable opportunity to register, without let or hindrance.
- Procurement Documents include provisions, as agreed with the Bank, intended to adequately mitigate against environmental, social (including sexual exploitation and abuse and gender-based violence), health and safety ("ESHS") risks and impacts.
- Performance security should be an amount of **five (5) to ten (10) percent** of the contract price and shall not be increased merely based on comparison of the bid price of awarded bidders with the pre-bid cost estimate.
- If a contract is terminated because of fundamental breach of contract by the contractor, the amount to be recovered from the contractor representing the employer's additional costs for completing the contract shall be provisioned as agreed with the Bank in model bidding documents.

247. When other national procurement arrangements (other than national open competition procurement arrangements) are applied by the Borrower, such arrangements shall be subject to paragraph 5.5 of the Procurement Regulations.

248. The four PCUs will carry out small-value procurement, under the overall guidance, supervision, and monitoring of the PMU.

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249. All consulting service activities will be carried in accordance with the Bank's Procurement Procedures. Major procurements, including selection of consulting firms and individual consultants and procurement of office equipment and vehicles required for the project, including for the PCUs, will be centralized in the PMU. The PMU will assist the cluster offices in maintaining procurement records until the duration stated in the Financing Agreement.

250. The PMU will arrange, from time to time, training and orientation programs to PCUs and other staff involved in procurement initiation, review, and decision-making processes to ensure effective procurement management. As in FANSEP, a procurement specialist (PS) is required for effective procurement management of project and its monitoring and reporting.

251. As in FANSEP, the FAO is selected on a single-source basis with a budget of US\$ 3.5 million to support the PMU and PCUs in executing project activities.

## 9.2 PROCUREMENT PLAN

252. All procurement activities to be funded by the Project will be executed, upon approval of the procurement plan. The PMU will be responsible for entering the procurement plan of PMU and four PCUs on STEP (Systematic Tracking of Exchanges in Procurement) for the Bank's approval. The PMU will be responsible to maintain and update procurement documents in STEP. The PMU will also be responsible to monitor the status/progress of procurement activities processed by the PCUs, in accordance with the approved procurement plan. The Procurement Plan will consist of contract description of procuring items, procurement category, procurement methods, estimated costs, review requirements, timelines and will be agreed between the Borrower and the WB project team. The approved procurement plan will be public and published in the World Bank's external website. Activities to be carried out by the grants (matching grants/small grants/HNgrants) will not be entered in STEP. The procurement process of such activities will be carried out as stated in Annex 4.1 of the document.

253. The general description of various items under different expenditure category for each contract to be financed by the Grant, the different procurement methods or consultant selection methods, the need for pre-qualification, estimated costs, prior review requirements, and time-frame are agreed between the Borrower and the WB project team in the Procurement Plan.

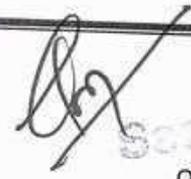
254. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity. All procurement documents such as terms of reference, bid evaluation reports/technical evaluation reports, signed contracts etc., will be uploaded to the STEP, for both prior review and post review activities. Training and workshops activities will not be entered in the procurement plan, unless such events will be managed by an external firm/individual.

## 9.3 PROCUREMENT ARRANGEMENT

255. The Project Management Unit (PMU) will be responsible for the overall procurement management of the Project. Major procurement activities of the project such as selection of consulting firms, individual consultants, procurement of office equipment, vehicles, etc. including requirement of PCUs will be carried out by the PMU. The four PCUs will procure only small value items and items to be provided to Producer Groups under Matching Grant Schemes/sub-grantees/HNP grantees, such as seeds, breeds and saplings, animals, poultry items, simple machineries etc., and will manage logistics, grants and training to beneficiaries.

256. A procurement unit will be established in the PMU and PCUs to undertake project procurement activities. The procurement unit will be responsible for activities such as preparing procurement plan, bidding/proposal documents, terms of reference, evaluation reports, contract management etc. The Project Director (PD) will conduct overall supervision of the procurement activities, management of contracts, with the support of the Procurement Specialist and Procurement Officer.

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257. Procurement of goods and works, which includes the construction of 32 critical infrastructures such as collection centres, storage, markets, and processing and grading facilities and small-scale irrigation schemes and conservation of spring sheds in the municipalities, will be undertaken by the beneficiaries under the grant proceeds managed by the PCUs and will use the community-driven development procedure as stated in Section VI, Clause 6.52 of the World Bank's Procurement Regulations. The Grant Operation Manual will indicate the procurement process to be undertaken by the beneficiaries.

258. The procurement plan will indicate both **prior and post review** activities. All prior review activities will be processed through STEP and the World Bank's no-objection will be required at every procurement processed through STEP. The World Bank will undertake review of post review of the procurement documents on a sample basis. In addition to the procurement process, the review will also be undertaken for (a) payment and (b) physical verification.

#### 9.4 PROCUREMENT METHODS

##### 259. Procurement of Goods, Works and Non-Consulting Services

- i) Procurement methods: The applicable procurement methods for such items will be (i) Request for Bids (RFB) (ii) Request for Quotation (RFQ) (iii) Direct Contracting (DC), (iv) Community Driven Development (CDD).
- ii) Market approach: The applicable market approaches will be (a) Open (b) Limited (c) International/National (d) Direct.

##### 260. Procurement of Works:

- (i) Open International Market Procedure: For packages estimated to cost equal or more than US\$ 5 million, open and international competitive procurement will be done. The World Bank's procurement procedure will be applied and the World Bank's Standard Bidding Document will be used.
- (ii) Open National Procurement Procedure: Below US\$ 5 million the PMU may procure works contract following Open National Procurement Procedures. World Bank approved Model Bidding Document will be followed for NCB procurement procedures.
- (iii) Request for Quotation/Shopping: Activities below the threshold of equivalent US\$ 25,000.00 per contract may be procured through RFQ/shopping procedures. Bank approved Model RFQ document will be followed.
- (iv) Community Driven Development Procedure: Those works activities which will be implemented by user committees and in which the payment will be based on the progress and actual cost, will be included in the procurement plan. Activities for which payments will be on grant basis, will not be required to be included in the procurement plan. However, such activities will be agreed with the Bank.
- (v) Selection of user group's proposals: Implementation of local level facilities through the User Group's selected on the basis of their proposals is also envisaged in the project. Such activities are not pre-defined procurement activities. The project will prepare and use manual on the selection of such proposals. Such activities will be listed by the project and send their progress to the WB.

##### 261. Procurement of Goods:

- (i) Open International Market Procedure: For packages estimated to cost equivalent of US\$ 1 million and above per contract for goods, open international competitive procurement will be done. In such procurement, the World Bank's Standard Bidding Document will be used.
- (ii) Open National Procurement Approach: Below US\$1 million the PMU may procure goods following National Procurement Procedures. World Bank approved Model Bidding Document will be followed for NCB procurement procedures.

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- (iii) Procurement of vehicles (i.e. Pick-up truck, Jeep, Car, Motorcycle, etc.) and IT equipment (i.e. still/video cameras, multi-media equipment, computer, printer, photocopier, fax, etc.) needed for all of the components shall be procured by PMU.
- (iv) Direct Contracting for procurement of vehicles: However, for procurement of few vehicles (up to 4), the Project will adopt direct-national approach. A supplier will be identified after conducting market survey on availability of appropriate models of vehicles suitable for the project and costs in the market and availability of the budget. Then a price quotation is obtained, and the final contract price will be settled through negotiations (in case of vehicles up to 4 numbers).
- (v) Procurement by Project Cluster Units (PCUs): Small Procurement of goods, up to the limit of US\$ 7,500 or NPR 1 million by PCUs can be carried out using Government of Nepal Procurement procedures without uploading in World Bank STEP system.
- (vi) Request for Quotation: Activities below the threshold of equivalent US\$ 25,000.00 per contract may be procured through RFQ/shopping procedures, following the GoN's Public Procurement Act, and Public Procurement Regulations.

**262. Procurement of Consulting Services:** All consulting services including individual consultants, will be procured using the World Bank's procurement procedures, as per Section VII of the Procurement Regulations. Similarly, only the Standard Procurement Documents (SPDs) of the World Bank will be used for procurement of all consulting services. The applicable procurement methods are (i) QCBS, (ii) QBS (iii) CQS (iv) LCS (v) FBS (vi) SSS and (vii) Individual selection. As an additional due diligence in selecting consulting firms, CVs of all key experts proposed in technical proposals by consulting firms will be verified. The technical proposals will be evaluated by relevant technical experts.

**263. Procurement of Non-Consulting Services:** These will include services for organizing workshops for information dissemination under Components A, B, C and D, trade fairs and exhibitions, development of website portal and media coverage etc. For packages estimated to cost of less than US\$ 1 million per contract for Non-Consulting Services, National Procurement Procedures will be applied. A model bid document, approved by the World Bank will be used for first procurement, and the same model bid document will be used for all subsequent procurements.

**264. Thresholds for Procurement Approach:** The applicable thresholds for the procurement methods are as follows:

Items	Amount in US\$ (in thousands)		
	Open-International	Open-National	Request for Quotation
Works	>5,000	<5,000	<25
Goods	>1,000	<1,000	<25
Non-Consulting Services	>1,000	<1,000	<25
Individual Consultants	>300	<300	X

**265. Bid evaluation under National Procurement Procedures:** All bid evaluation reports will include verification of recommended bidders' post-qualification information; maintain records of all related documents/communications regarding project procurement (including correspondences with the potential bidders as well as complaints/clarification requests etc.) to facilitate smooth post procurement reviews

**266. Project Procurement Strategy for Development (PPSD):** Other details regarding procurement methodology and contract management issues will be provided in Project Procurement Strategy for Development (PPSD) which is an attachment to this PIM.

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**267. Ineligible contracts:** Procurement of goods, works, non-consulting and consulting services financed under the project should comply with the legal agreement and the agreed procurement procedures, stated therein. The World Bank will take legal remedies, including mis-procurement for contracts that are not in compliance with the agreed procurement procedures.

**268. Publication of Procurement Notices and Contract Awards:** All procurement notices (EOI/SPNs/Contract Award information) will be published at the department website and respective agencies website and local newspapers with wide circulation. Contract award information will be published within two weeks of contract award. If the market approach is open and international, the Expression of Interest (EOI) will also be published in the World Bank's external website through Systematic Tracking of Exchanges in Procurement (STEP), in addition to publication in local newspaper of wide circulation and in official gazette. Similarly, for open/international market approach for goods, works and non-consulting services, the Specific Procurement Notice (SPN) will also be published in the World Bank's external website through Systematic Tracking of Exchanges in Procurement (STEP)

**269. Fraud and Corruption and Conflict of Interest:** The procuring entity will make bidders aware about the Bank's Anti-Corruption Guidelines and the need to comply with its requirements such as submission of signed acceptance to comply with at the time of bidding and subsequent signing the contract, the Bank's right to inspect the documents and sanction. Conflict of interest issues will also be made aware, through invitation letters/ invitation notices and at pre-bidding/proposal meetings, as applicable.

**270. Procurement Complaint Management:** Procurement related complaints, regardless of prior or post review activity, will be entered in STEP. The project will duly acknowledge the complaint received and promptly entered it in STEP. Once the procurement complaint is entered in STEP, the case will be in "open" status, and the project will not be able to proceed to the next step, unless necessary action has been taken on it. In case of prior review activity, the draft response to the complainant will be submitted to the Bank for review and no-objection, through STEP. Upon receiving the Bank's no-objection to the draft response on the complaint, the project will respond to the complainant. Such final response will also be uploaded in STEP and the case will be closed. In case of post review activity, all communications (complaint/response to the complainant) will also be entered in STEP. Not recording procurement complaints in STEP constitutes procurement non-compliance. In case of procurement non-compliance, the World Bank may, in addition to exercising legal remedies set out in the legal agreement of the project, may take other appropriate actions, including mis-procurement

**271. Procurement Guidelines to be followed by Producer Organizations/Grantees/Water User's Committee**

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## CHAPTER 10

### 10 ENVIRONMENTAL AND SOCIAL SAFEGUARD

**272.** The project activities designed for FANSEP II are expected to have limited impacts on environmental, social, and cultural aspects. This is largely due to their focus on poor and small-holding farmers and pro-poor interventions designed to be climate resilient and nutrient rich interventions. However, it will be necessary to undertake a site-specific assessment of social and environmental implications of all project activities, particularly those related to small and matching grants, crop and livestock promotion programs, construction or rehabilitation of market infrastructure, handling and processing structure, installation of deep tube wells and small irrigation schemes.

**273.** The Environment and Social Management Framework (ESMF) prepared for the FANSEP II was based on the requirements of the Environment Social Framework (ESF) and Environmental and Social Standards (ESSs) of the World Bank and the national environment requirements. This framework would help in integrating and harmonizing the environment and social management principles at the various stages of project preparation and execution.

**274.** Project activities under FANSEP II components, particularly Component A, B and C will require screening at the early stage of subproject planning as per the ESMF and preparation of subsequent E&S risks management instruments based on the outcomes of the E&S screening. The Project has also prepared a resettlement policy framework (RPF) and a labor management procedure (LMP), and both the instruments have been embedded into the ESMF. Moreover, the ESMF has also included an indigenous peoples planning framework (IPPF). Project also prepared a separate stakeholder engagement plan (SEP) to promote appropriate engagement with the identified stakeholders through meaningful consultations that are organized periodically, regular dissemination of information for transparency, and ensure a functioning grievance redressal mechanism that is readily available for the communities affected or benefitted by the project activities.

#### 10.1 PURPOSE AND OBJECTIVES OF THE ESMF

**275.** The objective of the ESMF is to assess and mitigate potential negative environmental and social risks and impacts of the project consistent with the environmental and social standards (ESSs) of the World Bank's ESF and national requirements and provide procedures and approaches to address these risk and impacts. More specifically, the ESMF seeks to:

- (a) Establish clear procedures and methodologies for screening, reviewing and managing environmental and social safeguards for the components to be financed under the FANSEP II;
- (b) Consolidate and facilitate understanding of all essential policies and regulations of the GoN as well as the World Bank's environmental and social safeguards regime that are applicable to the Project; and
- (c) Provide practical guidance on the implementation of the environmental and social safeguard measures.

#### 10.2 PLAN, POLICIES, LEGISLATIONS AND DIRECTIVES APPLICABLE TO ESMF

**276.** The key policy, legislation and directive relevant to ESMF are (i) Constitution of Nepal, 2015<sup>37</sup> particularly the articles related to fundamental rights including the right to food and food sovereignty, state's directive principles, governance, agriculture and land reform, natural resource conservation, (ii) Environment Protection Act, 2019 and Rule 2020 (iii) Pesticide Management Act 2019 and Regulation 2024, (iv) National Seed Policy-1999 and Seed Act 1988 Seed Rules 2024,

<sup>37</sup> Any law inconsistent with this Constitution shall, to the extent of such inconsistency, be void.

(v) Bio-diversity Conservation Policy, (vi) Animal Slaughterhouse and Meat Inspection Act 1999 and Regulation 2001, (vii) Animal Health and Livestock Services Act, 1999 and Rules 2000, (viii) Local Government Operation Act 2017, (ix) Land Acquisition Act 1977, (x) Plant Quarantine and Protection Act, 2007 and Regulation 2009 (xi) Forest Act 2021 and Rule 2022 (ii) Solid Waste Management Act 2011 and rule 2012 (xii) Good Governance (Management and Operation) Act 2008 and other various operational guidelines issued by MoALD..

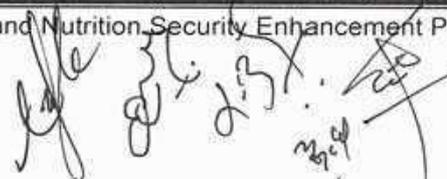
277. The project will follow the World Bank's Environmental Social Framework (ESF) and a set of applicable Environment and Social Standards ESSs of the ESF as well as the World Bank Group Environmental Health and Safety Guidelines. The standards are developed to assess, prevent and mitigate negative implications to the people and environment in the development process and provide guidelines for the identification, preparation, and implementation of appropriate mitigation measures. The following Standards of the World Bank (described in Annex 10.1) are relevant to FANSEP II from environmental and social viewpoint:

Environment and Social Standards triggered by the FANSEP II	Relevant	Not relevant
ESS1: Assessment and Management of Environmental and Social Risks and Impacts	✓	
ESS2: Labor and Working conditions	✓	
ESS3: Resource Efficiency and Pollution Prevention and Management	✓	
ESS4: Community Health and Safety	✓	
ESS 5: Land Acquisition, Restrictions on Land Use, and Involuntary Resettlement	✓	
ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources	✓	
ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	✓	
ESS8: Cultural Heritage		✓
ESS9: Financial Intermediaries		✓
ESS10: Stakeholder Engagement and Information Disclosure	✓	

### 10.3 Environmental and social risk management approach

278. ESMF prepared for the project forms part of the comprehensive environmental and social management approach that has been adopted for addressing the potential environmental and social impacts even when these are considered minor in nature.

279. ESMF defines (a) the approach for identifying the environmental and social issues associated with the FANSEP II activities, (b) the requirements for conducting environmental and social screening and environment and social assessment studies, and (c) measures to prevent, mitigate and manage adverse impacts and enhance positive ones by preparing required E&S instruments. ESMF includes an exclusion list and a simplified environmental and social screening checklist, which will be used to identify the environment and social issues related to sub-project and the sub-project as Category I, II, III and IV as stipulated in the ESMF. All the sub-






projects/activities executed under the FANSEP II will be screened for both national as well as WB safeguard requirements. The categorization will determine the type of environmental and social assessment required and subsequently the safeguard instruments and tools to be prepared (ECOP/ESMP, IEE etc.) in line with ESMF.

280. Each small and matching grant, rehabilitation of market infrastructure, handling and processing structure, deep tubewell and small irrigation scheme also go through environmental and social screening to identify relevant environmental and social concerns and suggest appropriate mitigation instruments.

281. FANSEP II will have two stages process for environment and social safeguard screening procedure namely (1) initial screening by using the exclusion list in Box 1 of the ESMF; and (2) Screening the proposed activities to identify the approach for E&S risk management. This screening form is the second stage of the screening process and is to be used for all sub-project activities (Annex 10.2).

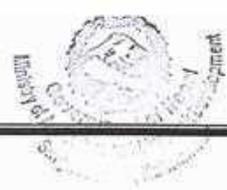
282. The screening will also determine the National environmental requirements. Grant proposals/sub-projects requiring IEE or EIA should have the respective examination or assessments done before approving them for funding (as part of pre-investment studies).

283. Based on the defined criteria, the proposal may fall in one of the following four categories:

- **Category I-** Sub-projects with significant adverse environmental impacts for e.g. sub-projects using banned pesticides in Nepal or fall in the WHO classes IA and IB, subprojects requiring EIA, subprojects located inside protected areas, critical habitat, world heritage sites and Ramsar sites will be rejected during screening. Likewise, sub-projects which are in high-risk zone such as landslide prone area, steep slopes, highly degraded land in hills, riverine area susceptible to flooding annually and in areas causing large-scale soil erosion will also be rejected. Refer to the negative list in the ESMF.
- **Category II -** Activities requiring BES, IEE or EIA. Threshold on environmental and social criteria for activities requiring IEE are identified on the basis of Environment Protection Act, 2019 and Rules, 2020 as well as based on potential short-to-long-term adverse environmental and social impacts and their sensitivity. Quick visit of the proposal site and quick review of the contents of proposal will be made by the Environment and Social Screening Team to ascertain level of investigation as well as to indicate likely issues/impacts.  
Proposals requiring BES, IEE, and EIA should prepare Environment and Social Management Plans (ESMPs) for approval. The proponent would furnish an IEE report along with the project proposal. In addition to thresholds defined by government regulation, potential adverse impacts and environmental/social sensitivity as per the requirements of the World Bank ESF, ESSs will be duly considered while conducting BES, IEE or EIA study and preparing BES, IEE or EIA reports and while preparing ESMPs. Following the EPA 2019 and EPR 2020, the MoALD or the agency prescribed by the relevant provincial law are responsible for approving the IEE reports in the agriculture sector while EIA reports will be approved by the Ministry of Forests and Environment (MoFE) or the agency prescribed by the relevant provincial law. MoALD has issued the Guidelines for IEE<sup>38</sup> in the agricultural sector (Table 2 of ESMF prepared for FANSEP II). The proposer receives MoALD's approval through respective government agencies.
- **Category III –** Subproject/Activity to adapt Code of Practices. The eligible project activities that are not under the BES, IEE or EIA requirements, but their implementation could still have some adverse environmental and social impacts fall under Category III. These activities will be recommended for FANSEP II funding with contractual agreements to fully

<sup>38</sup> IEE Manual for Agricultural Sector was developed by then MoALD provides the guidelines for IEE in agricultural sector are as per EPR 2020.

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adopt environmental code of practices (ECOP). However, the screening will specify the environmental and social code of practices to be adhered to in the respective sub-project activity of this category and approved by PCU. The WB E&S requirements as per the ESF and applicability of ESSs will be considered while preparing the code of practices.

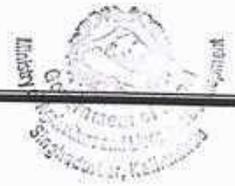
- **Category IV** – Sub-projects to be recommended for approval without any environmental assessment. Sub-projects, which do not fall under any of the above categories, and the screening, do not indicate any adverse environmental and social impacts/sensitivity could be recommended for approval without further environmental and social investigation. However, environmental and social compliance monitoring mechanisms will regularly monitor samples of such grant/ activity to ensure that they are not having adverse environmental and social consequences during implementation.

Sub-projects involving the production of commercial market-led crops/vegetables and requiring purchase of significant amount of pesticides will require pest management plan.

284. The ESMF includes a **Resettlement Policy Framework (RPF)** describing resettlement principles and mechanisms for addressing impacts and risks due to displacements caused by land acquisition, possible temporary disruption of access to businesses, services and income (e.g., temporary displacement of informal vendors), and temporary restrictions on access to facilities while the construction work is ongoing in the project area through the preparation and implementation of resettlement action plan. Social screening will be carried out for each subproject to assess the potential resettlement (loss of land and livelihood) impacts of sub-projects. Resettlement Actions Plans will be prepared as per the procedure described in the RPF, if the sub-project activity involves land taking and other private assets resulting in physical or economic displacement. The Project will establish long-term legal land use rights as per the prevailing regulatory provisions and the requirements of the ESF in cases where the sub-project acquires private or public land for the implementation of the sub-project.

285. The ESMF also includes a procedure to prepare an Indigenous Peoples Plan (IPP) as per the requirements of ESS7 of the ESF. The propose of preparing the IPP is to ensure that the Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities affected by World Bank funded projects have a voice and be involved in project design and implementation, adverse impacts on indigenous peoples are avoided, minimized or mitigated, and that the benefits intended for indigenous peoples are culturally appropriate. The policy is triggered when there is presence of indigenous peoples in the project area and there are likely potential adverse impacts or benefits of the project activities to the indigenous people. In certain circumstances, the ESS7 may require Free, Prior, and Informed Consent (FPIC) from affected communities to ensure broad community support for the project activity. Based on the findings of E&S screening, an IPP will be prepared as part of the ESMP to mitigate the potential adverse impacts or maximize the positive benefits of the project intervention.

286. The ESMF outlines the areas where women need specialized support/ assistance, such as adequate support in technical knowledge, access to resources and markets and opportunities for capacity building programs and being involved in decision-making processes. Provisions will be made whereby women's participation will be enhanced in gender responsive manner. Purposefully, the project will ensure that women workload will not be substantially increased due to FANSEP II activities. The Gender Development Policy Framework spells out the gender development plan with the specific issues linking with the corresponding strategies and activities which will be given due consideration in FANSEP II. This will ensure women's participation to benefit from project activities. Based on the findings of the site-specific E&S screening, the ESMPs will include appropriate mitigation measures to minimize and mitigate the potential gender-based violence, sexual exploitation and abuse that may be triggered by the project activities and corresponding flow of migrant workers.



287. The project will conduct environmental and social risk management related orientation programs and training at different levels to strengthen the capacity of project's staffs, field technicians and stakeholders of concerned Rural Municipalities for streamlining environment and social safeguards compliances on FANSEP II activities. Orientation and training will be conducted through project on ESMF implementation at project management level and cluster level and field level during the preparation phase of ECoP/ESMPs. The Gender, Environment and Social Safeguard Specialist at TA team will prepare technical document, training booklet, environment and social screening checklists and other documents as required.

288. The Stakeholder Engagement Plan (SEP) is prepared in line with the World Bank's Environmental and Social Standard 10 (ESS10) to promote timely disclosure of relevant project information to Project stakeholders, guide consultation with local communities, facilitate constructive dialogue between the implementing agency, targeted beneficiaries, and relevant stakeholders. The SEP consolidates ongoing consultation activities and establishes a systematic approach to identify and engage project stakeholders and ensure meaningful consultation with the stakeholders in the design and implementation of the Project. For this purpose, the Project first identified the project stakeholders and categorized them into various groups (i.e., government agencies, municipalities, farmers' groups, and project-affected/beneficiary parties) based on their interests and influence on the Project. The SEP also makes provision for engaging Indigenous People (IPs) and vulnerable groups such as Dalits present in the project area and informing them about the project opportunities and possible impacts along with the mitigation measures. The SEP includes an analysis of these various stakeholders and proposes strategies for engaging them throughout the project life, mainly through periodic and meaningful stakeholder consultations and effective dissemination of project-related information.

289. SEP clearly defines the process of the two-tier Grievance Redress Mechanism (GRM) at the PMU and cluster levels with explicit provisions for receiving grievances, processing, finding resolution, and a reporting back mechanism in a timely and culturally appropriate manner. It also incorporated a sequential escalation procedure if the complainant seeks to appeal. This will ensure attending peoples concern at various levels. Any type of grievances related to environmental and social safeguards, occupational and community health and safety incidents and accidents received will be handled by PCU first and any unsolved issues will be forwarded to PMU with all the required information.

290. The environmental and social management documents (ESMF, LMPs, RPFs, RAPs, ESMPs, IPPs, SEP) will be publicly disclosed and will be accessible throughout project implementation. Project-specific information also needs to be made available at each sub-project site.

291. The institutional mechanism for the implementation of ESMF is integral to the overall FANSEP II implementation mechanism. A Gender, Environment and Social Specialist (GESS) will be assigned at PMU from TA, and each Cluster Unit will nominate one focal officer for environmental and social risk management and implementation of ESMF. During the preparation phase for the sub-projects, the proposal received from the beneficiary /entity/stakeholder for FANSEP II supported activities will be screened by cluster offices as per the requirement of ESMF. The grant recipient's proposal will not be accepted until all environmental and social safeguard requirements are fulfilled. Though the responsibility of preparing ECoP/ESMP will be the beneficiary institution/entity, the field-level technicians and cluster level TA specialists/ PCU officers will support the beneficiary groups during the preparation of ECoP/ESMP. During the implementation phase, the grant recipients /entity/stakeholders will be responsible for implementing environmental mitigations, obtaining necessary permits (if needed), implementing the ESMF/ESMPs etc. The cluster-based specialists, PCU officials and the field level technicians will conduct regular monitoring of the environmental and social compliances and prepare the

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compliances report. These reports will be submitted to PCUs. The compiled report will be sent to the PMU as part of the periodic progress report.

**292.** GESS will introduce the environmental and social safeguard requirements in agriculture sector, train the cluster-based Crop Production Specialist, Livestock Production Specialist, Nutrition Specialists and Agribusiness and Enterprise Development Specialist in areas of environmental and social safeguard. The GESS shall provide "on the ground" training to prepare site specific ESMPs and other management plans and to fulfill the requirements of ESMF for FANSEP II and assist PMU and PCUs in coordination and implementation of all environmental related activities of the project. GESS prepares technical documents/ booklets and environment and social screening checklists for implementation of environment and social safeguard measures. GESS will assist overall technical support/guidance to FANSEP II team to ensure the compliances of environmental and social safeguard measures and capacity building programs. The details on integrated Environmental and Social Risk Management Procedures in subproject cycle is given in table 6 of ESMF.

**293.** The ESMF requires detailed supervision, monitoring, reporting and evaluation of the impact of all the subprojects on the environment and social aspects. For this purpose, a Monitoring & Evaluation (M&E) system will be established at the FANSEP II. PMU will be responsible for ESMF compliance reporting to the WB as per the provisions made in the ESMF. The recipient institutions will conduct regular monitoring of the environmental and social issues, and the report will be submitted to FANSEP II as part of the periodic progress report. The E&S focal officer of PCUs with the help of the respective cluster-based specialists PCU will support Project Rural Municipality in ESMF implementation. The focal officers and the cluster-based specialists will work closely with the grant recipients in filling up environmental screening checklists, forms, formats, and preparation of required documents. Compliance monitoring will be conducted by PCUs. The cluster-based Crop Production Specialists, Livestock Production Specialists, Nutrition Specialists and Agribusiness and Enterprise Development Specialists will assist the PCU to streamline the environment and social issues while implementing the project activities. In addition, PMU will undertake environment and social safeguard audit during the midterm based on appropriate samples to represent the sub-projects and the beneficiaries in order to ensure that environment and social safeguard measures are adequately complied with. This Third-Party mid-term monitoring report shall be prepared and submitted to MoALD which will be shared with the WB as well. The details on role and responsibilities for ESMF implementation is depicted in ESMF Table- 7.

**294.** Wherever necessary, the existing guidelines of the World Bank and the government regulatory framework will guide the application of the ESMF in FANSEP II activities.

#### 10.4 REVISION/MODIFICATION OF THE ESMF AND SEP

**295.** The ESMF and SEP are living documents, which will be periodically updated when necessary. Unexpected situations and/or changes in the project or component design would, therefore, be assessed and appropriate management measures will be incorporated by updating ESMF. Such revisions will also cover and update any change or modification introduced in the legal/regulatory regime of the country. Also, based on the experience gained from application and implementation of this framework and SEP, the provisions and procedures will be updated, as appropriate.

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## CHAPTER 11

### 11 MONITORING & EVALUATION ARRANGEMENT

#### 11.1 BACKGROUND

**296.** This chapter describes the approach, methods and tools for monitoring of the project. It makes clear about the role of difference agencies and outlines the accountabilities to be coordinated in implementing the project activities with expected output, outcomes and impacts to achieve the PDO level indicators. In addition, it outlines what steps to be taken while conducting these activities. Contrary to conventional M&E system, the project subscribes to the evidence based M&E putting beneficiaries and their welfare at the center and "making things visible" as a key strategy. Based on the learning of M&E system of recently closed FANSEP, a clear M & E strategy for FANSEP II will be developed and implemented to track progress on a continuous basis.

**297.** Specific objectives of FANSEP II M&E system are to:

- (a) Assess whether implementation of project activities is going as planned and corrective action is needed to improve the delivery;
- (b) Ensure the achievement of the PDO and component objectives and results envisaged by the project as indicated in RF; and
- (c) Assess project's compliance to environment and social safeguard measures including by Grant Recipients (GRs).
- (d) Ensure the gender inclusion project direct beneficiaries envisioned by the project.

**298.** Monitoring and evaluation of FANSEP II, thus, primarily focus on the collection, analysis and reporting of the PDO and intermediate indicators. In addition, M & E also captures other outputs and outcomes of the project intervention, mostly through the PMIS, and other instrument like GEMS, FGDs etc. The reporting of processes, activities, outcomes, and results to the ministry or concerned agency (supervising entity, FAO) will be done in periodic basis.

**299.** A schematic depiction of the project's results chain is provided in figure 11.1 below. As seen in this figure, project's components, notwithstanding their distinct and separate functions, are closely intertwined and have been designed to complement each other to address the key challenges that need to be overcome to spur agricultural productivity and attain the desired nutrition outcomes in the targeted areas by: i) assisting members of PGs to adapt relevant technologies and practices for use by the in their socio-economic and bio-physical environment; ii) aligning extension efforts and targeted TA to support the dissemination of these technologies; iii) ensuring adequate supply of quality seed and breed stock at smallholder farmers' level to promote effective adoption by farmers; iv) supporting investments in productive and market assets at the beneficiary level to enhance resource use efficiency and profitability; and v) ensuring that production and profitability gains translate into consumption of a more diverse diet and improved nutrition outcomes.

**300.** Lessons learned from FANSEP and other similar projects has shown that positively influencing nutritional behavior change is more effective if agriculture-related and income enhancing activities are integrally linked with the nutrition and health related awareness raising and training through BCC interventions, particularly with nutrition groups. The increase in productivity of agricultural crops and livestock commodities leads to increased food availability and access to market enabled by the components A and B whereas access to more diverse nutritious food will thus be enabled and Component C is designed to capitalize on these gains to elicit changes in consumption patterns and improved nutrition outcomes of pregnant and nursing women and children between 6 and 23 months. In sum, the combined effect of the project's interventions across the three components add to more than the sum of the individual parts to

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ensure that key aspects of food security and nutrition, tackling synergistically issues of food availability, access, and utilization, thus allowing the project beneficiaries to improve their food security and nutritional status.

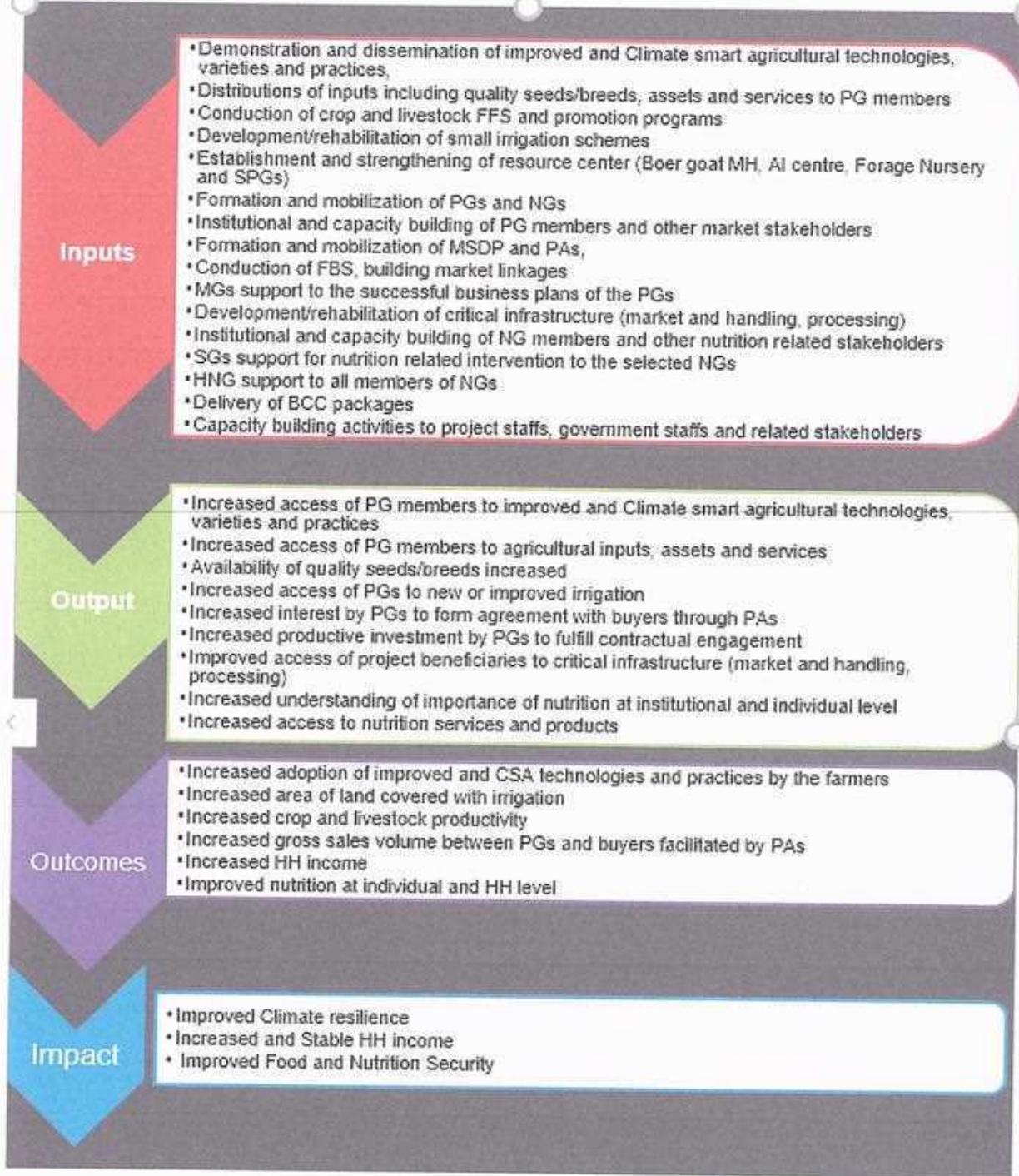


Figure 11.1: Results chain FANSEP

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Table below shows key activities to be carried out as part of M&E related activities.

**Table 11.1 Key activities to be carried out as part of M&E**

M&E Activities	Period	Key responsibility	Assisting agency/colaborator	Reporting frequency	Remark
Development of M & E Strategy	Jan, 2024	PMU	PCU, TA, WB	Once	Modifications will be made as needed
Development of M & E templates, PMIS forms and Formats	Jan, 2024	TA	PMU, PCU, WB	Once	
Hiring of firm for developing PMIS for FANSEP II	Jan, 2024	PMU	PCU, TA, WB	Once	
PIMS operationalization, update and maintenance	Regular	PMU	PCU, TA, WB	Once	
Conduction of Baseline Survey	Mar, 2024	PMU	PCU, TA, WB	Once	Data of March-April 2023 to March-April 2024 will be collected on recall basis
Progress reporting	Monthly, Quarterly, Annual	PMU, PCU	TA	Regular	
Annual outcome survey	In the F.Y. 2025-26	PMU	PCU, TA, WB	Once	From third party hired by PMU. Data of March-April 2025 to March-April 2026 will be captured
Project Mid-term Review	In the F.Y. 2025-26	WB	PMU, PCU, WB, TA	Once	
Final/End Line Survey	In the F.Y. 2026-27	PMU	PCU, TA, WB	Once	From third party hired by PMU. Data of March-April 2026 to March-April 2027 will be captured

## 11.2 BASICS OF M & E

301. Project M&E starts from project design and ends with completion of the project and its impact study and suggesting measure for future course of action with a complete project cycle (socio-economic, financial, environmental, technical analysis and preparation, implementation – supervision, review and reporting, completion and appraising for next phase). Taking this fact in

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centre point, to conduct M&E system in effective way, a proper communicating and reporting system will be developed to provide constant feedback on the extent to which the project and its components are achieving their goals and potential problems will be identified in due time and possible solutions will be proposed. The accessibility of project to all target beneficiaries will be monitored based on component and sub-component wise activities, outputs and outcomes defined and fixed for a given time duration. Therefore, for every activity and sub-activity output, intermediate outcome and expected outcome indicators, responsible agency (lead and support) and tentative deadline (timeframe) will be clearly defined in M & E strategy of FANSEP II. In all components and sub-components of the project, the level of efficiency and effectiveness will be monitored and suggested for improvements, if any required. In every level of Project Implementation (from PMU to PCU), a project monitoring system will be strengthened. The core M & E staffing and responsibilities are presented in table 11.3:

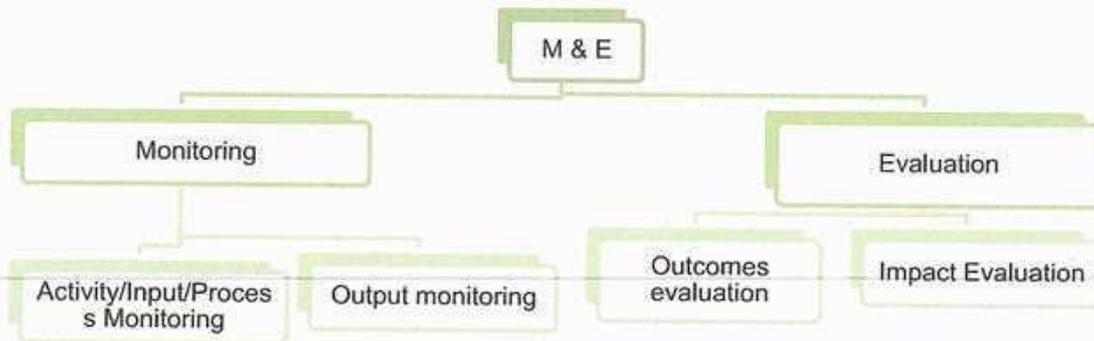


Figure 11.2: Key areas M & E in FANSEP II

**11.3 PRINCIPLES AND APPROACHES OF M&E IN FANSEP II**

302. The major objectives of M&E are to provide better means for learning from experience, improving service delivery to the beneficiaries, planning and prioritizing resources, demonstrating results to ensure accountability and ensure judicious and proper use of resources. The project measures the inputs, processes, outputs, outcomes and impacts as performance indicators to monitor and evaluate the project interventions. This approach will be supported by sound data collection, analysis and reporting system. The project will set performance target as given in result framework (Sub-chapter 1.2.3) and regularly assess the progress toward achieving them. Problems in the project implementation process will be identified through input, process and output monitoring, PMIS report, periodic progress review workshops, Midterm review and annual outcome survey and mechanism for corrective action will be established. Similarly, the project will establish a robust and dynamic web-based PMIS to support planning, implementation, monitoring and evaluation of project interventions. The baseline value of PDO level indicators indicated in RF will be captured and updated by baseline survey and monitoring and evaluation of the project will be carried out as regular operations. The midterm review, annual outcome survey and endline survey assessments will be made taking in consideration of baseline value captured at baseline survey. Project staffs involved in data collection, analysis, reporting and set up and execution of PMIS will be adequately trained to implement this performance monitoring system. Separate login access to PMIS for data entry will be made available to cluster crop/livestock and nutrition specialist of FAO-TA, and data will be validated at PCU and then at PMU by the process as depicted below (Table 11.2).

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Table 11.2: Data flow process in PMIS

Data Flow	Description	Remarks
Data Entry	Majority of the data will be entered in PMIS by Respective Cluster level specialist (Crop, Livestock, Nutrition, Agribusiness and Enterprise Development Specialist). Entry persons will be restricted to their respective districts for crop, livestock, and nutrition specialists and their respective clusters for agribusiness and enterprise development specialists. However, PMIS must allow direct data entry by be entered by field level technicians (FLT)s, as per the need of the project.	The entered data shall reflect in PMIS as Pending entries under Entry Log Menu
Verification (Level 1)	The entered Data will then be verified by Respective Cluster M & E Specialist. The Cluster M & E Specialist will have access of respective cluster level.	Shall be reflected in PMIS as verified entries
Cluster Level Approval (Verification Level 2)	The verified data by Cluster M & E specialist are then approved by respective cluster Chief/cluster officer after critical review. They will have the access of respective cluster level.	The data after verification shall reflect in PMIS as Cluster level approved entries
Central Level Approval (Verification Level 3)	Data approved by clusters then verified and approved by PMU level specialist (crop, livestock, nutrition and agribusiness)	The data approved by central level specialist shall reflect in PMIS as central level approved entries under Entry Log Menu.
PMU level approved entries (Verification Level 4)	Finally, the data approved by central level specialist are checked by M & E specialist and approved by senior M & E officer of the PMU. Only the data approved by senior M & E officer will be reflected in the report section	The data approved by senior M & E officer shall reflect in PMIS as PMU level approved entries under Entry Log Menu.

303. In addition to the PMIS, project will identify possible areas where the GEMS/Kobo tools can be used for Monitoring and Supervision of project activities and results. The data collected through the KOBO tools/App will be integrated in the PMIS in an executable form. PMIS of the FANSEP II will be compatible and must be integrated with Kobo to the possible extent for the project at field/cluster/central levels for real time monitoring. GEMS team of the world bank and the project team will provide technical feedback regarding this matter. Most of the data related through the GEMS/Kobo tools will be collected from FLT)s.

#### 11.4 M&E STRATEGY

304. The M&E strategy of the project will be developed to establish procedures and processes of building a project M&E system capable of producing reliable data to support evidence-based management decision making, promote transparency and accountability, and facilitate learning. The M&E strategy outlines how the project M&E will be designed and managed. It will be designed to inform project management of whether implementation is going as planned both in terms of physical and financial targets and results and if not, whether and what corrective actions are needed. It integrates mechanisms for progress and results data and information collection, processing, and reporting and documentation and dissemination of best practices and lessons.

**305.** M&E strategy comprises the roles and responsibilities and methodologies to facilitate PMU and PCUs for efficient and effective monitoring and reporting as per GoN rules and WB requirement and periodic reporting of the project activities, output and outcomes based on the result chain.

**306.** The M&E section of the project will be responsible for the overall project monitoring and evaluation and ensure in the collection of reliable data based on all four project components and periodic progress reporting should be made to MoALD. Various M&E tools will be developed to ease in the collection of data which will be guided by M&E strategy of the project. The project will also document lessons learned, best practices, success stories and disseminate these knowledge products to the relevant stakeholders which helps the policy makers to develop future policies and programmes.

### 11.5 MONITORING

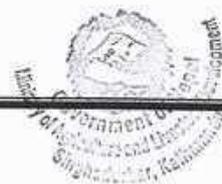
**307.** Monitoring is a kind of ongoing and intermediate evaluation. Monitoring is an internal project activity designed to provide constant feedback on the progress of a project, the problems it is facing, and the efficiency with which it is being implemented. Monitoring activity examines where the targeted people or in our case how many beneficiary groups are involved in the project, if lower than estimated, it tries to find potential reasons and measures to be taken in near future. Monitoring will be conducted based on input and output projected and expected. Under input indicator budgetary (fund management, budget release and other financial management related), deputation and mobilisation of human resources, provisions and procurement of inputs and services and arrangement of other logistics will be considered. Similarly, component-wise interventions and output indicators will be considered as the basics for output monitoring. The basics of M&E will be predetermined interventions, maintenance of relevant fiduciary and safeguards policies, procedures and standards, project implementation and the resulting outputs and outcomes.

**308.** Monitoring will assess linkages between the activities implemented along with inputs, outputs, outcomes and impacts. The other exogenous factors affecting the project results will also be documented during results monitoring to inform overall attribution of project interventions to outcomes. In addition, the project will collect data to support GHG emission accounting as stated in the PAD.

**309.** New PMIS will be developed and operationalized for FANSEP II to support planning, implementation, monitoring and evaluation of overall project interventions. The M&E team of the project will develop several M&E formats (including PMIS forms and formats) in line with project RF and result chain which helps to achieve PDO. The FLT's deployed by FAO TA will be more responsible in field to collect the data. The data thus gathered will be managed in PMIS, and after analysis and report generation, will be disseminated to relevant stakeholders via several methods (Section 14.2).

### 11.6 EVALUATION

**310.** Evaluation can be defined as "the process of determining the worth or significance of a development activity, policy or program to determine the relevance of objectives, the efficacy of design and implementation, the efficiency or resource use, and the sustainability of results. An evaluation should (enable) the incorporation of lessons learned into the decision-making process of both partner and donor."



311. In case of FANSEP II under evaluation, number of farmers adopting improved and CSA technologies, productivity of agriculture and livestock products, HH income, FIES, MDD-W, MDD-C, net farm income and HDD will be evaluated.

312. For the project evaluation, at first the baseline survey will be carried out by PMU through the third-party survey firm. For intermediate evaluations i.e., midterm evaluation, annual outcome survey will be carried out and finally the end line survey to assess the overall project impacts. The overall impact evaluation will be conducted by PMU through the third-party survey firm. The data captured during the baseline study will provide the benchmark or base value for the project indicators (PDO and relevant intermediate indicators) and final independent impact study (endline) will be assessed on the base of pre-defined PDO and aforementioned result indicators.

#### **Impact Evaluation Model of FANSEP II: Summary**

- No RCT or Control groups in FANSEP-II
- Only **comparison group and treatment group**
- Impact evaluation mainly consists of **Baseline and Edline survey**, but for updating RF and measuring other key progresses, annual outcome survey (AOS) will be conducted.

### 11.7 M&E RESPONSIBILITIES

313. The M&E section at PMU is mainly responsible for the overall project monitoring and evaluation under the supervision of project director. The M&E section at PMU will be supported by PCUs for efficient and effective M&E of the implemented activities. The PMU and PCUs will be technically supported by TA and FLT's in data entry, collection, analysing, interpreting and in preparing project progress report as per requirement of GoN rules and WB. There will be FLT's at the rural municipality level from TA and will be responsible for initial data collection. The cluster specialist of FAO-TA will be responsible for data entry and ensuring the data quality at cluster level.

**Table 11.3: Core M & E staffs and key responsibilities**

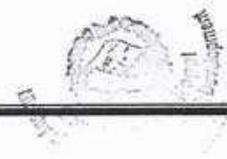
Staffs	Type of Appointment	Key Responsibility
<b>PMU Level</b>		
Senior M&E officer (1)	Existing MoALD staff on full-time basis	Coordinating the overall M&E tasks
M&E officer (1)	Existing MoALD staff on full-time basis	Assist PD and senior M&E officer
National monitoring and evaluation specialist (1)	For 30 months (FAO-TA)	Assist PMU and PCUs for M& E Task, updating the PMIS database
<b>PCU Level</b>		
Agriculture officer with designated role of M & E (1)	Existing MoALD staff on full-time basis	Coordinating the overall M&E tasks at cluster level
Cluster monitoring and evaluation specialist (2)	Each for 28.5 month (FAO-TA)	Assist PCUs for M& E Related Task, organizing and updating the PMIS database at cluster level

### 11.8 OVERALL COORDINATION OF M&E ACTIVITIES

314. A broader exercise of M&E will be done as per the indicators developed for the project. Basically, the PDOs is followed by six PDO level indicators and component wise intermediate result indicators. The definition of indicators and responsibility of data collection are clearly mentioned in RF (section 1.2.3) and the M&E measurement methodology will be further specified in M&E strategy.

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Secretary



**315.** A set of M&E tools for measuring indicators will be clearly defined and structured covering outputs of goods and services generated by the project and their impact on beneficiaries. The monitoring activities will be carried out with proper coordination between the predefined indicators and information collected and gathered. PMIS will be developed which facilitates in collecting data, its management, analysis and generate reports as per requirement in compliance with the developed formats. The institutional arrangements for gathering, analysing, and reporting project data and for investing in capacity building have been made accordingly. A suitable mechanism will be established to ensure that M&E findings are integrated into the decision-making process.

### 11.9 M&E LEVELS

**316.** The M&E of the project and its components will be carried out in following levels with distinct and joint efforts.

- (a) Concurrent monitoring will be the responsibility of the PD assisted by a project M&E section at PMU and M&E specialist (consultant who will be charged with the responsibilities of day-to-day M&E operations).
- (b) Two cluster level project M&E specialists at PCUs who will regularly monitor and report on the sub-project's physical and financial inputs and outputs.
- (c) PCU chief and Designated M & E officer at PCU level also conduct regular monitoring and assist PMU for evaluation.
- (d) An independent entity will be charged to carry out comprehensive outcome-focused impact evaluations of the FANSEP II at three stages: baseline, AOS during project implementation and end line survey after the project completion.

### 11.10 INSTITUTIONAL STRUCTURE OF M&E

The institutional structure of the M&E process follows the overall organizational and governance structure of the FANSEP II. The primary responsibility for M&E will be with the PMU, led by the PD and assisted by the officials from M&E section of PMU and by other section of PMU along with M&E specialists and other specialists from TA. The PMU will prepare report related on M&E issues put in discussion at TCC, PSC level meeting and make report to supervising entity (WB).

**317.** The M&E system will identify problem areas at the national and project implementation levels, help management to administer project processes, aid in project implementation, help make mid-course corrections, and help the project achieve its overall development objective.

**318.** Major indicators are component wise output, outcomes and results of FANSEP II have been shown in Sub-section 1.2.3. Indicators for financial monitoring (related to budget allocation, procurement and utilization) and other output/outcome indicators to be measured will be clearly mentioned in M & E strategy of the project.

**319.** The M&E will help to ensure to attain the PDO. The basics of M&E are predetermined interventions, maintenance of relevant fiduciary and safeguards policies, procedures and standards, project implementation and the resulting outputs and outcomes. Considering the PDO the project will apply the mechanism of joint planning and participatory monitoring involving stakeholder. The approach of the project is to involve the farmer and the local community in planning, implementing, and evaluation of project interventions so as to improve the design and relevance of activities, enhance adoption of new technologies and practices, and increase the sustainability of project outcomes.

### 11.11 ROLE OF PMU IN M&E

**320.** The PMU will monitor the whole activities of the project implemented by PCUs and FAO TA. As per project implementation arrangement, the TA has deployed FLT's at field level to support implementation of all the project activities under the close coordination, consultation and guidance from PCUs. The technical staff hired for the project activity through FAO TA and attached with

PCUs will assist the PCU in implementing the project activities by working with PGs and NGs through the entire project activity cycle. In addition, technical specialists at centre and PCU level and field level technicians (FLT's) will be contracted by the FAO TA part to serve in specific roles and contexts. The effort of these FLT's will show the picture of farmers and women's participation in project activities. So, PMU will cover all these individuals and entities while conducting the monitoring activities, since the project will be primarily implemented through purposive beneficiary groups, organized in accordance with the nature and purpose of the intervention under each of the project components. While monitoring, the PMU and other units will examine whether proper numbers of farmers are mobilised and trained or not; what types of input support have been provided them; are assets/inputs or services provided on time and with required quality or not; are the assets/inputs or services delivered by the project match with beneficiary demand and technical relevance; what type of activities are intended; the norms regarding the contribution as well as other roles and responsibilities are properly maintained. It also will assess the group members are selected timely, and the groups are formed under given norms and time duration as well as the group members is able to manage the input received properly or not? Thus, the use of inputs as well as the resulting outputs (performance) of the group will also be monitored at PGs and NGs level by FLT's as well as staff from relevant technical sections of RMs who will be backstopping the specific interventions.

### 11.12 METHODS AND TOOLS

321. Finally, M&E activities will be arranged as per activities and interventions, output and outcome indicators defined. The PDO level and intermediate results indicators will be monitored and evaluated through the following methods and tools:

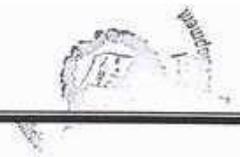
- a. a comprehensive M&E strategy with clear roles and responsibilities as they relate to indicators tracking with respect to data gathering and reporting. M & E strategy also specifies priorities, information requirements, and tools and methodologies for data collection, analysis and reporting;
- b. input, process, output and financial monitoring
- c. new, modern, dynamic, secure and reliable PMIS system will be developed for FANSEP II. This PMIS will help in producing reliable data on time to support evidence-based management decision making, promote transparency and accountability, and facilitate learning of the project.
- d. internal and external periodic assessment and evaluations which would include baseline surveys, studies, AOS, and end-line project evaluation; and

The PMU will have the overall responsibility for the M&E function, assisted by FAO TA.

#### 11.12.1 Baseline Data Collection

322. As major need of M&E, a baseline data will be collected on Feb-Mar, 2025 on recall basis. The PMU is mainly responsible for the baseline data collection through the independent survey firm and will have a well-defined strategy for collection of baseline data using structured questionnaire. It will be ensured that the baseline survey sample includes a comparison group of non-beneficiaries against which the project beneficiaries can be compared. Thus,

- ✓ Baseline survey of FANSEP II will be comprehensive survey that covers both comparison and treatment group.
- ✓ Sample size would be 2500 HHs (1750 HHs from treatment groups and 750 HHs from comparison groups). Samples will be stratified based on types of groups/subgroups of FANSEP II.
- ✓ Data of March-April 2023 to March-April 2024 will be collected on recall basis.
- ✓ Qualified, experienced and independent third party will be hired by the project to conduct the survey.



- ✓ Indicators to be captured: All PDO indicators, Increased Net farm income, Improved Household dietary diversity score, and other relevant information

### 11.12.2 Annual Outcome Survey (AOS)

323. Considering that the program implementation has been delayed, the project will conduct only one AOS for year 2 (2025-26). All PDO indicators, Increased Net farm income, Improved Household dietary diversity score, Food Consumption Score (FCS) will be captured from AOS. The AOS will cover the treatment group only and the survey is meant for updating the RF of the project and collecting some other relevant information. AOS will be conducted by qualified, and experienced independent third party. Data of March-April 2025 to March-April 2026 will be captured through the AOS.

### 11.12.3 Endline Survey

324. Endline survey will be the panel survey (sample HHs would be same as that of baseline). In addition to the baseline households, it may be necessary to incorporate additional households depending on the prevailing scenario to enhance geographical coverage and statistical robustness.

- ✓ Endline survey of FANSEP II will be comprehensive survey that covers both comparison and treatment group.
- ✓ Sample size would be 2500 HHs or more, stratified based on types of groups/subgroups of FANSEP II.
- ✓ Data of March-April 2026 to March-April 2027 will be collected on recall basis.
- ✓ Qualified, experienced and independent third party will be hired by the project to conduct the end line survey.
- ✓ Indicators to be captured: *All PDO indicators, Increased Net farm income, Improved Household dietary diversity score, Food Consumption Score (FCS), and other relevant information.*

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## CHAPTER 12

### 12 COMPLAINTS REDRESSAL

**325.** Communities, individuals, project beneficiaries and any personnel who believe that they are adversely affected by WB supported projects may submit complaints to the project level Grievance Redress Mechanisms (GRM) or through WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project related concerns. Any individuals who feel that they are affected by the project implementation activities may submit their complaint to the WB's independent inspection panel which determines whether harm occurred or could occur as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the WB's attention and bank management has been given an opportunity to respond. The information how to submit complaints to WB's GRS can be retrieved from <http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service> and information about how to submit complaints to WB's inspection panel can be obtained from [www.inspectionpanel.org](http://www.inspectionpanel.org).

**326.** FANSEP will use same GRM guidelines-2020 prepared in FANSEP. For effectively handling grievances, two stage committees will be established- one at the PMU and other at the PCU level. These committees will be constituted with representation from related agencies from various sectors including the representation from GR. There will be delineation of the authorities at these levels in terms of addressing the issues. The effort will be to sort out issues at local level and if not that will be referred to the PMU level.

**327.** Disputes are expected to be minimal, and it is expected that through a participatory process, acceptance of the projects and grievances can be minimized. However, it is necessary to establish an effective grievance redressed mechanism to address complaints/grievances related to environmental and social issues that may arise. The PMU and PCU level GRM committees are formed as per FANSEP's Grievance Management Guideline, 2020 with the following team composition to address any complaints received.

- 328. At PMU level,** the central Grievance Redress Management Committee is as follow:
- |   |                  |
|---|------------------|
| 1. Joint Secretary, Planning and Development Cooperation Coordination Division, MoALD | Coordinator      |
| 2. Project Director, FANSEP   | Member           |
| 3. Undersecretary (Administration), MoALD   | Member           |
| 4. Undersecretary (Law), MoALD  | Member           |
| 5. Section Chief, Development Cooperation Coordination Section, MoALD                 | Member           |
| 6. Complaints Hearing Officer, FANSEP (To be nominated by FANSEP PMU)                 | Member Secretary |

**329. At PCU level,** the Project Cluster Unit Grievance Redress Management Committee is as follow:

- |   |                  |
|---|------------------|
| 1. Chief, Project Cluster Unit, FANSEP                            | Coordinator      |
| 2. Chief, Agriculture Knowledge Center                            | Member           |
| 3. Chief, Veterinary Hospital and Livestock Service Expert Centre | Member           |
| 4. Officer level representative, District Coordination Committee  | Member           |
| 5. Representative, from grant recipient, Nominated by PCU         | Member           |
| 6. Complaints Hearing Officer, PCU(To be nominated by PCU)        | Member Secretary |

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Minister

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Secretary



330. Any grievances and objections regarding the environmental and social concerns of the project will be referred to the project Grievances Redress Committee (GRC).

331. Initially, the PCUs will collect grievances and organize a meeting to address and settle all the issues at PCU. Any grievances received at PCU level should be handled, discussed and should be resolved by the PCU level GRM committee. PCUs should be informed the decision of the cluster level GRM committee to the complainants. Any unsolved complaints should be sent to central level GRM committee for handling. At the same time, if the complainant/s is/are not satisfied with the resolution made by the Cluster level GRM then person/s can appeal to Central level GRM Committee. Central level GRM committee at PMU will respond to these received grievance from PCU. It will be the responsibility of PMU to inform PCU about the status of the grievances received at PMU and direct the PCU to undertake appropriate measures.

332. Project implementation progress reports should provide information on complaints and grievances received, and actions taken by the PMU/PCUs.

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## CHAPTER 13

### 13 GOVERNANCE AND ACCOUNTABILITY

#### 13.1 CORPORATE GOVERNANCE

333. Project Steering Committee (PSC) will be the main governing body. It will be chaired by the Secretary, MoALD. The PSC will consist of Joint Secretaries of MoALD, NPC, MoF, MoFAGA, MoPH, Director Generals of DoA, DLS, DFTQC, DoC, ED of NARC, one representative from national farmers' alliance. The PD of FANSEP will be member secretary of the PSC. The PSC will meet in quadrimester basis and will approve the project's annual work plan and budget, monitor FANSEP II progress, provide oversight and policy guidance, and resolve any outstanding issues. A primary focus of the PSC will be to facilitate inter-agency cooperation to ensure achievement of the PDOs.

334. Another important body is Technical Coordination Committee (TCC) chaired by the Joint Secretary, PDCCD, MoALD. The TCC will consist of Deputy Director General of DoA, DLS, DFTQC, Chief of Child Health Division, MoHP, Director of Planning Division of NARC and related section chiefs of MoALD and PD of FANSEP will be member Secretary and invitee members as per required. The TCC will be responsible for resolving technical guidelines and norms and guiding project management and implementation on a regular basis. It will also support in facilitating inter-agency corporation/coordination, clearing annual work plans and budget for approval by the PSC. PMU will be the secretariat for the TCC and TCC will also meet on quadrimester basis.

335. The PMU will be a main implementing line agency at central level while PCUs will be implementing agencies at cluster level. The PMU will be responsible for overseeing the implementation activities, coordination of financial, procurement and administrative management, development and implementation of PMIS to facilitate performance monitoring of all project activities, organization of evaluation and impact assessments, acquisition of technical assistance services, implement capacity building activities, review and compilation of relevant reports and other materials, submitting biannual and annual progress reports to the WB and PSC, submitting the audit reports within six months of the close of every fiscal year, and liaising with the WB concerning operation and management of the project. PCUs will implement all the project activities and interventions at field level and submit the progress report to PMU on time.

336. FAO will work as technical service provider and will deploy eight specialist including Team Leader in Centre, 16 Specialists in cluster and 96 field level technicians at RM level for the implementation of project activities. The field level technical hired by the FAO works under the guidance of PCUs.

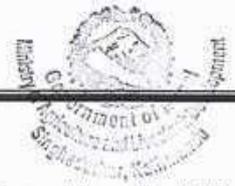
#### 13.2 GENERAL PROVISIONS

##### 13.2.1 Citizen's Charter

337. Project will maintain the citizen's charter in form prescribed by Good Governance (Management and Operation) Act, 2008 and locate it in the visible place. To maintain transparency, the decision-making authority may pay due attention to the opinion and advice of the subordinate staffs on the subject to be decided. If the process of decision of the subject has to be initiated from one level and subsequently decided from the higher level, the authority involved in each level will present the subject to the deciding authority enclosing his/her clear opinion. The decision-making authority, while making decision, shall address the questions, if any, raised in the opinion submitted by authority of all level involved in the process of decision making.

##### 13.2.2 Complaint and Grievance Management

338. A complaint box will be maintained at the visible places at PMU and PCUs. The complaint box will be opened in every three days. Grievances/complaints/suggestion could be registered through the different process as mentioned in the Grievance Management Guidelines-2020. Any grievance about the agency and office for the management as well as relating to quality,



effectiveness of the work carried, and possible irregularities will be collected and handled. The grievances and suggestions are found to be reasonable, necessary step will be taken for proper management of such inputs. A grievance management procedure is adopted as per the legal provisions under the Governance Act and Regulation and Grievance Management Guideline-2020 prepared in FANSEP. The information of action taken will be published in concerned notice board. In case the complaint is irrelevant to the function of concerned entities its information will be given to the concerned person if identified. In case the complaint is not identified the complaint will be posted in notice board.

### 13.2.3 Public Hearing

**339.** For the purpose of making the activities of the office fair, transparent, and objective and addressing the lawful concerns of general people and stakeholders, the mechanism of public hearing will be developed and implemented. While conducting public hearing the expert of the related subject, stakeholder, and representatives of civil society and officials of the rural municipality and ward level shall be invited.

### 13.2.4 Governance and Inclusion

**340.** The project has been designed and implemented in participatory and inclusive approach. So, the approach of the project is to involve the farmer and the local community in planning, implementing, and evaluation of project interventions so as to improve the design and relevance of activities, enhance adoption of new technologies and practices, and increase the sustainability of project outcomes. The project has primarily targeted the vulnerable (earthquake affected, acute food insecure, disadvantaged, marginalized and women headed) households including landless families and agricultural wage labourers as direct beneficiaries. As per the approach, the design of the project emphasizes community participation and social development outcomes including inclusion, empowerment, equity, participation, and accountability.

**341.** More specifically, the project is expected to benefit the communities, including vulnerable groups through community mobilization and extension support, vulnerability reduction strategies, support to Producer/Enterprise Groups through technical assistance on business development to marketing extension, skills training to enhance employability and returns to Labor, promotion of diversified diets, increased nutrient intakes and improved feeding and caring practices for pregnant and nursing women, and children up to 2 years of age.

**342.** Since Dalits, indigenous people (*Janjatis*), women, marginal farmers, landless households tend to be more resource poor, food insecure, socially excluded and lack access to public services than others, project's Environment and Social Management Framework (ESMF) will integrate the measures for addressing them during project implementation. However, given the nature of interventions, the scale of adverse impact is likely to be minimal. The given ESMF includes a Resettlement Policy Framework too, which specifies the procedures, eligibility, grievance redress and other measures to be followed if resettlement or land taking is required for any intervention. Therefore, the ESMF includes gender specific measures to identify gender issues in the project and identify options to maximize benefits and minimize adverse effects of project interventions, and to ensure the participation of women in all phases of project cycle.

**343.** FANSEP II will continue to address the gender gaps identified in FANSEP. These gender gaps to be identified in the areas of women's access to agriculture technology and extension services, ownership over agricultural assets, lack of voice and decision making in economic benefits accruing from project activities such as grant support for income generation, and barriers in participation and capacity development. It also includes specific measures to address women's workload especially in the context of outmigration of male members of the household, enhancing skills and capabilities and improving gender sensitization. FANSEP II will update the Gender Development Plan prepared and used in FANSEP.

**344.** For better understanding and making the accountability more implementation friendly, the financial cost for the implementation of major productivity promotion programs, grants will be



developed in the respective guidelines for making more accountable and effective monitoring and evaluation.

## CHAPTER 14

### 14 COMMUNICATION AND REPORTING

**345.** For the betterment of transparency, accountability and timely decision-making purpose a practical communication and reporting mechanism will be arranged. The reporting communication system will establish the proper linkage between PDOs, activities, outputs/outcomes, institutional and implementation arrangements. Reporting and communication related responsibilities will be clearly defined.

#### 14.1 COMMUNICATION

**346.** Communication and visibility are vital elements of FANSEP II as reflected in its fourth component (Component D) titled "Project management, communication and M&E". The objective of the component D is to communicate efficiently to various public and private entities on project activities, outcomes, best practices and lessons learnt.

**347.** For the effective implementation of the project, communication with the target groups and other stakeholders is crucial. To enhance communication efforts, activities must be timely, practical and adaptable. To achieve this, FANSEP II will undertake several initiatives, including: organization of workshops, meeting and interactive sessions at all levels; hosting field days in FFS/FBS/NFS; development and operationalization of PMIS and website. In addition to the primary communication and visibility FANSEP II will carry out several other related activities such as:

- conducting public hearing and project audit;
- preparing and broadcasting of documentary showcasing project implementation, completed work and success stories;
- Preparing and publishing of materials on agricultural technologies & extension materials like: booklets, bulletins, pamphlets, profiles on improved agricultural practices;
- broadcasting nutrition related contents; supporting local campaign organized by PMU and PCUs such as World Food Day, Breast Feeding Week, Nutrition Day.

Both electronic and print media as well as audios and videos formats, will be utilized for these efforts.

**348.** The awareness related information and knowledge and project progress activities as well as achievements will be communicated through local FM (radio) and television. Local and national newspapers also will be a part of communicating about the implementation. More picture based pamphlets will be developed and distributed and presented in local public gathering places.

**349.** To make the communication activities more effective and result oriented, following mechanism for coordination and reporting will be used in FANSEP II;

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 Minister  
 Secretary  
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350. Figure 14.1 below shows the Coordination, monitoring & reporting arrangements of FANSEP II.

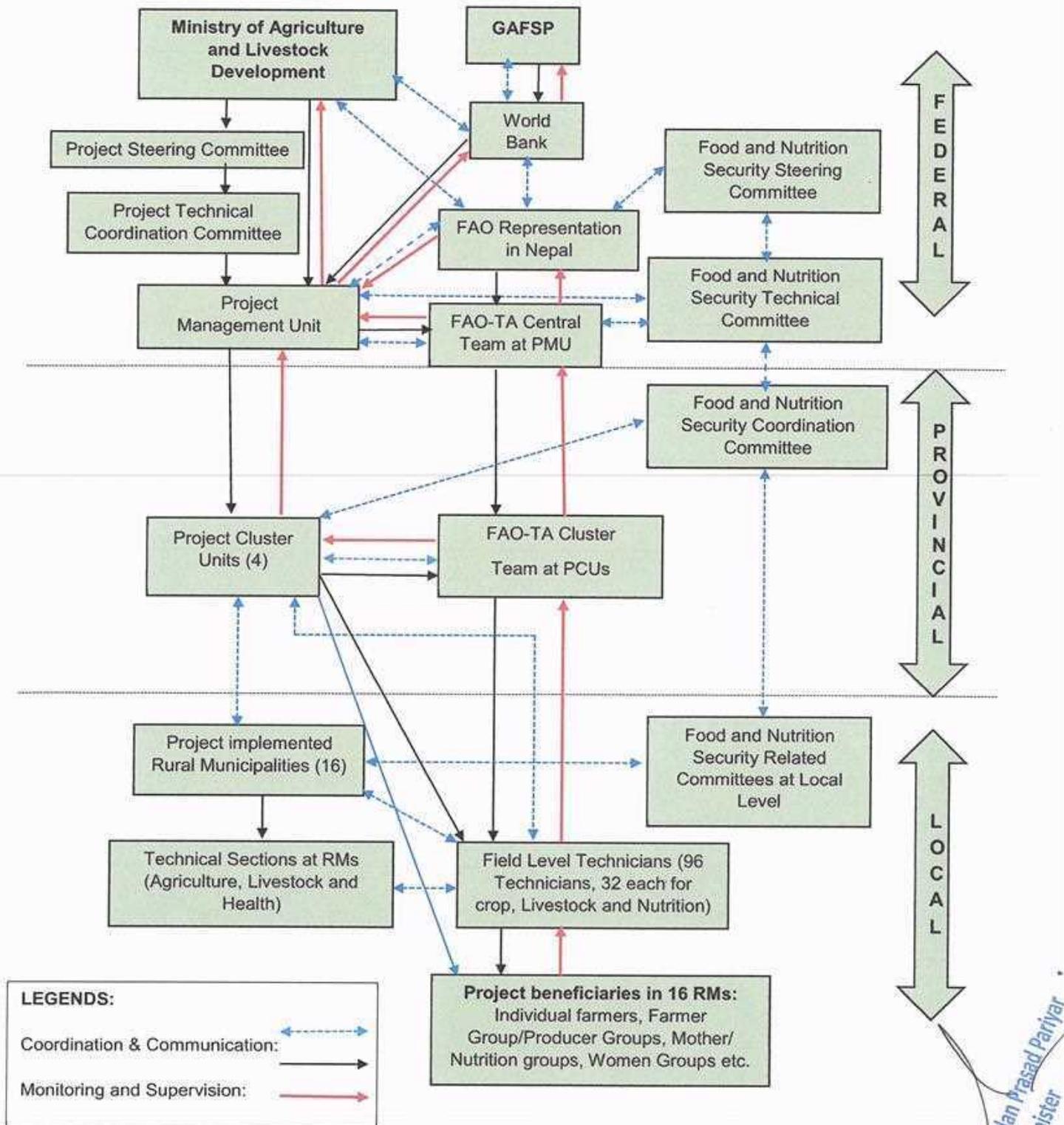


Figure 14.1: Coordination, monitoring & reporting arrangements of FANSEP II

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 Minister



## 14.2 REPORTING

**351.** The Project Cluster Units will be primarily responsible for the implementation of project activities. The designed reporting system will cover the reporting in vertical and horizontal basis. Under vertical reporting system, the reporting will be in periodical basis such as monthly, quarterly, and annual. The horizontal reporting is used to communicate among same and similar levels of project units on specific case and events. The reporting system will incorporate both financial management and project implementation reporting. The reporting process, procedures and methods will be as per the rule of GoN and SE, as per the provision envisioned in the PAD, M & E Strategy of FANSEP II.

**352.** All PCUs will submit monthly, quarterly, and annual progress report to PMU under given formats. If requested, PCU will submit periodic reports and other information to provincial government and project RM offices. Thus, PCUs will be responsible to organize periodic progress review, monitoring and supervising the work being done in the field, and maintaining appropriate records, financial and project progress reporting to PMU and other stakeholders.

**353.** The PMU will be responsible for submitting monthly, quarterly, and annual progress report to MoALD, semi-annual and progress reports to the World Bank and report to PSC as needed. Likewise, it will submit the audit reports within nine months of the close of fiscal year and liaising with the World Bank concerning operation and management of the project. The following table illustrates the reporting mechanisms of FANSEP II.

**Table 14.1: Reporting mechanisms of the FANSEP II including timeline and responsibilities**

Stakeholder	Report/Action	Timing
Project Management Unit	<ol style="list-style-type: none"> <li>1. First Semi-annual report (to SE)</li> <li>2. Second Semi-annual and annual report</li> <li>3. Implementation Status Reports/Mission Report to WB</li> <li>4. Quarterly/semi-annual and annual report to MoALD</li> <li>5. Monthly Progress Report to MoALD</li> <li>6. Impact evaluation Report (Baseline, AOS and endline)</li> <li>7. Project Completion Report (PCR)</li> <li>8. Audit Report (Internal audit Report, External audit report and Audited project account)</li> <li>9. Financial Monitoring Report</li> </ol>	<ol style="list-style-type: none"> <li>1. 2. Every six months (By January 20 of each year during the implementation period).</li> <li>2. Every six months (By July 20 of each year during the implementation period).</li> <li>3. Within 7 days after the end of every quarterly or a year.</li> <li>4. On periodic basis</li> <li>5. Within 7 days after the end of month.</li> <li>6. Right after completion</li> <li>7. By 30 October, 2027</li> <li>8. On a periodic Basis</li> <li>9. On a periodic Basis</li> </ol>
Project Cluster Unit	<ol style="list-style-type: none"> <li>1. Quarterly/semi-annual and annual report to PMU</li> <li>2. Monthly Progress Report</li> </ol>	<ol style="list-style-type: none"> <li>1. Within 5 days after the end of every quarterly or a year.</li> <li>2. Within 5 days after the end of month.</li> </ol>
FAO-TA to FANSEP II	<ol style="list-style-type: none"> <li>1. Follows M&amp;E strategy during all phases of the project cycle</li> <li>2. First Semi-annual report to PMU and FAO-country office</li> <li>3. Second Semi-annual and annual report to PMU and FAO-country office</li> <li>4. Terminal Report</li> <li>5. Assist PCU/PMU for preparation of report</li> </ol>	<ol style="list-style-type: none"> <li>1. On-going</li> <li>2. By January 15 of year during the implementation period.</li> <li>3. By July 15 of each year during the implementation period.</li> <li>4. By the end of the FAO-TA contract (End of the December, 2026)</li> <li>5. Regular</li> </ol>

Hon. Dr. Merjan Fekadu Perera  
Minister



### Dissemination and Communication of Reports

Project reports should be disseminated by the following procedures:

- By posting on the project website: [www.fansep.moald.gov.np](http://www.fansep.moald.gov.np)
- Disseminating through the PMIS web site
- By posting on the on the website of ministry or concerned agency (supervising entity, FAO)
- By organizing meetings, interaction programmes or workshops to deliberate on monitoring and evaluation reports, and to inform all concerned stakeholders.
- By submitting important accounts, data, information, or reports to the decision making agencies such as the MoALD, the OPMCM, the MoF, WB.

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Minister

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## ANNEXES

## Annex 2.1: Staffing of FANSEP II at Central, Cluster and RM levels

**A. Project Management Unit (PMU)****Deputation from MoALD:**

Project Director (Joint Secretary, Gazetted Class I Officer) – 1  
 Senior Planning Officer (Under Secretary, Gazetted Class II Officer) – 1  
 Senior Monitoring & Evaluation Officer (Under Secretary, Gazetted Class II Officer) – 1  
 Senior Agriculture Officer (Under Secretary, Gazetted Class II Officer) – 1  
 Agriculture Officer (Gazetted Class III Officer) – 4  
 Account Officer (Gazetted Class III Officer) – 1  
 Sub-Accountant (Non-Gazetted Class II Level) – 1  
 Administrative assistant (Non-Gazetted Class II Level) – 1

**Consultants:**

Procurement Specialist – 1  
 Financial Specialist – 1

**Contract Staffs:**

Computer Operator – 2  
 Driver – 5  
 Office Assistant – 4

**B. Project Cluster Unit (4)****Deputation from MoALD:**

Senior Agriculture Officer (Under Secretary, Gazetted Class II Officer, 1 in each PCU) – 4  
 Agriculture Officer (Gazetted Class III Officer, 2 in each PCU) – 8  
 Junior Technician (Non-Gazetted Class I level, 2 in each PCU) – 8  
 Accountant (Non-Gazetted Class I level, 1 in each PCU) – 4

**Contract Staffs:**

Computer Operator (1 in each PCU) – 4  
 Driver (1 in each PCU) – 4  
 Office Assistant (2 in each PCU) – 8

**C. Staffing from FAO for TA to FANSEP II****At PMU:**

Team Leader – 1  
 Monitoring and Evaluation Specialist – 1  
 Livestock Production Specialist – 1  
 Crop Production Specialist – 1  
 Agribusiness and Market Linkage Specialist – 1  
 Nutrition Specialist – 1  
 Capacity Development Specialist – 1  
 Gender, Environment and Social Safeguard Specialist – 1  
 Administration and Finance Specialist – 1  
 Admin Assistant – 1  
 Driver – 2

**At PCUs:**

Cluster M & E Specialist – 2 (each M&E specialist looks after two PCUs)  
 Cluster Crop Production Specialist – 4 (1 per PCU)  
 Cluster Livestock Production Specialist – 4 (1 per PCU)  
 Cluster Nutrition Specialist – 4 (1 per PCU)  
 Cluster Agribusiness and Enterprise Development Specialist 2 (each specialist looks after two PCUs)

**At RMs:**

Field Level Technician (Crop) – 32 (2 per RM)  
 Field Level Technician (Livestock) – 32 (2 per RM)  
 Field Level Technician (Nutrition) – 32 (2 per RM)



## ANNEX 2.2: ROLES AND RESPONSIBILITIES OF FAO TECHNICAL ASSISTANCE TO FANSEP II

### 1. Background and Rationale

Guided by the PDO and the subsequent component interventions, Technical Assistance (TA), as an integral part of the Project Management Team will provide the required TA and implementation support towards the achievement of FANSEP II objectives, outcomes and outputs indicated in PAD, result framework and M & E strategy of FANSEP II. The project components are diverse and involve a number of implementing and collaborating partners. In order to implement these activities in a coordinated and harmonized manner at federal, cluster and RM levels, the GoN has identified FAO to provide TA. TA will provide technical inputs for quality delivery of planned activities in all the four project components as envisaged in the PAD.

### 2. Statement of Work

The PIM designed for FANSEP II envisages TA support in the implementation of the project as follows.

#### Component A: Climate and Nutrition Smart Agriculture Technology Adaptation and Dissemination

- Assist PMU/PCUs for modification of the relevant technical guidelines, curricula, posters, training manuals and toolkits required to undertake various types of capacity building activities indicated in the activity schedule.
- Conduct FFS ToF and refresher trainings to the technicians and facilitators and assist PCUs for conduction of FFS on crop and livestock.
- Support PCUs on the promotion of crop and livestock promotion programs and establishing the resource centers (Boer goat MH, AI centres, SPGs).
- Develop the list of crop and livestock related CSA technology to be used under FANSEP II
- Develop a clear strategy for seed multiplication and distribution program under FANSEP II and will assist PMU/PCUs for implementation of the strategy.
- Support PCUs in carrying out on farm demonstration related to crop and livestock, seed/sapling support, promotion of climate resilient small irrigation, support on farm machineries and tools, improved seed support
- Any other tasks, as deemed necessary.

#### Component B: Income Generation and Diversification

- Assist PMU/PCUs in formation and organizational development and capacity building of PGs
- Assist the project to establish and operate multi-stakeholder dialogue platform and productive alliances
- Review and revise curricula/modality/budget/facilitator qualification/manuals for FBS
- Develop a market-led production plan for commodities/breeds/seeds with better understanding of market demand
- Prepare RM-wise actors & factors mapping on selected value chains.
- Assist PGs to identify the commodities with the greatest market potential and help them to prepare marketable BPs.
- Assist PMU/PCUs to select business plans under matching grant scheme.
- Assist grant recipients to implement BPs.
- Assist PMUs to develop/rehabilitate post-harvest and rural market centers.

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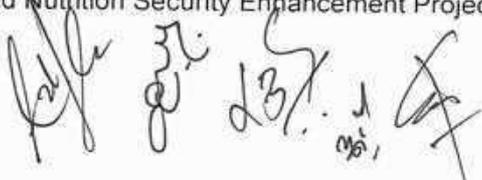
- Assist PMU/PCUs to develop facilitators for conducting on-site FBS.

#### Component C: Improving Nutrition Security

- Assist PMU for to enhance the institutional and HR capacity of stakeholders for providing nutritional education and raising nutritional awareness in the project area.
- Review and revise curricula/modality/budget/facilitator qualification/manuals for NFS
- Review and revise HNG program design/guideline/budget to incorporate affordable and practical technologies
- Assist PMU/PCUs to develop facilitators for conducting NFS.
- Assist PCUs to establish NFSs and HNGs Enhance the capacity of the project implementing agencies (PMU, PCUs) to undertake and oversee activities related to improve nutritional status of the targeted groups.
- Assist PMU/PCUs to select and implement small grant scheme.
- Develop a nutrition-centric production plan
- Assist PMU/PCUs to implement nutrition related interventions as per the PIM/PAD and annual work plan of the project

#### Component D: Project Management, Communication and Monitoring and Evaluation

- Keep PMU updated on the status of achievement against result framework indicators.
- Assist the PMU and PCUs in preparing periodic reports and organizational level reviews.
- Assist PMU in the establishment and operationalization of PMIS.
- Assist in development of project M&E strategy.
- Assist project to undertake baseline, annual outcome and end-line surveys.
- Assist PMU and PCUs to organize workshops and seminars.
- Support PMU and PCUs on ensuring the environment and social safeguard measures
- Assist PMU/PCUs on designing the ESSM under FANSEP II (PAD, PIM, Cost tab, ESMF), conduction of ESSM training, ESSM survey, field visit & monitoring and preparation of the Environment and Social Safeguard Documents
- Support to PMU and PCUs on effective planning, implementation, monitoring and evaluation of the project activities
- Any other activities as requested by the PD and cluster chiefs at cluster levels.




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### Annex 3.1: Cost, subsidy and expenditure details of major programs under component A

#### I. Cost, subsidy and expenditure details of dairy production promotion:

- Budget ceiling or Cost: NPR 448,000 (In words: Four Hundred Forty-eight Thousand Only)
- Subsidy rate: 85 % from Project, 15% of farmers' contribution in form of cash or kind or both
- Program will be implemented in two years: First year cost (Program initiation): NPR 276,000 and Second year cost (Follow up support): NPR 172,000.
- The cost for individual item may differ in Terai clusters and hill clusters. Therefore, procurement of the listed items and materials can be done from the markets at approved district rate or competitive market rate without exceeding total amount given in the table.
- Expenditure details for implementing this program will be as follows;

S.N.	Description	Unit	First Year		Second Year		Rate per unit (NPR)	Amount (NPR)	Project (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount	Quantity	Amount			First Year	Second Year	First Year	Second Year
1	Farmer group mobilization and orientation	Nos.	1	5000	0	0	5000	5000	5000	0	0	0
2	Distribution of forage seeds, saplings and sets	Ropani	25	15000	25	15000	600	30000	15000	15000	0	0
3	Land preparation for the cultivation of forage	Ropani	25	25000	25	25000	1000	50000	0	0	25000	25000
4	Distribution of stainless steel cans (3-5 liters)	Nos.	25	91000	0	0	3640	91000	73000	0	18000	0
5	Vaccination (including FMD, HS, BQ) and medical expenses for animal disease treatment, prevention and parasite control	Nos.	120	60000	104	52000	500	112000	60000	52000	0	0
6	Testing and demonstration of teat dipping technology for control of mastitis	Nos.	5	10000	5	10000	2000	20000	10000	10000	0	0
7	Testing and demonstration of Urea Molasses Mineral Block feeding technology to increase milk production	Nos.	5	10000	5	10000	2000	20000	10000	10000	0	0
8	Cattle and buffalo rearing training (3 days)	Times	1	40000	1	40000	40000	80000	40000	40000	0	0
9	On-site training / orientation to farmers (1 day)	Times	1	20000	1	20000	20000	40000	20000	20000	0	0

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S.N.	Description	Unit	First Year		Second Year		Rate per unit (NPR)	Total Amount (NPR)	Project (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount	Quantity	Amount			First Year	Second Year	First Year	Second Year
	Total amount (NRP)			276000		172000		44800	233000	147000	43000	25000
	Total Project grant, NPR (maximum 85%)			233000		147000		38000				
	Total Beneficiary contribution, NPR (minimum 15%)			43000		25000		68000				

II. Cost and expenditure details of rural poultry promotion program:

- Budget ceiling or Cost: NPR 445,000 (In words: Four Hundred Forty-five Thousand Only)
- Subsidy rate: 85 % from Project, 15% of farmers' contribution in form of cash or kind or both
- Program will be implemented in two years: **First year cost** (Program initiation): **NPR 346,000** and **Second year** (Follow up support): **NPR 99,000.**
- The cost for individual item may differ in Terai clusters and hill clusters. Therefore, procurement of the listed items and materials can be done from the markets at approved district rate or competitive market rate without exceeding total amount given in the table.
- Expenditure details for this program will be as follows:

S.N.	Description	Unit	Nos.	First Year		Second Year		Rate per unit (NPR)	Total Amount (NPR)	Project (NPR)		Beneficiary contribution (NPR)	
				Quantity	Amount (NPR)	Quantity	Amount (NPR)			First year	Second year	First Year	Second Year
1	Farmer group mobilization and orientation		1	1	5000			5000	5000	5000	0	0	0

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S.N.	Description	Unit	First Year		Second Year		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)			First year	Second year	First Year	Second Year
2	Coop/Pen construction of Poultry	Nos.	25	150000			6000	150000	0	0	0	0
3	Purchase of Dual-Purpose breed chickens (8 weeks)	Nos.	150	60000			400	60000	0	0	0	0
4	Procurement of feed to the chicken	kg	600	45000	600	45000	75	90000	0	0	45000	45000
5	Transportation cost for Dual Purpose Chicken (8 weeks)	Times	1	12000			12000	12000	0	0	0	0
6	Disease treatment, parasite control, vaccination including NCD and medical expenses	Times	1	12000	1	12000	12000	24000	12000	12000	0	0
7	Rural Poultry Production Training (3 days)	Times	1	40000			40000	40000	0	0	0	0
8	On-site training /Orientation to farmer (1 day)	Times	1	20000	2	40000	20000	60000	20000	40000	0	0
9	Distribution of nutritious forage seed/saplings	Times	1	2000	1	2000	2000	4000	2000	2000	0	0
<b>Total amount (NRP)</b>				<b>346000</b>		<b>99000</b>		<b>445000</b>	<b>301000</b>	<b>54000</b>	<b>45000</b>	<b>45000</b>
Total Project grant, NPR (maximum 85%)				<b>301000</b>		<b>54000</b>		<b>355000</b>				
Total Beneficiary contribution, NPR (minimum 15 %)				<b>45000</b>		<b>45000</b>		<b>90000</b>				

III. Cost and expenditure details of goat production promotion program:

- Budget ceiling or Cost:
  - a) Farmer managed Boer goat multiplier herd:
    - a.1) Establishment of Farmer managed Boer goat multiplier herd (in new RMs): NPR 1,084,000 (In words: One million Eighty-four Thousand Only)

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a.2) Follow up support to established farmers managed Boer goat multiplier herd in existing FANSEP RMs: NPR 725,000 (In words: Seven Hundred and twenty-five Thousand Only).

b) Implementation of Goat Production Promotion Program: NPR 592,400 (In words: Five Hundred Ninety-two Thousand Four Hundred Only)

- Subsidy rate: 85 % from Project, 15% of farmers or FGs contribution in form of cash or kind or both
- Program will be implemented in two years:
  - ✓ Establishment of Farmer managed multiplier herd: First year cost (Program initiation): NPR 777,500 and Second year (Follow up support): NPR 306,500.
  - ✓ Follow up support to established farmers managed Boer goat multiplier herd in existing FANSEP RMs: First year cost (follow up support): NPR 467,500 and second year (follow up support): NPR 257,500.
  - ✓ Goat Production Promotion Program: First year cost (Program initiation): NPR 396,400 and Second year (Follow up support): NPR 196,000.
  - ✓ The cost for individual item may differ in Terai clusters and hill clusters. Therefore, procurement of the listed equipment, animals and other materials can be done from the markets at approved district rate without exceeding total amount given in the table.

• Expenditure details for this program will be as follows;

a.1) Establishment of Farmer managed Boer goat multiplier herd:

S.N.	Description	Unit	First year		second Year		Rate per unit (NPR)	Total Amount (NPR)	Project (NPR)		Grant/Beneficiary contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)			First Year	Second Year	First Year	Second Year
1	Farmer group mobilization and orientation	Nos.	1	5000			5000	5000	0	0	0	0
2	Boer goat distribution	Nos.	2	120000	1	60000	60000	180000	100000	50000	20000	10000
3	Construction of goat pens/shed	Nos.	25	200000	0	0	8000	200000	200000	0	0	0
4	Feed for feeding the bucks and does	Kg	792	47500	792	47500	60	95000	0	0	47500	47500
5	Model shed for Boer buck	Nos.	2	30000	0	0	15000	30000	30000	0	0	0
6	Distribution of Burdizzo Castrator	Nos.	1	15000	0	0	15000	15000	15000	0	0	0
7	Distribution of goat weighing machines	Nos.	2	26000	0	0	13000	26000	26000	0	0	0
8	Distribution of forage seed saplings	Ropani	12	17000	12	17000	1417	34000	17000	17000	0	0

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S.N.	Description	Unit	First year		second Year		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)			First Year	Second Year	First Year	Second Year
9	Goat rearing training (3 days)	Times	1	40000			40000	40000	0	0	0	0
10	Demonstration of low-cost feed formulation and flushing methods using local raw materials	Times	2	30000	1	15000	15000	45000	30000	15000	0	0
11	On-site orientation / training	Times	2	40000	1	20000	20000	60000	40000	20000	0	0
12	Vaccination (including PPR) and medical expenses for animal disease treatment, prevention and parasite control	Times	1	50000	1	50000	50000	100000	50000	50000	0	0
13	Distribution of Chaff-Cutter	Nos.	2	60000			30000	60000	40000	0	20000	0
14	Purchasing of tag machine and tags	Times	1	25000	1	25000	25000	50000	14000	14000	11000	11000
15	Expenditure for data collection and documentation	Month	12	72000	12	72000	6000	144000	60000	66000	12000	6000
<b>Total amount (NRP)</b>				<b>777500</b>		<b>306500</b>		<b>1084000</b>	<b>667000</b>	<b>232000</b>	<b>110500</b>	<b>74500</b>
Total Project grant, NPR (maximum 85%)				<b>667000</b>		<b>232000</b>		<b>899000</b>				
Total Beneficiary contribution, NPR (minimum 15 %)				<b>110500</b>		<b>74500</b>		<b>185000</b>				

a.2) Follow up support to established farmers managed Boer goat multiplier herd in existing FANSEP RMs

S.N.	Description	Unit	First Year		Second Year		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)			First Year	Second Year	First Year	Second Year
1	Boer Buck Purchase and distribution	No.	2	120000	1	60000	60000	180000	100000	50000	20000	10000

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S.N.	Description	Unit	First Year		Second Year		Total Amount (NPR)	Project Grant (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)		First Year	Second Year	First Year	Second Year
2	Construction/improvement of goat feeder	No.	25	100000	0	0	100000	100000	0	0	0
3	Feed for feeding the bucks and does	Kg	790	47500	790	47500	95000	17500	17500	30000	30000
4	Land preparation, FYM and forage seed/sapling	Ropani	17	53000	12	48000	101000	35500	30500	17500	17500
5	Vaccination and medical expenses for goats	Times	2	40000	2	30000	70000	40000	30000	0	0
6	Purchase of Tags	Times	1	5000	0	0	5000	5000	0	0	0
7	Purchase of feed for Supported Boer Bucks	Times	2	22000	2	22000	44000	22000	22000	0	0
8	Conduction of 3 days training on Goat Keeping	Times	2	60000	1	30000	90000	60000	30000	0	0
9	Interaction meeting with ward and RM officials, farmers and technicians for sustainability of the herds	Times	1	20000	1	20000	40000	20000	20000	0	0
<b>Total amount (NRP)</b>				<b>467500</b>		<b>257500</b>	<b>725000</b>	<b>400000</b>	<b>200000</b>	<b>67500</b>	<b>57500</b>
Total Project grant, NPR (maximum 85%)				<b>400000</b>		<b>200000</b>	<b>600000</b>				
Total Beneficiary contribution, NPR (minimum 15%)				<b>67500</b>		<b>57500</b>	<b>125000</b>				

b) Goat Production Promotion Program expenditure details

S.N.	Description	Unit	First Year		Second Year		Total Amount (NPR)	Project Grant (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)		First Year	Second Year	First Year	Second Year
1	Farmer group mobilization and orientation	Nos.	1	5000			5000	5000			
<b>Total amount (NPR)</b>				<b>5000</b>			<b>5000</b>	<b>5000</b>			

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S.N.	Description	Unit	First Year		Second Year		Rate per unit (NPR)	Total Amount (NPR)	Project (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)			First Year	Second Year	First Year	Second Year
2	Distribution of Boer goat of 50 % blood level	Nos.			2	100000	50000	100000				
3	Construction of goat pens/shed	Nos.	25	200000			8000	200000				
4	Feed for bucks and does	Kgs	740	44400			60	44400				44400
5	Distribution of goat weighing machines	Nos.	2	16000			8000	16000				
6	Distribution of grass seeds, saplings and sets	ropani	12	15000	12	15000	1250	30000	15000	15000		
7	Land preparation, digging of pits and intercultural operations	ropani	12	24000	12	24000	2000	48000			24000	24000
8	Goat rearing training (3 days)	Times	1	40000			40000	40000				
9	On-site training / orientation	Times	1	20000	2	40000	20000	60000	20000	40000		
10	Distribution of Burdizzo Castrator	Nos.	1	15000			15000	15000				
11	Vaccination (including PPR) and medical expenses for animal disease treatment, prevention and parasite control	Times	1	17000	1	17000	17000	34000	17000	17000		
<b>Total amount (NRP)</b>				<b>396400</b>		<b>196000</b>		<b>592400</b>	<b>328000</b>	<b>172000</b>	<b>68400</b>	<b>24000</b>
Total Project grant, NPR (maximum 85%)				<b>328000</b>		<b>172000</b>		<b>500000</b>				
Total Beneficiary contribution, NPR (minimum 15 %)				<b>68400</b>		<b>24000</b>		<b>92400</b>				

IV. Cost and expenditure details of crop production Farmer Field School (FFS):

- Budget ceiling or Cost: NPR 200,000 (In words: Two Hundred Thousand Only)
- FFS (Crops) will be implemented from the Project.

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- Expenditure details of crop production FFS to be operated during the cropping period of various crops will be as follows.

**A) Expenditure details for FFS Preparation meetings**

S.N.	Activities	Unit	Quantity	Rate	Amount
1	First preparatory meeting	To be done through a regular group formation program of PCUs.			
2	Snack expenses for second preparatory meeting (Interaction workshop)	Nos	25	200	5000
3	Snack expenses for the participants of the third preparatory meeting	Nos	25	200	5000
4	Stationery for the participants of the second and third preparation meetings (one time)	Nos	25	100	2500
5	Other Stationery (register, scale, marker pens, pencil, brown paper, sign pen, masking tape, glue stick, dot pen, duster, files, eraser, thumb pin, etc.)	Times	1	1000	1000
6	Facilitation and report allowance of 2 days to 2 facilitators/ resource persons of the preparation meeting.	Persons/days	4	1000	4,000
7	Snack expenses of 2 days to 2 facilitators/ resource persons of the preparation meeting.	Persons/days	4	200	800
8	Transport expense for 2 facilitator/resource persons (per day@ NPR 200 for 2 days)	Persons/days	4	200	800
	<b>Total for preparatory meeting (A)</b>				<b>19,100</b>

**B) Expenditure details for conducting the FFS (16 sessions days, 4.5 hour per sessions a day)**

S.N	Activities	Unit	Quantity	Rate	Amount
1	Snack expenses 16 times for 27 people (including 25 farmers and 2 facilitators)	Person	432	200	86,400
2	Purchase of materials for operation of FFS (seed, seedlings, compost, fertilizers, irrigation, board and other materials, plastic drums, signboards, pesticides, bio-pesticides, micronutrients, hormones, peg, plywood boards, colored pens, brown paper, pot, large scales, polythene bags, rubber band, mesh fabric, marker pens, scissors, thread, photocopy paper, masking tape, files, gum, etc.)	Times	1	16,050	16,050
3	Purchase of weighing machine	Nos.	1	5000	5000
4	Remuneration of Special Class to resource Person (External instructor 2000, internal instructor 1200)	Nos	4	1600	6400
5	Facilitation and report allowance of 16 times to facilitator/resource person for conducting the FFS.	Person/day	32	1000	32,000

S.N	Activities	Unit	Quantity	Rate	Amount
6	Transportation expense of 16 days for 2 facilitator/resource persons.	Person/day	32	200	6400
	<b>Total for conducting FFS sessions (B)</b>				<b>153,250</b>

Note: The operation of crop FFS for selected crops will be fixed as per session days mentioned in the FFS manual and for the FFS with sessions less than 16 or more sessions the expenses for snacks, facilitator facilitation allowance, and transportation expenses will be as per approved session days. In addition, facilitation and reporting allowances will be given at the rate of Rs. 1600 and 1200 respectively in the FFS run by the officer and assistant-level facilitators.

### C) Expenditure details for Farmers' Day (for 1 day):

S.N	Activities	Unit	Quantity	Rate	Amount
1	Expenses for snacks to invitee, participant farmers, and 2 facilitators	Persons	90	200	18,000
2	Management expenses (sound system & chair on stage, table, graph, chart paper, cultural program, flags, invitation card, photo etc.)	Times	1	3000	3000
3	Prize distribution (First Rs.1500; Second Rs.1000; Third Rs.750)	Times	1	3250	3250
4	Transportation cost of one day to 2 resource persons or facilitators	Persons	2	200	400
5	Report preparation	Times	1	1000	1000
6	Facilitation allowance for 2 facilitators/resource persons for facilitation on the Farmers' Day	Person/day	2	1000	2000
	<b>Total expenditure for conducting Farmers' Day (C)</b>				<b>27,650</b>
	<b>Total cost FFS (Crop) for 16 Sessions (A+B+C)</b>				<b>200,000</b>

### V. Livestock FFS cost and expenditure details:

- Budget ceiling or Cost: NPR 318,600 (In words: Three Hundred Eighteen Thousand Six Hundred Only) for Dairy FFS, 299,600 (In words: Two Hundred Ninety-nine Thousand and Six Hundred Only) for Goat FFS and 315,700 (In words: Three Hundred Fifteen Thousand and Seven Hundred Only) for Poultry FFS.

- Expenditure details for implementing Livestock FFS will be as follows:

### A) Expenditure details for livestock FFS preparatory meeting

S.N	Activities	Unit	Quantity	Rate	Amount
1	First preparatory meeting	To be done through regular group formation program of PCUs.			
2	Snack expenses for second preparatory meeting (Interaction workshop)	Nos	25	200	5000

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3	Snack expenses for the participants of the third preparatory meeting	Nos	25	200	5000
4	Stationery for the participants of second and third preparation meeting (one time)	Nos	25	100	2500
5	Other Stationery (register, scale, marker pens, pencil, brown paper, sign pen, masking tape, glue stick, dot pen, duster, files, eraser, thumb pin, etc.)	times	1	1000	1000
6	Facilitation and report allowance of 2 days to 2 facilitators/ resource person of the preparation meeting.	Person/day	4	1000	4,000
7	Snack expenses of 2 days to 2 facilitators/ resource person of the preparation meeting.	Person/day	4	200	800
8	Transport expense for 2 facilitator / resource person (per day @ NPR 200 for 2 days)	Person/day	4	200	800
<b>Total for preparatory meeting (A)</b>					<b>19,100</b>

**B) Expenditure details of dairy FFS (15 session days, about 4.5 hours/session/day)**

S.N.	Activities	Unit	Quantity	Rate	Amount
1	Snack expenses for 15 times for 27 people (including 25 farmers and 2 facilitators)	Persons	405	200	81,000
2	Expenses for medicine, vaccination, flex print and other materials, color pens, brown paper, scale, rubber pad, marker, scissors, thread, photocopy paper, thread, masking tape, gum, thermometers, file, tag and tagging, printing of socio-economic survey forms etc.	Times	1	18,550	18,550
3	Shed improvement	Number	4	5000	20000
4	Expenses for concentrate feed (1.5 kg of feed per animal per day for 4 animals for 240 days) including local transport	Kg	1440	60	86400
5	Purchasing of grain weighing scales (10 kg capacity)	Nos.	4	5,000	20000
6	Remuneration of Special Class to resource Person (External instructor 2000, internal instructor 1200): (2 external and 2 internal).	Nos.	4	1,600	6400
7	Facilitation and report allowance of 15 times to facilitator / resource person for conducting the FFS.	Person/day	30	1,000	30,000
8	Transportation expense of 15 days for 2 facilitator / resource persons.	Person/day	30	200	6,000
<b>Total for conducting sessions of cattle FFS (B)</b>					<b>268,350</b>

**C) Expenditure details of goat FFS (15 session days, about 4.5 hours per session per day)**

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S.N.	Activities	Unit	Quantity	Rate	Amount
1	Snack expenses for 15 times for 27 people (including 25 farmers and 2 facilitators)	Persons	405	200	81,000
2	Expenses for medicine, vaccination, flex print and other materials, color pens, brown paper, scale, rubber pad, marker, scissors, thread, photocopy paper, thread, masking tape, gum, thermometers, file, tag and tagging, printing of socio-economic survey forms etc.	Times	1	14,150	14,150
3	Construction/renovation of goat shed	Nos.	5	8,000	40,000
4	Expenses for concentrate feeds (325 grams of feed per animal per day for 10 animals for 240 days)	kg	780	60	46,800
5	Purchasing of feed weighing scales (10 kg capacity)	Nos.	5	5,000	25,000
6	Remuneration of Special Class to resource Person (External instructor 2000, internal instructor 1200)	Nos.	4	1600	6,400
7	Facilitation and report allowance of 15 times to facilitator / resource person for conducting the FFS.	Person/day	30	1000	30,000
8	Transportation expense of 15 days for 2 facilitator / resource persons.	Person/day	30	200	6,000
<b>Total for conducting sessions of goat FFS (C)</b>					<b>249,350</b>

D) Expenditure details of Poultry FFS (18 session days, about 4.5 hours/session/ day)

S.N.	Activities	Unit	Quantity	Rate	Amount
1	Snack expenses for 18 times for 27 people (including 25 farmers and 2 facilitators)	Person	486	200	97,200
2	Expenses for medicine, vaccination, flex print and other materials, color pens, brown paper, scale, rubber pad, marker, scissors, thread, photocopy paper, thread, masking tape, gum, thermometers, file, tag and tagging, printing of socio-economic survey forms etc.	Times	1	19,400	19,400
3	Construction of chicken coop/shed	Number	4	5,000	20,000
4	Purchasing chicks of poultry and transportation	Number	48	500	24,000
5	Expenses for grain feeds (110 gms per chicken per day for 20 chickens for 238 days) including local transport.	Kg	630	75	47,250
6	Purchasing grain weighing scales (10 kg capacity)	Number	4	2000	8000
7	Remuneration of Special Class to resource Person (External instructor 2000, internal instructor 1200)	Class	4	1600	6400
8	Facilitation and report allowance of 18 times to facilitator / resource person for conducting the FFS.	Person/day	36	1000	36,000

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S.N.	Activities	Unit	Quantity	Rate	Amount
9	Transportation expense of 18 days for 2 facilitator / resource persons.	Person/day	36	200	7200
<b>Total for conducting sessions of poultry FFS</b>					<b>265,450</b>

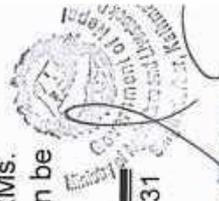
Note: Facilitation and Reporting Allowance will be at the rate of NPR. 1600 and 1200 respectively in the farmer's school run by the officer and assistant level facilitator.

#### E) Cost for Conducting Farmers' Day (for 1 day)

S.N	Activities	Unit	Quantity	Rate	Amount
1	Expenses for snacks to invited, participant farmers and 2 facilitators	Persons	100	200	20000
2	Management expenses (sound system, & chair on stage, table, graph, chart paper, cultural program, flags, invitation card, photo etc.)	Times	1	3000	3000
3	Prize distribution (First Rs.1500; Second Rs.1000; Third Rs.750)	Times	1	3250	3250
4	Transportation cost of one day to 2 resource person or facilitators	Persons	2	200	400
5	Report preparation (including printing, photocopying and binding)	Times	1	1000	1000
6	Facilitation allowance of 2 facilitators / resource persons for facilitation on the Farmers' Day	Persons	2	1000	2000
7	Preparation, printing and awarding certificates	Persons	25	60	1500
<b>Total for conducting Farmers' Day (E)</b>					<b>31,150</b>
<b>Total cost of dairy FFS (A+B+E)</b>					<b>3,18,600</b>
<b>Total cost of goat FFS (A+C+E)</b>					<b>2,99,600</b>
<b>Total cost of poultry FFS (A+D+E)</b>					<b>3,15,700</b>

#### VI. Cost, subsidy and expenditure details of AI units establishing/strengthening programs:

- Budget ceiling or Cost: **NPR 14,00,000** (In words: NPR One Million Four Hundred Thousand Only)
- The total estimated budget, mentioned as project grant, will be managed by the project side. However, there must be the commitment from the RMs to operate the AI unit during the project period and after the project is phased out. Additional and contingency items and budget, if needed, will be managed by the respective municipalities. The cost for individual item may differ in Terai clusters and hill clusters. Therefore, procurement of the listed machineries, equipment and materials can be done from the markets without exceeding total amount given in the table.
- Program will be implemented in three years: **a) In FANSEP II RM: First year cost (Program initiation): NPR 10,00,000 per unit and Second and third years cost (Follow up support): NPR 200,000 per unit per year and b) in existing FANSEP RMs: Program will be implemented for two subsequent years and budget for each year is NPR 200,000 per unit as in follow up program of FANSEP II RMs.**
- The cost for individual item may differ in Terai clusters and hill clusters. Therefore, procurement of the listed items and materials can be done from the markets at approved district rate or competitive market rate without exceeding total amount given in the table.



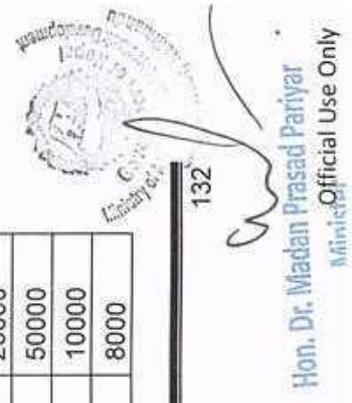
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- Expenditure details for implementing this program will be as follows;

S.N.	Activities	Unit	First year		Second year		Third year		Rate	Total
			Quantity	Amount	Quantity	Amount	Quantity	Amount		
1	Liquid Nitrogen Container (50 litre)	Nos.	2	170000	0	0	0	0	85000	170000
2	Liquid nitrogen container (mother container) for semen storage	Nos.	1	90000	0	0	0	0	90000	90000
3	A.I. Refri (2-2.5 litre)	Nos.	2	70000	1	35000	1	35000	35000	140000
4	Fridge (Double door)	Nos.	1	45000	0	0	0	0	45000	45000
5	A.I. Gun (Insemination gun)	Nos.	3	10500	3	10500	3	10500	3500	31500
6	Digital A.I. Gun set/visual	Nos.	1	90000	0	0	0	0	90000	90000
7	A.I. Sheaths	Pkt.	10	2600	10	2600	10	2600	260	7800
8	AI Tray	Nos.	3	1800	0	0	0	0	600	1800
9	Straw cutter	Nos.	4	1200	2	600	2	600	300	2400
10	Forceps	Nos.	3	900	2	600	2	600	300	2100
11	Thawing kit (complete set)	Nos.	1	35000	0	0	0	0	35000	35000
12	Thermometer	Nos.	3	1200	3	1200	3	1200	400	3600
13	Tweezer	Nos.	3	1500	0	0	0	0	500	1500
14	Timer	Nos.	2	2000	0	0	0	0	1000	2000
15	Scissors	Nos.	3	900	2	600	2	600	300	2100
16	Long plastic gloves	Pkt.	5	10000	5	10000	5	10000	2000	30000
17	Apron	Nos.	5	3500	4	2800	4	2800	700	9100
18	Record keeping registers	Nos.	5	2500	3	1500	3	1500	500	5500
19	Drenching machine	Nos.	2	10000	2	10000	0	0	5000	20000
20	AI card printing and distribution	Nos.	2000	40000	0	0	500	10000	20	50000
21	Vaginal speculum for large animals	Nos.	2	10000	0	0	0	0	5000	10000
22	Vaginal speculum for small animals	Nos.	2	8000	0	0	0	0	4000	8000



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S.N.	Activities	Unit	First year		Second year		Third year		Rate	Total
			Quantity	Amount	Quantity	Amount	Quantity	Amount		
23	Liquid Nitrogen	Liter	1000	50000	600	30000	600	30000	50	110000
24	Semen straw	Doses	1000	50000	500	25000	500	25000	50	100000
25	Miscellaneous expenses (paper towel, hand-wash, mask, water thermos, etc.)	Times	4	38400	1	9600	1	9600	9600	57600
26	Travis for large animals	Nos.	2	250000	0	0	0	0	125000	250000
27	Expenditure for data collection and documentation	Times	1	5000	12	60000	12	60000	5000	125000
	<b>Total</b>			<b>1000000</b>		<b>200000</b>		<b>200000</b>		<b>1400000</b>

**VII. Cost and expenditure details of establishment of forage resource centers with nursery at community level:**

- **Budget ceiling or Cost:**
  - ✓ **Establishment of forage resource centers with nursery at community level: NPR 649,000 (In words: Six Hundred Forty-nine Thousand Only)**
- Program will be implemented in three years:
  - ✓ **Establishment of forage resource centers with nursery at community level: First year cost (Program initiation): NPR 203,000.**
  - ✓ **Follow up support program to forage resource centers with nursery at community level: Follow up program will be implemented for two subsequent years and budget for second and third year is NPR 224,500 and 221,500, respectively.**
  - ✓ **The cost for individual item may differ in Terai clusters and hill clusters. Therefore, procurement of the listed items and materials can be done from the markets at approved district rate or competitive market rate without exceeding total amount given in the table.**

- Expenditure details for this program will be as follows;

S.N.	Description	Unit	First year		Second year		Third year		Total Amount (NPR)	Project Grant (NPR)			Beneficiary contribution (NPR)		
			Quantity	Amount (NPR)	Quantity	Amount (NPR)	Quantity	Amount (NPR)		Rate per unit (NPR)	First year	Second year	Third year	First year	Second year
1	Nursery Bed Preparation	No.	5	10000	10	20000	10	20000	50000	2000	20000	20000	5000	0	0
2	Purchase FYM/Compost	KG	500	10000	1000	20000	1000	20000	50000	20	10000	20000	10000	20000	20000
3	Collection of Forage Top Soil	KG	500	5000	1000	10000	1000	10000	25000	10	10000	10000	10000	0	0

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S.N.	Description	Unit	First year		Second year		Third year		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)			Beneficiary contribution (NPR)		
			Quantity	Amount (NPR)	Quantity	Amount (NPR)	Quantity	Amount (NPR)			First year	Second year	Third year	First year	Second year	Third year
4	Collection of Clayey soil from field	KG	500	2500	500	2500	500	2500	5	7500	2500	2500	2500	0	0	0
5	Labor charge (for mixture preparation, filling poly bag and/or transplantation and seeding)	Person day	30	30000	30	30000	30	30000	1000	90000	17000	28500	25500	13000	1500	4500
6	Purchase of Poly pot/bag (big size, 450 Piece per Kg)	Kg	25	10000	50	20000	50	20000	400	50000	10000	20000	20000	0	0	0
7	Purchase and construction of wooden frame for nursery	Times	1	20000	1	20000	1	20000	20000	60000	20000	20000	20000	0	0	0
8	Thatch preparation (by locally available grasses or by straw with wooden poles to provide shed in the nursery bed)	Nos	5	25000	2	10000	2	10000	5000	45000	15000	10000	10000	10000	0	0
9	Nursery Materials/equipment purchase (water can, poly pipe, Plastic sheets, wheel barrow, spade, sickle, rope, rake, wire net etc.)	LS	2	24000	2	35500	2	25500		85000	24000	35500	25500	0	0	0
10	Cost of seed, cuttings, sets, Rhizome, etc.	Times	2	16500	2	16500	2	16500	8250	49500	16500	16500	16500	0	0	0
11	Land preparation, labelling, sowing, transplanting and inter-cultural operation	Person day	15	15000	10	10000	7	7000	1000	32000		10000	7000	15000	0	0
12	Irrigation Materials/Charge	Times	4	5000	8	10000	8	10000	1250	25000	5000	10000	10000	0	0	0
13	Cost of Fencing	Times	1	20000	1	20000	1	20000	20000	60000	20000	20000	20000	0	0	0
14	Training to Nursery Man	Times	1	10000	0	0	1	10000	10000	20000	10000	0	10000	0	0	0
<b>Total amount (NRP)</b>				<b>203000</b>		<b>221500</b>		<b>224500</b>		<b>649000</b>	<b>150000</b>	<b>200000</b>	<b>200000</b>	<b>53000</b>	<b>21500</b>	<b>24500</b>
Total Project grant, NPR (maximum 85%)				<b>150000</b>		<b>200000</b>		<b>200000</b>		<b>550000</b>						
Total Beneficiary contribution, NPR (minimum 15%)				<b>53000</b>		<b>21500</b>		<b>24500</b>		<b>99000</b>						

VIII. Cost and expenditure details of seed support program:

a) Seed Multiplication and Distribution Strategy of FANSEP

Lessons Learned from FANSEP and necessary adjustment in FANSEP II

FANSEP implemented a source seeds distribution program to increase the use of climate resilient and early maturing improved seeds through selected farmer groups to strengthen the community-based seed production program, with technical backstopping by NARC, and quality assurance and control through the Seed Quality Control Centre (SQCC) or Provincial Seed Lab. There was a plan to form and support 32 SPGs

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in FANSEP; however, 31 SPGs were capacitated and 755 HHs participated in seed production. Out of 31 SPGs, 7 SPGs were inactive over time and did not participate in seed production for various reasons. Thus, PCU Gorkha and Dhanusha identified new SPGs to replace the inactive SPGs that left the seed production program and PCU Saptari has continued seed production activities with the four remaining SPGs, out of eight SPGs formed. A total of 383.3 MT of improved seeds was produced, however, 234.08 (61%) were used for the seed proposed. For rice, a good percentage of seed was used for seed purposes, whereas, in the case of wheat and potato a fair amount of percentage was used for seed purposes. Whereas as for maize a little bit less amount was used for seed purposes. Therefore, less quantity of source seed of maize seed support is planned in FANSEP II as compared to Rice and wheat seed production plan which was the lesson learned from FANSEP.

Thus, potential groups from the existing SPGs of FANSEP RM will be selected and new SPGs will be identified in the FANSEP II RM. These SPGs will be facilitated to receive seed production and distribution licenses, PAN certificates, opening of bank accounts, and organization registration so they can apply for registration in DESIS-2 and DESES. Besides, they will be coached by field crop technicians, PCU crop production specialists, and agriculture development officers. Likewise, cluster-level 3 days of training will be provided to them so that they will produce quality seeds. Moreover, the SPGs will be trained in business plan development and establishing the forward and backward linkage. During the training, AKC and RM will also be invited so that their coordination with AKC and RM will be established, and that will support them to receive source seeds, and support to sell improved seeds produced by themselves. Small irrigation facilities support program will be linked with the SPGs so that they will have irrigation facilities. Furthermore, from the matching grant and Handling and processing structure support grant, threshing and drying floor facilities, processing facility, and storage facilities i.e. storage building and packing materials such as seed bins, hermetic bags, and/or jute bags will be provided to solve the FANSEP problems for seed storage and marketing.

#### 1. Procurement and distribution of foundation seed for seed multiplication

The targeted crops for seed multiplication are Rice, Wheat, Maize, and Potato. The targeted crops to support improved seeds for the project beneficiaries are major food crops and highly nutritious crops, which are: Rice, Wheat, Maize, and Potato among the staple crops, and Lentil beans and Mung beans are among the highly nutritious crops. Likewise, Buckwheat and Mung bean crops will be promoted through matching grant support. A sum of 3896 MT of Rice, Wheat, Maize, and Potato will be multiplied at the local level and 915 MT will be supplied from outside. Certified/improved seeds of mung bean, Lentil, and vegetable crops will not be multiplied at the local level and those crops' seeds will be purchased from outside using a competitive bidding process and supported to the project beneficiaries. Foundation seed support to the SPGs during FANSEP II. During the project period, 58 MT of foundation seeds of Rice, Maize, and Wheat will be supported for SPGs for seed multiplication. Likewise, 78,000 numbers of Potato (pre-basic seed) will be supported for the SPGs that will produce 3896 MT of improved seed.

#### 2. Procurement and Distribution of improved crop seeds and area coverage (ha) by the improved seeds

FANSEP II will apply two separate distribution approaches to supply the improved seeds to its beneficiaries. The first one is the improved seeds produced by SPGs at the FANSEP (mobilizing existing SPGs) and FANSEP II working areas and the second one is purchasing seeds from government farms and seed companies (government as well as private). After supporting SPGs to receive seed production licenses and facilitating them to register in PAN then the SPGs can participate in the competitive bidding process announced by PCUs for the procurement of improved seeds. If the SPGs fulfil all the criteria and their improved seed price is competitive with the other suppliers, then priority will be given

to purchase improved seeds from the SPGs. It has planned to produce about 3896.7 MT of improved seeds in the project period whereas the total amount of seeds to be supplied from outside is estimated at 915 MT only. The Project will prioritize the distribution of improved seeds to the members of farmers groups, only Nepalese hybrid Maize seeds will be distributed considering the farmer preference, geographical suitability, and seed availability. **Table 1: Minimum area required for improved seed/basic seed production**

	Minimum area required for seed production	
	Terai clusters	Hill clusters
Food crops (Rice, Maize, and Wheat)	1.0 ha/ 30 Katha	0.25 ha/ 5 Ropani
Potato (Basic seed) for 20 people 500 number/person	0.084 ha/2.52 Katha	0.084 ha/1.68 Ropani

**Minimum isolation distance for certified seed production**

**Table 2: Minimum isolation distance required for Certified seed production**

Crops	Minimum isolation distance for Certified seed production (From seed production plots to other variety produced plots or impure variety produced plots of the same variety)
Rice	3 meters
Maize	200 meters
Wheat	3 meters
Potato	3 Meters

**b) Foundation and improved seed support program**

**Table: 1 Expenditure details of foundation seed support**

S.N.	Distribution of foundation seeds for SPGs	Unit	First year		Second year		Third year		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)			Beneficiary contribution (NPR)		
			Quantity	Amount (NPR)	Quantity	Amount (NPR)	Quantity	Amount (NPR)			First year	Second year	Third year	First year	Second year	Third year
1	Rice	MT	5	564706	8	988,235	0	0	105000	1552941	480000	840000	0	84706	148235	0
2	Maize	MT	2	235294	2	305882	2	305882	130000	847058	200000	260000	260000	35294	45882	45882
3	Wheat	MT	13	1341176.5	13	1682353	13	1682353	110000	4705882	1140000	1430000	1430000	201176	252353	252353
4	Potato (PBS)	Number	26000	718824	26000	718824	26000	718824	0.0235	2156471	611000	611000	611000	107824	107824	107824
<b>Total amount (NRP)</b>										<b>9262352</b>	<b>2431000</b>	<b>3141000</b>	<b>2301000</b>	<b>429000</b>	<b>554294</b>	<b>406059</b>

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S.N.	Distribution of foundation seeds for SPGs	Unit	First year		Second year		Third year		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)			Beneficiary contribution (NPR)			
			Quantity	Amount (NPR)	Quantity	Amount (NPR)	Quantity	Amount (NPR)			First year	Second year	Third year	First year	Second year	Third year	
Total Project grant, NPR (maximum 85%)										7872999							
Total Beneficiary contribution, NPR (minimum 15 %)										1389353							

Table 2: Expenditure details of Improved seed support

S.N.	Distribution of improved seeds to farmers	Unit	Year 2		Year 3		Year 4		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)				Beneficiary contribution (NPR)		
			Quantity	Amount (NPR)	Quantity	Amount (NPR)	Quantity	Amount (NPR)			Year 2	Year 3	Year 4	Year 4	Year 2	Year 3	Year 4
1	Rice	MT	40	3058824	60	6352941	0	0	90000	3058824	2600000	5400000	0	458824	952941	0	
2	Spring Rice	MT	6	564706	10	941176	10	941176	80000	480000	480000	800000	799999.99	84706	141176	141176	
3	Maize	MT	14	1529412	10	1176471	10	1176471	100000	1400000	1300000	1000000	999999.99	229412	176471	176471	
4	Wheat	MT	90	8470588	150	16764706	150	16764706	95000	50000	7200000	14250000	14250000	1270588	2514706	2514706	
5	Lentil	MT	0	0	10	2117647	10	2117647	180000	10000	0	1800000	1800000	0	317647	317647	
6	Potato (Basic seed)	MT	145	15470588	100	11176471	100	11176471	95000	13775000	13150000	9500000	9500000	2320588	1676471	1676471	
Total amount (NRP)										18773824	24730000	32750000	27350000	4364118	5779412	4826471	
Total Project grant, NPR (maximum 85%)										84829999							
Total Beneficiary contribution, NPR (minimum 15 %)										14970000							

c) Seed producer groups support program

c.1) Expenditure to the existing seed producer group (Formed under FANSEP)

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In FANSEP different SPGs received different supports thus, the actual support may vary with PCUs and district. Thus, the following are the key list of materials that will be provided to the each of the existing SPG. If they have one or more items that is already supported by the FANSEP, purchased by themselves or supported by other organizations, they can propose new machines, tools and materials that is required for them.

**Table 1: Detailed expenditure to the existing seed producer group (Formed under FANSEP)**

S.N.	Description	Unit	First Year		Second Year		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)			First Year	Second Year	First Year	Second Year
A	Support to the Seed producer group based on the demand like Seed thresher/threshing floor maintenance, weighing balance, moisture meter, seeds sampler, open/electric drum threshers, reaper, corn sheller/blower/threshing cost, bags sewing machine, hand operating bags fertilizer spreader, seed treater, seed separator, elevator, printed sacs/tags with label, standing crop inspection cost, cost for crop harvesting, cleaning, drying, treating, storage, record keeping and stationary support-like register, passbook, hoarding boards/sign boards, marketing and market promotion, coordination and monitoring cost)	Lump sum	1	178000	1	178000	178000	356000	150000	150000	28000	28000
<b>Total amount (NRP)</b>				<b>178000</b>		<b>178000</b>		<b>356000</b>	<b>150000</b>	<b>150000</b>	<b>28000</b>	<b>28000</b>
<b>Total Project grant, NPR(maximum 85%)</b>				<b>150000</b>		<b>150000</b>		<b>300000</b>				

Food and Nutrition Security Enhancement Project II (FANSEP) II

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S.N.	Description	Unit	First Year		Second Year		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)		Beneficiary contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)			First Year	Second Year	First Year	Second Year
Total Beneficiary contribution, NPR (minimum 15 %)				28000		28000		56000				

**c.2) Expenditure details to the new seed producer group**

For the new seed producer groups, the basic items are listed as below, although, the project cost might not be enough to fulfil all the requirements thus the basic items they can buy by themselves or if the crop inspection cost and seed sampling and testing cost will be incurred by themselves they can purpose to FANSEP II cost to procure the basic items.

**Table 2: Detailed expenditure to the new seed producer group (Formed under FANSEP II)**

S.N.	Description	Unit	First Year		Second Year		Third Year		Total Amount (NPR)	Rate per unit (NPR)	Project Grant (NPR)			Beneficiary contribution (NPR)		
			Quantity	Amount (NPR)	Quantity	Amount (NPR)	Quantity	Amount (NPR)			First Year	Second Year	Third Year	First Year	Second Year	Third Year
1	Support based on the demand of seed producer group weighing balance, Moisture meter support, Improvement of threshing floor/ Tarpauline, Hermetic sac, seed sampler, sewing machine and thread, Hand Operated Bag fertilizer Spreader, Open drum	Lump sump	1	206000	1	236000	1	206000	648000	206000	175000	200000	175000	31000	36000	31000

S.N.	Description	Unit	First Year		Second Year		Third Year		Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)			Beneficiary contribution (NPR)				
			Quantity	Amount (NPR)	Quantity	Amount (NPR)	Quantity	Amount (NPR)			First Year	Second Year	Third Year	First Year	Second Year	Third Year		
	thresher/Electric Maize Sheller/threshing cost, Printed sacs/tags with label, Standing crop inspection cost, Crop harvesting, cleaning, drying, treating, storage, monitoring cost, seed sampling and seed testing cost, seed producer group stationary including record keeping, documentation, market and marketing promotion cost, sign board, coordination and monitoring cost																	
	<b>Total amount (NRP)</b>			206000		236000		206000		648000		175000	200000	175000		31000	36000	31000
	<b>Total Project grant, NPR(maximum 85%)</b>			175000		200000		175000		550000								
	<b>Total Beneficiary contribution, NPR (minimum 15 %)</b>			31000		36000		31000		98000								

**IX. Expenditure details Crop Production Promotion Program:**

- ❖ Budget ceiling or Cost: NPR 470,000 (In words: Four Hundred Seventy Thousand Only)
- ❖ Grant/Subsidy from Project: NPR 400,000 (In words: Four Hundred Thousand Only)
- ❖ Area covered by different crops:

Food and Nutrition Security Enhancement Project II (FANSEP) II

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- For Rice, Maize, and Wheat: At least 15 farmers in a group will be involved in the production of Rice, Maize, and Wheat that will cover 60 Ropani land in the hills and 100 Katha in Terai.
- Underutilized and neglected crops: At least 15 farmers in a group will be involved in the production of underutilized and neglected crops that will cover 20 Ropani land in the hills and 30 Katha in Terai.
- Seasonal and off-seasonal vegetables including potato: At least 15 farmers in a group will be involved in seasonal and off-seasonal vegetable production that will cover 20 Ropani land in the hills and 30 Katha in Terai. In the case of potatoes, the area coverage will be 20 Ropani in the hills and 30 Katha in Terai for at least 15 farmers in a group.

**Crop to be promoted**

- Major food crops (70-75% of the target): Rice, Maize, and Wheat crops to be promoted in the Project working areas.
- Seasonal and off-seasonal vegetables<sup>39</sup> (20% of the annual target).
- Underutilized and nutrient dense crops (5-10% of the annual target).
- The cost for individual item may differ in Terai clusters and hill clusters. Therefore, procurement of the listed items and materials can be done from the markets at approved district rate or competitive market rate without exceeding total amount given in the table.
- **Expenditure details of crop production promotion programs** to be operated during the cropping period of various crops will be as follows.

S.N.	Description	Unit	Quantity	Amount (NPR)	Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)	Beneficiary contribution (NPR)
A	Capacity building, value addition, promotion/marketing, and insurance cost					117500	99875	
1	Farmer group mobilization and orientation	Nos.	1	5000	5000	5000	5000	

<sup>39</sup> Vegetables mentioned in the RF include potato, tomato, cauliflower, bitter gourd, cucumber, bottle gourd, sponge gourd, pumpkin, okra, peas and beans, cabbage, radish, carrot, and brinjal.

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S.N.	Description	Unit	Quantity	Amount (NPR)	Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)	Beneficiary contribution (NPR)
2	Specific hands-on training on crop-nursery crop production; sorting, grading, packaging, branding -1 day	Nos.	1	15000	15000	15000	15000	
3	Support for market promotion/marketing and insurance (Advertisement cost, sorting, grading, packaging branding, tagging, packaging materials, transport cost, market stall rent cost, cold /storage cost, crop insurance, and crop storage materials storage hermetic bags/jute sacs/metal bin)	Lumpsum	1	150500	97500	97500	79875	17625
<b>B</b>	<b>Subsidy on improved seeds including transportation, micro-nutrient, crop planting and crop protection</b>					<b>164500</b>	<b>139825</b>	<b>24675</b>
1	Subsidy on improved seed	Ropani/katha	60/100	64500	1075/645	64500	58050	6450
2	Micronutrient and Crop protection and seed treatment cost Micro-nutrient support, bio-pesticide/botanical pesticides along with the sprayer/duster, funnel, syringe, measuring cylinder, personal protective items used for crop protection, and Botanical and bio-pesticide used against post-harvest storage pests, and disease	Times	2	40000	20000	40000	40000	
3	Land preparation, and intercropping operations	Ropani/katha	60/100	24000	800/480	50000	31775	18225

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S.N.	Description	Unit	Quantity	Amount (NPR)	Rate per unit (NPR)	Total Amount (NPR)	Project Grant (NPR)	Beneficiary contribution (NPR)
4	Tools and Materials required for seed treatment and crop protection seed/tuber treatment chemicals and utensils- conical flask, funnel, syringe, measuring cylinder cost	Times	1	10000		10000	10000	
C	Subsidy on Irrigation, crop cultivation, intercultural operation, and harvesting technology-related machinery, tools, equipment, and infrastructure. (Irrigation canal- water rehab/construction, pump/electric motor/submerge pump; shallow tubewell; construction/ improving community threshing floor; reaper/thresher; support for the community seed bank, collection center, gift house/selling center, and support for marketing, and market promotion- weighing balance, crates, etc.)	Lumpsum	1	188000	188000	188000	159800	28200
<b>Total amount (NRP)</b>						<b>470000</b>	<b>399500</b>	<b>70500</b>
Total Project grant, NPR (maximum 85%)						399500		
Total Beneficiary contribution, NPR (minimum 15 %)						70500		

**Selection criteria for crop production promotion program**

The criteria for the selection of concept may vary as per the crops (Food crop, seasonal and off seasonal vegetables, underutilized and nutrient dense crop) to be promoted from the promotion program. The selection committee will meet and discuss on the criteria and weightage for the selection of the proposal submitted from crop production promotion program. The weightage of individual criteria may vary; however, the total

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weightage of all the selection criteria will be 100%. For individual criteria the score will be 1 -5 (the lowest 1 and the highest 5) and it should be multiplied with weightage. Finally, the submitted proposal should be ranked as per the score and the highest ranking will be awarded. The selection criteria will be as follows:

S.N.	Selection criteria	Weight age	Proposal 1 score	Proposal 2 score	Proposal 3 score	Proposal 4 score	Proposal 5 score
1	Contribution to food security	10					
2	Nutritious crop/nutrition value	10					
3	Less Irrigation/water requirement	5					
4	Crop tolerant to disease and pest	5					
5	Crop tolerant to climate stress (heat stress, cold stress, frost, and rain/flood)	5					
6	Good storage plan of the product	5					
7	Market assurances	10					
8	Employment generation/creation	10					
9	Sustainability/continuity of the intervention	5					
10	Productivity increasing plan/ addressing the local problem	5					
11	Technically suitable (crop period, variety, locations)	10					
12	Budget proposed within the project guidelines and community contributions	10					
13	More no. of women and marginalized/disadvantage community people benefitted	10					
<b>Total</b>		<b>100</b>					
<b>Rank</b>							
<b>Awarded concept no.</b>							

**X. Selection criteria for Farm machineries and equipment support to groups for drudgery reduction and resilience (female, Marginalized and DAGs)**

The criteria for the selection of producer group may vary as per the machines and equipment's. However, the objectives of the farm machineries and equipment support to groups is basically for the drudgery reduction to the women, marginalized and disadvantage groups in crease resilience to climate change to that groups. Thus, the selection committee will meet and discuss on the criteria and weightage for the selection of the

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producer groups from the list of application received for the program. The weightage of individual criteria may vary; however, the total weightage of all the selection criteria will be 100%. For individual criteria the score will be 1 -5 (the lowest 1 and the highest 5) and it should be multiplied with weightage. Finally, the group should be ranked as per the score and the highest ranking will be awarded. The selection criteria will be as follows:

S.N.	Selection criteria	Weightage	P. group 1 score	P. group 2 score	P. group 3 score	P. group 4 score	P. group 5 score
1	Contribution for drudgery reduction	10					
2	Support for the land preparation and interculture operation of crops	10					
3	Support for the harvesting of crop	10					
4	Support to increase water use efficiency	5					
5	Support for the crop protection from pest and disease	5					
6	Value addition of the crop production promotion program/seed production	5					
7	Required less skills and knowledge for the operation	10					
8	Employment generation/creation, income generation to the groups	10					
9	Sustainable operation and maintenance plan	5					
10	Productivity increasing plan/ addressing the local problem	5					
11	Less energy requirement /use of alternate energy	10					
12	Less repair and maintenance requirement	5					
13	More no. of women and marginalized/disadvantage community people benefitted	10					
<b>Total</b>		100					
<b>Rank</b>							
<b>Awarded Group no:</b>							

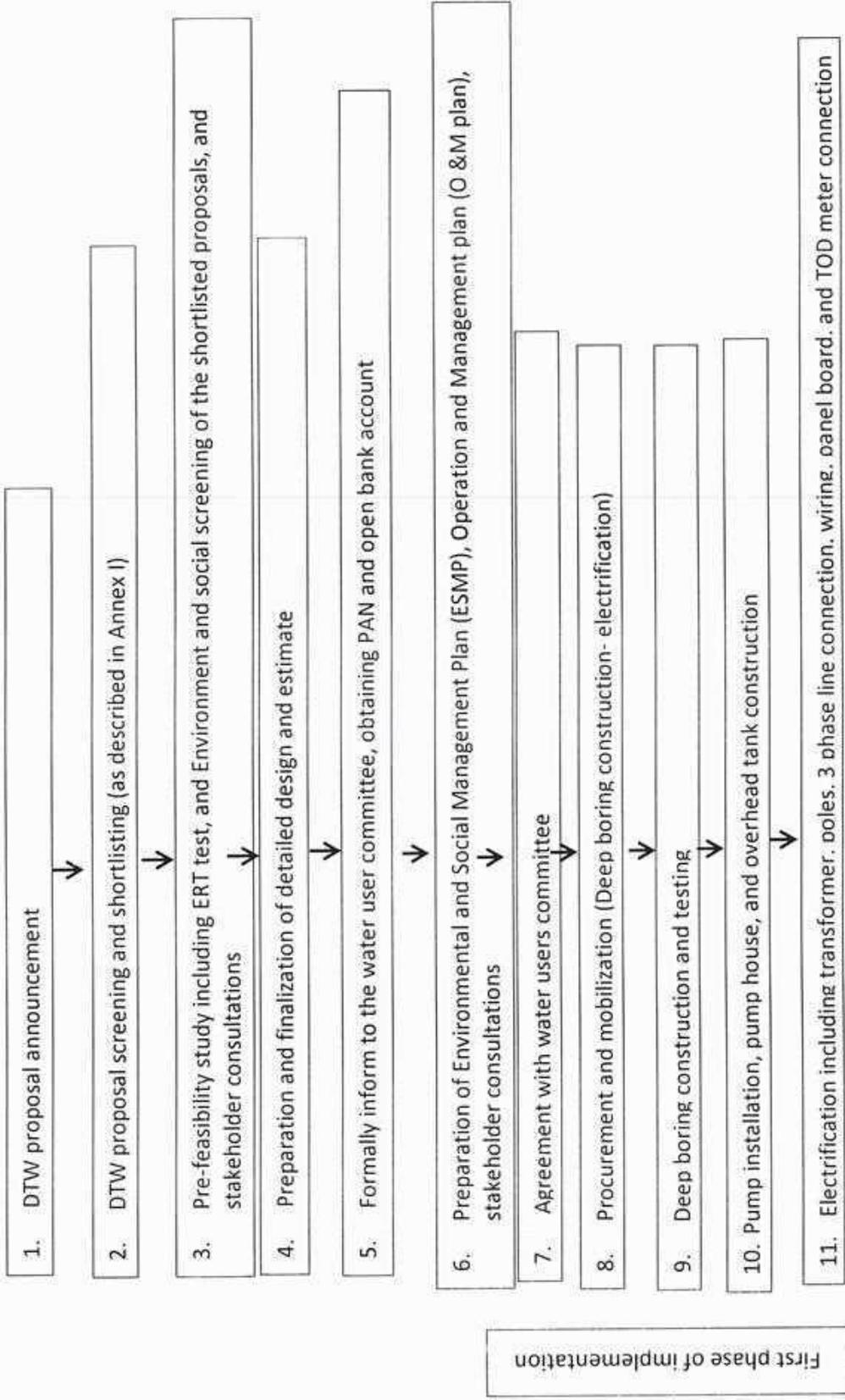
**XI) Implementation process of Deep Tube Wells (DTWs)**

The project will provide 5 Deep Tube Wells (DTWs) support in terai PCUs i.e. 3 in Dhanusha cluster and 2 in Saptari cluster. The support from project on implementation of DTWs will be on grant basis and the process will be as follows:

For the implementation of DTWs, the call for proposal will be announced and the water user's committee (WUC) formed from one or more than one producer groups from FANSEP beneficiaries or non-beneficiaries of the DTW command area will submit a proposal. The proposal includes beneficiaries' name, address, citizenship number, size of land with the plot numbers, no. of beneficiaries with ethnicity details and land use approval/agreement document for the construction of DTWs and copy of stakeholder consultation meeting minutes. For public land, approval from respective Rural municipalities for the use of land for DTWs installation and for private land, an agreement between the landowner and the WUC for the use of land for the DTWs installation must also be submitted. After receiving proposals within the deadline, DTW evaluation committee will shortlist the proposals as per the screening criteria shown in **table below**. After screening and ranking the proposals, the PCUs will do pre-feasibility surveys, electrical resistivity tomography (ERT) test, and environment and social screening of prioritized proposals. The environment and social screening checklist for DTW is provided on Annex-----10.4. Stakeholder consultations will be done parallelly to gather input from the community and ensure that the DTW development aligns with the needs and expectations of the community. Based on the pre-feasibility study and environment and social screening report, the FANSEP II PCU will select the feasible scheme and do the details design and estimate that includes the DTWs schemes total cost, community contribution and project contribution etc. Then the PCU will formally inform the selected schemes WUC to prepare necessary documents like obtaining PAN number and open bank account, preparation of a comprehensive Environmental and social management plan (ESMP), operation and management plan (O & M plan) to ensure compliance with the World Bank's Environmental and social framework (ESF), Environmental and social standards (ESSs), and National environmental requirement. The ESMPs will be disclosed in project website and cluster offices (PCOs). Also, the WUC will prepare the DTW scheme implementation plan for the first phase, land use agreement with respective rural municipalities or landowners of the DTWs.

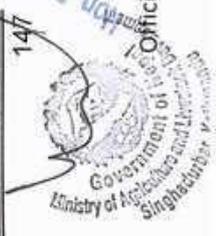
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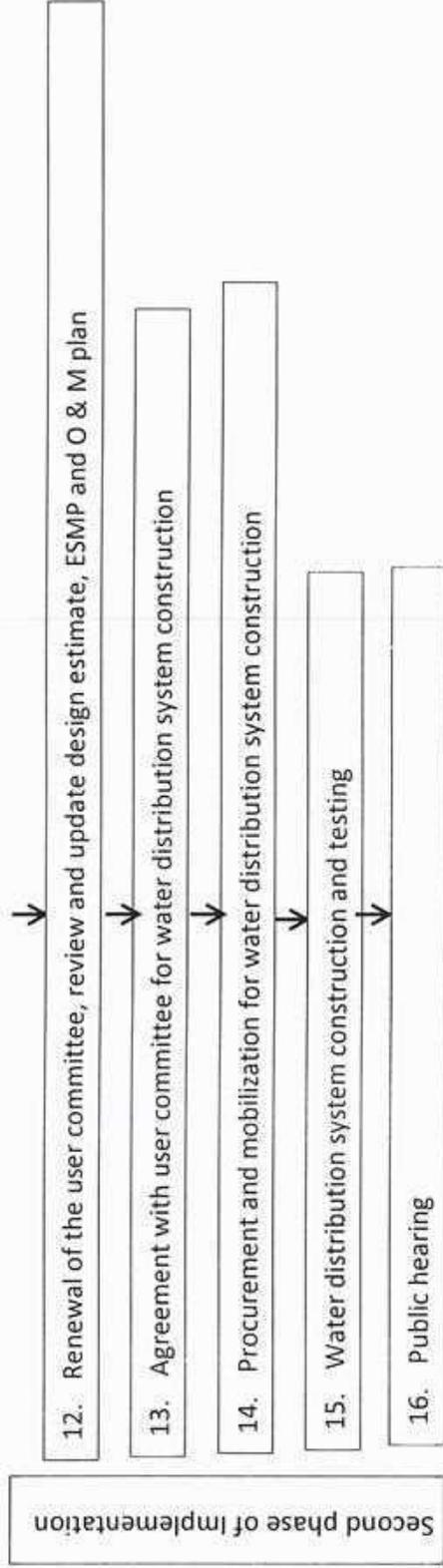
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Ministry of Agriculture and Livestock Development  
Government of Nepal  
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**Figure: Deep tube wells construction process and steps.**

The Deep tube wells will be implemented as per the National Irrigation Policy, Irrigation regulations, EPA, 2019, EPR 2020 and Deep boring installation program implementation standards of AMPC, Janakpur. Similarly, the construction of DTWs will follow the procurement procedures for Grantees, stated in APPENDIX 1. The community contribution will be as per irrigation policy and Irrigation regulations. Moreover, the water user committee will complete the process of land use/donation if public land is not available for the DTWs schemes.

**Implementation of the first phase**

After making agreement with WUC, the committee will obtain PAN number, open bank account and submit letters to PCU office to release the budget for the implementation of the scheme. The WUC will form a procurement, monitoring and evaluation committee for the facilitation of the ongoing work. The WUC will start the first phase construction, do necessary procurement, mobilization, construction and testing. After completing the deep boring construction work and testing, the water discharge will be verified. The committee will follow environmental and social safeguard requirements mentioned in the ESMP. Stakeholder consultations will be done through out the project cycle to gather feedback from the community and ensure that the DTW selection of the site/construction aligns with the needs and expectations of the community and for making decisions on revenue collections, operations mechanism.

Frequent monitoring will be done by the project hired Engineer/overseer to monitor the critical stages of boring like drilling, well design, logging, piper boring, gravel packing, washing, well development, and pump testing. After the completion of deep boring, technical report should be

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submitted along with the pumping test that includes boring discharge and drawdown. In the report, it should be clearly mentioned whether the deep boring is successful or not. If the deep boring is successful, then procurement, installation of pump and pump house construction will be completed. The users committee will apply for three phase electricity connection, transformer, and Time of Day (TOD) meter connection. The WUC will complete the wiring, panel board installation and do necessarily follow up for the TOD meter connection that will be completed in the first year. The users committee will do regular coordination with the Agriculture Mechanization Promotion Center for technical support, and with Nepal Electricity Authority (NEA) for three phase electricity, transformer, and TOD meter connection, and with the local government to facilitate the implementation of the schemes.

After the completion of first phase construction along with the recommendation from the technician and running bills, the project will pay all the first phase expenses as requested by the water users' committee as per rules and agreement.

#### **Implementation of the second phase**

After completion of the First phase construction, the PCU will revisit and update the design and estimate of distribution system construction and request the WUC to submit the (a) First phase audit report, (b) Tax clearance report, (c) agreement between the land owners and WUC for laying the distribution pipe and the distribution chamber post, (d) copy of stakeholder consultation meeting minutes, (e) copy of the WUC decision to request the PCUs for the renewal of the agreement for the second phase construction, (f) application for the distribution system construction agreement, (g) updated ESMP prepared for the second phase, (h) revised and updated operation and management plan, and (i) Second phase implementation plan. Then, PCUs will make an agreement again with the WUC for distribution system construction in the second phase. Then, the second phase construction will start. The users committee will follow the construction of water distribution chamber, distribution line, gate, valve construction, fencing of the pump house. Regular monitoring will be done by the project hired engineer/overseer to ensure the construction as per the design and estimate. The users committee will do regular coordination with the Agriculture Mechanization Promotion Center for technical support, and with the local government to facilitate the implementation of the scheme. The committee will follow environmental and social safeguard requirements mentioned in the ESMP. After the completion of DTWs, the payment to the WUC will be made by PCUs based on prevailing country law which generally includes work progress, engineer supervision report, measurement sheet, attendance sheet, original bills and receipts. The WUC will organize public audits after the completion of the work.

#### **Proposal screening criteria**

The selection committee of PCUs will meet and discuss the pre-screening criteria for the short listing of the proposal submitted by the water user's committee. The weightage of individual criteria may vary; however, the total weightage of all the selection criteria will be 100. For individual criteria the score will be the lowest 5 and the highest 15/20. Finally, the submitted proposal will be ranked as per the score and pre-feasibility and ERT test will be done only the highest-ranking proposal. The pre-screening criteria are as follows:

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S.N.	Screening criteria	Weightage	Proposal 1 Score	Proposal 2 score	Proposal 3 score
1	Command areas (20-30 ha=5, 31-40 ha= 10, 40-200 ha = 15.)	15			
2	Absence of alternative irrigation sources (Presence of DTW nearby= 5, Presence of shallow tubewell for irrigation= 10, and no other source of irrigation= 15)	15			
3	Cropping system and cropping intensity increasing Potentiality (100% =5, 200%=10, 300%=15 and 400%=20)	20			
4	Three phase electricity connection (Already 3 phase line connected to the DTW construction place= 15, 200-500-meter distance from the DTW construction to the 3- phase line = 10, >501-meter distance from the DTW construction to the 3-phase line = 5)	15			
5	More no. of women and marginalized/disadvantage people benefitted out of total beneficiaries (50-100 women and marginalized/disadvantage community benefitted =5, 100-150 women and marginalized/disadvantage community benefitted= 10, more than 150 women and marginalized/disadvantage community benefitted= 15)	10			
6	Land availability for DTWs construction (Public land with approval =15, public land without approval=10, private land with land use agreement = 5, and private land=0)	15			
7	Recommendation from respective RM	10			

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 Ministry of Agriculture, Government of Karnataka  
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Project Implementation Manual (PIM)

S.N.	Screening criteria	Weightage	Proposal 1 Score	Proposal 2 score	Proposal 3 score
	(Application with recommendation from respective RM=10, absence of RM recommendation =0)				
<b>Total</b>		<b>100</b>			
<b>Rank</b>					

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## Annex 3.2: Capacity Development Plan of FANSEP II

### 1. Background

The Capacity Development plan will focus to strengthen the capacity of field level technicians, FFS facilitators, FBS facilitators and NFS facilitators including beneficiaries, by providing package of services as envisaged by the project. For delivery of quality services and inputs to target beneficiaries in FANSEP II, trained technicians, FFS, FBS and NFS facilitators in FANSEP will be utilized by giving refresher training courses. These refreshed facilitators will first conduct the different FFS, FBS and NFS as targeted in Project Cluster Units program. The selected participants (beneficiaries) trained in the FFS, FBS and NFS will get orientation in ToF and they will be engaged to conduct different types of training. Provide technical support at federal and rural municipal for smooth and effective implementation of project interventions.

### 2. Major Training activities in FANSEP II:

The project will organize FFS, FBS, NFS, orientation programs, refresher trainings and several trainings as described below;

#### 2.1 Farmer Field School (FFS, FBS and NFS)

FANSEP had developed adequate number of quality facilitators to meet the target of FFS, FBS and NFS. While in FANSEP II there are 16 new RMs to strengthen the capacity of beneficiaries and other stakeholders which are mostly far from the previous RMs under FANSEP. About 50 FFS/FBS/NFS farmer's facilitators from FANSEP will continue to work as FANSEP II facilitators due to which additional number of trained farmer facilitators will be required for the effective implementation of project interventions/activities which are as follows;

- ✓ Farmer facilitators for crop FFS: 75
- ✓ Farmer facilitators for Livestock FFS: 50
- ✓ Farmer facilitators for FBS: 25
- ✓ Farmer facilitators for NFS: 25
- ✓ RM level technician for crop FFS: 25
- ✓ RM level technician for Livestock FFS: 25

The FFS, FBS and NFS will be carried out as;

- To implement the field schools as planned, FFS, FBS and NFS will be primarily planned in year one and year two.
- The capacity Development Specialist in coordination with other specialists from FAO-TA will facilitate different TOF & refresher trainings of FFS, FBS/NFS and assist in designing and implementation of capacity building trainings related to crop, livestock, farm business, nutrition, livelihoods, social and environment aspects of the project.
- At least one crop FFS, one livestock FFS, one FBS and one nutrition NFS will be established in each rural municipality. However, socio-cluster issues will be considered while establishing the FFS.
- The FFS, FBS and NFS should be centrally located to participants from each ward of the municipality so that there will be participation from more wards of Rural municipality. However special consideration will be given for the NFS considering the mobility and topographical ease need for pregnant and lactating mothers with babies. Hence, NFS site will be finalized on the mutual consent of all the participants focussing on easy access for all the participants and it will be mentioned on instruction to facilitators.
- FFS participants should at least be literate so that the outstanding participant would be a potential FFS facilitator (one of the selection criteria for facilitator training).

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- PCUs have plan to establish a total of 296 (crop 132 FFS, Livestock 84 FFS, FBS 16 and NFS 64) FFS in year 1 and total of 285 (crop 193 FFS, Livestock 76 FFS, FBS 16 and NFS 0) FFS in year 2 of the project. FAO TA team will support PCUs for the implementation of FFS.

## 2.2 Refresher Training for the Project Field Level Technicians

- In the very beginning, one refresher training each for FFS (crop, livestock), FBS & NFS will be organized for project field level technicians (crop, livestock, nutrition) who worked in FANSEP and are continuing in FANSEP II. First, quick assessment will be carried out at the beginning of the refresher course to test facilitators knowledge and skills through pre-test examination, experience sharing and expectation collection. Thereafter, master trainer will focus on weak areas of the participants and incorporate special topics to strengthen those weaknesses of participants. After the refresher training, they will be engaged in conduction of FFS, FBS and NFS in their respective RMs.
- Trained FFS facilitators working at PCUs, Agriculture Knowledge Center and other organizations can also be utilized who has FFS, FBS and NFS Facilitator experience and certificate.
- Trained FFS facilitator in the project rural municipality can be utilized who has FFS, FBS and NFS Facilitator experience and certificate.

## 2.3 Orientation ToF for FFS Facilitators (Crop, Livestock, FBS and NFS)

- Institutional coordination and collaboration with local level government (rural municipalities) will be set up from the beginning of the Project.
- To effectively run farmer field school, farm business school and nutrition field schools, facilitators will be selected based on the revised participant selection criteria as mentioned in FFS, FBS & NFS project manuals.
- Use of local facilitator / mother group facilitators / village health workers will be helpful in the crisis and sustainability of the project intervention.
- Capacity building of the leader farmer of the farmer groups who will be selected as facilitator after graduating from the FFS, FBS and NFS will play key role for their group performance and sustainability.
- After completion of one season farmer field school (crop and livestock), orientation ToF will be organized to the selected (on the basis of developed criteria) participants of field school.
- Selected mother group members and village health workers will be trained for NFS Facilitator

## 2.4 ToF on FFS (Crop & Livestock) to Technicians of RMs

- The ToF on FFS (crop & livestock) will be provided to municipal level crop and livestock technicians. Project will coordinate in ensuring RM's commitment that they will continue facilitating FFS after project's closing if the project trains their technicians.
- Two ToF on FFS (crop and livestock) will be organized particularly focussing to RM technicians in the year 2<sup>nd</sup> of the project.
- Rural municipalities technicians will also be capacitated through various training courses (such as artificial insemination, agriculture insurance) and will be mobilized to implement the local level training events of the project supported activities in the community.
- The Project has given due priority and importance for the sustainability after its completion.

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### 2.5 Other Trainings and workshop organized by PMU/PCUs

- FAO TA team will assist/support/facilitate in designing and implementation of other trainings and workshops organized by PMU/PCUs and support to produce the reports of such programs.

### 3. Gender and social inclusion considerations:

- Women and socially deprived household of the community should be included in all training and capacity building events as provisioned in the project document.
- At least 65% women of the targeted 55000 beneficiaries should be included in the capacity building/trainings events and in other project interventions.
- The gender strategy and action plan that was prepared by FANSEP will continue to be implemented in FANSEP II also.

### 4. Monitoring and evaluation of the mechanisms of Capacity Development activities:

- Monitoring and evaluation plan of the project will be followed accordingly.
- Monitoring and evaluation guidelines and formats will be developed and distributed to concerned stakeholders.
- **FFS attendance/Pre-test and post test result:** TA team will try to make efficient use of GEMS/Kobo to track percentage knowledge gained through capacity development activities (for events lasting three days or longer) and to track effectiveness of the training and details of the participants, starting date, ending date, facilitators information etc. in the FFS, FBS and NFS on sample basis in each RMs.
- Training reports
- Respective field level technicians will submit training/ workshop related data to cluster-based specialists. The cluster-based specialist will enter into PMIS as per the designated input form. In each six-monthly report besides other component wise progress updates, the capacity development progress will be reported. GEMS/Kobo tools will be used in all capacity development activities to reduce paperwork burden of technicians.

5. Capacity development/training/workshop related activities and work plan  
 5.1 Capacity development activities from FAO-TA

S.N.	Outputs/Activities	Unit	Total Project Target	F.Y. 2024-25 (2081-82 B.S.)												F.Y. 2025-26 (2082-83 B.S.)		F.Y. 2026-27 (2083-84 B.S.)
				Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-2025	May-2025	Jun-2025	I (July-Dec 2025)	II (Jan-June 2026)			
1.	<b>To/Refresher training for technical staffs</b>																	
1.1	Conduct Refresher ToF for FLT (Crop), 8 days.	Event	1															
1.2	Conduct Refresher ToF for FLT (Livestock), 14 days	Event	1															
1.3	Conduct ToF on FBS for FLT 14 days	Times	1															
1.4	Conduct ToF for FLT (Nutrition), 14 days	Times	1															
1.5	Conduct ToF on FFS (Crop) to municipal technicians and newly recruited FLTs, 14 days	Event	1															
1.6	Conduct ToF on FFS (Livestock) to municipal technicians and newly recruited FLTs, 14 days	Event	1															
2.	<b>To/Refresher training for farmers/nutrition facilitators</b>																	
2.1	Conduct ToF for FFS Facilitators (Crop), 14 days	Events	3															
2.2	Conduct ToF for FFS Facilitators (Livestock), 14 days	Events	2															
2.3	Conduct ToF for NFS Facilitators (Nutrition), 14 days	Event	2															
2.4	Conduct ToF for FBS Facilitators (Farm Business), 14 days	Event	1															

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S.N.	Outputs/Activities	Unit	Total Project Target	F.Y. 2024-25 (2081-82 B.S.)												F.Y. 2025-26 (2082-83 B.S.)		F.Y. 2026-27 (2083-84 B.S.)
				Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-2025	May-2025	Jun-2025	I (July-Dec 2025)	II (Jan-June 2026)			
2.5	Conduct refresher ToF for NFS facilitators (Nutrition), 5 days	Times	1															
3.	Updating the curricula, guidelines, manuals of FFS/FBS/NFS (Consultation workshop, curriculum approval meeting)	Lump sum	1															
5.	Training/Interactions to FLTs and cluster specialists for project data management, monitoring, reporting, review etc. ( including GEMS and PMIS)	Number	18															

5.2 Capacity development activities from PMU/PCUs

S.N.	Outputs/Activities	Unit	Total Project Target	F.Y. 2024-25 (2081-82 B.S.)												F.Y. 2025-26 (2082-83 B.S.)		F.Y. 2026-27 (2083-84 B.S.)
				Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-2025	May-2025	Jun-2025	I (July-Dec 2025)	II (Jan-June 2026)			
1	Conduction of regular commodity specific FFS (Crop)	Number	325															

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S.N.	Outputs/Activities	Unit	Total Project Target	F.Y. 2024-25 (2081-82 B.S.)												F.Y. 2025-26 (2082-83 B.S.)		F.Y. 2026-27 (2083-84 B.S.)
				Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-2025	May-2025	Jun-2025	I (July-Dec 2025)	II (Jan-June 2026)			
2	Conduction of regular commodity specific FFS (Livestock)	Number	160															
3	Conduction of Farm Business School (FBS)	Number	32															
4	Conduction of Nutrition Field School (NFS)	Number	128															
5	Conduction of orientation workshop of FANSEP II at PCUs ( Cluster and RM Level)	Times	20															
6	ESMF training to Field Level Technicians (AT, LT and NF)	Times	4															
7	ESMF refresher training to Field Level Technicians (AT, LT and NF)	Times	4															
8	Training for Livestock Technicians on Artificial Insemination (AI, 2 Weeks)	Times	2															
9	Refresher training for Livestock Technicians on AI (One week)	Times	4															
10	Training for trainers in Agriculture Insurance	Times	1															
11	Cluster level training on Livestock Insurance (3 days)	Times	12															
12	Forage resource center and nursery management training to farmers	Times	8															
13	Seed production training to representatives of seed producer groups (SPGs)	No.	12															

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S.N.	Outputs/Activities	Unit	Total Project Target	F.Y. 2024-25 (2081-82 B.S.)												F.Y. 2025-26 (2082-83 B.S.)		F.Y. 2026-27 (2083-84 B.S.)
				Sept-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-2025	May-2025	Jun-2025	I (July-Dec 2025)	II (Jan-June 2026)			
14	Training on Gender Mainstreaming (RM Level), 2 days	No.	40															
15	District level training to PGs Representatives on Preparation of Simple Business Plan, ESMF & Entrepreneurship Development (3 days)	No	48															
16	Orientation Program to PGs about PAs (RM Level), 1 day	No.	48															
17	Cluster level training to Field Level Technicians on Occupational Health and Safety (2 days)	Events	4															

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## Annex 4.1

### Summary of the Small and Matching Grant Implementation Guideline, 2077

The Project Steering Committee (PSC) of FANSEP has endorsed the small and matching grant implementation guidelines on 2077/06/26. The guidelines clearly highlight the objectives, eligibility criteria, evaluation and grant award mechanism along with financing arrangement. The summary of the guidelines is presented in following paragraphs.

#### Objectives

1. To support farmer groups in implementing CSA technologies and practices to improve agricultural and livestock productivity in project districts.
2. To increase income and promote employment through the processing, marketing, and value addition of agricultural and livestock commodities.
3. To establish market linkages for agricultural products through agreements between producer groups and buyers.
4. To enhance nutrition security for golden thousand-day mothers, adolescent girls, and children under two years old by promoting the adoption of suitable nutrition-friendly technologies and practices.

#### Eligibility criteria

Producer groups (PGs) in order to be eligible for the grant must meet the following criteria to qualify:

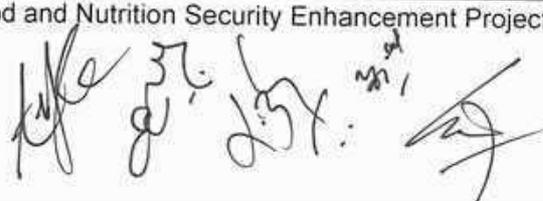
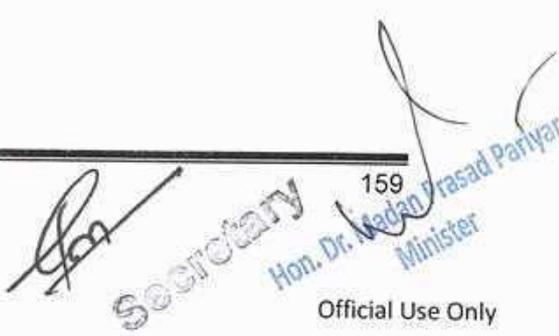
1. Must be targeted beneficiaries of FANSEP II.
2. Must be registered or renewed with the respective Rural Municipality (RM).
3. Must possess a Permanent Account Number (PAN).
4. Must be engaged in the production of selected crops and livestock commodities as per FANSEP II guidelines.
5. The business plan must ensure at least 65% women participation among beneficiaries, with priority given to female PGs.
6. In case of Matching grant, proposed business plans should be endorsed through a productive alliance (PAs) or contract letter with buyers.
7. Must demonstrate written commitment to environmental and social safeguard compliance.
8. Provide a self-declaration stating no other grants have been received for the proposed activities.
9. Commit to contributing at least 15% of the total investment (in cash or kind or both).
10. For landless beneficiaries, if land is leased, the agreement with land owner must cover at least two years' period.
11. Submit the copy of decision minute of the group to apply the business plan proposal for grant support from FANSEP II.

**Financing arrangement and grant ceiling:** The PGs and NGs have to bear at least 15 percent of the total sub-project cost as beneficiary's contribution. It can be in cash or kind or both contributions depending upon the nature of business proposal. Of the total project cost 85 percent will be supported by the project with maximum ceiling of NRs. 600 thousand for MG and NRs. 500 thousand for SG proposals.

#### Eligible areas for grant financing for MG and SG

The guideline outlines the following areas of assistance under three categories: MG for the crop and livestock sectors, and SG.

- **Areas for MGs for crop**
  - Agricultural machinery
  - Plastic houses for vegetable cultivation
  - Vegetable nurseries and mushroom production
  - Beekeeping



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- Storage, processing, and packaging of cereals, vegetables, and fruits
  - Agriculture marketing and market infrastructure development
  - Construction of infrastructure for potato storage
  - Small-scale food processing businesses
  - Soil productivity management programs
  - Zero and minimum tillage farming
  - Drip irrigation, paddle pump irrigation, and irrigation canal construction
  - Cereal seed production, processing, storage, and marketing
  - Integrated pest management and bio-pesticide production for crops
  - Climate- and nutrition-friendly crop production technologies to enhance cropping systems
- **Areas for MGs for livestock**
    - Construction of livestock marketing infrastructure
    - Improvement of fresh meat shops and slaughter slabs
    - Establishment of milk chilling centers
    - Construction or improvement of cattle, goat, and poultry sheds
    - Feed production and marketing
    - Establishment of fodder and forage resource centers
    - Production and marketing of forage seeds and grasses
    - Adoption of climate- and nutrition-friendly technologies for rearing cattle, goats, and local poultry
    - Expansion of artificial insemination and livestock treatment services
  - **Areas for small grants**
    - Rural poultry farming for egg and meat production
    - Establishment of mills for producing super flour (Sarbottom Pitho)
    - Product diversification of locally available nutrient-dense foods
    - Improved cooking stoves and mills
    - Small machinery to reduce women's drudgery
    - Establishment of child care centers and its operation

### Key steps of the grant award process

#### 1. Invitation for Proposals:

- The PCUs will publish a notice with 30-days period inviting business plan proposals from eligible PGs.
- The PCUs will disseminate information on call for proposal through orientation to PGs in RMs.
- Guidance on preparation of business plan proposal will be provided through PCUs and cluster and field-based TA team members will help PGs and nutrition groups for developing proposals.

#### 2. Field Verification:

- The PCUs after preliminary screening will conduct field verifications using checklists for environmental, social, and technical evaluations.
- PCU focal persons for environmental and social safeguards will prepare detailed reports on ESMF compliance related issues.

#### 3. Evaluation of Business Plans:

After field verification, the BPs are evaluated based on following criteria;

- Technical feasibility and soundness.
- Adequacy and quality of the action plan.
- Environmental/CCA friendliness.
- Proposed beneficiary contributions.
- GESI promotion.
- Related experiences of PGs/NGs on the proposed business plan.

- Sustainability of the plan.

#### 4. Provision of cluster level selection committee

There is provision of cluster level committee for the selection of business plan for financing from the project. The composition of the selection committee is as following:

- Chief of PCU (coordinator)
- Section Chief (Agriculture/Livestock/Health Section) of RM (member)
- Representative of RM-level farmers' association/network, if exists (member)
- Representative of a financial institution within the RM (member)
- Officer nominated by the PCU Chief will act member secretary of the committee

#### 5. Notification of grant award:

The decision of the selection committee on grant award will be notified through official letter. The selected PGs and NGs are invited for contract agreement by PCUs.

#### 6. Implementation of sub-project:

The PGs and NGs will be responsible for the implementation of proposed activities and report work progress to PCUs. Meeting ESMF compliances as per the proposal will be the obligation of recipients and compliance monitoring will be done by PCUs. The payment of grant will be as per the work progress submitted by grant recipient after verification by PCUs. Before releasing final instalment, task accomplishment report will be submitted by the PGs/ NGs with verification from field staff/ PCU staff.

#### 7. Contribution to result framework indicator

The matching grants are expected to contribute to adoption of CSA technologies and practices and thereby increasing the productivity of crop and livestock products (milk and meat) and ultimately the household income of the members of producer groups. Likewise, the small grant is expected to contribute to attain nutritional objectives particularly enhancing dietary diversity among mother and children, improving the food insecurity experience scale by beneficiaries and adoption of improved nutritional practices by the target beneficiaries.

The details on small and matching grant award process has been elaborated in guidelines approved by the Project Steering Committee (PSC) and uploaded in FANSEP II website.

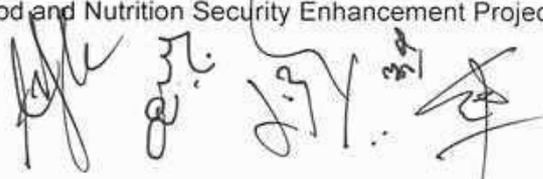
## Annex 4.2: Cost, subsidy and expenditure details of major programs under component B

### I. Farm Business School (FBS) cost and expenditure details:

- Budget ceiling or Cost: NPR 300,000 (In words: Three Hundred Thousand Only)
- FBS will be implemented by the Project
- Expenditure details for conducting on-site FBS will be as follows:

#### 1.1 Cost of FBS Preparation (3 Interaction workshops)

S.N.	Activities	Unit	Quantity	Rate (NPR)	Amount
<b>A. Cost for Preparatory meetings</b>					
1	Snack expenses for the first preparatory meeting (general meeting)	Nos	40	200	8000
2	Snack expenses of the participants of the second preparatory meeting (interaction seminar)	Nos	30	200	6000
3	Lunch expenses of the participants of the third preparatory meeting	Nos	25	200	5000
4	Stationery expenses for the participants of the preparatory meeting	Nos	25	100	2500
5	Other Stationery (register, scale, marker pens, pencil, brown paper, sign pen, masking tape, glue stick, dot-pen, duster, files, eraser, thumb pin, etc.)	times	1	1000	1000
6	Facilitation and report allowance of 3 days to 2 facilitators/ resource person of the preparation meeting.	Person/ days	6	1000	6000
7	Lunch expenses of 3 days to 2 facilitators/ resource person of the preparation meeting.	Person/ days	6	200	1200
8	Transport expense for 2 facilitator / resource person (per day @ NPR 200 for 3 days)	Person/ days	6	200	1200
	<b>Total of Preparatory meeting (A)</b>				<b>30,900</b>
<b>B. Cost for Conduction of FBS (27 session days, about 4.5 hours per session per day)</b>					
1	Snack expenses for 27 times for 27 people (including 25 farmers and 2 facilitators)	persons	729	200	145800
2	Purchase of materials for operation of FBS (board and other materials, sign boards, plywood boards, colored pens, brown paper, large scales, marker pens, scissors, thread, photocopy paper, masking tape, files, gum, etc.)	Times	1	14500	14500
3	Calculator to the participant	Nos.	5	510	2550
4	Remuneration of Special Class to resource Person (External instructor 2000, internal instructor 1200)	Nos.	8	1600	12800
5	Facilitation and report allowance of 27 times to facilitator / resource person for conducting the FFS.	Person/ days	54	1000	54000
6	Transportation expense of 27 days for 2 facilitator / resource persons.	Person/ days	54	200	10800




S.N.	Activities	Unit	Quantity	Rate (NPR)	Amount
	<b>Total for conducting FBS sessions (B)</b>				<b>240,450</b>
<b>C. Cost for conducting Farmer's Day of FBS (for 1 day)</b>					
1	Expenses for snacks to invited, participant farmers and 2 facilitators	persons	90	200	18000
2	Management expenses (sound system, & chair on stage, table, graph, chart paper, cultural program, flags, invitation card, photo etc.)	times	1	3000	3000
3	Prize distribution (First Rs.1500; Second Rs.1000; Third Rs.750)	times	1	3250	3250
4	Transportation cost of one day to 2 resource person or facilitators	persons	2	200	400
5	Preparation of FBS report (including print and binding)	Times	1	1000	1000
6	FBS Technical Report (including photocopy and binding)	set	2	500	1000
7	Facilitation allowance of 2 facilitators / resource persons for facilitation on the Farmers' Day	Person / day	2	1000	2000
	<b>Total cost for celebrating Farmers' Day (C)</b>				<b>28,650</b>
	<b>The total cost for conducting FBS (A+B+C)</b>				<b>300,000</b>

Note: Project will prepare separate guideline of Farm Business School, and this will remain as annexes to this Project Implementation Manual (PIM).

## II. Cost and expenditure details for implementing Matching grants and small grants:

- Project will provide 720 matching grants to fund simple business plans (BPs) under component B.
- Project will provide 400 small grants to fund proposal submitted by nutrition groups under component C to ensure the enhancement of nutrition status of those groups involving 1000 days lactating mother, pregnant women and children aged 6-23 month
- Budget ceiling or Cost:
  - Matching grant: NPR 600,000** (In words: Six Hundred Thousand Only)
  - Small grant: NPR 500,000** (In words: Five Hundred Thousand Only)
- Subsidy rate: up to 85 % from Project, 15% of farmers or FGs contribution in form of cash or kind or both (for both matching and small grants)

### A) Matching Grants:

- The Investment Criteria for Matching Grants would be as follows:

**Table: Area, Number of commodities and Investment Criteria for Matching Grants**

S.N.	Parameters	Unit	Quantity (per MG)	Percentage (%) of investment			Remarks
				Production*	Training, PPEs, public hearing, hording boards**	Other	
1	Land Area under cereal	ha	3	25	10	65	
2	Land area under vegetable	ha	1.5	25	10	65	
3	Land area under Potato	ha	1.5	45	10	45	
4	Number of plastic house for vegetable farming	No.	20	45	10	45	At least 60 square meter per plastic house
5	Number of goats	No.	25	60	10	30	
6	Number of backyard poultry	No.	400	90	10		6-8 weeks old chicks
7	Small and micro irrigation			20	10	70	Based on estimate under approved budget

**Note:** I) \*=Minimum, \*\*= Maximum

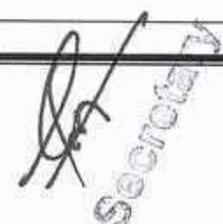
II) Production = seed, seedlings, saplings, goat purchase, fertilizer, labour, land rent, materials needed for plastic house and goat shed construction.

III) In case of backyard poultry farming:

**Production** = purchase of 6-8 week chicks, feed, feeder, medicines, poultry pen construction,

- The fund flow will be in three tranches as follows:

S.N	Tranches	Percentage
1	First	30
2	Second	40
3	Third	30
Total		100

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- MG and Small grant implementation guideline will prescribe due diligence to be complied by the PGs as minimum conditions to qualify for the MG.
- A conditionality mechanism will be built into the matching and small grant to ensure that the sub-projects do not generate negative externalities and will be screened for potential adverse effects on the environment and public health, as well as to ensure minimum gender participation within the grant recipients (65% of all grant recipients will need to be female).
- The project envisages to establish Cluster Level Selection Committee (CLSC) to undertake the screening of ideas of BPs submitted by PGs and proposals submitted by health mother/nutrition groups.
- Project will develop matching and small grant implementation manual for providing details and implementing modality of operating matching grant under component A and Small grant under component C.

### B) Small Grant (SG) support program

- Budget ceiling or cost from FANSEP II (85% subsidy grant): **NPR 500,000** (In words: Five Hundred Thousand Rupees Only)
- Subsidy rate: Overall maximum **85% from project** and **at least 15% of nutrition groups contribution** in the form of **cash or kind or both**.
- SG will be given to potential nutrition group's beneficiaries on following areas;
  - ❖ Rural poultry farming (dual proposed chicken and/or duck farming),
  - ❖ Vegetable farming (dark green leafy vegetables and/or other vegetables),
  - ❖ Legumes and nut farming,
  - ❖ Roots and tuber crop farming,
  - ❖ Fast fruiting (yield within 1 year) fruits farming (vitamin A rich and/or other fruits),
  - ❖ Mushroom farming,
  - ❖ Fish farming,
  - ❖ Processing, packaging and labelling of food items (including grinding mills)

### A. Production and consumption of vegetables, legumes, nut, fruits, mushroom farming, for diet and dietary diversity

S.N.	Activities	Weightage	Amount (NPR)
1	Improved seeds (seasonal and unseasonal for year round), micro-nutrient support, bio-pesticide/ botanical pesticides preparation and associated materials along with the sprayer/duster, personal protective items used for crop protection, and botanical and bio-pesticide used against post-harvest storage pests, and disease, harvesting and storage equipment's and utensils, plastic tunnel and associated materials, net and fencing, plot preparation and associated materials, agricultural tools/equipment's including transportation	40%	236,000/-
2	Water tank, pipe, sprinkle and watering cane for irrigation, drip irrigation set, irrigation facilities, community plastic pond, collection, storage and marketing (plastic crate, bins, bags, weighing machine etc.), processing and packaging machine and associated materials, corn seller, including transportation	55%	324,000/-
3	Capacity strengthening for production and consumption of safe, nutritious diet and dietary diversity for improving nutrition security (orientation/training, food demonstration, nutrition BCC materials), Iron/steel made hoarding board, personal	5%	29,500/-

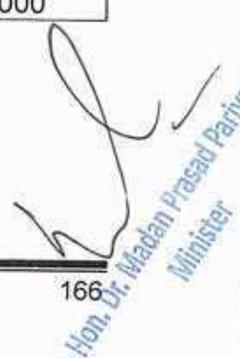
S.N.	Activities	Weightage	Amount (NPR)
	safety materials, public hearing (2 times), joint monitoring of RM level stakeholders		
<b>Total</b>		<b>100%</b>	<b>590,000</b>
	Total project grant, NPR (maximum 85%)		500,000
	Total beneficiary contribution, NPR (minimum 15 %)		90,000

**B. Poultry farming (dual purposed chicken and/or duck)**

S.N.	Activities	Weightage	Amount (NPR)
1	Dual proposed chicken (at least 15-20 poultry chicks of 8 weeks of age) and/or duckling for rural poultry farming, vaccination, minimum medicines, feed including transportation cost	25%	147,000/-
2	Well managed wooden and/or iron made poultry coop/pen with semi-intensive fencing (for at least 15-20 poultry farming capacity) including transportation cost	55%	324,000/-
2	Local feed preparation, packing and storage and associated equipment's and tools, feeder and drinker, crate for egg, ( <del>hatching machine</del> ) including transportation cost	15 %	59,000/-
3	Capacity strengthening on orientation/training on poultry rearing, local feed preparation, food demonstration, nutrition BCC materials) Iron/steel made hoarding board, personal safety materials, public hearing (2 times), bio security (using lime as footbath), joint monitoring of RM level stakeholders	5%	29,500/-
<b>Total</b>		<b>100%</b>	<b>590,000</b>
	Total project grant, NPR (maximum 85%)		500,000
	Total beneficiary contribution, NPR (minimum 15 %)		90,000

**C. Processing, packaging and labelling of food items (including grinding mills)**

S.N.	Activities	Weightage	Amount (NPR)
1	Equipment/machine, utensils, tools and room management and installation for grinding and processing, packaging and labelling of food items, electricity management	75%	442500
2	Storage, marketing, weighing balance, bins, bags, food items and associated stuffs, packaging related stuffs,	20%	129,800
3	Capacity strengthening on orientation/training on poultry rearing, local feed preparation, food demonstration, nutrition BCC materials) Iron/steel made hoarding board, personal safety materials, public hearing (2 times), joint monitoring of RM level stakeholders	5%	29,500/
<b>Total</b>		<b>100%</b>	<b>590,000</b>
	Total project grant, NPR (maximum 85%)		500,000
	Total beneficiary contribution, NPR (minimum 15 %)		90,000


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**Annex 5.1: Cost, subsidy, and expenditure details of major programs under component C (improving nutrition security)**

- b) Home Nutrition Garden (HNG) cost and expenditure details:
  - Budget ceiling or cost from FANSEP II (85% subsidy): **NPR 255,000** (In words: Two Hundred Fifty-Five Thousand Rupees Only)
  - Subsidy rate: Overall, at most **85% from FANSEP II project and at least 15% of nutrition groups contribution** in the form of cash or kind or both.
- HNG will be implemented in two years: For First year operating cost: **NPR 145,000** (In words: One Hundred Forty-five Thousand Rupees Only) and Second year follow up support: **NPR 110,000** (In words: One Hundred Ten Thousand Rupees Only).
- The cost for individual item may differ in Terai clusters and hill clusters. Therefore, procurement of the listed items and materials can be done from the markets at approved district rate or competitive market rate without exceeding total amount given in the table.
- Expenditure details for implementing HNG will be as follows.

**Budget for establishment and operation of HNG (package program) for two years**

S.N.	Description	Unit	First year		Second year		Rate per unit (NPR)	Total (NPR)	Project (NPR)		Granting contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)			First year	Second year	First year	Second year
1	One day training/ orientation to members of nutrition group on HNG along with demonstration	number	1	8000	1	8000	8000	16000	8000	8000		
2	Seasonal veg seeds composite packets (3 seasons)	number	25	22500	25	22500	900	45000	22500	22500		
3	Fruit sapling for demonstration in HNG	number	75	7500	50	5000	100	12500	7500	5000		
4	Dual purposed poultry chicks for rural poultry rearing (6-8 weeks of age)	number	125	44375	125	44375	355	88750	37720	37720	6655	6655
5	Feeder and drinker for poultry	set	25	6500			260	6500	3280		3220	
6	Poultry coop along with outer semi-intensive/fencing	no.	25	100,000			4000	100,000	66,000		34,000	

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S.N.	Description	Unit	First year		Second year		Rate per unit (NPR)	Total (NPR)	Project (NPR)		Granting contribution (NPR)	
			Quantity	Amount (NPR)	Quantity	Amount (NPR)			First year	Second year	First year	Second year
7	Pipe, sprinkle, watering cane, plastic drum, plastic pond construction /maintenance etc. for nano irrigation support	Set			25	41250	1650	41250		36780		4470
<b>Total amount NPR</b>			<b>188875</b>		<b>121125</b>			<b>310000</b>	<b>145000</b>	<b>110000</b>	<b>43875</b>	<b>11125</b>
<b>Project grant support amount total NPR (maximum 85%)</b>			<b>145000</b>		<b>110000</b>			<b>255000</b>				
<b>Nutrition group's contribution amount total NPR (minimum 15 %)</b>			<b>43875</b>		<b>11125</b>			<b>55000</b>	<b>82 %</b>		<b>18 %</b>	

**c) Nutrition Field School (NFS) cost and expenditure details:**

- Budget ceiling or cost for operationalization of NFS: NPR 260,000 (In words: NPR Two Hundred Sixty Thousand Rupees Only)
- FANSEP II project will implement the NFS in all project's RM.
- NFS will be implemented in two years: First Year operating cost: NPR 145,000 (In words: One Hundred Forty-Five Thousand Rupees Only) and Second year operating cost: NPR 115,000 (In words: One Hundred Fifteen Thousand Rupees Only).
- Expenditure details for implementing NFS will be as follows.

**Budget for establishment and operation of NFS for two years**

S. N.	Activities	Unit	First year		Second year		Rate per unit (NPR)	Total (NPR)
			Quantity	Amount (NPR)	Quantity	Amount (NPR)		
<b>A. Cost for Preparatory meetings</b>								
1	Snacks for participants in first preparatory meeting	person	35	7000			200	7000
2	Snacks for participants in secondary preparatory meeting		27	5400			200	5400
3	Stationaries for NFS participants	person	25	2500			100	2500

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S. N.	Activities	Unit	First year		Second year		Rate per unit (NPR)	Total (NPR)
			Quantity	Amount (NPR)	Quantity	Amount (NPR)		
4	Other stationaries (register, scale, marker, masking tape, file, chart paper, photocopy, NFS banner etc.)	times	1	1000			1000	1000
5	Space/Hall rent for conducting NFS sessions	times	2	1000			500	1000
6	Facilitation allowances for facilitator/ resource person in two preparatory meetings	person	4	4000			1000	4000
7	Travel cost for facilitator/resource person for two preparatory meetings	person	4	800			200	800
<b>A) Subtotal of preparatory meetings</b>				<b>21700</b>				<b>21700</b>
<b>B) Cost for NFS learning sessions conduction expenses (18 sessions of NFS)</b>								
1	Snacks expenses for 27 persons in 18 sessions (25 participants+2 Facilitator)	person	243	48600	243		200	97200
2	Snacks for children and care takers	person	72	7200	72		100	14400
3	Height board-1, MUAC tape for children-27, MUAC tape for pregnant women-27, 2 in 1 weighing machine for mother and baby-1	Lump sum	1	18600			18600	18600
4	Cooking utensils for recipe preparation and demonstration with plates/bowl and spoon, and food items for demonstration, training materials & stationaries, flex prints, forms and format printing etc. for operationalization of NFS	Lump sum	1	14000	1		14000	17600
5	Recipe preparation and demonstration	times	2	4000	2		2000	8000
6	Space/hall rent for conducting NFS sessions	times	9	4500	9		500	9000
7	Allowance for facilitator/resource person for special session/topics	class	3	4800	3		1600	9600
8	Facilitation and report writing allowance for two facilitators	person	18	18000	18		1000	36000
9	Transportation cost for two facilitators	person	18	3600	18		200	7200
<b>B) Subtotal of NFS sessions conduction</b>				<b>123,300</b>				<b>217,600</b>

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S. N.	Activities	Unit	First year		Second year		Rate per unit (NPR)	Total (NPR)
			Quantity	Amount (NPR)	Quantity	Amount (NPR)		
<b>C. Cost for NFS nutrition day celebration and closing of NFS (1 day)</b>								
1	Snacks for participants	person			60	12,000	200	12000
2	Space and stage management including sound system, chairs, flex printing of result for display and program banner, food recipe and locally available nutritious food item demonstration and nutrition corner establishment etc.	times			1	4,000	4000	4000
3	Certificate on participation and graduated in NFS for 25 participants	number			25	1,500	60	1500
4	Travel cost for two facilitators	person			2	400	200	400
5	Facilitation cost and report writing cost for facilitators/ resource persons	person			2	2,000	1000	2,000
6	NFS completion report printing and binding 4 copies	number			4	800	200	800
<b>(C) Sub Total of nutrition field day and closing of NFS</b>					<b>20700</b>			<b>20700</b>
<b>Grand total cost for conducting whole NFS (A+B+C)</b>			<b>145000</b>		<b>115000</b>			<b>260000</b>

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**Annex 7.1: Proposed Activity and Cost (2023/24-2026/27)**  
**Component A: Climate and Nutrition Smart Agriculture Technology Adaptation and Dissemination**  
**Detailed Cost table (7.8 million US\$)**  
**Cost in NPR '000**

Subcomponents, Outputs and Activities	Unit	FY 2023/24		FY 2024/25		FY 2025/26		FY 2026/27		Project Target		Source <sup>40</sup> (Grant)	
		(Year-1)		(Year-2)		(Year-3)		(Year-4)		Quantity	Unit Cost		Total Cost
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost				
		Number		Number		Number		Number		395	30		11,850
<b>Subcomponent A1: Technology adaptation and testing</b>													
<b>1 On-farm demonstrations of CSA technologies and practices in crop and livestock</b>													
1.1	Demonstration on Crop related validated CSA and improved technologies			125	3750	150	4500	120	3600	395		11850	
1.2	Demonstration on livestock shed improvement and FYM management			118	5900	182	9100	75	3750	375		18750	
1.3	Demonstration on livestock related validated CSA and improved technologies			156	4680	146	4380	60	1800	362		10860	
<b>2</b>	<b>Distribution of foundation seeds for SPGs</b>												
2.1	Rice			5	480	8	840		0	13		1320	
2.2	Maize			2	200	2	260	2	260	6		720	
2.3	Wheat			13	1140	13	1430	13	1430	39		4000	
2.4	Distribution of potato (pre-basic seed tubers)			26000	611	26000	611	26000	611	78000		1833	
<b>3</b>	<b>Distribution of improved seeds to farmers</b>												
3.1	Rice			40	2600	60	5400		0	100		8000	
3.2	Spring rice			6	480	10	800	10	800	26		2080	
3.3	Maize			14	1300	10	1000	10	1000	34		3300	
3.4	Wheat			90	7200	150	14250	150	14250	390		35700	
3.5	Lentil					10	1800	10	1800	20		3600	
3.6	Potato (basic seed)			145	13150	100	9500	100	9500	345		32150	
3.7	Crop cutting			3200	1920	2400	1440	2400	1440	8000	0.6	4800	

<sup>40</sup> 100% from grant for component a.

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Subcomponents, Outputs and Activities	Unit	FY 2023/24		FY 2024/25		FY 2025/26		FY 2026/27		Project Target		Source <sup>40</sup> (Grant)	
		(Year-1)		(Year-2)		(Year-3)		(Year-4)		Quantity	Unit Cost		Total Cost
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost				
<b>4</b>	<b>Strengthening advisory services and skill development</b>												
4.1	Number			4	1680	4	1680			8	420	3360	3360
4.2	Number			2	1800					2	900	1800	1800
4.3	Number					2	1400	2	1400	4	700	2,800	2800
4.4	Number			4	1600	4	1200	4	1200	12	400	4,000	4000
4.5	Number					2	1600			2	800	1,600	1600
4.6	Number					8	3200	4	1600	12	400	4,800	4800
<b>A1: Sub-total</b>					<b>48491</b>		<b>64391</b>		<b>44441</b>			<b>157323</b>	<b>157323</b>
<b>5</b>	<b>Sub-component A2: Technology dissemination and farmer skills development</b>												
<b>Farmers Field School (FFS) in crops &amp; Livestock and Adoption Support Programs</b>													
5.1	Number			125	25000	125	25000	75	15000	325	200	65,000	65000
5.2	Number			80	24560	80	24560			160	307	49,120	49120
5.3	Number			100	17500					100	175	17,500	17500
5.4	times			16	800	16	800	8	400	40	50	2,000	2000
5.5	Number			16	6400	8	3200	4	1600	28	400	11,200	11200
<b>6</b>	<b>Seed and Breed improvement Programs</b>												

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Subcomponents, Outputs and Activities	Unit	FY 2023/24		FY 2024/25		FY 2025/26		FY 2026/27		Project Target			Source <sup>40</sup> (Grant)
		(Year-1)		(Year-2)		(Year-3)		(Year-4)		Quantity	Unit Cost	Total Cost	
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost				
6.1	Number			16	16000					16	1000	16,000	16000
6.2	Number					16	3200	16	3200	32	200	6,400	6400
6.3	Number			11	2200	11	2200			22	200	4,400	4400
6.4	Number			8	5176	8	5176			16	647	10,352	10352
6.5	Number					8	2016	8	2016	16	252	4,032	4032
6.6	Number			15	6000	15	3000			30	300	9,000	9000
6.7	Number			16	2400					16	150	2,400	2400
6.8	Number					16	3200	16	3200	32	200	6,400	6400
6.9	Number of SPGs			24	4025	24	4450	17	2975	65	176.15	11,450	11,450
6.10	Times			16	1600	8	800	8	800	32	100	3,200	3200
6.11	Times			8	8000	8	2400	8	550	24	1000	10950	10950
<b>7</b>	<b>Provision of promotion programs (Crops and Livestock)</b>												

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Subcomponents, Outputs and Activities	Unit	FY 2023/24 (Year-1)		FY 2024/25 (Year-2)		FY 2025/26 (Year-3)		FY 2026/27 (Year-4)		Project Target			Source <sup>40</sup> (Grant)
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Unit Cost	Total Cost	
7.1	Number			125	50000	60	13980	75	30000	325	400	130,000	130000
7.2	Number			150	49200	60	8820	150	49200	300	328	98,400	98400
7.3	Number					150	25800	150	25800	300	172	51,600	51600
7.4	Number			60	13980	60	13980			120	233	27,960	27960
7.5	Number			60	8820	60	8820	60	8820	120	147	17,640	17640
7.6	Number			30	9030	30	9030			60	301	18,060	18060
7.7	Number			30	1620	30	1620	30	1620	60	54	3,240	3240
8													
8.1	Number			195	29250	200	30000			395	150	59,250	59250
8.2	Number			5	30000	5	30000			5	6000	30,000	30000
8.3	Number					5		5	20000	5	4000	20,000	20000
8.4	Number			8	32000					8	4000	32,000	32000
9	Lump sum			0.6	83460	0.4	55640			1	139100	139,100	139100
A2: Sub-total					386581		354092		115981			856654	856654
Grand Total in NPR (A1+A2)					435072		418483		160422			1013977	1013977
Grand Total in US\$					3,347		3,219		1,234			7,800	7,800
Grand Total in US\$ million					3.35		3.22		1.23			7.80	7.80

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Component B: Income Generation and Diversification

Detailed Cost table (5.4 million US\$)

Sub-components, Outputs and Activities	Unit	Cost in NPR '000												Source Grant <sup>41</sup>		
		FY 2023/24 (Year-1)		FY 2024/25 (Year-2)		FY 2025/26 (Year-3)		FY 2026/27 (Year-4)		Project Target		Total Cost				
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost					
<b>Sub-component B1: Strengthening Producer Groups (PGs)</b>																
<b>1 Organizing &amp; capacity strengthening of PGs in crops and livestock</b>																
1.1	Formation and organisation of PGs	Number	1350	6750									1350	5	6,750	6750
1.2	Beneficiary selection survey for FANSEP II	times	1	8000									1	8000	8,000	8000
1.3	Providing training on gender mainstreaming (RM level) (2 days)	Number			16	2560	8	1280					40	160	6,400	6400
1.4	Providing district level training to PGs representatives on preparation of simple business plan, ESMF and entrepreneurship development (3 days)	Number			16	4240	8	2120					40	265	10,600	10600
1.5	Cluster Level interaction program for Productive Alliances among PGs, financial institutes, buyers, suppliers and stakeholders		4	800									12	200	2,400	2400
1.6	Orientation program to PGs about PAs (RM level) (1 day)	Number	16	1600	16	1600	8	800					40	100	4,000	4000
1.7	Implementation of Farm Business School (FBS)	Number	16	4800	16	4800							32	300	9,600	9600
<b>B1: Sub-total</b>				<b>14750</b>	<b>14000</b>	<b>14000</b>	<b>5000</b>								<b>47,750</b>	<b>47750</b>
<b>Sub-component B2: Market linkages through productive alliances</b>																
<b>2 Establishing a multi-stakeholder dialogue platform among key actors in value chain</b>																
2.1	Orientation and Formation of RM level multi-stakeholder dialogue platform (involving key actors of value chain)	Number			16	1280							16	80	1,280	1280

<sup>41</sup> 100% from Grant for Component B.

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Sub-components, Outputs and Activities	Unit	FY 2023/24 (Year-1)		FY 2024/25 (Year-2)		FY 2025/26 (Year-3)		FY 2026/27 (Year-4)		Project Target			Source Grant <sup>1</sup>
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Unit Cost	Total Cost	
2.2 Meeting of RM level multi-stakeholder dialogue platform	times			32	1280	32	1280	32	1280	96	40	3,840	3840
<b>3 Financing simple BPs through the MGs</b>													
3.1 Provision of matching grant to fund BPs	Number			275	165000	275	165000	170	102000	720	600	432,000	432000
3.2 Field verification for screening of matching grants	times			275	2640	275	2640	170	1632	720	9.6	6,912	6912
3.3 Formation of project cluster level selection committee for selection of business plans	Number			4	400					4	100	400	400
3.4 Interaction program with Producers Groups	Number			20	400	16	320	16	320	52	20	1,040	1040
3.5 Cluster level technical session of PCUs with field level technicians and project facilitators	Number			24	1440	24	1440	16	960	64	60	3,840	3840
3.6 Orientation on E & S safeguards and compliance with project staffs (PMU & PCUs)	Number			1	500					1	500	500	500
3.7 Refresher workshop on E & S risk management and their compliance monitoring process with project staffs (PMU & PCUs)	Number					1	250			2	250	500	500
3.8 Cluster level training on E & S, ESMF and compliance to field technicians (2 days)	Number					4	600	4	600	8	150	1,200	1200
3.9 Orientation on ESMF to beneficiaries of the matching and small grant and other project activities (RM level) (1 day)	Events			16	800	16	800	16	800	48	50	2,400	2400
3.1 RM level orientation program on GRM mechanism to farmers/technicians	Events					16	800	8	400	24	50	1,200	1200
3.1 Periodic Stakeholder consultation on E & S in project areas	Events					4	600	4	600	8	150	1,200	1200
3.1 Cluster level training to field level technicians on occupational health and safety (2 days)	Events			4	1200					4	300	1,200	1200
3.1 E & S risk and compliance monitoring reporting interaction with Field Level technicians ( 1 day)	Events			8	1200	4	600	4	600	16	150	2,400	2400

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Sub-components, Outputs and Activities	Unit	FY 2023/24 (Year-1)		FY 2024/25 (Year-2)		FY 2025/26 (Year-3)		FY 2026/27 (Year-4)		Project Target			Source Grant <sup>11</sup>		
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Unit Cost	Total Cost			
<b>4</b>	<b>Development of Critical market infrastructure</b>														
4.1	Support to village markets, collection centers, Hat Bazar infrastructure rehabilitation/improvement			8	12000	8	12000					16	1500	24,000	24000
4.2	Support to establish handling and processing structures			8	16000	8	16000					16	2000	32,000	32000
4.3	Capacity building for rehabilitated market staffs, PGs, relevant stakeholders, etc. (O&M, overall market management (RM level) (1 day)			8	800	8	800	4	400			20	100	2,000	2000
4.4	Knowledge sharing and exposure trips for field level staffs			4	2000	4	2000	4	2000			12	500	6,000	6000
5	Technical assistance service from FAO-TA			0.6	78180	0.4	52120					1	130300	130,300	130300
	<b>B2: Sub-total</b>		0	285120	257250				111842					654,212	654212
	<b>Grand Total in NPR (B1+B2)</b>		14750	299120	271250				116842					701,962	701962
	<b>Grand Total in US\$</b>		113.462	2300.92	2086.5				898.78					5,399.71	5399.71
	<b>Grand Total in US\$ million</b>		0.11	2.30	2.09				0.90					5.40	5.40

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Component C: Improving Nutrition Security

Detailed Cost table (4.8 million US\$)

Sub-components, Outputs and Activities	Unit	Cost in NPR '000												Source (Grant) <sup>42</sup>			
		FY 2023/24 (Year-1)		FY 2024/25 (Year-2)		FY 2025/26 (Year-3)		FY 2026/27 (Year-4)		Project Target		Total Cost					
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Unit Cost						
<b>Sub-component C 1: Institutional capacity strengthening</b>																	
<b>1</b>	<b>Institutional capacity building and strengthening</b>																
1.1	Prepare and Publish training modules of officials for nutrition education and awareness	Number	1	500										1	500	500	500
1.2	Municipality level interaction program for capacity strengthening of local food and nutrition security committee (1 day)	Events	16	800	16	800								48	50	2,400	2400
1.3	Training to public outreach services for understanding of local nutrition impact pathways and to delineate respective roles and responsibilities (women's group, mother's group, influencers/change agents, FCHVs, social mobilizers, Junior Technicians ) (RM level) (1 day)	Events	48	2400	32	1600								96	50	4,800	4800
1.4	Training/orientation to local schoolteachers on the importance of locally produced seasonal foods, vegetables, fruits and animal products consumption (RM level) (1 day)	Number	60	3000	24	1200								96	50	4,800	4800
1.5	Orientation to school students on importance of locally produced seasonal foods, vegetables, fruits and animal products consumption (1 day)	Number	60	3000	24	1200								96	50	4,800	4800
1.6	Training on improvement of local food recipes for mother groups representatives and women (RM level) (1 day, demonstration included)	Number	16	1280	16	1280								48	80	3,840	3840
1.7	Participation in RM level agriculture & nutrition related fair/exhibition	Number	8	400	12	600								28	50	1,400	1400
<b>C1: Sub-total</b>				<b>11380</b>		<b>6680</b>					<b>4480</b>					<b>22,540</b>	<b>22540</b>

<sup>42</sup> 100% from Grant for Component C.

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Sub-components, Outputs and Activities	Unit	FY 2023/24 (Year-1)		FY 2024/25 (Year-2)		FY 2025/26 (Year-3)		FY 2026/27 (Year-4)		Project Target			Source (Grant) <sup>42</sup>	
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Unit Cost	Total Cost		
<b>Sub-component C.2: Nutrition Field Schools and Home Nutrition Garden</b>														
<b>2 Nutrition Field School (NFS)</b>														
2.1 Establish NFSs (first year)	Number			64	9280	64	9280					128	145	18,560
2.2 Follow up program of NFS (second year)	Number					64	7360	64	7360			128	115	14,720
2.3 Support to project implemented RMs for providing child anthropometrics assessment tools (child height/length board and weighing scale)	Number					16	1920					16	120	1,920
2.4 Support project implemented RMs for improving breast feeding rooms	Number					16	1920					16	120	1,920
2.5 Providing small grants	Number					150	75000	150	75000			400	500	200,000
2.6 Field verification for screening of small grants	Number			150	1500	150	1500	100	1000			400	10	4,000
2.7 Broadcast nutrition related materials (Radio/TV/FM) at central level	Number			12	480	12	480	8	320			32	40	1,280
2.8 Broadcast nutrition related materials at local level (from PCUs)	Number			48	960	32	640	32	640			112	20	2,240
2.9 Support program for local campaigns for PMU and PCUs (World Food Day, Breast Feeding Week, Nutrition Day etc.)	Event			16	1360	16	1360	8	680			40	85	3,400
2.10 Refresher ToF on NFS for FCHVs/members of nutrition groups/FLTs	Events			2	600	2	600					2	300	600
<b>3 Home Nutrition Garden (HNG) Support</b>														
3.1 Formation/strengthening existing groups targeting pregnant/nursing 1000-day mothers for establishing HNG	Groups		3250									650	5	3,250
3.2 HNG support to health mothers/nutrition groups	Groups			325	47125	325	47125					650	145	94,250
3.3 HNG follow-up support health mothers/nutrition groups	Groups					325	35750	325	35750			650	110	71,500
3.4 Seasonal vegetable seed support to HNGs established in year 2	Groups											325	12	3,900
3.5 Assist local secondary schools to establish HNGs	No					32	1600	32	1600			64	50	3,200

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Sub-components, Outputs and Activities	Unit	FY 2023/24 (Year-1)		FY 2024/25 (Year-2)		FY 2025/26 (Year-3)		FY 2026/27 (Year-4)		Project Target			Source (Grant) <sup>42</sup>
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Unit Cost	Total Cost	
3.6	Preparation of extension materials and booklets for the promotion of food security targeted to small and vulnerable households					1	500	1	500	2	500	1,000	1000
3.7	Preparation and distribution of guidelines, manuals and learning materials for HNGs and nutrition education					1	500			1	500	500	500
4	Technical assistance service from FAO- TA			0.65	114270	0.35	61530	0	0	1	175800	175,800	175800
	C2: Sub-total												
	Grand Total in NPR (C1+C2)		3250		249975		247065		101750			602040	602040
	Grand Total in US\$		3250		261355		253745		106230			624580	624580
	Grand Total in US\$ million		0.03		2010.42		1951.9		817.15			4804.46	4804.46
					2.01		1.95		0.82			4.80	4.80

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Component D: Project Management, Communication, Monitoring and Evaluation  
 Detailed Cost table (4.0 million US\$)  
 Cost in NPR '000

Sub-components, Outputs and Activities	Unit	FY 2023/24		FY 2024/25		FY 2025/26		FY 2026/27		Project Target		Source		
		(Year-1)		(Year-2)		(Year-3)		(Year-4)		Quantity	Total Cost	Grant	GON	
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost					
<b>Sub-component D1: Project management</b>														
<b>1</b>	<b>Operation of the PMU and PCUs</b>													
1.1	PMU Office operation, monthly	Month	12	11000	12	11000	12	11000	12	11000	36	33,000	6500	26500
1.2	PCU Offices operation, monthly	Month	12	12500	12	12000	12	12000	12	12000	36	36,500	6200	30300
1.3	Office rent for PCUs	Month	12	8100	12	8400	12	8400	12	9000	36	25,500	25500	
1.4	Salary and allowances of government staff (PMU & PCUs)	Month	12	27800	12	28300	12	29000	12	29000	36	85,100		85100
1.5	Salary and allowances of contract staffs (PMU & PCUs)	Month	12	9200	12	10000	12	11000	12	11000	36	30,200		30200
1.6	Fuel, repair and maintenance cost (PMU & PCUs)	Month	12	16500	12	17500	12	18000	12	18000	36	52,000	31200	20800
1.7	Cost for implementation of meeting of technical, project steering and provincial level committee	Number	20	2500	20	2500	20	2500	20	2500	60	7,500		7500
1.8	Cost for different types of office meetings (PMU & PCUs)	Number	80	5000	80	7000	80	8000	80	8000	240	20,000		20000
<b>1.9</b>	<b>Procurement of office equipment, furniture &amp; furnishing and maintenance of PMU</b>													
1.9.1	Furniture and furnishing for PMU	Lump sum												
		Lump sum	1	500	1	500	1	500	1	500	1	500		500
1.9.2	Furniture and furnishing for PCUs and RMs	Lump sum												
		Lump sum	16	3200	4	1600	4	1600	4	1600	20	4,800	4800	
1.9.3	Reconstruction and maintenance of office rooms at PMU	Lump sum												
		Lump sum	1	500	1	500	1	500	1	500	1	500		500
1.9.4	Equipment and machinery for office and program hall of PMU	Lump sum												
		Lump sum	1	500	1	500	1	500	1	500	1	500		500
1.9.5	Office equipment and machinery for PCU & RMs	Lump sum												
		Lump sum	16	3200	4	2000	4	2000	4	2000	20	5,200	5200	

Food and Nutrition Security Enhancement Project II (FANSEP) II

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Project Implementation Manual (PIM)

Sub-components, Outputs and Activities	Unit	FY 2023/24		FY 2024/25		FY 2025/26		FY 2026/27		Project Target		Source
		(Year-1)		(Year-2)		(Year-3)		(Year-4)		Quantity	Total Cost	
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost			
1.9.6 Procurement of moisture meter and weighing balance for crop cutting	Lump sum					4	800			4	800	800
1.9.7 Desktop computer & laptops (for PMU and PCUs)	Number			10	800	8	800			18	1,600	1600
<b>1.10 Provision of consultants including procurement and finance</b>												
1.10.1 Procurement Specialist for entire project period	Person Month			9	1200	12	1500	12	1500	33	4,200	4200
1.10.2 Finance Specialist for entire project period	Person Month			9	1200	12	1500	12	1500	33	4,200	4200
<b>D1: Sub-total</b>					<b>102200</b>		<b>106400</b>		<b>103500</b>		<b>312,100</b>	<b>90200</b>
<b>Sub-component D2: Communication and monitoring &amp; evaluation</b>												<b>221900</b>
<b>2 Communication and M&amp;E</b>												
2.1 Orientation workshop of FANSEP II at PCUs (Cluster level & RM level)	Number			20	2800					20	2,800	2800
2.2 Publication of Project Implementation Manual	times			1	300					1	300	300
2.3 Development of project website and regular updating	Number			1	100	1	80	1	80	3	260	260
2.4 Developing Project Management Information system (PMIS) and regular updating	Number			1	1800	1	1200	1	800	3	3,800	3800
2.5 Compliance Status survey ( to be captured from project regular survey)	Number					1		1		2	-	
2.6 Beneficiary Satisfaction Survey ( to be captured from project regular survey)	Number					1		1		2	-	
2.7 Coordination/interaction programs and workshops with ministry and other relevant project stakeholders	Number			6	1600	6	1600	3	800	15	4,000	4000
2.8 Coordination program and workshop with 3 project provinces and related stakeholders	Number			4	400	4	800	4	800	12	2,000	2000
2.9 Inter-project experience sharing/cross learning visit programs	Number			2	1200	2	1000	2	1000	6	3,200	3200
2.10 Project progress (quarterly and annual) review workshop	Number			4	1600	4	1200	4	1200	12	4,000	4000

Food and Nutrition Security Enhancement Project II (FANSEP) II

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Project Implementation Manual (PIM)

Sub-components, Outputs and Activities	Unit	FY 2023/24 (Year-1)		FY 2024/25 (Year-2)		FY 2025/26 (Year-3)		FY 2026/27 (Year-4)		Project Target		Source	
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Total Cost	Grant	GON
2.11	Preparation and printing of Annual progress books for PMU & PCUs			5	1100	5	1200	5	1200	15	3,500		3500
2.12	Preparation and printing of Project Completion Report (PCR)							1	500	1	500	500	
2.13	Preparation and publication of project diary			80	500	80	700						
2.14	PMIS and GEMS training for project staffs (central level and cluster level)			5	2100	5	1500	3	900	13	4,500	4500	1200
2.15	Updating and publication of guidelines, manuals, learning and extension materials of project			4	2000					4	2,000		2000
2.16	Preparation and publication of agriculture technology & extension materials/booklets/bulletins/ pamphlets/ profiles on improved agriculture technology (PMU & PCUs)			10	2000	5	1000			15	3,000		3000
2.17	Study Programs on seed storage and processing under PCUs			4	1600					4	1,600	1600	
2.18	Documentary of project implementation, works performed and success stories etc.					1	1000	1	1000	2	2,000	2000	
2.19	Provide abroad training on procurement methods of World Bank funded projects/ Participation in subject matter related international trainings					1	2500	1	2500	2	5,000	5000	
2.20	Provide overseas/abroad training cum exposure visit for project staffs and related stakeholder			1	17000	1	17000	1	17000	3	51,000	51000	
2.21	Training to project stakeholders on GESI & environment and others.					4	2000	4	2000	8	4,000	2000	2000
2.22	Trainings to project staffs (M&E, procurement, data analysis, FFS, insurance, skill enhancement, and others)			6	1000	8	2000	4	2000	18	5,000	2500	2500
2.23	Mission management			3	2000	3	1600	3	1600	9	5,200	5200	
2.24	Conduction of baseline survey of Project			1	6000					1	6,000	6000	

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Project Implementation Manual (PIM)

Sub-components, Outputs and Activities	Unit	FY 2023/24		FY 2024/25		FY 2025/26		FY 2026/27		Project Target		Source	
		(Year-1)		(Year-2)		(Year-3)		(Year-4)		Quantity	Total Cost	Grant	GON
		Quantity	Cost	Quantity	Cost	Quantity	Cost	Quantity	Cost				
2.25 Undertake annual outcome survey/ mid-line survey	Number												
2.26 Conduct end-line survey of Project	Number			1	5000					1	5,000	5000	
2.27 Project completion workshop (at central, provincial, district and RMs level)	Number									1	6,000	6000	
2.28 Public hearing and audit of the project (PCUs)	times									12	6,000		6000
2.29 Program monitoring cost	Month			4	800	4	800	4	800	12	2,400		2400
2.29.1 Program monitoring travel cost (PMU)	Month			12	4000	12	4000	12	5000	36	13,000	9100	3900
2.29.2 Financial monitoring travel cost (PMU)	Month			12	500	12	400	12	400	36	1,300	910	390
2.29.3 Program conduction & monitoring travel cost (PCUs)	Month			12	6000	12	6000	12	6000	36	18,000	12600	5400
2.30 Vehicles for monitoring programs implemented in the project districts													
2.30.1 4 WD vehicle	Number			1	14000					1	14,000	14000	
2.30.2 Procurement of car for PMU	Number			1	6000					1	6,000	6000	
2.30.3 2 wheelers (PMU and PCUs)	Number			32	6000					32	6,000	6000	
2.30.4 Cost of tax for the vehicles handed over by the FAO-TA to Government	Lump Sum									1	5,000		5000
3 Technical assistance service from FAO- TA	Lump sum			1	10000					1	10,000	10000	
D2: Sub-total													
Grand Total in NPR (D1+D2)				88400	55580	55580	55580	63580	63580	207,560	169970	169970	37590
Grand Total in US\$				190600	161980	161980	161980	167080	167080	519,660	260170	260170	259490
Grand Total in US\$ million				1.47	1.25	1.25	1.25	1.29	1.29	3997.4	2001.3	2001.3	1996.1
										4.00	2.00	2.00	2.00

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## Food and Nutrition Security Enhancement Project II

### Source and component wise cost breakdown

Components	Source, USD million)		Total	Weightage components, % of
	GAFSP	GoN		
Component A	7.80		7.80	35.5
Component B	5.40		5.40	24.5
Component C	4.80		4.80	21.8
Component D	2.00	2.00	4.00	18.2
<b>Total, USD million</b>	<b>20.00</b>	<b>2.00</b>	<b>22.00</b>	<b>100.0</b>

### Year wise cost breakdown

Details	Year 1	Year 2	Year 3	Year 4	Total
Component A	0	435072	418483	160422	1013977
Component B	14750	299120	271250	116842	701962
Component C	3250	261355	253745	106230	624580
Component D	0	190600	161980	167080	519660
<b>Total, NPR '000</b>	<b>18000</b>	<b>1186147</b>	<b>1105458</b>	<b>550574</b>	<b>2860179</b>
<b>Total, US\$ '000</b>	<b>138.462</b>	<b>9124.208</b>	<b>8503.523</b>	<b>4235.185</b>	<b>22001.377</b>
<b>Total, US\$ millions</b>	<b>0.14</b>	<b>9.12</b>	<b>8.50</b>	<b>4.24</b>	<b>22.00</b>
<b>Percent</b>	<b>0.63</b>	<b>41.47</b>	<b>38.65</b>	<b>19.25</b>	<b>100</b>

### FAO-TA cost breakdown by component and year

Details	Year 1	Year 2	Year 3	Year 4	Total
Component A		83460	55640	0	139100
Component B		78180	52120	0	130300
Component C		114270	61530	0	175800
Component D		10000			10000
<b>Total, NPR '000</b>		<b>285910</b>	<b>169290</b>	<b>0</b>	<b>455200</b>
<b>Total, US\$ '000</b>		<b>2199.308</b>	<b>1302.231</b>	<b>0.000</b>	<b>3501.538</b>
<b>Total, US\$ millions</b>		<b>2.20</b>	<b>1.30</b>	<b>0.00</b>	<b>3.50</b>
<b>Percent</b>		<b>62.81</b>	<b>37.19</b>	<b>0.00</b>	<b>100</b>



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## Annex 8: Improved smart agricultural (CSA) technologies and their dissemination

On-farm demonstrations of improved Climate Smart Agricultural Technologies are an effective means to disseminate new technology that are the lessons learned from FANSEP in Nepal. Farmers adopting improved climate-smart agricultural technology (disaggregated by gender) is the first project development objective (PDO) indicator among six PDO indicators of the Food and Nutrition Security Enhancement Project II (FANSEP II). Climate and Nutrition Smart Agricultural Technology adaptation and dissemination is one of the major sub-components out of the four components envisioned in FANSEP II. This sub-component will focus on the promotion of best practices and technologies such as climate-resilient crop varieties and livestock breeds, climate-smart technology, and husbandry practices in the 16 new Rural Municipalities. The interventions under Component A will be delivered through producer groups (PGs) formed under the project. Under component A, there is also a sub-component related to Technology Adaptation and Testing.

Through this sub-component of component A, the project will support the implementation of 25 improved climate- and nutrition-sensitive technologies and associated practices identified collaboratively with the Nepal Agricultural Research Council (NARC) in the project municipalities by FANSEP. Additionally, ready-to-roll out technologies and cultivars developed by NARC for the agro-ecological conditions like the project target areas, or the Consultative Group on International Agricultural Research (CGIAR), are considered with priorities to technologies that enhance climate-resilient production systems and livelihoods. Key activities to be supported under this sub-component are (a) on-farm demonstration of CSA technologies and practices; (b) provision of improved seeds and breeds that were validated in the local context in FANSEP; and (c) training relevant to such demonstrations and distributions.

The project components aim to promote CSA technologies and practices that are identified in FANSEP. Based on the lesson learned from the FANSEP and field monitoring during the 2<sup>nd</sup> implementation support mission of the World Bank organized from 18-28 October 2024, suggested the PMU to conduct a cluster-wise review of the performance of 25 CSA technology packages for crop/livestock disseminated through FANSEP for developing CSA strategy for FANSEP II (which one to scale up/continue/downsize/discontinue).

Thus, the improved CSA technologies of both crop and livestock discussed during the interaction meeting with the WB mission were shared with PCU for their opinion to finalize and get feedback to scale up, continue, downsize, and discontinue through FANSEP II. After getting feedback and suggestions from all the PCUs, the compiled list of the technologies and practices was discussed during the meeting at PMU on 28<sup>th</sup> October 2024. The meeting has agreed to include the following Improved Climate Smart Crop and Livestock technologies and practices in FANSEP II targeted areas. The CSA technologies and practices will be promoted through different program interventions in FANSEP II. The use of leaf colour charts in rice, maize, wheat, and the post-harvest pest management through botanical pesticide Sweet flag (*Acorus calamus*) tuber powder for Potato Tuber Moth management in storage, integrated pest management using botanical and bio-pesticides, mulching practices in crop production will be done through farmer field school and On-farm demonstration. Similarly, the practice of rearing crossbred Boer goats at farmers' field conditions and castration of bucks around three months of age shall also be used in goat promotion programs and goat Farmers Field School packages. The dissemination strategy for each practice is mentioned in Table 1.

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## 1. Crop-related climate-smart agricultural technologies and improved practices

S.N.	Technologies and practices	Key Features/Evidence
<b>A</b>	<b>Technologies validated by NARC in FANSEP working areas that will be scaled up in FANSEP II</b>	
<b>1</b>	<b>Wheat varieties</b>	
1.1	Zinc Gahu-1 and Zinc Gahu-2	Bio-fortified with Zinc, Yield-2-5.7 ton/ha, Recommended for Terai and Inner Terai.
1.2	Wk-3164 and WK-3165	Bio-fortified with Zinc, early maturity, rust resistance, and Yield 2-4.5 ton/ha. Recommended for Mid to high Hills (1000-2290 m)
<b>2</b>	<b>Maize varieties</b>	
2.1	Rampur hybrid-10 F1	Can withstand high temperature, large size cob the leaves remain green until corn ripe. Yield- 8.05 ton/h. Recommended for Terai, inner Terai and River basin up to 700m.
<b>3</b>	<b>Lentil varieties</b>	
3.1	Khajura Masuro-3	Tolerance to <i>Stemphyllium</i> blight, and wilt disease. Low disease and pest infestation and late maturity. Yield -1.5 ton/ha. Recommended for Terai, inner Terai, and River basin up to 1700m.
<b>4</b>	<b>Potato varieties</b>	
4.1	Kufri Jyoti	Tolerance to blight, resistance to viruses 'x' and 'Y', less infected by Potato Tuber Moth, late blight resistance and low cost of production, and higher income in Siraha and Saptari, Yield - 25 ton/ha. Recommended for High Hill.
4.2	Khumal Ujjowl	Late blight resistance, low cost of production, and higher income in Siraha and Saptari can tolerate burnt disease, as well as X and Y viruses. Yield - 25 ton/ha. Recommended for Mid Hill, High Hill.
<b>B</b>	<b>Climate-smart agriculture technologies and improved practices recommended by NARC and used in FANSEP, will be continued in FANSEP II</b>	
<b>5.</b>	<b>Wheat varieties</b>	
5.1	Bheriganga *	Short duration and resistant to leaf rust and moderately susceptible to yellow rust, good Yield- 5.7 ton/ha. Recommended for High Hill and Mid Hill.
5.2	BL-4341*	Drought tolerant to some extent, Yield- 2.7 ton/ha. Recommended for Terai and Inner Terai.
5.3	Gautam	Tolerant to high temperature and hot wind, resistant to <i>Helminthosporium</i> leaf blight, leaf rust, yellow rust, and moderately resistant to Loose smut. Yield- 3.45 ton/ha. Recommended for Terai.
5.4	Bijaya	Resistant to major disease (Leaf, Stem rust), Moderately susceptible to yellow rust and foliar blight). Tolerant to post-anthesis heat stress. Yield-4.45 ton/ha. Recommended for Terai.



S.N.	Technologies and practices	Key Features/Evidence
5.5	Banganga	Grown in irrigated, partially irrigated, and rain-fed conditions. Yield -3.42 ton/ha. Recommended in Irrigated and partially irrigated land of Terai.
5.6	NL-971	Resistant to major disease (Leaf rust and yellow rust, HLB, Brown rust, yellow rust, and leaf blight), Tolerant to post-anthesis heat stress. Yield-4.53 ton/ha. Recommended for Terai.
5.7	Swargadwari	The plant remains green till the late stage, flag leaf wide pointed. Yield-2.99 ton/ha. Recommended for partially irrigated land of Mid-Hill, High Hills.
5.8	Munal	Resistance to yellow, brown, and black rust and kernel bunt, can tolerate slightly cold and drought conditions. Yield- 4.9 ton/ha. Recommended for Mid-Hills and High-Hills.
5.9	Dhaulagiri	Resistant to Yellow and Black rust and low infection of leaf blight. Sterility tolerant and can withstand hot weather. Yield- 3.6-4.9 ton/ha. Recommended for Mid and High-Hills
<b>6</b>	<b>Rice varieties (Rainy season)</b>	
6.1	Bahuguni Dhan- 2*	Drought and submergence tolerance. Yield-4 ton/ha, recommended for Terai and inner Terai.
6.2	Swarna Sub-1*	Drought and submergence tolerance, and blast resistance, yield -4.5 ton/ha. Recommended for Terai, inner Terai, and mid Hills.
6.3	Hardinath-3*	Drought tolerance, and blast resistance, Yield- 4.5 ton/ha. Recommended for Terai and inner Terai.
6.4	Sukha Dhan-3	Tolerant to stem borer and Brown plant hopper, moderately resistant to Bacterial Leaf Blight, Neck/Blast. suitable for rain-fed conditions, and drought tolerance. Yield-2.5 - 3.6 ton/ha. Recommended for Terai, inner Terai, and Mid-Hill up to 500 m.
6.5	Sawa Mansuli	Preferred by most farmers, recommended in Terai, inner Terai. Yield 5-6 ton/ha.
6.6	Khumal-4	Recommended for Kathmandu valley and mid-hill region with a similar climate at an altitude of 3000 -4500 feet. Yield-6.3 ton/ha.
6.7	Khumal Basmati-16	Successfully grown in upland, rain-fed to irrigated, and normal and late planted conditions. It can tolerate medium-type stresses like drought and heat radiation, etc. Yield 4.2 ton/ha. Recommended for mid Hills
6.8	Machapuchre - 3	Mid to high mountains (Lumle, Ghandruk, and Chomrong regions) with a cool climate at an altitude of 1400 m to 2000m). Yield-4.9 ton/ha
	<b>Spring Rice varieties</b>	
6.9	Chaite-5	Field resistant to BLB (Bacterial leaf blight), blast, and major pests of rice. Yield-4.6 ton/ha, Recommended for inner Terai and Terai and river basin up to 700m.

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S.N.	Technologies and practices	Key Features/Evidence
6.10	Hardinath Hybrid-1, F 1	Suitable for both spring and rainy seasons, Yield -6.47 ton/ha. Recommended for Terai, Inner Terai.
6.11	Hardinath1	This variety is resistant to blast, blight disease, and insect resistance to brown hopper and borer. Recommended for Terai and Inner Terai, and river basin up to 800 m
<b>7</b>	<b>Maize varieties</b>	
7.1	Rampur composite	Withstand white disease, stay green trait. Yield - 5.45 ton/ha. Recommended for Terai, inner Terai, River basin, and mid-Hills.
7.2	Manakamana-6	Used for barbeque, boiled, fry, flour, maize grit, mush. Yield - 5.34 ton/ha. Recommended for Hills.
7.3	Ganesh -1	Tolerance to leaf blight ( <i>Helminthosporium turcicum</i> ), even in the maturity period plant remains green which can be used as a good feed for animals. Yield-4 ton/ha, Recommended for high Hills.
7.4	Arun -2	Can withstand dry and hot (38 <sup>o</sup> ), is suitable for barbeque, recommended variety for baby corn, flour, and mush. Yield- 2.2 ton/ha. Recommended for Terai and mid Hills.
7.5	Manakamana-3	Can withstand leaf burnt and rotten disease, used for barbeque, and fry. Can be intercropped with finger millet, even in the maturity stage, the plant leaves remain green, with less incidence of blight disease. Yield-5.5 ton/ha. Recommended for mid Hills from 1000-1700m.
<b>8</b>	<b>Lentil varieties</b>	
8.1	Shradda Kalo Masuro *	Bio-fortified with Zinc, and Iron. Yield-1.208 ton/ha. Resistant to <i>Fusarium</i> wilt and <i>Stemphyllium</i> blight disease. Suitable for both rainfed upland and lowland conditions. Tolerant to green aphids. Recommended for Terai, inner Terai, and River basin up to 1700m.
8.2	Khajura Masuro-2	Tolerance to <i>Stemphyllium</i> blight, and wilt disease. Yield-1.204 ton/ha. Recommended for Terai, inner Terai, and River basin up to 1700m.
8.3	Shikhar	Yield - 3.5 ton/ha. Recommended for Terai, inner Terai, and Mid Hills.
8.4	Shital	Yield-1.1 ton/ha. Recommended for Terai and Mid Hills.
8.5	Shimal	Yield-4.1 ton/ha. Recommended for Terai, Inner Terai, and Mid Hills.
<b>9</b>	<b>Potato</b>	
9.1	Janakdev	Resistant to Blight disease and tolerable to Wart, recommended to High Hill, Terai, Mid Hill. Yield- 23 ton/ha.
9.2	Cardinal	Yield: 18 - 30 ton/ha, cultivated from Terai to hill (100 - 4000 m), Can be stored for a longer period
9.3	Rosita	Tasty, does not melt while cooking, and is preferred by the majority of farmers of Nepal. Can be stored for a longer period.



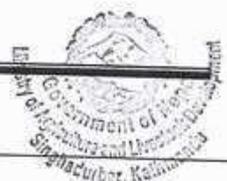
S.N.	Technologies and practices	Key Features/Evidence
		Yield-10 - 14 ton/ha. Recommended for Mid-Hill, High Hill can be cultivated from Mid-Hill to eastern High Hill (1600 – 3500 m).
9.4	Desire	Resistance to warts, and early maturity, are recommended for High Hill, Terai, and Mid Hill. Yield-15 - 20 ton/ha.
9.5	MS 42.3	Less incidence of blight, and Excellent taste so preferred by most farmers of Nepal, Premium market price can be cultivated from terai to hill (100-1600 m). Yield- 10 - 24 ton/ha.
10	<b>Mung bean varieties</b>	
10.1	Partigya	Yield-1.12 ton/ha at Mahottari. Recommended for Terai, Inner Terai, and Mid Hill.
10.2	Pratikshya	Suitable for pulses and spiced fried lentils as a Savory. Recommended for Terai and Mid Hills. Yield- 0.686 ton/ha
11	<b>Integrated pest Management in crops (using botanical, bio-pesticides)</b>	<p><b>A. Botanical pesticide</b></p> <ol style="list-style-type: none"> <li>1. Using Sweet flag <sup>*</sup><i>Acorus calamus</i> rhizome power @ 3 gm/kg during storage protected potato from potato tuber moth</li> <li>2. Jhol-Mal for vegetable production and cereal crop production.</li> </ol> <p><b>B. Biological Pesticides</b> <i>BT, NPV, Metarhizium, Trichoderma, Bacillus etc.</i></p> <p><b>C. Other pest control methods <sup>*</sup></b> Using cure lure, methyl eugenol at 40 cm height for cucumber.</p>
12	<b>Mulching practices in crop production</b> using straw, compost, plant leaf, and plastic	<ol style="list-style-type: none"> <li>1. Increased the organic matter in the soil.</li> <li>2. Act as soil cover to maintain soil moisture.</li> <li>3. Reduced soil exposure so that there is less carbon emission from the soil.</li> <li>4. Minimized the use of weedicide.</li> <li>5. Increased crop yield- Potato yield 21 ton/ha at Benighat Rorang, Dhading high hill condition.</li> </ol>
13	<b>Using poly-house/poly-tunnel</b>	<ol style="list-style-type: none"> <li>1. Farmers can cultivate crops throughout the year even in adverse climatic conditions like cold, frost, and rain.</li> <li>2. The av. income inside the poly house is higher than open field (For tomatoes, income from open field-NPR 42623.21/Ropani and from tunnel farming i.e. Rs 134279.90/Ropani. (Khadka and Adhikari, 2021)<sup>43</sup></li> <li>3. The BCR is higher in poly-house farming (2.28) compared to open field (2.06). (Khadka and Adhikari, 2021).</li> </ol>
C.	<b>Technologies promoted by other World Bank-funded projects and other projects will be disseminated in FANSEP II (New interventions in FANSEP II)</b>	

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<sup>43</sup> S. Khadka and R. K. Adhikari, 2021. Comparative economics of tomato production under poly-house and open field condition in Dhading district of Nepal. Nepalese Journal of Agricultural Sciences, 2021, volume 20.

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S.N.	Technologies and practices	Key Features/Evidence
14	Crop intensification-Legumes intercropping, mixed cropping, catch crop promotion	<ol style="list-style-type: none"> <li>1. Higher profits due to increased yield and reduced cost.</li> <li>2. Use of residual moisture for sowing, allowed 15 days early sowing to avoid terminal heat in late winter. Residues helped to retain soil moisture.</li> <li>3. Reduced GHG emissions by reducing fuel and energy use.</li> <li>4. Fallow land from March to July (about 90 to 100 days) in a Rice-wheat cropping system utilized for catch crops like mung bean production.</li> </ol>
15	Conservation agriculture (Zero/ Minimum tillage, mulching) in crops	<ol style="list-style-type: none"> <li>1. Maintained soil moisture due to less disturbance and wheat sowing timely.</li> <li>2. Increased soil organic matter due to high carbon storage in soil.</li> <li>3. Reduced the use of fuels as compared to normal farming for tillage operation.</li> <li>4. Reduced the production cost</li> </ol>
16	Use of leaf color Chart in rice, wheat, and maize	<ol style="list-style-type: none"> <li>1. Optimum N fertilizer application, reduced disease and pest incidence, and emission of nitrous oxide gas.</li> <li>2. Proper use of fertilizer increases crop productivity. and minimized crop loss from lodging.</li> </ol>
17	Micro Irrigation (drip and sprinkle irrigation) in vegetables	<ol style="list-style-type: none"> <li>1. Efficient water use, minimize loss.</li> <li>2. Minimum weed infestation, reduced the use of weedicides, and reduced the emission of greenhouse gases</li> <li>3. Increased the productivity of high-value crops (vegetables)</li> </ol>
18	Rainwater harvesting, wastewater collection and use	<ol style="list-style-type: none"> <li>1. Water available to cultivate high-value (vegetable) crops during dry periods.</li> <li>2. Reduced soil erosion.</li> <li>3. Year-round crop cultivation of crop helps in carbon sequestering and reduces GHG emissions.</li> <li>3. Increased and secure vegetable production, income, and food security</li> </ol>

Note: \*Technologies are also validated in FANSEP working areas

## 2. Livestock related improved climate smart agricultural technologies and practices

S.N.	Technologies and practices	Key features/ Evidences
A	Technologies validated by NARC in FANSEP working areas that will be scaled up in FANSEP II	
1	Urea Molasses Mineral Block (UMMB) feeding in goat and dairy animals	Feeding 50 gm UMMB/day/goat gives the highest average daily weight gain (ADG) and 300 gm/day/lactating animal increases milk production significantly.
2	Use of Ivermectin to control internal and external parasites of goat	Use of 1ml Ivermectin/33 kg of body weight in every 3 month results highest level of performance in goat.

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3	Practice of rearing crossbred Boer goat at farmers' field condition	50% blood level of Boer goat performs better than the higher blood level at farmers' field condition.
<b>B. Climate-smart Livestock technologies and improved practices recommended by NARC and used in FANSEP, will continue in FANSEP II</b>		
4	Inclusion of legumes with other green forages in feeding livestock for better performance	Balanced use of green grasses and fodders with legumes forage yields higher production.
5	Teat dipping with the Povidone Iodine solution to prevent mastitis	Use of Povidone Iodine solution (mixture of 0.5% Povidone Iodine and Glycerine in the ratio of 9:1.) in dipping the teats after each milking helps to prevent mastitis in dairy animals.
6	Castration of bucks around three months of their age	Castrating bucks at the age of around 3 months is the best practice considering animal welfare, quality of meat, body weight gain and possible risks associated with late castration.
7	Vaccination against Peste des Petits Ruminants (PPR) disease in goat	Vaccination against the PPR disease helps to prevent its outbreak and increases the productivity and profit in goat farming.
8	Vaccination against Foot and Mouth Disease (FMD), Haemorrhagic Septicaemia (HS) and Black Quarter (BQ) in dairy animals and goat	Vaccination against FMD, HS and BQ diseases helps to prevent its outbreak and increases productivity and profit in dairy animals and goat farming.
9	Vaccination against New Castle Disease (NCD) in chicken	Vaccination against the NCD helps to prevent its outbreak and increases productivity and profit in poultry farming.
10	Use of artificial insemination (AI) technique in animal breeding.	AI helps to upgrade animals and improve productivity; cheaper and efficient technique also helps to reduce the unwanted higher number of livestock.
11	Improvement of animal shed with manure and urine management	Improved shed with manure and urine management helps for better animal welfare, improves productivity and insures climate smart livestock farming.
12	Stall feeding practices in livestock farming	Stall feeding by practicing cut and carry system helps to protect the environment and reduces the chances of spreading infectious diseases and unwanted mating.
<b>C. Technologies promoted by other World Bank-funded projects and other projects will be disseminated in FANSEP II (New intervention in FANSEP II)</b>		
13	Feeding goats with additional concentrate during the breeding season (flushing)	Increases the chances of multiple ovulations, conception and embryo implantation rate which can result in a higher twinning percentage.

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## Annex 10.1: Regulatory Framework for ESMF

### A) Applicable Act and Regulations

#### 1. Environment Protection Act (EPA), 2019 and Environment Protection Rule (EPR), 2020:

The laws are the major legislation that guides the management of environmental and social (ES&) risks of the projects during their preparation and implementation. The EPA demands environmental assessment and its approval for all types of developmental activities and prescribes a Brief Environmental Study (BES), Initial Environmental Examination (IEE), and Environmental Impact Assessment (EIA) depending on the scale, nature, and level of the project impacts. The laws ask to prepare an EMP before implementing a proposal and clearly list out mitigation measures that would be implemented during the construction and operation phases of the project. The laws regulate the import and use of hazardous substances that may cause serious adverse impacts on human health & the environment. It has provisions for information disclosure in terms of public hearings, grievance redressal mechanisms, and involvement of communities in implementing mitigation measures.

**2. Forest Act 2019 and Rule 2020:** The laws regulate the use of forest land for the construction and operation of development projects and say that permission to use forest land will be granted if there are no other alternatives and it does not adversely impact the environment. It has a clear provision for compensating the forest land acquired by the project along with the trees cleared for such a project. Provisions relating to conservation areas and their management, payment for ecosystem service, and establishment of a Forest Development Fund are some highlights of the laws.

**3. Solid Waste Management Act, 2011 and Rule, 2012:** The laws make the local level responsible for the management of solid waste, including collection of waste, processing, and final disposal, and for managing the solid waste in a way that minimizes adverse effects on the environment. The laws allow the import of chemical poison only if they meet prescribed standard and asks the concerned body or person to destroy the poison after the expiry of usable date is expired.

#### 4. Labor Act 2017 and Rule 2018:

The laws bar the use of forced labor and discriminate on the ground of religion, color, sex, and caste, among others, and employ a child of 14 years old or below. It also asks for a written employment contract between the employers and employees. The laws set the working hours for 8 hours a day and 48 hours a week with a 30-minute rest after five hours of continuous work and ask the employers to ensure a safe working environment, including ensuring all measures to protect labor and mitigate possible impacts from hazardous materials, and provide necessary training to labor on handling and managing hazardous materials. The Ministry of Labor, Employment and Social Security on the recommendation of the Minimum Remuneration Fixation Committee, will fix the minimum remuneration for workers every two years, the laws say.

**5. Good Governance (Management and Operation) Act, 2008:** The laws say that the government can consult with stakeholders before the implementation of any matter of public concern, including the impact of a project, and ask the government to pay due attention to the suggestion received from the stakeholders. It says that all government agencies are required to maintain a complaint box to collect grievances relating to the quality, and effectiveness of the work carried out by such agencies. The responsible officer of the concerned government agency will open a complaint box in the presence of other officials every three days and take necessary steps for proper management of the grievances and suggestions that are found to be reasonable.

**6. Land Acquisition Act, 1977:** The law is the main legal framework for the government to acquire private land for public purposes and says that the government will have to pay compensation in cash for any acquisition of private land. It also allows the land loser to file a grievance if the person losing the land is not satisfied with the land acquisition procedures or with the compensation amount.

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### 7. Pesticides Management Act 2019 and Regulations, 2024:

The **Pesticides Management Act, 2019** and the **Pesticides Management Regulation, 2024** are key legislative frameworks in Nepal designed to regulate the production, import, sale, and use of pesticides to ensure public health and environmental protection.

### 8. Plant Quarantine and Protection Act, 2007 and Regulations, 2009:

The **Plant Quarantine and Protection Act, 2007** and its subsequent **Regulations, 2009** are legislative frameworks that govern the protection of plants from pests and diseases. These laws aim to regulate the import, export, and movement of plants, plant products, and related materials to prevent the introduction and spread of harmful pests that could affect agriculture and the environment.

### 9. The Animal Slaughterhouse and Meat Inspection Act, 1999 and its Regulation, 2001:

The **Animal Slaughterhouse and Meat Inspection Act, 1999** and its **Regulation, 2001** are **significant** legislative frameworks in Nepal that govern the regulation of slaughterhouses and the inspection of meat to ensure hygiene and public safety. These laws focus on improving the conditions in which animals are slaughtered, ensuring meat safety, and promoting better public health standards through proper inspection processes.

## B. Applicable World Bank Policies related to ESMF

World Bank's Environmental and Social Safeguard policy and set of Environment and Social Standards mentioned in Environment and Social Framework as well as Environmental Health and Safety Guidelines relevant and crucial for sustainable poverty reduction. The objectives of these standards are to identify, prevent and/or mitigate negative implications to the people and environment in the development process and provide guidelines for the identification, preparation, and implementation of programs and projects. The following Standards are relevant to FANSEP II from environmental and social viewpoint:

### ESS 1: Assessment and Management of Environmental and Social Risks and Impacts:

ESS1 sets out the Borrower's responsibilities for assessing, managing and monitoring environmental and social risks and impacts associated with each stage of a project supported by the Bank through Investment Project Financing, in order to achieve environmental and social outcomes consistent with the Environmental and Social Standards (ESSs)

### ESS 2: Labour and Working Conditions:

ESS2 recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. Borrowers can promote sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions.

### ESS 3: Resource Efficiency and Pollution Prevention and Management

ESS3 recognizes that economic activity and urbanization often generate pollution to air, water, and land, and consume finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels. The current and projected atmospheric concentration of greenhouse gases (GHG) threatens the welfare of current and future generations. At the same time, more efficient and effective resource use, pollution prevention and GHG emission avoidance, and mitigation technologies and practices have become more accessible and achievable.

### ESS 4: Community Health and Safety

ESS4 addresses the health, safety, and security risks and impacts on project-affected communities and the corresponding responsibility of Borrowers to avoid or minimize such risks

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and impacts, with particular attention to people who, because of their particular circumstances, may be vulnerable.

**ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition 1 or restrictions on land use 2 may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), 3 or both. The term "involuntary resettlement" refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.

**ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources**

ESS6 recognizes that protecting and conserving biodiversity and sustainably managing living natural resources are fundamental to sustainable development and it recognizes the importance of maintaining core ecological functions of habitats, including forests, and the biodiversity they support. ESS6 also addresses sustainable management of primary production and harvesting of living natural resources and recognizes the need to consider the livelihood of project-affected parties, including Indigenous Peoples, whose access to, or use of, biodiversity or living natural resources may be affected by a project.

**ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

ESS7 ensures that the development process fosters full respect for the human rights, dignity, aspirations, identity, culture, and natural resource-based livelihoods of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities. ESS7 is also meant to avoid adverse impacts of projects on Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities, or when avoidance is not possible, to minimize, mitigate and/or compensate for such impacts.

**ESS8: Cultural Heritage: not relevant**

**ESS9: Financial Intermediaries: not relevant**

**ESS10: Stakeholder Engagement and Information Disclosure**

ESS 10 recognizes the importance of open and transparent engagement between the borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.

Borrower will have to develop and implement a Stakeholder Engagement Plan (SEP) as part of the ESS10. The SEP will describe the timing and methods of engagement with stakeholders throughout the life cycle of the project as agreed between Bank and Borrower, distinguishing between project-affected parties and other interested parties. The SEP will also describe the range and timing of information to be communicated to project-affected parties and other interested parties, as well as the type of information to be sought from them.

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Annex 10.2

Environmental and Social Safeguard Screening Process for grant program in FANSEP II

1. Subproject Information:

Subproject Title	
Subproject Location	
Regional Unit in Charge	
Estimated Cost	
Start/Completion Date	
Brief Description of Subproject	

2. Environmental and Social Screening Questionnaires

Questions	Answer		Next Steps
	Yes	No	
<b>ESS1</b>			
1. Is the subproject likely to have significant adverse environmental impacts that are sensitive and unprecedented that trigger the 'Ineligible Activities' or other exclusion criteria?			If "Yes": Exclude from project.
2. Does the subproject involve <u>new construction or significant expansion</u> of ponds, solid waste management systems, shelters, roads (including access roads), community centers, schools, bridges, and jetties?			If "Yes": 1. Prepare a site-specific E&S Assessment and/or ESMP for the proposed subproject, based on the template in Annex 3. 2. Include E&S risk management measures in bidding/proposal documents.
3. Does the subproject involve the <u>renovation or rehabilitation</u> of any small-scale infrastructure, such as groundwater wells, latrines, showers/washing facilities, or shelters?			If "Yes": 1. Apply relevant measures based on the ECOPs in Annex 2 (unless one of the questions below raises specific environmental risks and requires a site-specific ESMP). 2. Include E&S risk management measures in bidding documents.
4. Will construction or renovation works require new borrow pits or quarries to be opened?			If "Yes": 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 3. 2. Include E&S risk management measures in bidding documents.
5. Does the project lead to any risks and impacts on, individuals or groups who,			If "Yes": Apply relevant measures described in the ESMF and SEP.

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Questions	Answer		Next Steps
	Yes	No	
because of their particular circumstances, may be disadvantaged or vulnerable. <sup>44</sup>			
<b>ESS2</b>			
6. Does the subproject involve uses of goods and equipment involving forced labor, child labor, or other harmful or exploitative forms of labor?			If "Yes": Exclude from project.
7. Does the subproject involve recruitment of workforce including direct, contracted, primary supply, and/or community workers?			If "Yes": Apply LMP in Annex 4.
8. Will the workers be exposed to workplace hazards that needs to be managed in accordance with local regulations and EHSGs? Do workers need PPE relative to the potential risks and hazards associated with their work?			If "Yes": Apply LMP in Annex 4.
9. Is there a risk that women may be underpaid when compared to men when working on the project construction?			If "Yes": Apply LMP in Annex 4.
<b>ESS3</b>			
10. Is the project likely to generate solid or liquid waste that could adversely impact soils, vegetation, rivers, streams or groundwater, or nearby communities?			If "Yes": 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 3 2. Include E&S risk management measures in bidding documents.
14. Is there any potential to have impact on soil or water bodies due to agro-chemicals (e.g., pesticides) used in farmlands due to the consequences of the subproject activities (e.g., development of irrigation system, agriculture related activities, seed and fertilizer assistance, procurement of pesticides)?			If "Yes": Apply Fertilizer and Pest Management Plan in Annex 7.
<b>ESS4</b>			
15. Is there a risk of increased community exposure to communicable disease (such as COVID-19, HIV/AIDS, Malaria), or increase in the risk of traffic related accidents?			If "Yes": Apply LMP in Annex 4 and relevant measures in SEP.
16. Is an influx of workers, from outside the community, expected? Would workers be expected to use health services of the community? Would they create pressures on existing community services (water, electricity, health, recreation, others)?			If "Yes": Apply LMP in Annex 4.

<sup>44</sup> "Disadvantaged or vulnerable" refers to those individuals or groups who, by virtue of, for example, their age, gender, ethnicity, religion, physical, mental or other disability, social, civic or health status, sexual orientation, gender identity, economic disadvantages or ethnic peoples status, and/or dependence on unique natural resources, may be more likely to be adversely affected by the project impacts and/or more limited than others in their ability to take advantage of a project's benefits.



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Questions	Answer		Next Steps
	Yes	No	
17. Is there a risk that SEA/SH may increase as a result of project works?			If "Yes": Apply LMP in Annex 4.
18. Would any public facilities, such as schools, health clinic, church be negatively affected by construction?			If "Yes": Apply relevant measures based on the ESCOPs in Annex 2 (unless one of the other questions in the screening form raises specific environmental and social risks and requires a site-specific ESMP).
19. Will the subproject require the government to retain workers to provide security to safeguard the subproject?			If "Yes": Prepare a site-specific ESMP for the proposed subproject, including an assessment of potential risks and mitigation measures of using security personnel.
<b>ESS5</b>			
20. Will the subproject require the involuntary acquisition of new land (will the government use eminent domain powers to acquire the land)? <sup>45</sup>			If "Yes": Refer to and apply the project Resettlement Framework (RF).
21. Will the subproject lead to temporary or permanent physical displacement (including people without legal claims to land)?			If "Yes": Refer to and apply the project RF.
22. Will the subproject lead to economic displacement (such as loss of assets or livelihoods, or access to resources due to land acquisition or access restrictions)?			If "Yes": Refer to and apply the project RF.
23. Has the site of the subproject been acquired through eminent domain in the past 5 years, in anticipation of the subproject?			If "Yes": Refer to and apply the project RF.
24. Is private land required for the subproject activity being voluntarily donated to the project? <sup>46</sup>			If "Yes": Refer to and apply the project RF.
<b>ESS6</b>			

<sup>45</sup> Environmental and Social Standard 5, Footnote 10: "In some circumstances, it may be proposed that part or all of the land to be used by the project is donated on a voluntary basis without payment of full compensation. Subject to prior Bank approval, this may be acceptable providing the Borrower demonstrates that: (a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land. The Borrower will maintain a transparent record of all consultations and agreements reached."

<sup>46</sup> Environmental and Social Standard 5, Footnote 10: "In some circumstances, it may be proposed that part or all of the land to be used by the project is donated on a voluntary basis without payment of full compensation. Subject to prior Bank approval, this may be acceptable providing the Borrower demonstrates that: (a) the potential donor or donors have been appropriately informed and consulted about the project and the choices available to them; (b) potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation; (c) the amount of land being donated is minor and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels; (d) no household relocation is involved; (e) the donor is expected to benefit directly from the project; and (f) for community or collective land, donation can only occur with the consent of individuals using or occupying the land. The Borrower will maintain a transparent record of all consultations and agreements reached."

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Questions	Answer		Next Steps
	Yes	No	
26. Does the subproject involve activities that have potential to cause any significant loss or degradation of critical habitats <sup>47</sup> whether directly or indirectly, or which would lead to adverse impacts on natural habitats <sup>48</sup> ?			If "Yes": Exclude from project.
27. Will the project involve the conversion or degradation of non-critical natural habitats?			If "Yes": 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 2. Include E&S risk management measures in bidding documents.
28. Will this activity require clearance of trees, including inland natural vegetation?			If "Yes": 1. Prepare a site-specific ESMP for the proposed subproject, based on the template in Annex 2. Exclude from project if more than x hectares of tree and vegetation cutting is expected. 3. Include E&S risk management measures in bidding documents.
30. Will there be any significant impact on any ecosystems of importance (especially those supporting rare, threatened, or endangered species of flora and fauna)?			If "Yes": Exclude from project.
<b>ESS7</b>			
31. Are there any Indigenous Peoples in the subproject area and are likely to be affected by the proposed subproject negatively?			If "Yes": Prepare an Indigenous Peoples Plan OR Include the requirements of an Indigenous Peoples Plan in the SEP.

**3. Conclusion**

Based on the result from the screening above, please list the E&S risk management instruments to be prepared / adopt and implemented:

- a)
- b)

Name and title of person who conducted screening:

Date of screening:

<sup>47</sup> Environmental and Social Standard 6, paragraph 23: "Critical habitat is defined as areas with high biodiversity importance or value, including (a) Habitat of significant importance to Critically Endangered or Endangered species, as listed in the IUCN Red List of threatened species or equivalent national approaches; (b) Habitat of significant importance to endemic or restricted-range species; (c) Habitat supporting globally or nationally significant concentrations of migratory or congregatory species; (d) Highly threatened or unique ecosystems; and (e) Ecological functions or characteristics that are needed to maintain the viability of the biodiversity values described above in (a) to (d)."

<sup>48</sup> Environmental and Social Standard 6, paragraph 21: "Natural habitats are areas composed of viable assemblages of plant and/or animal species of largely native origin, and/or where human activity has not essentially modified an area's primary ecological functions and species composition."

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## APPENDIX 11: PROCUREMENT GUIDELINES TO BE FOLLOWED BY GRANTEES

- A. The grantees of the project including Producer Groups (PGs), Nutrition Groups (NGs), Water User's Committee (WUC), and other types of grantees (collectively, "Grantees") shall permit Government of Nepal (GoN), PMU, PCUs and Bank to inspect all accounts, records and other documents relating to procurement and contract award, and/or to have them audited by auditors appointed by GoN and/or Bank.
- B. The Grantees who shall receive the grant from the Project shall follow the following procurement provisions. The procurement activities shall be carried out ensuring the core procurement principles: value for money, economy, integrity, fit for purpose, efficiency, transparency and fairness. Individual procurement activities carried out by Grantees would not be entered in the Systematic Tracking of Exchanges in Procurement (STEP) system.
- C. **Procurement Methods for the sub-projects:** Procurement under the grants are likely to be small value goods and works, scattered in remote areas. With regards to matching grants under Component B, only goods stated in the approved Business Plan will be considered eligible expenses and the Grantees should ensure that such goods shall be used exclusively in carrying out the sub-project. The Grantees will follow (a) Direct Procurement (b) Request for Quotation document (c) Local Competitive Bidding procedures, as described in Para \_\_\_ below.
- D. **Formation of Procurement Committee**
- a. The Grantees shall form a procurement committee consisting of at least three (5) members. The procurement committee should be formed resulting from the decision of the meeting of members of the organization/groups. Procurement committee members should be from the participating members. There should be at least 1 participation of women in the committee. The procurement committee shall be comprised of chairperson, treasurer and members. The committee shall be responsible for managing the overall procurement process and maintaining procurement records (Minutes of the meetings, technical specifications / Invoices / issued bid/RFQ documents/Supplied bid documents/evaluation reports/contract agreements/Work Order documents. The committee members are expected to have the following skills but not limited to, (i) record keeping, (ii) evaluate and identify the most advantageous bid, (v) understand the contract agreements terms and (vi) contract execution.
- E. **Initiation of Procurement Process**
- a. The procurement committee shall initiate the procurement process upon approval of the work plan and procurement plan from PCU/PMU. The committee will prepare for the PCU's approval a procurement plan. The procurement plan will list the items to be procured, quantity, cost estimate, and planned date of procurement.
- b. **Procurement of Goods:** The selection of procurement method depends upon the cost estimate of the contract. Perishable materials that cannot be used more than once will be purchased in phases and only when required. Prior to procurement of goods, technical specifications will be prepared, with guidance from the PCU. Goods estimated to cost below Rs. 25,000.00 can be procured directly from a supplier. The committee will maintain record of Purchase Order, Invoices, Minutes of Meetings related to procurement process, Payment Receipt. The procurement committee will be supported and guided by the PCU staff during entire

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procurement process such as preparing procurement plan, preparing technical specifications, conducting market survey, preparing request for quotation document, identifying suppliers, preparation of Purchase Order and maintaining all kinds of procurement records, and publishing contract award information.

**(a) Thresholds For Goods and Materials**

- **Goods costing less than or equal to NPR 25,000.00** shall be procured through direct purchase (ensuring quality and specification standard).
- **Goods costing more than NPR 25,000.00 and less than or equal to 10,00,000.00** (per contract) shall be procured by inviting sealed written quotation. Quotations will be obtained from at least 3 suppliers, from the identified suppliers, giving at least 5 days for quotation submission period. The quotations will be opened in public, immediately after the quotation submission deadline. The committee will compare the quotation prices and check compliance to the technical specifications. The lowest priced quotation complying with the technical specifications will be selected for contract award.
- **Goods costing more than NPR 10,00,000.00 to NPR 20,00,000.00** per contract, will be procured through the open national bidding process (i.e., advertisement in at least district level newspaper) providing at least two (2) weeks of time for bid submission. The PCU will support the Producer Organizations/Grantees in the procurement process. Purchase Order to be issued by the chairman of the PO, upon approval of PCU. The PCU will provide necessary guidance and support to the grantees in the procurement process.
- The procurement committee shall prepare, in coordination with PCU, the cost estimate, require specification standard (if needed, by technical experts), prepare bidding document.

**Procurement of Civil Works:** Civil works activities such as construction of critical market infrastructure, small scale irrigation, deep tube well will be executed by local contractors. The PCU will support the committee to seek assistance of a certified civil engineer, who will support the procurement committee in preparing the BOQ for the item rate contracts and preparation of cost estimate. For deep tubewells, the PMU will support in preparing the cost estimate and design. The cost estimates for the construction materials will be based on the district rates. The PCU will support the Producer Organizations/Grantees/WUA in identifying contractors, preparation of Work Order, contract management, and maintaining all kinds of procurement records, and publishing contract award information.

- **Works up to a value of NPR 25,000.00** per contract shall be procured through direct purchase. The contractor shall mobilize locally available labours to the extent possible for the construction works.
- **Works undertaken by contractors costing more than NPR25,000.00 but less than or equal to NPR 20,00,000.00** shall be procured through a written request inviting from at least three sealed quotations from qualified domestic contractors
- **Works activities above NPR 20,00,000.00 to NPR 30,00,000** per contract, shall be procured through open market approach (i.e., advertisement in at least district level newspaper) providing at least two (2) weeks of time for bid submission. The PCU will provide necessary guidance and support to the grantees in the procurement process.

**(b) For Services**

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- For Consulting services and Non-consulting services costing less than or equal to 25,000.00 per contract shall be procured through direct selection method.
- **Service providers costing more than 25,000.00 but less than or equal to 200,000.00** shall be procured by inviting Expression of Interest (EOI) (minimum of three EOIs need to be acquired; ensuring quality and standard.
- Service providers costing more than NPR 200,000.00 per contract, PO/grantee shall get approved by the PCU. This shall be procured through open market approach (i.e., advertisement in at least district level newspaper) providing at least two (2) weeks of time for EOI submission.
- The procurement committee shall prepare, in coordination with PCU, the cost estimate, require specification standard (if needed, by technical experts), prepare bidding document.

### Evaluation and Award of Contract

- (a) During the preparation of sub-project proposal, the Producer Organizations/Grantees/WUA with support of the PCU shall collect the rates from authorized dealers, manufacturers, or suppliers of materials/labor. During sub-project implementation, procurement committee shall verify the rates and prepare the estimates based on market survey and ensure that the quality and prices are within the market rate range.
- (b) A procurement plan for all the materials and services submitted in sub-project proposal shall be prepared and get approval from PCU for implementing the procurement activities.
- (c) The procurement committee shall carry out the procurement procedure as per the approved plan. Quotations shall be received from local contractors, suppliers, manufacturers or authorized dealers for the construction of works or supply of goods, equipment, and materials, as applicable, as per the procurement procedure.
- (d) A bid shall be considered non-responsive if there is major deviation in proposed specification from that of purchaser requirement.
- (e) The procurement committee will then evaluate the received quotations and take decisions on procurement as:

The goods or materials that are available locally and/or manufactured in Nepal shall be preferred in evaluation ensuring quality and specification standard acceptable. Construction of works will be executed as per the specifications and drawings.

#### Preliminary examination:

Before entering the technical and financial aspects of the quotation, the committee shall go for preliminary examination of quotation based on following aspects:

##### a. Eligibility

Evaluate the quotation based on following aspects:

- i. Conflict of interest (self declaration)
- ii. Submission of single bid
- iii. Firm registration certificate
- iv. Business registration certificate

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- v. VAT/PAN registration certificate
- vi. Tax clearance certificate
- vii. Self declaration letter of not being blacklisted

b. **Verification:** The procurement committee should verify the received quotations based on the following aspects:

- i. Price schedule
- ii. Delivery schedule
- iii. Sealed and signed bid
- iv. Power of attorney
- v. Manufacturer authorization
- vi. Bidding forms
- vii. Complete set of bidding document

c. **Under completeness of bid**

Evaluate the quotation based on following aspects:

- i. Price quoted
- ii. Consistency with the original bidding document

d. **Under substantial responsiveness**

Evaluate the quotation based on following aspects:

- i. Request for sub-contracting
- ii. Price adjustment
- iii. Consistent with the bidding document, purchaser's right or bidder's obligations under the contract

Those bids which are found substantially responsive in terms of preliminary examination, the further evaluation shall be made on requirement of technical specifications. The substantially responsive bids in terms of required specification shall be finally examined for the financial evaluation.

During financial evaluation, the procurement committee shall correct the arithmetical errors on the following basis:

- a) if there is a discrepancy between the unit price and the total price that is obtained by multiplying the unit price and quantity, the unit price shall prevail and the total price shall be corrected.
- b) if there is an error in a total corresponding to the addition or subtraction of subtotals, the subtotals shall prevail and the total shall be corrected.



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- c) if there is a discrepancy between words and figures, the amount in words shall prevail, unless the amount expressed in words is related to an arithmetic error, in which case the amount in figures shall prevail subject to (a) and (b) above.
- d) If the Bidder that submitted the lowest evaluated Bid does not accept the correction of errors, its Bid shall be rejected.

After evaluation of all responsive quotations, the procurement committee select the most advantageous bid based on quality and price and recommend for contract signing. A contract will have to be signed between the chairperson of POs and the bidder or supplier or contractor or consultant.

As per the contract agreement, the supplier shall deliver the goods and services as per the delivery schedule and the goods shall be inspected by the technical experts and services shall be reviewed and/or monitored by Procurement committee taking support from PCU.

The Grantees will make payments on receipt of the goods and services based on the inspection report of technical experts and procurement committee. The payment should be made against the invoice submitted. The payment to bank account of bidder or supplier or contractor or consultant is highly encouraged and preferred.

It is the responsibility of procurement committee to enter the items in a stock ledger and to store goods safely for use. In addition to this, all receipts are to be recorded in a stock register. All the hidden costs such as transportation charges, indirect taxes, and duties, royalty charges, loading and unloading charges, cost of trips to the market, etc. should be properly recorded in a register with justification.

The contract agreement must provide the following:

- a. Defined roles and responsibilities of those parties to the contract including those who will be responsible for the overall quality standards;
- b. Clearly defined payment schedule and modality;
- c. Clear legal provisions for when the supplier/contractor fails to fulfill their commitment as stipulated in the contract;
- d. In the event, if a contract is to be terminated, a clause indicating the notice period before a contract is withdrawn and in such an occasion, the damages payable;

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