

Nepal

Western Uplands: Western Uplands Poverty Alleviation Project

Supervision report

Main report and appendices

Mission Dates: 16 – 31 March 2014
Document Date: 16-Apr 2014
Project No. 1119
Report No: 3420-NP

Asia and the Pacific Division
Programme Management Department

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Abbreviations and acronyms

ASAP	Adaptation and Smallholder Agriculture Programme
AWPB	Annual Work Plan and Budget
BOB	Beneficiaries' Oversight Board
C-PCU	Community Project Coordination Unit
CIF	Community Investment Fund
CIP	Community Investment Plan
CO	Community Organization
COSOP	Country Strategy Opportunity Programme
DDC	District Development Committee
DECOS	Development Concern Society
DFO	District Forest Office
DPC	District Project Coordinator
DPCU	District Project Coordination Unit
FCGO	Financial Comptroller General Office
HH	Household
HVAP	High Value Agriculture Programme
IFAD	International Fund for Agriculture Development
ISFP	Improved Seed for Farmer Programme
LDFB	Local Development Fund Board
LDO	Local Development Officer
LFUG	Leasehold Forest User Group
LRP	Local Resource Person
MAPs	Medicinal and Aromatic Plants
MoCPA	Ministry of Cooperatives and Poverty Alleviation
MoFALD	Ministry of Federal Affairs and Local Development
MoF	Ministry of Finance
MOU	Memorandum of Understanding
MFSC	Ministry of Forestry and Soil Conservation
NGO	Non-governmental Organization
NRs	Nepali Rupees
NTFPs	Non-timber Forest Products
PAN	Permanent Account Number
PCU	Project Coordination Unit
POSC	People oriented Service Center
PRA	Participatory Rural Appraisal
PSR	Project Status Report

RIMS	Results and Impact Management System
Rs	Nepalese Rupee
RUDAS	Rural Development Awareness Society, Nepal
SDC	Senior District Coordinator
SM	Social Mobiliser
SOM	Social Mobilizer
TOR	Terms of Reference
VAHW	Village Animal Health Worker
VAT	Value Added Tax
VDC	Village Development Committee
WHT	Withholding Taxes
WUPAP	Western Uplands Poverty Alleviation Project

A. Introduction¹

1. From 16 March – 31 March 2014, Government of Nepal and IFAD fielded a Mission to jointly review the performance of the Western Uplands Poverty Alleviation Project (WUPAP) and its achievements since the last Phase III Review of March 2013. The mission was preceded by field visits to Bajhang and Bajura on 15 to 23 February 2014, observations of which have been included in the aide-mémoire. In Kathmandu, the Mission met with Mr. Kailash Raj Pokharel, Under Secretary of Ministry of Finance; (MOF); Mr. Naba Raj Paudel, Section Officer of MOF; Mr. Biju Kumar Shrestha, Under Secretary of Ministry of Cooperatives and Poverty Alleviation (MoCPA); Mr. Rajan Neupane, Account Officer of MoCPA; Ms. Roshani Shrestha, Section Officer of MoCPA; Mr. Govinda Karki, Under Secretary of Planning and Foreign Aid Coordination Section of Ministry of Federal Affairs and Local Development (MoFALD); and Mr. Shashi Rai, Section Officer of MoFALD. In the field, the joint review mission divided itself into two groups: one team visiting communities in Dailekh and Jajarkot and the second group visiting communities in Rolpa and Rukum. Mission members participated in village and district meetings and saw some of the component activities e.g. micro-hydro-electricity projects, drinking water schemes as well as tailoring and beekeeping trainings. The team comprised of staff from the National Planning Commission, Ministry of Cooperatives and Poverty Alleviation as well as Financial Comptroller General's Office. It was accompanied by Local Development Officers from Jajarkot and Rolpa districts as well as WUPAP PCU and district staff. The mission worked together with local government staff and project staff at PCU and district levels to ascertain their assessment of progress made during April 2013 to March 2014, and to identify areas of concern.



Figure 1 Beekeeping training Pokhara VDC – Rukum Distri

2. The objective of the 2014 joint review was to:
 - a. Assess implementation progress and provide support to the project team to address any bottleneck or emerging issues;
 - b. Assess progress made in 2013 agreed actions list;
 - c. Assess management strengths and problems faced in the project implementation under the Ministry of Cooperatives and Poverty Alleviation and make recommendations to IFAD and MoF on how to strengthen managerial capacities leading to sustainable development impacts;
 - d. Assess progress made in quality and access to services and resources;
 - e. Assess sustainability and resiliency of community investment plans and various livelihood options;
 - f. Assess inclusive poverty approaches and targeting as well as community empowerment, rights-based and needs-based approaches, and grassroots institutions building for participation of the poor and food-insecure as well as women and marginalised people, including ethnic minorities and Dalits;
 - g. Agree with MoF and FCGO on the solutions to the observations made during the missions; and
 - h. Complete the regular fiduciary and supervision responsibilities in line with IFAD's current supervision policies.

¹Ms. Anita Kelles-Viitanen (Team Leader); Dr. Surya Bahadur Singh, Community Participatory Planning & Investment Specialist; Mr. Mukunda Dev Adhikari, Financial Management Specialist; Ms. Antonella Cordone, Indigenous People Technical Adviser; Ms. Kukka Korhonen, Associate Professional Officer of IFAD. In addition, representatives of the government including Ms. Roshan Shrestha and Mr. Rajan Neupane from the Ministry of Cooperatives and Poverty Alleviation, Mr. Gokul Khadka from the National Planning Commission and Mr. Janak Dulal from the Financial Comptroller General's Office accompanied the Mission. Local project and government staff also accompanied mission during part of the field visits. Mr. Bashu Aryal Country Programme Officer and Mr. Benoit Thierry Nepal Country Programme Manager joined the mission in Nepalgunj as well as for the wrap-up in Kathmandu. The February mission to Bajhang and Bajura was carried out by Dr. Surya Bahadur Singh.

3. The goal of this 13-year project, which is being implemented in three phases under flexible lending mechanism,² is to strengthen livelihood systems and basic human dignity amongst the poor and socially disadvantaged people in the Mid and Far Western Regions of Nepal. The development objective of phase III consists of improving living standards through sustained growth of employment, income and access to resources amongst the poor households in targeted areas. Outcomes include: i) community empowerment (social and economic empowerment); and ii) improvement of district service delivery (with outputs of Service Excellence Challenge Fund and Farm Field School Pilots & Rollout).

4. The project cycle is divided into three phases. First phase that covered four districts was completed in FY 2006/07. Phase II has extended project coverage to eleven districts and was completed in July 2012. Consolidation phase III began in July 2012 and is working in eight districts. The core development strategy for this last phase consists of *“building community-led processes of social and economic empowerment that will increase the productivity of people and farming, and increasing access to productive and labour saving assets”* The project was adjusted to *“improve the responsiveness and quality support to target communities”* with a *“community-led investment modality”* by *“placing communities at heart of investment planning, management and governance.”*



Figure 2 Landscape Syarpu VDC, Rukum District

5. The IFAD Loan (No. 576-NP) is USD 23.614 million and IFAD Grant for USD 0.58 million (out of total allocation of USD 31.821 million). The IFAD allocation for Phase III budget is SDR 6.60 million (out of total of USD 14.82).
6. The findings and recommendations of the Mission were discussed, in detail with the PCU on 28 March. A pre-wrap was held on 29 March at the PCU office in Nepalgunj, also attended by the senior staff of PCU and DPCUs from 7 districts. The final wrap-up meeting was held on 31st of March 2014, co-chaired by Mr. Lal Mani Joshi, Secretary MCPA and Mr. Shanta Bahadur Shrestha, Secretary MFALD. All the recommendations were discussed and agreed with the WUPAP management team (central and district levels) and confirmed by the implementing partners.

B. Overall Assessment of Project Implementation Progress

7. Overall performance is rated as *moderately satisfactory*, taking into consideration the difficulties and the challenges the project faced in the past and the recent accelerated progress in addressing most of its targets. The environment in which the project operates is very challenging, given the post-conflict environment, depth of poverty, illiteracy of most of the beneficiaries and isolation and remoteness of project locations. In spite of these constraints, the mission observed encouraging progress in identification of beneficiaries and in demand-driven implementation modality, which is

²Phase I Districts: Bajhang*, Bajura*, Jumla* and Humla*, Phase II Districts: Dailekh*, Jajarkot*, Dolpa, Kalikot, Rolpa and Rukum, In addition, Mugu was initially included in Phase II but then withdrawn due to implementation difficulties. Those marked with * are focus Districts for more intensive management support during the one year extension to Phase II, including the appointment of a District Project Manager, selected on the basis of the scale of project activities within these Districts.

unique for WUPAP, but still requires some adjustments and fine-tuning. Subsequently, the WUPAP approach and lessons would need to be widely communicated. The project was among the first to promote devolution and decentralisation of government support in early 2000s. WUPAP project was also one of the rare projects that stayed in the most affected conflict districts during the conflict. The project has introduced a decentralised system to identify and reach the poor, for example, through community efforts led by Social Mobilisers and CPCUs. Targeting has been successful, with some minor issues remaining. There has been some underestimation by all parties of the time it takes to work with the poor illiterate people, assisting them in their livelihood activities. Although the project has been successful in targeting, the mission observed that the project has not aligned with GoN Gender Equality and Social Inclusion (GESI) Strategy and IFAD Policies on Gender Equality and Women Empowerment as well as on Engagement with Indigenous Peoples.



Figure 3 Women participants to Beekeeping training Pokhara VDC, Rukum

Important as targeting is, it is only a first step in the long process of empowerment of women, poor and Janajatis. More attention needs to be given to empowerment processes, gender mainstreaming and supporting Janajatis' development with culture and identity in livelihoods. Service provision by WUPAP Phase III has just started and needs to be accelerated. Sustainability of the selected livelihood activities within the CIPs needs to be strengthened.

8. Most of the recommendations of the previous Mission have either been completed or they are on-going as shown in appendix of supervision report.

Agreed action	Responsibility	Agreed date
Project needs to align with IFAD and the GoN policies and strategies on indigenous peoples and gender as part of empowerment activities. Attention needs to be given to gender mainstreaming and Janajatis' development with culture and identity in livelihoods (ILO169).	PCU	Immediately

C. Outputs and outcomes, by components

Community empowerment

i. Social empowerment

9. This component improved as *moderately satisfactory*. Progress towards CIP preparation is acknowledged. Up to 12 February 2014, following the PRA and 9023 poorest HHs and 17974 poor totalling 26997 were identified. This includes 12511 newly identified households in phase III. Total of 153 CIPs (one for each selected VDC) were prepared in all 7 (Humla being initiated during the time of the supervision mission) districts (100%). Altogether 293 business plans (including general guidance business plans per nature of activity for each district and some household business plans initiated at the beginning of the CIF investment) were prepared by Senior Social Mobilisers with training from the PCU. Implementation has just started in all 8 districts covering 105 out of 153 VDCs (68%). Total of 15000 households (40.4% women) are expected to benefit for a total investment of NPR 2,530,6960 (USD 264,827). Starting implementation of activities under CIP was

confirmed by the mission, which visited training in bee keeping, goat rearing and tailoring; as well as pig and goat rearing activities and infrastructure activities.

10. There is, nevertheless, a need to intensify empowerment processes of the communities and households and to strengthen the role of the CPCUs and Social Mobilisers as a vehicle of empowerment. At the moment, approach is more of an asset transfer instead of empowerment. Appropriate trainings, such as leadership development training, training for business literacy, cooperative training and CPCU coaching campaign through the BoB are already planned. In addition, mission proposes to gear some of these trainings towards financial literacy and simplified entrepreneurship development to be conducted for and with the communities and HHs to improve prospects for long-term sustainability.

11. According to the WUPAP Phase III project document, “*empowering of target communities to drive their own development processes*” is at the centre of the project. Empowerment approach is to nurture social and economic empowerment of target communities and their existing organisations around participatory Community Investment Funds to meet their own priorities for economic



Figure 4 Community meeting Badagaun (Janajati), Rukum District

development; getting access to livelihood oriented services and raising their quality and responsiveness to people’s needs. This is expected to happen when target communities will be “i) deciding how resources are invested and in what activities; ii) supervising and monitoring the delivery of activities; and iii) taking responsibility for the impacts of their investments. In several locations the mission observed that the selection of livelihood assets was not fully participatory, oversight BoB is not fully working and the poor, particularly women are still shy to express their needs, let alone *influence policy makers*, another indicator of empowerment mentioned in the project document. (Concrete examples of lack of empowerment are given in working paper 8).

12. The immediate project priority should also be to build capacity of Social Mobilizers (SMs) and the CPCUs in locating appropriate solutions to community needs while revising the CIPs for year 3 and 4. It is also important to strengthen network of SMs through local learning routes to successful projects, in-village coaching by Senior SMs, and rewarding for best performing SMs.
13. The mission noted that some COs formed in earlier phases are not functioning any longer. This may result from the fact that WUPAP support to them is over. Mission recommends exploring how to affiliate these organisations into cooperatives and link them to other projects and operations ongoing in their respective districts.
14. The livelihood identification process needs to be improved and made both more participatory and based on information. The choices made by the people need to be informed choices, assisted with technical feasibilities and some business literacy. Mission came across cases where livelihood options were done without full awareness of the beneficiaries, in haste to meet deadlines. Many community members met during the mission were only aware of the “choice list” to which they had to submit their preferred activity. This menu should be more open to new initiatives and threshold of CIP need to be increased. Therefore, the mission recommends strengthening capacity building process.

15. Empowerment of Janajatis in developing their community and individual plans has failed to take into account their culture and identity as assets. A meeting held in Buadagaun VDC, Rolpa district (with *Magars*) informed the mission that WUPAP did not respond to their distinctive needs, but is applying a general approach without tapping their rich indigenous knowledge on forest, medicinal plants, traditional agriculture practices, NTFP, textiles, etc. They would have preferred forest products. They informed the mission that at the time of plan preparation, they were not fully aware of the activity identification process. In Khalanga, the IFAD Technical Advisor on Indigenous and Tribal Issues was informed by about 15 Janajatis and their organisations of their priorities on self-driven Janajati development in Rukum, which is home to about 40 % Janajatis. Youth expressed their wish for vocational training on blending tradition and modern technology in medicinal plants (*Yarsagumba*) as well as tourism trainings on “guerilla roads”. The mission recommends that Janajati NGOs/experts be involved in the project to facilitate and support appropriate planning at community level as well as in monitoring activities.



Figure 5 Pokhara VDC, Rukum District

16. In the project document rights based approach refers to “dignity” and “equal rights”. This is also implicit in the social empowerment approach, in project’s socially inclusive targeting and, in general, in project’s objectives to involve poor men and women as key actors in their own development. Inclusive targeting was observed everywhere where the team went. Rights-based approach, however, also means promoting and putting into effect social and economic processes to empower communities to demand solutions to their economic and social problems and rights. Therefore, more efforts on this are required. HRBA rights-based approaches need to be strengthened by training project staff at all levels on HRBA approach and how it differs from the welfare and needs-based approaches.

ii. Economic empowerment

17. The mission finds economic empowerment as *moderately satisfactory*. The mission acknowledges that activities are identified and implementation has begun. Nevertheless, activities were often identified and implemented without sufficient technical and economic feasibilities (e.g. challenge of landlessness, environment, geographic) as well as without taking into consideration the illiteracy of the beneficiaries. Time pressures and budget constraints are some of the constraints that affected conducting technical and economic feasibilities. The ultimate objective of the project is to build the capacity of the target communities to decide, plan and implement local development plans and build assets (social and economic) to meet their livelihood needs through provision of a Community Investment Fund (CIF) and technical services. This has not yet been fully achieved. The mission, however, acknowledges that the project has prepared 153 three-year community investment plans (CIPs). These plans were endorsed by VDC and DDC. Feasibility analyses of livelihood activities included in these plans were still weak and they require strengthening. In some cases, landless people applied for goats without land for grazing. Another person wished to have a pig without

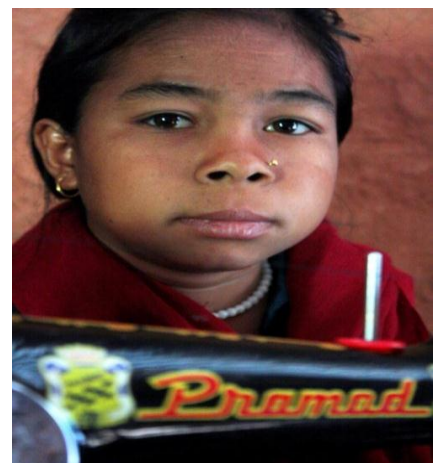


Figure 6 Tailoring Training Syalapakha VDC, Rukum D.

crops to feed the pigs with grains. A woman met in Radijyula VDC who had just received pigs informed the mission that she was buying food for pigs for 50 NPR per kilo.

18. **Farming improvement:** Total investment planned for three years is NRS 46 million, of which NRS16.5 million is allocated for the current year. From this investment, a total of about 27,000 poor HHs are expected to build their assets for improved livelihood and economic empowerment. Of total beneficiaries, 12,432 HHs (41% Dalit, 9% Janajati and 50 % others) are expected to benefit from crop production, 10,208 HHs (37% Dalit, 13% Janajati and 50 % others) from livestock production, 1,588 HHs (40% Dalit, 19% Janajati and 41 % others) from forestry program (NTFP production) and 2,769 HHs (46% Dalit, 14% Janajati and 40 % others) from vocational training and business development. The livestock production and infrastructure program takes the highest share of investment (28% each), followed by vocational training (11%), crop production (10%), forestry (2%) and others (23%). A large number of these beneficiaries will also benefit from common activities like institutional development and market development programs.
19. The mission nevertheless noted that about 5-10% of the poor are still excluded from the WUPAP beneficiaries even though they qualified for WUPAP support. This happened because they failed to attend CIP preparation due to the following reasons: (a) the family members were sick; (ii) family was in other place as the group is mobile (e.g. Badi families dependent on fishing by tradition moved out of the village during CIP preparation); (iii) the identified member, being single with some livestock, could not move out; (iv) the identified member was disabled; (v) the person had commitment for wage labour for individual or community work; (vi) for some people the meeting places were too far away to return home on the same day; (vii) persons had little confidence on WUPAP CIP implementation; and (viii) the persons were not informed in time about the meeting.
20. **Market linkage:** The CIPs also include construction of collection centres, packing, exposure visits and trade fair etc. under market linkage development activity. These activities are not yet in implementation.
21. **Vocational training:** Vocational training list includes various subjects such as training on mason and carpentry; TV, radio and mobile repair; hair cutting; tailoring; electrical wiring; motorcycle and light vehicle repair; plumbing; tourist guide; most of which are yet to be provided. Beneficiaries had expressed these training needs without prior business analysis and planning. DPCUs have been trying to find local training institutions or persons to train WUPAP beneficiaries. However, oftentimes local institutions are lacking formal statuses and/or sufficient capacity. The illiteracy of the beneficiaries also needs to be reflected in training modalities, providing functional and simplified training for the mostly illiterate participants. Business literacy is another area that the poor and illiterate would require to understand full implications of their new assets and their replenishment over years.
22. **Infrastructure:** Productive infrastructure development programs such as small irrigation and drinking water supply schemes will benefit 5,886 HHs during the three-year project period. The project has already initiated implementation of 32 drinking water supply schemes, 22 small irrigation schemes and 4 micro-hydro schemes in project districts, except Humla and Kalikot districts. Total planned infrastructures for the whole project period are yet to be compiled by the PCU. Assessment of expected outcomes and impacts of such activities are also missing. Field observations indicated that the project had not been able to support drinking water supply projects to all communities that demanded. Budget constraint was given as an explanation for this. There was additional demand for such projects in almost all groups visited. There was also inadequate interaction at the community level in identifying appropriate water source and its formalization, and alignment of water distribution pipes with formal concurrence of the land owners from where the distribution pipes are aligned. Feasibility analyses of proposed infrastructure activities require strengthening, too. For instance, one woman had irrigation on her field but could not use it as this would have caused a land slide and her field would have collapsed.

District Service Delivery Improvement

23. Taking into consideration the number of activities undertaken by the project under this component, the Mission finds the performance of district service delivery as *moderately satisfactory*. Geographic distribution of the target beneficiaries in the hills is very scattered. Even within a VDC it may take 4-5 hour or even a day in some cases to travel from one ward to the other. On an average, one government service centre covers 10-12 VDCs in case of forestry and the crop sectors, and 4-8 VDCs in case of livestock. There are private agro-vets established in some VDCs, whereas the large portion of the VDCs particularly in the remote VDCs do not have any private services. This will require locating contracted staff (through NGOs or government agencies) in strategic locations of the targeted VDCs.
24. It is important to note that the livestock received by the beneficiaries is to be seen as an initial capital to build household asset. These stocks need protection from diseases and parasites. They need adequate feeding and management. If the received stock is lost, the households lose everything they received from the project. Therefore, special attention is required to ensure timely and appropriate service provision to these beneficiaries. However, the mission observed that most of the technicians hired directly and through NGOs in Jajarkot have crop background. Whereas almost 50% of the beneficiaries have demanded goats, pigs or poultry in the same district, which would require livestock specialists.

25. The mission also observed that most DPCUs have short-listed the interested private providers (NGOs, cooperatives and in some cases also private agro-vets) and have either signed or are in the process of signing contracts with the selected institutions including line agencies. In Jajarkot, DPCU recruited four technicians individually and three through an NGO. It was also reported that the net salary of the technicians amount to NRS 15,000 per month, including the travel and DSA.



Figure 7 Community Meeting Syalpakha VDC, Rukum District

- Given the technical responsibility, they will have for the successful implementation of agricultural activities; this rate is much lower than what the social mobilizers receive. The NGO did not receive anything other than the salary for its staff. There is, therefore, no institutional accountability for the project by the NGO.
26. The mission recognizes that service delivery is a big challenge in WUPAP. Apart from deployment of technicians through service providers, there will be a need of expert (consultant) at district level to coordinate, for technical backstopping, field supervision and monitoring. This is even more important when the DPCU staff have little agriculture or livestock background, except the DDPC in Dailekh. The project document envisioned that the regional directorates of agriculture, livestock and forestry will be utilized for technical backstopping and field activity monitoring, for which there is a dire need. The budget allocated for these Regional Directorates should be decreased for monitoring by Regional Directors and rest of the funds should be allocated for the expert cost in districts for effective program implementation and monitoring. Given the remoteness of the project area and understaffing of regional directorates, effective services from these Directorates cannot be expected in the short time duration remaining before project completion in 2016.
27. Mission learned that the salary of service technicians was below market rated without reasonable daily subsistence allowance. Another problem relates to overheads. While contracting the service providers, about 10 % of the total contract amount would need to be allocated as overhead for any service providers contracted by the project.

28. The mission had opportunity to observe training in goat rearing in one of the VDCs in Bajhang district. There were 40 participants with hardly two or three persons able to read and write. The organizer had distributed a note-book and a pen. One can easily question the effectiveness of such trainings for poor illiterate people. This example just shows that service providers may lack experience of conducting hands-on training for the poor illiterate people.

Service Excellence Challenge Fund

29. The project document (III phase) has provisioned service challenge fund equivalent to US\$50,000 per district for the line agencies. The objective is to create competitive environment for delivery of quality services to the beneficiaries. This fund will be available in the final year of the project for their capacity development (facility development) of the service agencies. However, the mission observed that the project will need added resources for community empowerment and staff capacity building. There are challenges, however, on how to utilize this fund so that WUPAP beneficiaries receive timely quality services. If the fund is to develop facilities such as small infrastructure and/or equipment, the government agencies will not be interested. The field staff would be interested if there is an incentive like exposure visits in the region. The private sector on the other hand will have preference to infrastructure development over sending the staff for exposure visits. The reward will also face a problem as the DPCUs have been working with different modality of service contracts with the private sector. Some are contracting NGOs and others have contracted individual experts. The mission recommends that 50 % of these funds to be used for community empowerment and staff capacity building subject to IFAD no-objection.

Farm Field School (FFS) Pilots & Rollout

30. The project planned to pilot FFS in 5 communities, expand to 20 more communities and disseminate the technologies through training of field staff. However, the project could initiate the pilots this year only in two sites in Dailekh. The Mission observed one FFS pilot in Gaibanna (Seri VDC). The site was selected based on criteria such as (i) close to road - market access; (ii) existing group of agriculture (vegetable group), and (iii) cluster based. The program is implemented by PCU with support from RD agriculture and DADO Dailekh. A total of 27 HHs are involved in this program, 21 of them are others (12 women) and 6 Janajati (5 women). Of 27 members, five belonged to CPCU and the rest to the WUPAP CO. Activities included IPM potato production method demonstration, bio fertilizer versus chemical fertilizer use, trial of various species of crops; Bio-insecticide use, and farmer practice as control. The school will continue for other crops in the coming seasons. The mission observed that farmers were positively encouraged by the farmer field school activities. This should be continued for the next season crops and in the following years for further innovations. This will help to build farmers' capacity and confidence on technology applications.

Agreed action	Responsibility	Agreed date
CIP to be revised and refined for next year to include effective pre-feasibility/feasibility technical advice to communities as well as explore inclusion of left out poorest community members and new members with an additional fund/increased threshold with IFAD no objection.	DPCU	By Sept 2014
CIP in Janajati communities to be revised to build on their specific knowledge and culture, blending traditional knowledge and modern technology wherever possible, with particular attention to youth. This to be done with the facilitation of Janajati NGOs/experts while revising CIP plans	DPCU	By Sept 2014
Economic empowerment: training programs, where possible, are organized through recognized institutions so that the trained persons are properly trained and recognized by the local and national markets. For business awareness it is recommended that the project organizes TOT for SMs (by district) in fundamentals of business development to guide the beneficiaries in a pragmatic way	PCU+IFAD	By 15 August 2014
SMs complete the beneficiary level orientation.	DPCU	By August 2014
Service Provision: Organize a three day TOT for the service providers (staff) in experiential/hands on training for the poor who are mostly illiterate in both livestock and crop production.	PCU	by 30 June 2014
Service Excellence Challenge Fund 50 % of these funds to be used for community empowerment and staff capacity building subject to IFAD no-objection.	PCU & IFAD	15 July 2014

D. Project implementation progress

Project management performance

31. Project management performance has been rated as *moderately satisfactory*. The project has filled most of the positions agreed in the previous mission. Some staff, including District Project Accountant for Jajarkot, Bajhang and Kalikot are, however, yet to be hired. The mission also observed that the PCU unit is visiting the field approximately every 6 months which is insufficient. More frequent field visits are required in this critical phase to provide greater implementation support and WUPAP staff should spend 50% of their time in the field. Further improvement from top management is required to accelerate the pace of delivery (coordination among stakeholder and coaching management in general).

Planning, monitoring and evaluation

32. The project has just initiated a system to collect qualitative results, in addition, to quantitative results at input and output levels. While most of the planning and monitoring tools by the PCU are in place, the project could arrange a monitoring M&E Workshop to District M&E Officers and all Social Mobilizers. In this critical period, implementation needs to be intensified with more frequent field visits as well Senior Social Mobilizers spending at least 60 % of their time in the field for coaching and building the capacity of the SMs and CPCU members, while also monitoring of service delivery. The project proposes also to increase field visits by the PCU staff. For this reason, the second four-wheel drive vehicle and additional motorcycles should be procured as soon as possible.



Figure 8 Selling oranges to mission team, Syalapakha VDC, Rukum District

33. Mission finds **M&E and KM** *moderately satisfactory* as they are on schedule. The project is currently implementing the basic SIMES (Standard IFAD Monitoring and Evaluation Sheet) and developing its M&E system and guidelines, to be completed this year (2014). A workshop to discuss and refine the system has been planned for May 2014 for DPCU M&E officers. It is recommended that Social Mobilizers are also included. Further, the Planning and Monitoring Section of PCU is currently working on completing and compiling the baseline data collected in order to agree on the project annual targets. Consequently, specification of Logical Framework indicators, where missing and applicable, will be completed.

34. Updated data collection formats are to be distributed by the end of this FY for monitoring outputs. Outcome monitoring will be carried out only in 2015, but right processes need to be put in place already at this stage. The project has also recently hired an MIS officer to develop the project MIS system.

35. The project is using the SIMES compiling project logical framework, RIMS and COSOP indicators. However, although revised for the Logical framework, RIMS indicators have not been revised in the SIMES sheet since the 2nd phase. Therefore, at the moment a few activities/indicators (LFUGs, school, health post, wooden bridges, mule trails) that will not be continued or measured during the 3rd phase, still occur on SIMES. It is recommended to revise it accordingly.

36. During the mission the representative from the National Planning Commission emphasised the need for the project to report according the new Guidelines on Implementation and Evaluation issued by the Commission³.

Knowledge management and innovation

37. So far Knowledge Management has included case studies, field visits of the target beneficiaries to see successful practices (e.g. three completed this FY) and videos disseminated to stakeholders. IFAD Asia portal and WUPAP website have been used for this purpose.

38. From now on, the project will be piloting the methodology of “Most Significant Change (MSC)” as a component within its KM system. This methodology will be tested within the IFAD Country Portfolio in Nepal and will support the collection of knowledge and experience that contribute to qualitative analysis of Phase III. It will also be used for the M&E system for improved project management and performance during the life-span of the project. The methodology of most significant change is also to be tested for improving knowledge management at all levels. Levels identified include the community (target beneficiaries) where learning originates; CIP, CPCU and SM meetings; WUPAP staff at district level, including private and public stakeholders; PCU level; and finally IFAD and ministerial level.

39. In social inclusion and empowerment areas, particularly, innovation should be a standard practice, as it challenges old ways of working and as the project deals with difficult questions: how to transform passive and dependent people into active citizens who start to demand their development entitlements, if not rights. Any success on this endeavour requires to be noted.



Figure 9 Community Mobilizer (1st from left) Rukum District

40. WUPAP lessons – both successes and failures – should be considered by IFAD when planning and designing new projects in Nepal. The mission further recommends that WUPAP documents the project’s 15 year experience before its closing. For this purpose a specific programme of Learning and Sharing will be organised with a specific allocation in the upcoming AWPBs. As part of knowledge management, some Learning Routes will be organised before the end of the project in coordination with PROCASUR Asia.
41. Several issues are to be considered in piloting the methodology of the most significant change: the community as a whole has to become aware of the reasons for the story collection, as well as to become an integral part of the selection process; criteria for selection; training needs at DPCU, SM and community levels; as well as the sharing, learning and response mechanisms at all levels back to the communities. For example, it is to be noted that where the learning process indicates a need for change in the CIP or in service provision, a mechanism is needed where communities themselves become an integral part of the adjustment needed. These issues will be discussed in the M&E workshop planned for the project in May 2014.
42. The project is also to explore and develop additional KM and Communication needs and strategies, with the lead of the Planning, Monitoring and Evaluation section of the PCU, complemented by the recently hired MIS officer. The project does not have a position for a separate KM and Communications Officer, as this has been the responsibility of the DPC. WUPAP approach and lessons be widely communicated to make the project visible to wider audience through videos, social media, radio, etc.

³http://www.npc.gov.np/new/uploadedFiles/allFiles/M&E_GuidelineEng.pdf. accessed 27 March 2014

43. With the participation of Janajatis, the project could also pay more attention to their culture - not only as a dynamic force for change- but also as an essential component of innovation. Culture-centric industries, tourism, heritage preservation and local traditional know-how are increasingly powerful economic tools for generating employment and income for those traditionally left behind. Specific documents capitalising WUPAP experience will be established for this purpose with support of IFAD indigenous people desk.

Gender and social inclusion

44. This mission rates *gender focus as moderately unsatisfactory* compared to the previous missions. Gender mainstreaming requirements have not been understood, partly because there has been no social or gender experts in the earlier missions, nor has social analysis been carried when preparing the project document. There are also no women officials in the leadership or technical positions of project team at the national or district levels. The project has been designed with older women-specific approach, mainly including women in targeting and monitoring their participation in meetings. The mission observed that many staff understand gender mainstreaming to mean a focus on women as a target group, rather than identifying and addressing areas of gender inequalities within the households as well as in the society. The project has no explicit gender strategy. The mission found that community women in meetings could not express their needs and were still shy to speak. Nor were they sufficiently knowledgeable about the community infrastructure activities. Selection of their plans was often found to be weak and they could not clearly express the reason why they had selected goat or pig rearing. Some of them indicated that the choice was based on their neighbours' selection of activities. Social Mobilisers and CPCU members, who in majority are women, would be instrumental in empowering women at community level if well trained. It is important to address gender discrimination in line with IFAD's gender strategy as well as GoN gender-responsive policies and legislations. This late in the project cycle, gender can be made part of community meetings, discussing with women their barriers to development, such as inequitable workloads hampering participation to project activities. There is also a need by the PCU and DPCU to attend a gender workshop jointly organized in KTM by IFAD Country Portfolio and to better balance gender within project staffing. Still it is noted that WUPAP team is part of the IFAD Nepal community of practice on Gender and Social Integration (GESI). Indeed as clearly mentioned in the COSOP 2013-2018, each ongoing project should have a GESI strategy and the community of practice is currently working in establishing this strategy.



Figure 10 Social Wealth-ranking map, Ransi VDC, Rolpa District

Poverty focus

45. Poverty Focus is *satisfactory*. Targeting of the poor and poorest households is one of the strengths of WUPAP III. It has genuinely made effort to reach out the poorest households. Participatory Rural Appraisal (PRA) methodology, mainly for social mapping, has been completed in 153 VDCs in 8 Districts to identify the poor and poorest HHs with whom WUPAP III will work. Altogether 12511 poor and poorest HHs were identified as new HHs with whom the project will work in addition to Phase II target. New identified HHs include 5072 Dalits (40.5%), 1704 Janajatis (13.6%), and other castes 5735 (45.8%). Field mission also confirmed directly with the beneficiaries that the

poorest had been identified. Some exclusions were, nevertheless, observed for households whose members were not present during the PRA and/or finalisation at VDC level, either because they were sick, out of the village, or because the meeting was held too far from their homes or for other reasons they could not participate. There is a need to include some of them during the second CIP year.

46. The complex and multidimensional task of poverty alleviation and the time required for it, may, however, have been underestimated in the project. One-shot livelihood options alone without carefully planned revolving of assets will not alone reduce poverty, especially as many of the poor were indebted. Mission has given thought to this challenge in its recommendations. There is a need to monitor sustainability of the poverty alleviation results, taken into consideration the various constraints of the rural poor.

Effectiveness of targeting

47. Effectiveness of targeting can be rated as *satisfactory* in Phase III WUPAP. The project has managed to geographically target very remote locations, also including major post-conflict districts. It is also targeting the poorest of the poor (25 % of the overall population) and the poor, women, Dalits and Janajatis. It should, however, unpackage the target group of “others” in line with the GoN GESI Policy to document other social groups participating in the project (e.g. *Brahmins, Chhettri, Madhesi, Muslims etc.*) especially as the group of “other” consists of majority of beneficiaries (60 %). The project has also been successful in including the very vulnerable female-headed households, but without clearly understanding the barriers they face in joining project activities. This should also be addressed during the gender training session, already in the plans.



Figure 11 Group picture following meeting in Ransi VDC, Rolpa D.

Partnerships

48. WUPAP works in some of the same districts with three other IFAD funded investment projects HVAP, PAF and KUBK and good cooperation has been observed in some districts in line with Nagarkot roadmap (IFAD Nepal retreat of August 2013). The project will also work with the Alternative Energy Promotion Centre (AEPIC) to link micro-hydro activities better to income projects. Three other partners are there: VDC, DDC, Regional Agricultural Development Office and IRRI (on drought-resistant crops.) and ICIMOD on livelihoods as well as several local NGOs, private sector and government organisations. There are also plans to work with the HELVETAS on vocational and skill training. Project is regularly conducting joint meetings to avoid duplication and seeking collaboration in support services in Rolpa, Surkhet and Nepalgunj. Furthermore, WUPAP shares a liaison office in Lalitpur with HVAP and KUBK as part of Sahayatri, the country programme implementation support unit. The mission endorses IFAD country programme plan for closer project collaboration which includes cost sharing of staff (especially specialists in finance, procurement, M&E, KM, etc.) and facilities and should be included in WUPAP AWPB. Note should also be taken of the two new USAID projects that will work in some of the WUPAP project districts to reduce poverty and hunger: The Knowledge-based Integrated Sustainable Agriculture and Nutrition (KISAN) Project and The Agriculture and Food Security Project (AFSP), priority target of which are small and marginal farmers, landless households, indigenous population, and *Dalits*.

Risk management

49. The risks identified during the earlier joint supervision mission are still valid. Constitutional Assembly election risk can be replaced with a possible risk coming from the local elections, time yet to be fixed in 2014.

50. The risk and vulnerability associated with natural disasters such as floods, droughts, as well as food shortages and decline in agricultural production also need to be addressed by constant monitoring of the



Figure 12 HH pig distribution Ransi VDC, Rolpa District

environment, poverty and climate vulnerability, and, in general, involving the poor in the information networks to alarm district officials on sudden risks that require early response. It is necessary to build the resiliency of the communities. Collaboration with new ASAP project is under preparation which will bring additional USD 3 to 5 million for investment in climate change adaptation activities. The mission endorses it. Other risk comes from the service provision not given in right time with a right quality. This risk is addressed through various recommendations provided in this report.

Agreed action	Responsibility	Agreed date
PM: Recruit senior livestock technicians (consultants) one for each project district omitting the positions created for the Regional Directorates for the project period.	PCU	by 31 July 2014
PM: PCU to double the number of field visits (taking into consideration meteorological conditions) to strengthen self-sustainability of target communities as well to coach service providers and district staff in the complex task that poverty alleviation demands. Government policy/regulation on project working modalities for government appointed project coordinator needs to be adjusted for allowing more working time in project VDC/project areas.	PCU & GoN	April 2014 onwards
M&E: Amendment of Logical Framework according to Mission recommendations, especially on social empowerment and strengthening results monitoring.	Mission Members	by 16.4.2014
M&E: Refine and complete the M&E guidelines and systems based on workshop findings, gender disaggregated indicators need to be developed and included in monitoring	PCU	By July 2014
M&E: Explore adaptation of MIS system in consultation with HVAP	PCU	By July 2014
M&E: Compile and complete the baseline data to set annual programme targets and specify indicators in the Logical Framework	PCU	By end 2014
KM: WUPAP establish KM programme to document the project's 15 year experience before closing.	PCU	on-going
KM: Learning Routes to be organised before the end of the project in coordination with PROCASUR Asia	PCU & IFAD	before end of project
Gender: Train and develop a pragmatic gender strategy to address gender discrimination faced by various social groups (Dalits, Janajatis & others) in line with IFAD's gender policy and GoN gender-responsive policies and legislations (GESI), involving and WCDOs, SMs and CPCU, DPCU to be associated with this process, in addition to project staff	PCU	September 2014
Last equipment to be bought: 4x4 car + 10 additional motorcycles for districts + internet equipped phones for field staff	PCU	August 2014

E. Fiduciary Aspects

51. **Financial management** is *moderately satisfactory*. The project financial management system is improving after finance and accounting positions in PCU and most of the districts were fulfilled. Withdrawal applications have been submitted within six months of expenditure and efforts have been made to settle outstanding audit issues. However, the project has moderate problems in fund disbursement, internal control systems, assets management and preparation of project accounts and timeliness of audit.



Figure 13 Meeting with LDO, DPCU Liwang, Rolpa District

52. **Financial staffing** remained the major weakness of the project for the first 1.5 year of Phase III. The situation has now improved with appointment of Finance analyst in September 2013 and an account officer and a new accountant deputed to the project from January 2014. Project has made efforts to appoint full time accountant position in District Project Coordination Units, with the position currently vacant only in three districts, after appointment of accountants in two districts by FCGO and DDC deputed accountants in three project districts.

53. At the PCU level, it was previously agreed that the project would hire Compliance Officer to increase the ability of the PCU to monitor and verify financial management and reporting at the District and VDC levels. The project has not appointed compliance officer due to perceived lack of clarity in creating such position in a government implemented project. So, the mission recommends PCU to reassign the responsibilities of finance and accounts team in PCU such that responsibilities envisaged for compliance officer to address fiduciary risk in community level can be addressed through Finance analyst and the responsibilities of resolving pending audit irregularities of Phase I and II is brought under Account Officer. So, the Finance Analyst shall also be involved in reviewing SOE preparation and substantiating documents, public audit compliances in districts and technical support from financial aspects in CIP implementation.

54. Need of providing training to finance and account staffs was identified during mission. In Jajarkot, the mission identified that Rs.6.6m of advances provided to user communities was erroneously accounted as expenses. In Dailekh, only social security tax was deducted on monthly basis and income tax was deducted on last month salary payment to employees, which is not just contrary with tax law but creates extra burden to employees in last month. So, the project should focus on training of the account staffs on accounting, tax compliances, internal control, IFAD reporting and fiduciary aspects related to the mission recommendations.

55. **Phase II accounts:** The project account shows an amount of NRS 4.5 million as loan receivables from IFAD, out of which 68% relates to unsettled advances. MOF requires FCGO to confirm settlement of earlier advances before fund disbursement of next trimester. The condition is currently being relaxed by MOF for the project on one-off basis for each disbursement, leading to delay in fund availability for project implementation. The amount is no longer receivable by GoN as the deadline for reimbursement claim from IFAD has already elapsed and Phase II accounts are closed by IFAD. So, the mission recommends MOCPA to devise approach for settlement of un-reconciled amount and to work jointly with MOF for source re-allocation to GoN to ensure that the

outstanding balance of earlier project phases do not impact fund disbursement of Phase III. The project shall also make necessary adjustment in project accounts of 2013/14.

56. Withdrawal Application: The project has submitted four loan withdrawal applications (WA 39-42) and a grant WA 26 since last supervision mission. The project is submitting WA expenditures regularly, with the last WA covering expenses till 15 November 2013 and submitted within three months. Ministry of Finance have requested IFAD on 3 June 2013 to reassign the remaining balance of grant amount from Phase II to Phase III, but pending approval from IFAD, project has not utilized the grant account bank balance of approx. US\$17,000, carried forward from previous year.

57. Travel Expenditures: The preliminary audit report of office of auditor general have expressed concerns over travel expenses of NRS. 25,92,906 in PCU without travel log and travel reports. The mission also observed that effective CIP implementation in the community requires close field monitoring of the activities from the district line agencies, DPCU staffs and PCU. In addition, the staffs from the project have frequent travels out of their districts for meeting and trainings. The mission recommends mandatory pre-approval by PCU (in writing or email) of monthly field plans of DPCU and line agencies, specifying VDC/CPCU to be visited, period, persons involved, purpose of their inclusion in team and estimated cost. PCU shall ensure that field team and visits are justified and meet the project purpose. In addition, as the mission recommended more field presence, the project shall develop and implement travel log format in PCU and districts specifying travel details (distance, mode of travel). The project is also recommended to strictly comply with the travel report requirements of GoN as identified in the preliminary audit report. Unwarranted visits to Kathmandu by PCU and DPCU staffs shall be completely discouraged.

58. CIP Cost Estimation and implementation: In case of infrastructure projects, the basis for calculating user community contribution did not seem clear and appropriate, with the contribution ranging from 11% to 32% of total budget, depending on budget availability. The project should segregate unskilled labour cost in all components of construction activity and to limit user community contribution only to the unskilled labour cost that they can contribute. The prospects of completing projects should be reassessed in case the budget availability is not sufficient to meet cash expenditures.

59. Differences were observed in unit cost estimations for similar nature activity, such as price of sewing machines, resource person's cost etc. In some of the CIP, the resource person cost has been considered same for all type of trainings, while some CIP are more specific in such cost estimation. Some of the trainings can be organized by pooling participants from other VDC, thus reducing fixed cost of the training and allocating fund for other activity. So, the CIP prepared by the project requires further review to ensure maximum utilization of budget available for the community.



Figure 14 Landscape, typical paddy fields, Rukum District

60. CIP implementation also requires community participation in the procurement of services and goods where the community selects the service provider from among the line agencies and private service providers shortlisted by DPCU. To

ensure effective CIP implementation, the mission recommends performance based contracts within budget with the private service providers as selected and endorsed by DPCU and DSCC, instead of cost based competitive selection.

61. The project informed mission that they were not able to implement infrastructure project in Bajura district because advance to infrastructure user group was not provided by DDC citing government rules that restrict release of advance. But in case of Dailekh and Jajarkot districts, advance was provided by DDC to the user group and constructions have started. The mission recommends GoN to make arrangement for releasing advance to the community user groups for CIP implementation because the target beneficiaries of the project are not of capacity to pre-finance construction.
62. In case of infrastructure projects costing up to NPR 1 million, the project recommends to authorize the project technician to finalize design, prepare cost estimate and evaluate the invoices for approval by LDO. DTO's recommendation shall be required if the infrastructure cost exceeds NPR 1 million.
63. **Disbursement:** is *moderately satisfactory*. As per Phase III design, planned disbursement till FY 2013/14 is USD 3.90 million (36.60% of total budget of Phase III), but disbursement till date is only 29.89% of planned disbursement of first two years. The actual disbursement for FY 2013/14 is 21.93% of planned disbursement for this year. Despite the low disbursement till date, it is possible for the project to achieve disbursement rate of 78% for this year (and 54% of first two years) if the project is able to disburse planned CIF within remaining period of FY 2013/14.
64. **Counterpart funds:** is *satisfactory* in FY 2013/14 till date, though was moderately unsatisfactory in FY 2012/13. The government is pre-financing project activities and as such adequate counterpart funds have generally been provided. However, due to errors in fund allocation by the government, the programs to be conducted by PCU from 16 July 2013 onwards was disrupted and regularized only after release of funds in the end of September 2013. The special account is currently used only to reimburse the fund disbursed by Nepal Government to the project.
65. **Compliance with loan covenants:** is *satisfactory*. The earlier mission had recommended that GoN and IFAD sign a Loan Amendment to confirm the transfer of the project to Ministry of Cooperatives and Poverty Alleviation from Ministry of Federal Affairs and Local Development with provisions of Co-chairing of the Steering committee and Co-National Project Directors. MoF has forwarded a request letter to IFAD to this effect in September 2013 which is under consideration by IFAD.
66. **Procurement:** is *moderately satisfactory*. The majority of procurement on PCU comes under the direct procurement threshold of GoN regulations as the PCU has no big value procurement this year. The "Register of Contracts" of PCU has been prepared, however it does not exist in the districts and should be prepared as well.
67. **Assets management:** is moderately satisfactory. The PCU has maintained separate records of assets showing its location and the user. The assets were verified by an independent team within PCU which has identified assets that are fully impaired and cannot be used. The PCU should consider disposal of such assets as per GoN rules for effective management of assets. In case of Jajarkot, the assets were not coded and subsidiary ledger identifying users of the assets were not maintained.
68. For effective stock management, earlier missions had recommended necessary training to storekeeper or to make necessary replacement. The Ministry deputed an administrative staff on January 2014, but he hasn't attended the project yet.
69. **Public Audit:** Effective utilization of CIF depends on strong monitoring and evaluation of CIP implementation from the financial aspects, including enforcement of public audit requirement of activities. The mission recommends use of consistent public audit formats among all user communities and mandatory cross verification by the accounts officer of expenditures reported in public audit with invoices submitted to accounts before releasing final payment to community or private service provider and advance settlement.

70. **Audit:** is *moderately unsatisfactory*. The Office of Auditor General is yet to provide auditor's opinion on project accounts, though the preliminary audit opinion was issued on 6 September 2013 and replied on 3 October 2013 by the project. The preparation and submission of unaudited project accounts was also delayed and the project submitted unaudited project accounts to IFAD only on 28 February 2014. The mission draws the attention of GoN to section 5.02 of Loan Agreement that specifies the contents of the audit report and requires audit report of the project to be submitted to IFAD within six months of end of fiscal year.

71. The consolidated audit log prepared by PCU shows outstanding audit issues with total value of NPR 40.56m from previous WUPAP phases.

Advance settlement are pending in name of existing GoN employees and the project staffs, which in some cases are from above six years. 22% of the outstanding audit issues relates to Jumla, Mugu and Dolpa where the project is not working in Phase III, thus posing difficulty in settlement of audit issues. The mission recommends the PCU to prepare action plan specifying document and information needed for settlement of each audit issues (of PCU and districts) and deadlines for settlement, and to get the action plan approved by Project Steering Committee. The overall responsibility for executing action plan shall be jointly assigned to Account Officer and Finance Analyst in PCU. The mission also recommends PCU to send specific instructions to DDC in each district to make documents relating to project audit issues available to districts project accountants and assigning follow-up responsibility to project accountants.

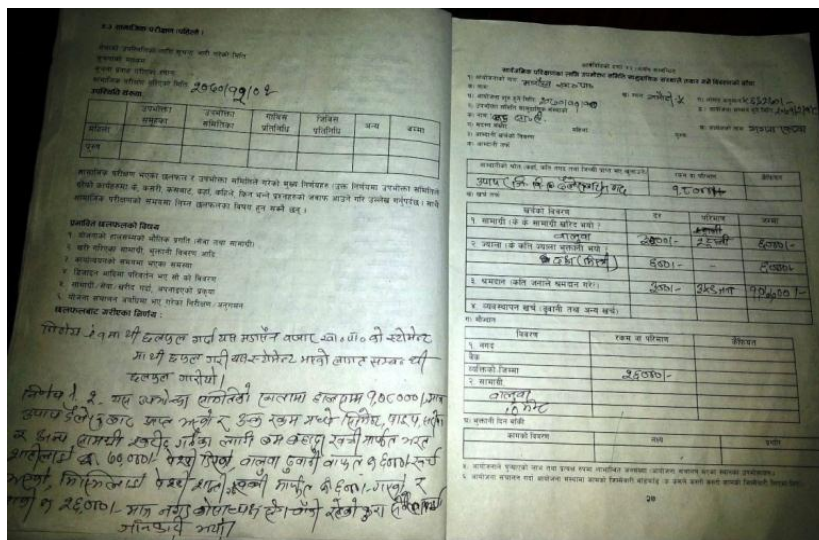


Figure 15 Page 3 & 4 of Public Audit Minute of Madasain Bajar Drinking Water Project (Gamaudi VD-5, Dailekh)

72. **Tally Implementation:** The project maintains its accounts manually as per financial reporting system of GoN. The vouchers of PCU are also entered into a commercial version of Tally-ERP 9. The software is yet to be customized to meet IFAD reporting requirement and GoN reporting requirement. During March 2014, a review of the GoN and IFAD reporting requirement was conducted by IFAD consultant to identify the modification required. The mission does not recommend rollout of Tally in districts for the project in Phase III on grounds that the software first needs modification by the software developer and such modification should be tested at all level before making it fully functional. The accounting staffs of the PCU and the districts need to be sufficiently trained to use the software. The project being in final phase, it won't be appropriate to implement Tally in districts, considering the time and process needed to modify the software and building sufficient capacity of staffs.

73. The detailed fiduciary actions are summarised below with additional details in the Mission Report.

Agreed action	Responsibility	Agreed date
Advance for Infrastructure projects: Instructions to release advance to user communities	GoN	Immediately
Design Finalization & cost estimates for Infrastructure Projects: DTO approval required only for project cost exceeding NPR 1 million.	MOFALD/DDC	On-going
Audit Report of FY 2012/13: Submit audit report to IFAD	PCU/OAG	30 April
Phase II Accounts: Settlement of Phase I and II balance and source re-allocation to GoN	MOCPA/MOF	15 May

Action Plan for Settlement of Audit Issues: Prepare an action plan for audit issue settlement and approve from Project Steering Committee	PCU	15 May
Grant Balance: Reassigning grant amount of phase II to phase III	IFAD	15 May
Staffing: Appoint full time accountants in remaining three districts-	IFAD	15 May
Travel Log: Develop travel approval format and travel log and implement in PCU and all districts	PCU	15 May

F. Sustainability

Sustainability of infrastructure investments in the VDCs

74. One of the major activities in this project is to support small rural infrastructure, which the communities have identified through CIP. They relate mainly to drinking water supply, micro hydropower, irrigation and water mills. These are related either to productivity enhancement, health or labour saving.
75. The mission observed that the project funded drinking water supply scheme in Dailekh was initiated without necessary interaction at the community level when identifying appropriate water source and its formalization (registration at VDC), and alignment of water distribution pipes with formal concurrence of the land owners from where the distribution pipes are aligned. The source point of one scheme the Mission visited in Jajarkot was found landslide prone. Both schemes have perennial springs as water source and the WUGs have allocated budget for repair and maintenance. In this sense, the scheme in Dailekh is sustainable. However, due to land slide proneness of the water source in Jajarkot's scheme may not sustain.

Institution building and policy impact

76. An important indicator of sustainability is how well government adopts UN supported initiatives into its regular programmes and implements GoN policies on the ground. As formulated in COSOP, GESI applies to all IFAD Policies in Nepal. How WUPAP is implementing human rights, gender equality and social inclusion (GESI) will need to be carefully assessed. As for inclusion and support to development with culture and identity of Janajati communities, WUPAP should also assess the extent to which the project is implementing ILO 169, ratified by Nepal. Building on the capital asset created in the previous WUPAP phases through the establishment of COs, the project should carefully map existing COs and assess the likelihood that project supported institutions will endure and are economically viable and sustainable. It is, however, too early to assess this.

Sustainability of the community organizations and social empowerment

77. **CIP Process:** The mission noted that CIP preparation has not been completely aligned with the national planning process as per the Decentralization principle. In most of the CIP finalization stage at VDC councils, the ward coordinator was alone represented with no representation from the CPCU. The other question is, whether the CPCU representation will be meaningful when the CPCU member is from an oppressed group in the society. In order to have full and effective participation, there is a need of building leadership capacity of the CPCU members.
78. There is also a need of fitting the CIP planning process with the government planning cycle. DPCUs in all districts should align their planning process with the government's 14 step planning cycle to be started next year. This should be worked out with the DDCs and VDCs.
79. **WUPAP promoted COs:** The mission found that the WUPAP promoted COs in all places were not well functioning, except the ones in Dalli, Khagenkot in Jajarkot district. The situation is more or less similar in all districts. When asked what the reason behind this disintegration is, the responses were: either most of the CO members are already the members of the local cooperatives and they have transferred their savings into the cooperative account (e.g. Seri in Dailekh) or there is no more a support program for them coming from WUPAP in the third phase. This dynamics clearly suggest that the project should map and assess the capacity of the

cooperatives and advise the CO farmers to merge into the cooperatives or not, depending whether they are functioning well. This should also include developing COs capacity in leadership. At the same, the claimed success behind Dalli CO should be analysed and assessed.

80. The CPCU: A total of 153 CPCUs (one per VDC) have been formed in 8 project districts. Monthly meeting of the CPCU have been operational in many VDCs. However, the agenda of the meetings is not adequately discussed with the individual members, nor are decisions clearly communicated to the members. In some CPCUs, the location of meeting place is about 4-5 hrs.' walk one way. In such places the meetings are not held regularly, or the participation of CPCU executives is irregular. There is a strong demand that the participants should get travel allowance also for attending such meetings.

81. Beneficiary Oversight Board (BOB): To date, one district BOB meeting has taken place in most districts. However, the agenda had never been adequately discussed with the respective CPCU members and communicated back what actually happened in BOB meeting. To date the objective of BOB is to play a role of a "bridge" between the beneficiary and the district level stakeholders. However, in future, the role of BOB should be linking the resources/service providers at district or local level to address the needs of poor beneficiaries. This will involve identifying (i) line agencies and development partners, clarifying their roles and investment strategies, and putting pressure to channel down part of their resources to the WUPAP CPCU members; (ii) pressurizing the VDC to allocate proportionate budget for these groups of people during the VDC planning process; and (iii) eventually sustaining the organizations. Once the BOB has capacity to tap external resources, it will sustain for its own benefit and objectives. BoB needs to link the resources/service providers at district or local level to address the needs of poor beneficiaries by (i) identifying line agencies and development partners, clarifying their roles and investment strategies, and putting pressure to channel down part of their resources to the WUPAP CPCU members; (ii) pressurizing the VDC to allocate proportionate budget for these groups of people during the VDC planning process; and (iii) eventually sustaining empowerment of organizations.



Figure 16 HHs selected pig rearing, Radjiyula VDC, Rukum District

82. Leasehold Forest User Groups: In 8 projects districts, there are 696 Leasehold Forest User Groups (LFUGs) involving 9,581 poor HHs (40% women) and covering 9,710 ha of degraded lands. About 65% of the LFUGs are reported utilizing actively at least 70 % of total handed-over land. Many of these LFUG members were categorized as among the most vulnerable groups during the implementation of leasehold program under WUPAP. However, only 39% of these members are now among WUPAP target beneficiaries for the third phase due to use of a set of economic and social indicators to identify phase III beneficiaries. Discussions with LFUGs in Bajhang, Bajura, Dailekh and Jajarkot indicated that farmers have been utilizing the leasehold forest for production of forage, fruits and NTFPs, and there are still inputs and technical support (processing and marketing as well as capacity development) required for the development of the leasehold forest lands and enhancing livelihood opportunities for sustainable poverty reduction of the LFUG members.

Economic and financial sustainability of livelihood activities

83. The major livelihood activities under CIPs are crop, livestock and NTFP/MAPs production, vocational training and small irrigation schemes. It is too early to judge sustainability of the livelihood activities. Because the project has been working with beneficiaries that are landless and near landless, their first priority is meeting their daily food needs. One of the threats to implementation of their farm-based livelihoods is the high chance of discontinuity. The mission, however, believes that with organized need based technical and hands-on business counselling support, and development of service agents at community level by the project, the project supported livelihood activities can strengthen sustainability. Indebtedness and sharecropping, however, need to be carefully monitored.



Figure 17 Landscape: scattered HHs typical VDC and environment fragility, Rukum District

84. Vocational trainings are planned on various occupations. Most of the beneficiaries after training are likely to need assistance in business literacy and planning as well getting access to seed capital. The seed capital has been planned for year 3 only in support of the cooperatives. Although this is a good idea, it should also be noted that only a limited number of beneficiaries may join the cooperatives within the next two to three years, mainly due to insufficient project time to develop local cooperatives in all project VDCs and build beneficiary confidence over the cooperatives that are already registered but their performance is not known. Therefore, the mission recommends that the seed capital earmarked for Year 4 be spread to Year 3 and Year 4.

Responsiveness of service providers

85. WUPAP's past experience is that the line agencies have not been effective in service delivery at times even when the farmers were not as scattered as they are now, and even when some of the farmers were slightly wealthier and capable for demanding services. Nevertheless, both the private and public service providers seemed positive to engage in WUPAP activities. However, it is too early to judge their responsiveness in addressing farmer problems.

86. One of the factors that may increase or decrease accountability of the service providers is whether the inputs and the technical services are packaged or not. In WUPAP, some districts have provided the input fund directly to the farmers (CPCU), while others have planned to disburse through the service providers. The latter procedure will make the service providers more accountable and responsive. If the inputs are managed by the farmers themselves, the service providers will have a number of excuses if activities face problems. It is, therefore, important that (i) the input and technical service fees are packaged with the service providers; (ii) the project/DPCU gets quarterly feedback from the CPCU meeting on the service performance of the service providers; and (iii) the project/DPCU organizes media trips on quarterly basis for on-site performance recording and dissemination.

Environmental sustainability and climate change

87. The project FFS program should be upscaled to contribute to significant positive impact on environment and climate change. The NTFP/MAPs program will also make a positive contribution. The goat program is unlikely to have any significant negative impact on environment and will not contribute to climate change as only a few goats are supplied to the beneficiaries. However, if the herd size increases with forest grazing, the program will have negative impact on both environment and climate. To minimize this risk, the project proposes stall feeding of the goats as it was successfully implemented in LFLP programme.

Exit strategy and scaling up

88. The whole third phase of the project was designed as an exit strategy and it is rated as moderately satisfactory. Some exit strategy has been planned. This consists of a) including CIP in DDC government planning process; b) supporting existing Cos to graduate into Cooperative, providing them with legal identity; and c) building partnerships with other donors such as with Helvetas for preparing periodic Village Development Plans. Activities included in WUPAP CIP are being inserted in Village Development Plans. The mission recommends that the project will speed up of exit strategy also by strengthening sustainability of various project interventions. Lessons and good practices will also be collected and conveyed to the policy makers for their consideration, in a workshop.

Agreed action	Responsibility	Agreed date
COs: Map COs which could be affiliated with the cooperatives and for those who cannot be affiliated prepare a strategy for their institutional development	PCU / DPCU	30 June
Infrastructure: Project Assistant /sub Engineers together with the Social Mobilizers spend adequate time in planning and alignments of infrastructures.	DPCU & PCU	on-going
CPCU members are provided with daily subsistence allowance when visiting very remote villages, for overnight stays. Additional funds need to be required.	PCU & IFAD	July 2014
Economic Sustainability (i) service providers should not only provide livelihood assets but also provide technical services on paid basis by the project; (ii) the project/DPCU gets quarterly feed-back from the CPCU meeting on the service performance of the service providers; (iii) the project/DPCU organizes media trips on quarterly basis for on-site performance recording and dissemination.	DPCU	July 2014
MTR: Mid-Term Review mission should critically assess the livestock program and provide guidance on its sustainability and propose alternative skill development programs. The Mid-Term Review should also assess the sustainability of other selected livelihood activities within CIPs and propose an exit strategy	PCU / IFAD	by next IFAD mission

Food security

89. The performance in this segment is rated as moderately satisfactory at this stage. Livelihoods are expected to increase food security. Awareness trainings are also provided and are linked to kitchen gardens.
90. The activity under Component 1 on nutrition awareness expected to begin in Sep 2013 was not evident during the mission visit. IN some VDCs, written rules of nutrition were posted for the communities. Such messages should, however, be communicated earlier to the poor illiterate people with appropriate tools (images and pictures, radio programmes etc.) Awareness raising using pictures is just starting. The mission recommends WUPAP to increase emphasis on this key activity, particularly, as mid-western and western districts record highest rates of malnutrition among children in the country.

Agreed action	Responsibility	Agreed date
Nutrition knowledge and awareness campaigns linked to kitchen gardens to be promoted and awareness raised among the household members, including men. Media such as radio can also be used to distribute messages. Janajati knowledge on nutritive traditional nutritious food should also be promoted (millet, forest products, etc.).	DPCU	on-going

Increase in incomes and poverty impact

91. The performance in this segment is unclear, taken into consideration that many beneficiaries informed the mission in Rukum and Rolpa that they take debt from the shops with high interest rates, as their food security reaches only 2 to 4 months. In lieu of paying back their debts, they also provide free labour to merchants. Some of poor farmers are also share croppers, who have to give half of their produce to landowners. This as well as indebtedness of the rural poor needs to be studied through a quick case study by an NGO or research organisation which is familiar with rural indebtedness and can advise the project how to address this issue in implementation.

G. Conclusion

92. Project performance has risen to *moderately successful*, in spite of the difficulties and the challenges the project faced in the past and taken into consideration the recent accelerated progress in addressing most of its targets. The environment in which the project operates is very challenging, given the post-conflict environment, depth of poverty, illiteracy of most of the beneficiaries and isolation and remote locations and scattered project villages. The mission has observed encouraging progress in identification of beneficiaries and demand-driven implementation modality. The project has made steady progress in most of its components. It has enabled large number of very poor landless households to get access to productive assets and improved technologies and techniques, training, organisation building and service support. Targeting has been very good, as a result of which it too has been upgraded from moderately satisfactory to satisfactory. Sustainability of these activities needs to be boosted and demand-driven strategy implemented in more participatory way in districts. Gender concerns need to be pragmatically mainstreamed into the project awareness building and empowerment strengthened in meetings. Quality of services needs to be monitored and linked in right order to livelihoods. Pragmatic trainings fitted for the illiterate poor are required. More frequent field monitoring is also required.

93. The project financial management system is improving after finance and accounting positions in PCU and most of the districts were fulfilled. It has been rated as *moderately satisfactory*. The project is submitting WA expenditures regularly. Withdrawal applications have been submitted within six months of expenditure and efforts have been made to settle outstanding audit issues. The staffing situation has improved allowing the project to start real implementation. Counterpart funds are satisfactory and compliance with loan covenants is satisfactory. Procurement is moderately satisfactory and Assets management is moderately satisfactory. Some problems remain: Audit is moderately unsatisfactory as auditor's opinion on project accounts is pending, not because of PCU but due to external factors. Other moderate problems relate to fund disbursement, internal control systems, assets management and preparation of project accounts and timeliness of audit, lack of Compliance officer, calculating community contribution, and Advance settlement are pending in name of existing GoN employees and the project staffs, which in some cases are from above six years.

94. Overall WUPAP project is now in implementation mode but has not yet reached full delivery. With 20% of AWPB delivered 3 months before the end of fiscal year, serious efforts are needed to deliver remaining 80% in quality activities. For the coming fiscal year, CIP thresholds will be increase in order to fund more activities and diversify them as per mission recommendations. Additional efforts will be required for capacity building at grass root level as well as among facilitators and service providers. The ratio between running costs and investments should be improved in favour of the latter.

95. Agreement was reached by all parties attending the wrap-up meeting on 31 March in Kathmandu. A pre-wrap meeting also confirmed the project observations and recommendations.



Figure 18 Radjiyula VDC, Rukum District

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Nepal			Project ID	1119	Loan/DSF Grant No.	576
Project	Western Upland Poverty Alleviation Project					Supp. Loan/DSF Grant	8010
Date of Update	16-Apr-2014					Financing terms	HC
Supervising Inst.	IFAD/IFAD						
No. of Supervisions	11	No. of Implementation Support/Follow-up missions	6				
Last Supervision	01-Apr-2013	Last Implementation Support/Follow-up mission	August 2013				

USD million Disb. rate %

Approval	09-Jul-2012			Total costs	14.82	9
Agreement	05-Feb-2010	Effectiveness lag	13	IFAD Total	10.64	8
Effectiveness	05-Jul-2010	PAR value	Actual Problem	IFAD loan	10.64	8
MTR	23-Aug-2012			DSF grant		
Current completion	30-Sep-2017	Last Amendment	02-Jul-2012	IFAD grant		
Current closing	31-Mar-2018	Last Audit	20-Feb-2013	Domestic Total	4.18	11
No. of extensions	1			Beneficiaries		
				Government (Local)		
				Government (National)	4.18	11
				Private Sector Local		
				Co-financing Total		
				WFP		

Project Performance Ratings

B.1 Fiduciary Aspects	Last	Current	B.2 Project implementation progress	Last	Current
1. Quality of financial management	2	4	1. Quality of project management	3	4
2. Acceptable disbursement rate	2	4	2. Performance of M&E	4	4
3. Counterpart funds	3	5	3. Coherence between AWPB & implementation	3	4
4. Compliance with loan covenants	2	5	4. Gender focus	4	3
5. Compliance with procurement	4	4	5. Poverty focus	4	5
6. Quality and timeliness of audits	4	3	6. Effectiveness of targeting approach	4	5
			7. Innovation and learning	4	4
			8. Climate and Environment Focus		4
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
Community Empowerment	3	3	1. Institution building (organizations, etc.)	4	3
District Service Delivery Improvement	3	4	2. Empowerment	5	4
			3. Quality of beneficiary participation	4	4
			4. Responsiveness of service providers	4	4
			5. Exit strategy (readiness and quality)	4	4
			6. Potential for scaling up and replication	5	4

B.5 Justification of ratings

Overall implementation has improved from moderately unsatisfactory to moderately satisfactory with established momentum in

implementation. Financial management has also improved. The justification for ratings (B1): 1. Quality of financial management : Rated as moderately satisfactory, compared to unsatisfactory last year; 2. Acceptable disbursement rate . There was no disbursement PYr. The project might still have around 78 % disbursement planned this year; 3. Counterpart funds – No budgetary problems as in previous year; 4. Compliance with procurement - Rated same; 6. Quality and timeliness of audits – Audit not completed yet. . , except for the audits yet to be received. Gender focus and social impact have declined not because of the project progress as such but because the earlier missions have not had expertise to assess social and gender sustainability. Much more efforts need to be given for building sustainability of social organisations, their activities and the quality of beneficiary participation.

Overall Assessment and Risk Profile

		Last	Current
C.1	Physical/financial assets	4	4
C.2	Food security	3	4
C.3	Quality of natural asset improvement and climate resilience		4
C.3	Overall implementation progress (Sections B1 and B2)	3	4

Rationale for implementation progress rating:

Overall project implementation has improved and progress made in project activities, including CIPs and selection of livelihood activities.

C.4	Likelihood of achieving the development objectives (section B3 and B4)	3	4
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Rationale for development objectives rating:

There are grounds for cautious optimism. provided more attention will be given to the quality of service support, selection of activities as well as interaction with the beneficiaries. Organisations are not yet strong enough to make demands. There is however a genuine and strong commitment from MCPA, MFALD and MOF for project delivery.

C.5 **Risks** *Short description of major risks for each section and their impact on achievement of development objectives and sustainability*

Fiduciary aspects	<ul style="list-style-type: none"> Financial management and control within the project has improved. Most of the vacant staff position have been fulfilled. Auditing and advance payments still require attention.
Project implementation progress	<ul style="list-style-type: none"> M&E within the project has improved since earlier stages. Quality of interventions and social impact now requires attention.
Outputs and outcomes	<ul style="list-style-type: none"> Quality of all outputs requires attention: services, selection of livelihoods, building sustainable organisations, organising functional training and in generally empowering the beneficiaries and their organisations. Practical gender strategy is required and Janajati cultural and social concerns to be integrated into the project activities.
Sustainability	<ul style="list-style-type: none"> Phase III, if successful, has the potential to be a role model for changes in wider local government planning and investment process and local service delivery systems, provided more attention is given to the quality of interventions, as recommended in this report.

Outcome 2/ component2: District Service Delivery Improvement	<p>31.80% satisfaction of target people with farming improvement services and technical support/training provided by DADO, DLSD and DFO.</p> <p>32.80% of household trained by DADO/DLSD/DFO adopt at least 50% of the technology components they receive training on for at least 2 production seasons after training (monitor each season)</p>	<ul style="list-style-type: none"> Pre- and post -activity beneficiary surveys and group discussion Annual VDC-level results monitoring survey RIMS plus - Phase III baseline & end-line 	District agencies have sufficient numbers of appropriate skilled staff to deliver required service
Output 1: Service Excellence Challenge Fund	33.80% of district service improvement projects implemented meet the key implementation and impact targets set in their proposal	<ul style="list-style-type: none"> District Agencies progress reports PCU progress report 	District agencies are committed to participate in project
Output 2: Farm Field School Pilots & Rollout	<p>34.5 FFS training courses developed/adapted, including all training materials, approaches and ToT materials</p> <p>35.At least 25 FFS pilot courses implemented</p> <p>36.At least 40 technical staff trained in each successful FFS methodology</p>	<ul style="list-style-type: none"> FFS training materials and documents FFS pilot activity and impact reports ToT training records 	

Appendix 2: Updated Logframe

LOGFRAME																		
Back to Summary	Level	Source	Indicators	Unit	Target current year	Per year				Cumulative years				End of Project				
						PY10 (12-13)	PY11 (13-14)	PY12 (14-15)	PY13 (15-16)	PY10 (12-13)	PY11 (13-14)	PY12 (14-15)	PY13 (15-16)	Total	Project target	Actual	% of project target	
Project Goal																		
	3	RIMS	Percentage of women headed hhs in first quintile (poorest)	%														
	3	RIMS	Percentage of children under 5 in the category "Chronic Malnutrition"	%														
	3	RIMS	Percentage of children under 5 in the category "Acute malnutrition"	%														
	3	RIMS	Percentage of children under 5 in the category "Underweight"	%														
	3	RIMS	Percentage of hhs reporting one hungry season	%														
	3	RIMS	Percentage of hhs reporting two hungry seasons	%														
	3	RIMS	Percentage of hhs using unsafe water	%														
	3	RIMS	Percentage of hhs with toilet	%														
	3	RIMS	No of hhs directly participating in the project	hhs						0	0	0	0	0		0	#DIV/0!	
Project Purpose																		
	2	COSOP	% increase in average hh net income	%												0	#DIV/0!	
	2		% increase in average hh production of crops, NTFP/MAFS	%												0	#DIV/0!	
	2		% increase in average hh herd size (livestock index)	%												0	#DIV/0!	
	2		% of HH with >20% increase in physical (e.g. land, equipment) or financial resources	%												0	#DIV/0!	
Per Component																		
1.Component																		
Community Empowerment	2	COSOP	People who believe their priorities were equitably reflected in CIP plans and implementation	%		99										70	99	141%
	2		Participants who are satisfied with CIP process (planning, implementation and governance)	%		99										70	99	141%
	2		CIP implementation that exceeds 70% physical and financial progress against plan for each year	%		0										70	0	0%
	2		COs and other groups graduating to self-sustaining status	%		NA										70	NA	#VALUE!
	2		HHs adopting improved nutrition practices	%		NA										70	NA	#VALUE!
1.1 Sub-Component																		
Social Empowerment	2	COSOP	Participatory Community Investment plans prepared	Investments plans		66				66	66	66	66	66	153	66	43%	
	2		People who are satisfied with the pre-feasibility technical advice on agriculture (incl. livestock and forestry) and infrastructure	%		60									70	60	86%	
	2	COSOP	Identified target hhs in each VDC reporting active participation of women and men from the HH in participatory CIP process	%		100									70	100	143%	
	2	COSOP	VDCs conducting public audit each year covering all project supported activities	%		0									90	0	0%	
	2		Satisfaction with overall services, infrastructure and other investments under CIP (disaggregated by respondent)	%		0									80	0	0%	
	2		Number of hh where men and women both receive nutrition training and/or awareness raising activities	hhs		285				285	285	285	285	285		285	#DIV/0!	
1.2 Sub-Component																		
Economic Emowerment	2	COSOP	Satisfaction among farmers with farming improvement services and technical support/training	%		80									80	80	100%	
	2		HHs adopting at least 50% of the technology components they receive training on for at least 2 production seasons after training	%		35									80	35	44%	
	2	COSOP	No of hhs reporting increase in unit sales price for produce above changes in local market prices	hhs		0				0	0	0	0	0		0	#DIV/0!	
	2		% of vocational trainees receiving >25% increase in wage rate after training (corrected for inflation)	%		0										0	#DIV/0!	
	2	COSOP	Infrastructure with appropriate design, construction and O&M system	%		0									80	0	0%	
	2		No. of HHs using schemes	hhs		0				0	0	0	0	0		0	#DIV/0!	
	2		Average monthly time and/or cost savings per HH			0				0	0	0	0	0		0	#DIV/0!	
	2		Increase in annual irrigated production area (=area of actual irrigated land X number of seasons irrigated)	ha		0				0	0	0	0	0		0	#DIV/0!	
	2	COSOP	CO's planned in CIP to receive capital meet criteria and receive Loan Capital by end of 3 yr plan.	%		40									70	40	57%	
	1		No of investments completed for the five types of eligible investment	Investments		0				0	0	0	0	0		0	#DIV/0!	
1		No of beneficiaries by each of the five types of investment	Beneficiaries		0				0	0	0	0	0		0	#DIV/0!		
1.2 Sub-Component																		
District Service Delivery Improvement	2		Satisfaction of target people with farming improvement services and technical support/training provided by DADO, DLSO and DFO	%		0									80	0	0%	
	2		HHs trained by DADO/DLSO/DFO adopt at least 50% of the technology components they receive training on for at least 2 production seasons after training	%		0									80	0	0%	
	1	COSOP	District service improvement projects implemented meet the key implementation and impact targets set in their proposal	%		0									80	0	0%	
	1		FFS training courses developed/adapted, including all training materials, approaches and ToT materials	FFs trainings		0				0	0	0	0	0		5	0	0%
	1		FFS pilot courses implemented	FFs courses		0				0	0	0	0	0		25	0	0%
	1		Technical staff trained in each successful FFS methodology	Staff		2				2	2	2	2	2		40	2	5%

Appendix 3: Summary of key actions to be taken within agreed timeframes

Action Area	Action Agreed	Date	Whom
Project implementation	PM: Project needs to align with IFAD and the GoN policies and strategies on indigenous peoples and gender as part of empowerment activities. Attention needs to be given to gender mainstreaming and Janajatis' development with culture and identity in livelihoods (ILO169).	Immediately	PCU
Outputs	CIP to be revised and refined for next year to include effective pre-feasibility/feasibility technical advice to communities as well as explore inclusion of left out poorest community members and new members with an additional fund/increased threshold with IFAD no objection.	By Sept 2014	DPCU
	CIP in Janajati communities to be revised to build on their specific knowledge and culture, blending traditional knowledge and modern technology wherever possible, with particular attention to youth. This to be done with the facilitation of Janajati NGOs/experts while revising CIP plans	By Sept 2014	DPCU
	Economic empowerment: training programs, where possible, are organized through recognized institutions so that the trained persons are properly trained and recognized by the local and national markets. For business awareness it is recommended that the project organizes TOT for SMs (by district) in fundamentals of business development to guide the beneficiaries in a pragmatic way	By 15 August 2014	PCU+IFAD
	SM: SMs complete the beneficiary level orientation.	By August 2014	DPCU
	Service Provision: Organize a three day TOT for the service providers (staff) in experiential/hands on training for the poor who are mostly illiterate in both livestock and crop production.	By 30 June 2014	PCU
	Service Excellence Challenge Fund 50 % of these funds to be used for community empowerment and staff capacity building subject to IFAD no-objection.	15 July 2014	PCU & IFAD
Project implementation progress	PM: Recruit senior livestock technicians (consultants) one for each project district omitting the positions created for the Regional Directorates for the project period.	By 31st July 2014	PCU
	PM: PCU to double the number of field visits (taking into consideration meteorological conditions) to strengthen self-sustainability of target communities as well to coach service providers and district staff in the complex task that poverty alleviation demands. Government policy/regulation on project working modalities for government appointed project coordinator needs to be adjusted for allowing more working time in project VDC/project areas.	April 2014 onwards	PCU & GoN
	M&E: Amendment of Logical Framework according to Mission recommendations, especially on social empowerment and strengthening results monitoring.	By 16 th April 2014	Mission Members
	M&E: Refine and complete the M&E guidelines and systems based on workshop findings, gender disaggregated indicators need to be developed and included in monitoring	By July 2014	PCU
	M&E: Explore adaptation of MIS system in consultation with HVAP	By July 2014	PCU
	M&E: Compile and complete the baseline data to set annual programme targets and specify indicators in the Logical Framework	By end 2014	PCU
	KM: WUPAP establish KM programme to document the project's 15 year experience before closing.	On-going	PCU
	KM: Learning Routes to be organised before the end of the project in coordination with PROCASUR Asia	Before end of project	PCU & IFAD
	Gender: Train and develop pragmatic gender strategy to address gender discrimination faced by various social groups (Dalits, Janajatis & others) in line with IFAD's gender policy and GoN gender-responsive policies and	September 2014	PCU

	legislations (GESI), involving and WCDOs, SMs and CPCU, DPCU to be associated with this process, in addition to project staff		
	Last equipment to be bought: 4x4 car + 10 additional motorcycles for districts + internet equipped phones for field staff	August 2014	PCU
Fiduciary Aspects	Advance for Infrastructure projects: Instructions to release advance to user communities	Immediately	GoN
	Design Finalization & cost estimates for Infrastructure Projects: DTO approval required only for project cost exceeding NPR 1 million.	On-going	MOFALD/DDC
	Audit Report of FY 2012/13: Submit audit report to IFAD	30 April 2014	PCU/OAG
	Phase II Accounts: Settlement of Phase I and II balance and source re-allocation to GoN	15 May 2014	MOCPA/MOF
	Action Plan for Settlement of Audit Issues: Prepare an action plan for audit issue settlement and approve from Project Steering Committee	15 May 2014	PCU
	Grant Balance: Reassigning grant amount of phase II to phase III	15 May 2014	IFAD
	Staffing: Appoint full time accountants in remaining three districts-	15 May 2014	IFAD
	Travel Log: Develop travel approval format and travel log and implement in PCU and all districts	15 May 2014	PCU
Sustain-ability	COs: Map COs which could be affiliated with the cooperatives and for those who cannot be affiliated prepare a strategy for their institutional development	30 June	PCU / DPCU
	Infrastructure: Project Assistant /sub Engineers together with the Social Mobilizers spend adequate time in planning and alignments of infrastructures.	On-going	DPCU & PCU
	CPCU members are provided with daily subsistence allowance when visiting very remote villages, for overnight stays. Additional funds need to be required.	July 2014	PCU& IFAD
	Economic Sustainability (i) service providers should not only provide livelihood assets but also provide technical services on paid basis by the project; (ii) the project/DPCU gets quarterly feed-back from the CPCU meeting on the service performance of the service providers; (iii) the project/DPCU organizes media trips on quarterly basis for on-site performance recording and dissemination.	July 2014	DPCU
	MTR: Mid-Term Review mission should critically assess the livestock program and provide guidance on its sustainability and propose alternative skill development programs. The Mid-Term Review should also assess the sustainability of other selected livelihood activities within CIPs and propose an exit strategy	By next IFAD mission	PCU / IFAD
Other	Nutrition: Nutrition knowledge and awareness campaigns linked to kitchen gardens to be promoted and awareness raised among the household members, including men. Media such as radio can also be used to distribute messages. Janajati knowledge on nutritive traditional nutritious food should also be promoted (millet, forest products, etc.).	On-going	DPCU

Appendix 4: Physical progress measured against AWP&B,including RIMS indicators

	Period: from July 16 th 2013 to February 12 th 2014									
Results #	Objectives/Expected Results	Indicators	Implementation targets			Budget			Expenses till 2nd trimester FY 2013/14	Total
		Project Indicators	Planned (Annual)	Achieved (Annual)	%	Planned (Annual)	Spent (Cumulative)	%	Spent Total	%
C1	Component 1: Community Empowerment	70% of people who believe their priorities were equitably reflected in CIP plans and implementation								
		70% of participants are satisfied with CIP process (planning, implementation and governance)								
		70% of CIP implementation that exceeds 70% physical and financial progress against plan for each year								
		70% of Co and other groups graduating to self-sustaining status								
		70% of CO and other groups graduating to self-sustaining status								
		70% of HH adopting improves nutrition practices								
	Activities 1.1.1. 1 Pre-feasibility assessment and advice	Prefeasibility Study and advice by technical manpower on demanded infrastructure and non-infrastructure in 108 VDC	108	45		2052	2203.26		1101.63	
	Activities 1.1.1.2 Participatory Community Investment Planning Process	153 CIP preparation will be completed	108	45		650			50	
	Activities1.1.1.2.1CIP format preparation	Preparation of the format for the CIP preparation	0	1		0				
	Activities 1.1.1.2.2days orientation training to S.M about the CIP	S.M will be aware about the concept and working modality of CIP	0	8		0	1161			
	Activities 1.1.1.2.3 Training to the CPCU members about the participatory planning for 2 days	CPCU members will be trained on the issued	0	8		0	1988.86			
	Activities1.1.1.2.4 CIP preparation for each district and publish	8 district level consolidated CIP will be prepared	8(153)	0		400	50		50	
	Activities 1.1.1.2.5CIP publication at central level	1 PCU level consolidated CIP will be prepared	1 (153)	0		250	0			

	Activities 1.1.1.3 Annual public audit and CIP updating	Designed CIP will be updated by community and implementation status will be approved from community through public audit	0			0			0	
	Activities 1.1.1.3.1 Annual public audit	Implementation of the sub project will be approved by the community through public audit	0	0		0				
	Activities 1.1.1.3.2 Updating of CIP	CIP will be updated by community if necessary	0	0		0				
Total Budget for output 1.1.1						2702			1151.63	43
	Output 1.1.2 Graduation of existing community organization and groups	Raising the internal management capacity, transparency and governance within the group								
		Establishing a reliable process for local external oversight and review to strength the accountability and governance of the group								
		Consolidation of the saving and credit activities of the various groups within the VDC into one or two larger saving and credit organization								
	Activities 1.1.2.1 Cos consolidation and link to MFI's/Banks	Merger of CO's or graduation of CO's into cooperatives and link with financial institution for sustainability	0	0		0	0			
	Activities 1.1.2.1.1 ToT training to Community members on CO consolidation and graduation into cooperative	CO's which are eligible for graduation will be graduate into cooperatives	0	0		0				
	Activities1.1.2.1 .2 Support in linking CO's	CO's or cooperative will be link to financial institution	0	0		0				
	Activities 1.1.2.2 Short term national TA for CO consolidation	TA will support project in Cos consolidation process	0	0		0				
	Activities 1.1.2.3 CO's graduation grant	60% of the CO's will receive this grant bases on reaching self-sustaining status	0	0		0				
	Total Budget for output 1.1.2					0				0
	Output 1.1.3 Nutrition Awareness	Number of household where men and women both receive nutrition training and/ or awareness activities								
	Activities 1.1.3.1 ToT and refresher	Provide refreshers to the SMs and Community	16			1621	567.7		567.7	
	Activities 1.1.3.1.1 Awareness training for 2 days to the S.M about the nutrition	135 SM will be trained on nutrition in 8 district	8	0		990	567.7		567.70	
	Activities 1.1.3.1.2 Nutrition awareness program	Awareness program will be conducted in 113 VDC	8	1		631	0			

	Activities 1.1.2.2 Short term national TA for nutrition campaign	Ta will support project in nutrition awareness campaign	0	0		0			
	Activities 1.1.5.3 Campaign material	Materials will be prepared for the nutrition awareness	153	0		700	0		
	Total Budget for output 1.1.3					2321	567.7		567.7 24
	Total for Component 1.1					5,023	1719.33		1,719 34
	Component 1.2 Economic Empowerment	No of investments completed for five types of eligible investment							
		No of beneficiaries by each of the five type of investment							
		<u>Farming improvement</u> 80% satisfaction among farmers with farming improvement services and technical support/training 80% of HHs adopt at least 50% of the technology components they receive training on for at least 2 production season							
		<u>Market linkage</u> Number of households reporting increase in unit sales price for produce above changes in local market prices							
		<u>Vocational training</u> % of vocational trainees receiving >25% increase in wage rate after training (corrected for inflation)							
		<u>Infrastructure</u> 80 % of infrastructure with appropriate design, construction and O&M system Labor savings infrastructure No. of households using schemes Average monthly time and/or cost savings per household Productive infrastructure Increase in annual irrigated production area (=area of actual irrigated land X number of seasons irrigated)							
		<u>Loan capital</u> 70% of CO's planned in CIP to receive capital meet criteria and receive Loan Capital by end of 3 yr. plan.							
	Activities 1.2.1 CIF investment according to CIP in 8 district	No of investments completed for five types of eligible investment	153			164365.05	21148.81		21,148.81

C2	Output 1.2.1 Farming Improvement	80% satisfaction among farmers with farming improvement services and technical support/training 80% of HHs adopt at least 50% of the technology components they receive training on for at least 2 production season							
	Activities 1.2.1.1								
	Total for output 1.2.1					164365.05	21148.81	21148.81	13
	Activities 1.2.2.1								
	Total for output 1.2.2					0			0
	Output 1.2.3 Social Mobilization	153 people at the community level will be used for the social mobilization at the field level							
	Activity 1.2.3.1 Social Mobilizers salary and allowance	Salary paid to social mobilizers	153	153		36,806	24606.53	24,606.53	
	Activity 1.2.3.2 ToT and Training to S.M	Training provided to S.M	8			2000	1048.04	1048.04	
	Activity 1.2.3.2.1 ToT to S.M on participatory Rural appraisal	Training provided to S.M		8		0			
	Activity 1.2.3.2.2 ToT to S.M on Cooperative Development	153 SM will be trained	8	0		2000	1048.04	1048.04	
	Total for output 1.2.3					38,806	25654.57	25,655	66
	Total for Component 1.2					203,171	46803.38	46,803	23
	Total for Component 1					208,194	48522.71	48,523	23
	Component 2 District Service Improvement	80% satisfaction of target people with farming improvement services and technical support/training provided by DADO, DLSO and DFO.							
		80% of household trained by DADO/DLSO/DFO adopt at least 50% of the technology components they receive training on for at least 2 production seasons after training (monitor each season)							

C3	Output 2.1 Service Excellence Challenge Fund	80% of district service improvement projects implemented meet the key implementation and impact targets set in their proposal								
	Total for output 2.1									0
	Output 2.2 Farm Field School Pilots & Rollout	5 FFS training courses developed/adapted, including all training materials, approaches and ToT materials								
		At least 25 FFS pilot courses implemented								
		At least 40 technical staff trained in each successful FFS methodology								
	Activities 2.2.1 FFS Designed and material preparation	FFS materials for Potato and Cauliflower will be prepared	2			300	0			
	Activities 2.2.2 FFS Pilot	FFS in 2 sites will be carried out	2			400	200		200	
	Activities 2.2.3 FFS roll out of capacity building	ToT will be provided to the Line agency staffs	1			300	100		100	
	Total for output 2.2					1000	300		300	30
	Output 2.3 Human resource Development	Professional training to service provider staffs	0			0				
	Total for output 2.3					0				0
	Total for Component 2					1000	300		300	30
	Component 3 Project management	8 Beneficiaries oversight Board formed								
		Project Coordination and Meeting								
		Regional Directorate M&admin cost								
		Program Monitoring								
		Planning Monitoring Evaluation and Knowledge Management System								
		Baseline Survey and Poverty mapping								
		Capital Purchase								
		Local Technical Assistance								
		Studies and Reports								
		Admin and Management								
		Salary								
	Output 3.1 Meeting and workshop at District level	Various nature of meeting and workshop will be held in district level								

	Activities 3.1.1 Beneficiaries Oversight Board (BoB) Event	2 BoB meeting in each district	8	2		958	62.5		62.5	
	Activities 3.1.2 Project Meeting, Coordination committee and workshop	8 DSCC meeting in each district	8			1183	602.71		602.71	
	Activities 3.1.2.1 District Service Coordination Committee formation and Meeting		64	64		448	174.63		174.63	
	Activities 3.1.2.2 Formation and meeting of Community Project Coordination Unit	153 CPCU will be formed. 153 meeting will be conducted	153	45		735	428.08		428.08	
	Activities 3.1.2.3 Orientation at the District level	Orientation about the new phase in each district at various level		8		0				
	Total for output 3.1					2141	665.21		665.21	31
	Output 3.2 Meeting and workshop Ministry, PCU and Regional Level	Various nature of meeting and workshop conducted by PCU for coordination				2690	327.37		327.37	
	Activities 3.2.1 Orientation to different stakeholders at Ministry, District and regional level about the project by PCU	Awareness about the new project modality to various stakeholders including Ministry	L.S			200	0			
	Activities 3.2.2 PSC meeting	4 PSC meeting will be conducted in this year	4	4		350	292.41		292.41	
	Activities 3.2.3 Regional Coordination Meeting	Meeting with various regional line agencies	3	3		120	34.96		34.96	
	Activity 3.2.4 Review Planning Workshop		1	1		2020	0		0	
	Total for output 3.2					2690	327.37		327.37	12
	Output 3.3 Human Resource Development	Support in development of project H.R through training, workshops, and visits								
	Activity 3.3.1 Professionals training and Exposure visits	Training and exposure visits to the Project staffs	8			4000	149.06		149.06	
	Activity 3.3.1.1 Professional training and workshop participation cost to project staffs organized by IFAD and other organization	Training and exposure visits to the Project staffs	1	2		500	149.06		149.06	
	Activity 3.3.1.2 Training to staffs on various issues (M&E Workshop on IIIrd phase data collection system finalization, Business counseling and Entrepreneurship Development Training, Training on periodic & strategic commodities business planning to cooperative, CIP compilation software application orientation for operation, account staffs and other as required by the project)	5 planned training will be conducted to the staffs Other activities will be based on demands and requirement	6			2300				
	Activity 3.3.1.3 Learning Route training on Youth and Rural Finance	9M&E Officers and 1 MIS officer of projects will be trained in LR	1			1200				
	Activity 3.3.1.4									
	Total for Output 3.3					4000	149.06		149.06	4
	Output 3.4 Monitoring, Evaluation and Knowledge Management									

Activity 3.4.1 Project Monitoring Cost		9			12350	6609.8		6609.8	
Activity 3.4.1.1 Regional Directors operation and Monitoring Cost	At least 1 field visit by RD technical staff in districts	6			1200	375.84		375.84	
Activity 3.4.1.2. Monitoring and Supervision cost by Cooperative office for support in graduation of CO's into cooperatives		0			0				
Activity 3.4. 1.3 Program Monitoring Cost by PCU, and District		32			8800	6005.84		6005.84	
Activity 3.4.1.4 Knowledge Management System									
Activity 3.4.1.4.1 Documentary preparation, brochure, baseline format printing, newsletter and WUPAP program awareness program through FM and radio	At least 2 documentary 3 newsletter 32 FM program and brochure will be prepared and printed	12	2		900	228.12		228.12	
Activity 3.4.1.4.2 MIS system preparation	1 MIS system will be prepared	1			300	0			
Activity 3.4.1.4.3 Accounting Software installation	Talley software installation in 8 district and renew in PCU	9	1		1000	0			
Activity 3.4.1.4.4 Baseline information analysis software		0	1		0	0			
Activity 3.4.1.4.5 CIP progress mapping tool	1 CIP process mapping tool will be prepared	1			150	0			
Activity 3.4.2 Studies and Publication		5			3662	1695.4		1695.4	
Activity 3.4.2.1 Appreciative Participatory Rural Appraisal with well-being ranking and Baseline	APR in 108 VDCs will be carried out and baseline data will be filled of targeted HHS	1	45		2162	1695.4		1695.4	
Activity 3.4.2.2 Data collection format for Baseline in each VDC		1	45		300				
Activity 3.4.2.3 Baseline data compilation and selection of core beneficiaries	Baseline will be compiled for 153 VDCs	1	45		600				
Activity 3.4.2.4 Project implementation guideline		0	1		0				
Activity 3.4.2.5 Report Preparation and Publication	Different Studies will be carried out and published	2			600				
Total for output 3.4					16012	8305.2		8305.2	52
Output 3.5 Equipment Purchase									
Activity 3.5.1 Vehicle Purchase	1 four Wheel Drive vehicle will be purchased	1			5500	0			
Activity 3.5.2 Motorbike purchase		0	9		0	179.1			
Activity 3.5.3 Laptop Computer purchase		0	30		0	2390			
Activity 3.5.4. Office equipment and furniture		19			1500			0	
Activity 3.5.3 Audio Visual equipment Purchase		0			0				
Activity 3.5.4 Information Management related equipment purchase		0							
Activity 3.5.5 Furniture, Solar and battery for electricity support	8 Solar Panel and batteries will be purchased	10			1000				

Activity 3.5.6 Printer, Scanner purchase, Multimedia Projector	9 Printer, 8 scanner and 1 projector will be purchased	9			500				
Total for output 3.5					7000	2569.1		0	0
Output 3.6 Local Technical Assistance		21			13927	11470.78		5735.39	
Activity 3.6.1 Staff hiring Cost	5 position of TA and 1 position of Accountant in 8 districts will be filled	2			1200	1281.52		640.76	
Activity 3.6.2 LTA Cost	17 regular TA will be paid salary and short term TA	19			12627	10189.26		5094.63	
Activity 3.6.3 Subproject Account preparation					100	0			
Total for output 3.6					13927	11470.78		5,735.39	41
Output 3.7 Admin and Management									
Activity 3.7.1 Admin Cost		9			10106	6795.9		3397.95	
Activity 3.7.2 Salary to Staff		9			29368.95	30873.78		15436.89	
Total for output 3.7					39474.95	37669.68		18834.84	48
Total for 3					85244.95	61156.40		34017.07	40
Grand Total					294439.00	109979.11		82839.78	28

Appendix 5: Financial: Actual financial performance by financier; by component and disbursements by category

Table 5A: Financial performance by financier

Phase I (As at 15 July 2007)

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	2,921.00	2,549.34	87%
IFAD grant	292.00	232.54	80%
Co-financier Government	299.00	103.16	35%
Total	3,512.00	2,885.04	82%

Phase II (As at 12 February 2014)

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	10050.00	10,808.82	108%
IFAD grant	288.00	324.08	113%
Government	2243.00	1,367.57	61%
Local Government	501.00		0%
Beneficiaries	390.00		0%
Private Sector	14.00		0%
Total	13,486.00	12,500.53	93%

Phase III (As at 12 February 2014)

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan	10643.00	854.24	8%
IFAD grant			
Government	4180.00	457.53	11%
Local Government			
Beneficiaries			
Private Sector			
Total	14,823.00	1311.77	9%

Table 5B: Financial performance by financier by component (USD '000)

Phase I

Component	IFAD loan			IFAD grant			Co-financier			Government			Domestic 1			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Infrastructure		504.60			2.81											416.00	507.41	122%
Leasehold Forest and NTFP		348.95			0.69											677.00	349.64	52%
Crops and Livestock		332.59			4.90											428.00	337.49	79%
Microfinance and Marketing		111.61														238.00	111.61	47%
Institutional Development		1,251.59			224.13					299.00	103.16					1,753.00	1,578.88	90%
Total	2,921	2,549.34	87%	292.00	232.53	80%				299.00	103.16					3,512.00	2,885.03	82%

Phase II

Component	IFAD loan			IFAD grant			Local Government			Government			Beneficiaries & Private Sector			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Community Infrastructure	3,106.00	3,257.05	105%				385			181.00			42			3714.00	3,250.97	88%
Leasehold Forest & NTFP	1,954.00	2,227.02	114%				116			132.00			362			254.00	2,227.02	87%
Crops and Livestock	1,442.00	1,624.14	113%							188.00						1630.00	1,624.14	100%
Microfinance & Marketing	1,325.00	470.04	35%							401.00						1726.00	470.04	27%
Institutional Support	1,786.00	3,230.44	181%	169.00	324.08	192				1,341.00	1,367.57	102				3,296.00	4,922.09	149%
Unallocated	437.00			119.00												556.00		
Total	10,050.00	10,808.82	108%	288.00	324.08	113	501.00			2,243.00	1,367.57	61	404.00			13,486.00	12,500.47	93%

Phase III

Component	IFAD loan			IFAD grant			Local Government			Government			Beneficiaries & Private Sector			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Community Infrastructure	7,194.00	460.73	6%							1,370.00	87.76	6%				8,564.00	548.49	6%

Leasehold Forest & NTFP	2,543.00	76.55	3%			484.00	14.58	3%		3,027.00	91.13	3%
Crops and Livestock	4,651.00	384.18	8%			886.00	73.18	8%		5,537.00	457.36	8%
Microfinance & Marketing	953.00	5.12	1%			182.00	0.98	1%		1,135.00	6.10	1%
Institutional Support	1,657.00	388.39	23%			2472.00	368.79	15%		4,129.00	757.18	18%
Unallocated	839.00					156.00				995.00	-	0%
Total	10,643.00	854.24	8%	-	-	4,180.00	457.53	11%	-	14,823.00	1,311.77	9%

Table 5C: IFAD Loan 576 disbursements (SDR, as at 17-03-2013)

Phase I

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
I	Civil Works for Part A (II) of Project	240,000	322,562	322,562	-	-	100%
II	Equipment, Materials & Vehicles	520,000	195,427	195,427	-	-	100%
III	Training & Studies & CSO Services	970,000	776,576	776,576	-	-	100%
IV	Credit	70,000	63,917	63,917	-	-	100%
Va	Institutional & Management Support	200,000	184,986	184,986	-	-	100%
VI	Incremental Operating Cost (Excluding Salaries and Allowances)	210,000	149,427	149,427	-	-	100%
	Unallocated	90,000					
	Initial deposit						
	Total	2,300,000	1,692,895	1,692,895			

Phase II

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
VIII	Community Infrastructure	2,060,000	2,060,000	2,025,741.13	-	34,258.87	98.34%
IX	LFUG Development Investments	470,000	900,000	862,150.02	-	37,849.98	95.79%
X	Equipment, Materials and Vehicles	870,000	80,000	75,572.63	-	4,427.37	94.47%
XI	Crop & Livestock Sub-projects	160,000	540,000	513,138.85	-	26,861.15	95.03%
XII	Training and Workshops	930,000	1,200,000	1,135,285.75	-	64,714.25	94.61%
XIII	Studies and Research	290,000	240,000	242,314.29	-	(2,314.29)	100.96%
XIV	Contract for NGO Services and Institutional and Management Support	500,000	1,750,000	1,758,230.42		(8,230.42)	100.47%
XV	Credit Capital	600,000	7,000	6,403.19		596.81	91.47%
XVII	Operation Maintenance	520,000	350,000	239,958.67		110,041.33	68.56%
	Unallocated	300,000	180,104			180,104.00	
	Initial deposit	-	-	667,227.11			
	Total	6,700,000	7,307,104	7,526,022.06		448,309.05	93.86%

Phase III

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
III-1	Phase III Equipment & Vehicles	170,000.00		22,751.34		147,248.66	13.38%
III-2	Phase III Studies, Survey, Training and workshop	2,110,000.00		241,739.36		1,868,260.64	11.46%
III-3	Phase III Local Technical Assistance	500,000.00		42,764.55		457,235.45	8.55%
III-4	Phase III Challenge Fund	220,000.00				220,000.00	0.00%
III-5	Phase III Community Investment Fund	2,880,000.00				2,880,000.00	0.00%
III-6	Phase III Operation & Maintenance	520,000.00		106,987.25		413,012.75	20.57%
	Phase III Unallocated	200,000.00		-		200,000.00	
	Total	6,600,000.00	-	414,242.50		6,185,757.50	6.47%

IFAD Grant C 567 disbursements (SDR, as at 17-03-2013)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
Phase I							
Vb	Technical Support for Training, Implementation Support and Travel Allowance for Part E of the project	230,000	156,957.46	156,957.46	-	-	100%
	Sub Total	230,000	156,957.46	156,957.46	-	-	100%
Phase II							
XVII	Local Technical Assistance Training, Implementation Support and Travel Allowance for Part E of the project	60,000	133,042.54	133,020.66	-	-	100%
	Initial deposit						
	Total	290,000	290,000	289,978.12			99.99%

IFAD Grant DSF 8010/NP- Disbursements (USD, as at 17-03-2013)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
Phase II							
Vb	Local Technical Assistance	190,000	-	90,816.99	-	99,183.01	47.80%
	Sub Total	190,000	-	90,816.99	40,160.88	99,183.01	47.80%
				50,000			
	Initial deposit						
	Total	190,000	-	140,816.99			74.11%

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Status
1.05	<i>Appointment of the Cooperating Institution.</i> The Fund intends to appoint the United Nations Office for Project Services (UNOPS) as the Cooperating Institution, with the responsibilities set forth in Article III (The Cooperating Institution) of the General Conditions, to administer the Loan and supervise the Project, at the expense of the Fund, in accordance with the Cooperation Agreement. The Borrower hereby agrees to such appointment.	Complied with. IFAD now directly supervising since 2008
2.03	<i>Special Account.</i> (a) The Borrower shall open and thereafter maintain in the Kathmandu Bank Office of the Nepal Rastra Bank a Special Account denominated in US Dollars for the purpose of financing the Project.	Complied with
	(c)The Project Director shall operate the Special Account jointly with the Project Accounts Officer of the Ministry of Local Development in accordance with Section 4.08 of the General Conditions.	Being complied with
2.04	The Borrower and each Project Party shall use the proceeds of the Loan and the Grant exclusively to finance Eligible Expenditures in accordance with this Agreement and the General Conditions. Without limited the generality of the foregoing, it is agreed and understood that it is the policy of the Fund that neither the Loan nor the Grant proceeds be used to pay Taxes, including (but not limited to) any Taxes levied on the importation, procurement or supply of any goods, civil works or services financed by the Loan.	Complied with (The PCU communicated that taxes is being deducted while preparing WAs for disbursement)
3.01	The Borrower declares its commitment to the goals and purposes of the project as stated in Schedule 1	Being complied with
3.02	The PCU shall prepare a draft annual work plan and budget ("AWPB") for each Project Year in accordance with the procedure described in paragraph 17 of Schedule 3. Each draft AWPB shall include, among other things, a detailed description of planned project activities during the coming Project Year, and the sources and uses of funds therefore.	AWPB's are prepared at the district level in consultation with the VDCs and SMs based on Community Investment Plan for each VDC with inputs from PCU and consolidated at the PCU.
	The PCU shall submit each draft AWPB through the PSC and the Lead Project Agency to the Fund, for their respective comments and approval, no later than 15 th April of each fiscal year. If neither the Fund nor the Cooperating Institution comments on the draft AWPB within 30 days after receipt, the AWPB shall be deemed approved.	Not complied. AWPB of FY 2012/13 was submitted in September 2013
	The Lead Project Agency shall adopt each AWPB approved by the Fund and the Cooperating Institution, and the PCU shall provide copies thereof to the Fund and the Cooperating Institution, prior to the commencement of the relevant Project Year.	Not complied. AWPB not approved and available even after 3 months of the FY 2012/13

Section	Covenant	Status
	If required, the PCU, through the Lead Project Agency, may propose adjustments to the AWPB during the relevant Project Year, which shall become effective upon approval by the PSC and the Fund.	Being complied with
3.03	The Lead Project Agency shall open and thereafter maintain in the Kathmandu Banking Office of the Nepal Rastra Bank a current account denominated in US Dollars for receiving Grant funds to partially finance the Institutional Support component. The Project Director and the Project Accounts Officer of the Ministry of Local Development shall each be fully authorised to jointly operate the Grant Project Account.	Complied with
	The Lead Project Agency shall open and thereafter maintain in the Nepalganj branch of the Nepal Rastra Bank a current account denominated in Nepalese Rupees to receive Loan proceeds for PCU support. The PCU Project Account shall be protected against set-off, seizure or attachment on terms and conditions proposed by the Borrower and accepted by the Fund. The Project Coordinator and the Project Accounts Officer of the Ministry of Local Development shall each be fully authorised to jointly operate the PCU Project Account.	Not complied. Not relevant as the Government of Nepal is applying a Treasury Single System in all 75 districts. A current account denominated in Nepalese Rupees to receive Grant proceeds for PCU support is opened and maintained in Nepal Rastra Bank. Nepalganj Branch.
	The Lead Project Agency shall cause each DDC to open in the local branch of a commercial bank two current accounts in Nepalese Rupees for project operations one for funds for Green Road Sub-Component and the other for other project operations. The Local Development Officer and the Accounts Officer of the DDC shall each be fully authorised to jointly operate both the Green Road Project Account and the DDC Project Account.	Not complied with. Not relevant as the Government of Nepal is applying a Treasury Single System in all 75 districts. The Green Road Sub-component has already been dropped.
	The Lead Project Agency shall cause each LDFB to open in the local branch of a commercial bank a current account in Nepalese Rupees to receive funds from the DDC for project operations other than the Green Road Sub-Component. The Executive Secretary of the LDFB and the Team Leader of the District Team shall each be fully authorised to jointly operate the LDFB Project Account.	Not complied with. Not relevant as the Green Road Sub-component has already been dropped.
3.04	The Borrower shall make the proceeds of the Loan available to the Lead Project Agency in accordance with the AWPBs and its national procedures for development assistance to carry out the Project.	Being complied with.
3.05	In addition to the proceeds of the Loan, the Borrower shall make available to the Lead Project Agency and each other Project Party, promptly as needed, such funds, facilities, services and other resources as may be required from time to time to carry out the Project in accordance with this	Being complied with.

Section	Covenant	Status
	Agreement.	
	The Borrower shall ensure that the State makes available to the Lead Project Agency during the Project Implementation Period counterpart funds in an aggregate amount of approximately USD 5 926 000. In accordance with its national procedures for development assistance. For such purpose, the Borrower shall make budgetary allocations, annually in advance for each Fiscal Year, in an amount equal to the estimated counterpart contribution called for in the AWPB for the relevant Project Year and make such allocations available to the Lead Project Agency every four months in advance.	Being complied with.
	The Borrower shall also cause each DDC and VDC to make available to the LDFB during the Project Implementation Period counterpart funds in accordance with the relevant District Agreement as described in paragraph 9 of Schedule 3.	Being complied with
3.06	The Lead Project Agency shall transfer funds to the DDC and LDFB only if the relevant District Agreement is signed and delivered to the Fund and the Cooperating Institution.	Complied with
3.07	The PCU and each of the Project Parties shall procure all items financed by the Loan or Grant in accordance with Schedule 4	Being complied with
4.01	The PCU shall establish, as soon as practicable but in no event later than twelve months after the Effective Date, and thereafter maintain an appropriate information management system to enable it to continuously monitor the Project in accordance with Section 8.02 (Monitoring of Project Implementation) of the General Conditions, based on indicators selected by the PCU in consultation with the Participants and accepted by the Borrower and the Fund	Partially complied with.
4.02	The PCU shall submit to the PSC, the Fund and the Cooperating Institution thrice-annual and annual progress reports on Project implementation, as required by Section 8.03 (Progress Reports) of the General Conditions, no later than two months after the end of each reporting period.	Partially complied with
4.03	<p>The Borrower, the Fund, the Cooperating Institution and the Participants shall jointly carry out a review of Project implementation at the beginning of the second half of each of the fourth and eighth Project Years.</p> <p>Each Phase Review shall consider progress as well as constraints regarding achievement of Project objectives, and recommend such reorientation as may be required to achieve such objectives. Such progress and / or constraints shall be evaluated based on terms of reference prepared by the PCU and approved by the Fund and the cooperating Institution. Specific trigger indicators, described in paragraphs 19 and 20 of Schedule 3 shall set the minimum threshold to be met before the Project may proceed to the following Phase. The Fund shall determine whether the trigger indicators have been met.</p> <p>The results of the Phase review and recommendations thereon shall be communicated to the Fund, and shall be the basis upon which (i) the Fund shall determine whether its funding for the Project shall continue during the following phase, and (ii) in the event that the Fund shall continue its funding for the Project, a mutually accepted Action Plan and Design for the following Phase shall be formulated. The Borrower hereby acknowledges that unsatisfactory performance during any Phase, as evaluated according to the terms of reference and trigger indicators described above, may result in the decision by the Fund to delay the commencement of, or cease funding for, the following phase.</p> <p>(i) cease funding for the Project, any unused Loan and Grant Proceeds shall be cancelled;</p>	Being complied with

Section	Covenant	Status
	<p>(ii) Delay the commencement of the following Phase of the Project, the Borrower agrees to take any action as recommended and communicated by the Fund. A second review shall be conducted in accordance with the procedures set out. The results of such review shall be communicated to the Fund, which shall then make a final determination as to whether to continue to the following Phase or to cease funding under the Project. The delay shall not extend beyond one year, during which period the Borrower shall not incur eligible expenditures; or</p> <p>(iii) Proceed with the following Phase of the Project, the Borrower and the Fund shall agree on an Action Plan and Design for the following Phase, based on the findings of the current Phase Review. Such Action Plan and Design shall be finalised no later than two months prior to the end of the current phase, and shall result in reallocations of Loan and Grant Proceeds and/or other modifications to the Loan Documents.</p> <p>The Borrower shall ensure that, should the Fund decide the Project shall continue to the following Phase, the recommendations resulting from the current Phase Review are implemented within the time specified therefor and to satisfaction of the Fund. It is agreed and understood that such recommendations may result in modifications to the Loan Documents or cancellation of the Financing. It is further agreed and understood that failure to implement the recommendations resulting from any Phase Review within the time limits specified may result in cancellation of the Financing.</p>	
4.04	The PCU and the Cooperating Institution shall agree on the form and content of the Project Completion Report required by Section 8.04 (Completion Report) of the General conditions, and the PCU shall submit such Completion Report to the Borrower, the Fund and the Cooperating Institution for discussion no later than six months after the Project Completion Date. In addition to those minimum requirements specified in said Section 8.04, the completion report shall follow such relevant guidelines as the Fund may establish from time to time.	Not yet required
4.05	The Borrower and each Project Party shall facilitate all evaluations and reviews of the Project that the Fund may carry out during the Project Implementation Period and for ten years thereafter, as required by Section 10.05 (Evaluations of the Project) of the General Conditions.	Being complied with
5.01	The PCU shall prepare the financial statements of the operations, resources and expenditures related to the Project required by Section 9.02 (Financial Statements) of the General Conditions in respect of each Fiscal Year and deliver such financial statements to the Borrower, and the Fund within three months after the end of each Fiscal Year.	Complied with, delayed by four months on submission for 2013/2014.
5.02	<p>a) The Auditor-General of the Borrower or his or her designated representative shall audit the accounts relating to the Project for each Fiscal Year until the Closing Date.</p> <p>b) The Borrower shall have the financial statements relating to the Project audited each Fiscal year by the Auditor General in accordance with the International Standards of Auditing. In accordance with Section 9.03 of the General Conditions. The PCU shall deliver the audited accounts and reports as required to the Fund within six months of the end of each Fiscal Year</p>	<p>a) Being complied with.</p> <p>b) Final PFS for 2013/014 yet to be submitted.</p>
6.01	The Fund, after consultation with the Borrower, may suspend, in whole or in part, the right of the Borrower to request withdrawals from the Loan and / or Grant Account in accordance with Section 12.01 of the General Conditions, upon the occurrence of any of the events set forth therein;	N/A
6.02	The Fund may terminate the right of the Borrower to request withdrawals from the Loan and / or Grant Account in accordance with Section 12.02	N/A

Section	Covenant	Status
	of the General Conditions upon the occurrence of any of the events set forth therein, or if any Phase Review has recommended that the Project be terminated.	
6.03	The Fund may declare the outstanding principal amount of the Loan, together with all accrued and unpaid service charge thereon, immediately due and payable in accordance with Section 12.05 of the General Conditions, upon the occurrence of any of the events set forth therein.	N/A
6.04	If the Borrower does not timely furnish any audit report required by Section 5.02 and the Fund, after consultation with the Borrower, determines that the Borrower is unlikely to do so within a reasonable period thereafter, the Fund, or the Cooperating Institution on behalf of the Fund, may engage independent auditors of its choice to audit the accounts relating to the Project. For such purpose, the Borrower and the Project Parties shall make their financial and other records available to such auditors promptly upon request, accord them full rights and privileges as agents of the Fund. The General Conditions and otherwise cooperate fully with such audit. The Fund shall make the audit report available to the Borrower promptly upon its completion. The Borrower hereby authorises the Fund to finance cost of such audit by withdrawal from the Loan Account on behalf of the Borrower.	N/A
7.01	This Agreement shall become effective in accordance with Article XIII of the General Conditions	
SCH. 3 1.1	Ministry of Local Development in its capacity as the Lead Project Agency, shall have overall responsibility for the implementation of the project.	Not complied due to unilateral transfer by GoN of project to Ministry of Cooperatives and Poverty Alleviation
2.1	The Borrower shall establish and maintain throughout the Project Implementation Period a Programme Steering Committee ("PSC").	Complied with
3.1	The Borrower shall establish and maintain a Project Coordination Unit (the "PCU") within the Lead Project Agency. The PCU shall enjoy operational autonomy and, to this end, the Borrower shall issue a delegation of authority to the Project Coordinator to take any action necessary for Project implementation.	Complied with
4.1	The Borrower shall appoint a qualified and experienced Project Coordinator from among the civil servants of the Borrower with experience in managing people-centered poverty alleviation projects. The PC shall serve for at least two years and any successor shall be acceptable to the Fund.	Complied with
6.1	The Lead Project Agency shall establish maintain throughout the Project period a District Team in each District, which shall act as the executing arm of the LDFB.	Being complied with. The District Team lies within DDC instead of LDFB following a restructured management structure of the Phase III.
7.1	The Borrower shall appoint and train a Local Development Fund Advisor to support the District Team. He/she shall remain in the Project at least	Complied with. Position title has been changed as Deputy District

Section	Covenant	Status
	until the formation of the District-level CO federations	Project Coordinator.
8.1	Each LDFB shall recruit Social Mobilizers who shall report to the Senior Social Mobilizer of each District Team.	Complied with. SMs contracted directly by DDPCU in Phase III
9.1	The Lead Project Agency and the LDFB and DDC of each District shall enter into a tripartite District Agreement for Project implementation at the District level	Complied with. In Phase III District PCU now under DDC. LDFB is not main project implementer in districts.
15.3	The Borrower shall prepare draft Micro-credit By-laws for the Micro-finance Component not later than 12 months after the Effective Date.	Complied with. Micro-credit activities now discontinued in Phase III
18.1	The PMU shall prepare draft Project Implementation Manual not later than 12 months after the Effective Date.	Being complied with. A new PIM prepared for Phase III.
SCH. 3A	The Borrower shall :	Being complied
1	<ul style="list-style-type: none"> (a) Make available to the participants public land requested by the DFO within six months of such request, including ensuring that the RFD approves the DFO operational plans in a timely manner; (b) Lease the land to each LFUG for a period not less than 25 years, with a provision of additional 15 years and (c) Ensure that each DDC establishes a leasehold oversight committee to ensure that leasehold lands are made available exclusively to the Target Group. 	
2	Within six months of the date of effectiveness, the Borrower shall have obtained the grant funding necessary for the entire Project Implementation Period	Not complied
3	The Borrower shall ensure that the concerns of the women and dalits are integrated into all Project activities during Project implementation.	Women and dalits are encouraged to participate in CIP processes in Phase III and in LFUG and CO activities
4	Within six months of the Effective date the Borrower shall have concluded agreements with private companies for , inter alia, the Nursery and NTFP Marketing Sub Components on the terms and conditions accepted by the Cooperating Institution.	Complied with. Activities discontinued in Phase III
5	The Borrower shall ensure that the monitoring and evaluation system is established within 12 months of the Effective date	Complied with
6	The Borrower shall insure Project personnel against accident risks and shall insure all vehicles and equipment funded by the Project	Partially complied with

Section	Covenant	Status
SCH 4 1	Procurement of goods and civil works financed by the Loan shall be subject to the provisions of the "Guidelines for Procurement under Financial Assistance from the International Fund for Agricultural Development of 1982", as such guidelines may be amended from time to time by the Fund (the "Procurement Guidelines").	Being complied with
2	Procurement of consultant services financed from the proceeds of the Loan shall be undertaken in accordance with procedures proposed by the Borrower and approved by the IFAD.	Being complied with
3	To the extent possible, the goods, civil works and services shall be bulked into sizeable bid packages in such a manner as to permit the optimal use of competitive bidding. Before the commencement of procurement, the Borrower shall furnish to the Cooperating Institution, for approval: (i) a list or lists of goods and services to be procured; (ii) the proposed grouping of these goods and services; and (iii) the proposed number and scope of civil works contracts to be awarded.	Being complied with
8	Local Competitive Bidding (LCB). Each contract for the supply of equipment, materials and vehicles estimated to cost USD 10000 equivalent or more but less than USD 1000000 equivalent shall be awarded on the basis of competitive bidding advertised locally, in accordance with procedures approved by the IFAD.	Being complied with
10	Local Shopping Each contract for the supply of goods, vehicles and equipment estimated to cost less than USD 10 000 equivalent may be awarded on the basis of evaluating and comparing bids invited from at least three suppliers, in accordance with procedures approved by the IFAD.	Being complied with
11	Procurement of civil works shall be conducted with the established national procedures of the Borrower.	Being complied with
12	Local Competitive Bidding (LCB). Each contract for consultant services estimated to cost USD 20 000 equivalent or more shall be awarded on the basis of competitive bidding procedures approved by the IFAD.	Being complied with
13	Direct Contracting. Each contract for consultant services estimated to cost less than USD 20 000 equivalent shall be awarded through direct contracting with the consultant, in accordance with the procedures approved by the IFAD.	Being complied with
14 & 15	Procurement of Goods and Services. In the procurement of goods and consultant services, everything else being equal, preference shall be given to goods manufactured in the territory of the Borrower and consultants from developing Member States of the Fund.	Being complied with
16	The award of any contract for goods, vehicles and equipment or civil works estimated to cost USD 50 000 equivalent or more shall be subject to prior review by the IFAD in accordance with the provisions of Annex 3 to the Procurement Guidelines.	Being complied with
17	The award of any contract for consultant services estimated to cost USD 50 000 equivalent or more shall be subject to prior review by the IFAD.	Being complied with

Appendix 7: Knowledge management: Learning and Innovation

Learning: What has worked particularly well in this project during this period? What have been the reasons for this?

Targeting of the poor and poorest households has been one of the strengths of WUPAP Phase III. It has genuinely made effort to reach out the poorest households. Participatory Rural Appraisal (PRA) methodology, mainly for social mapping, has been completed to identify the poor and poorest HHs. Field mission also confirmed directly with the beneficiaries that the poorest had been identified, with some exclusions during the process with accepted explanations (e.g. illness).

The project has managed to geographically target very remote locations, also including major post-conflict districts. It is also targeting the poorest of the poor (25 % of the overall population) and the poor, women, Dalits and Janajatis. The project has also been successful in including the very vulnerable female-headed households, however without clearly understanding the barriers they face in joining project activities.

Learning: What has not worked so well? What have been the reasons?

Empowerment:

According to the WUPAP Phase III project document, “empowering of target communities to drive their own development processes” is at the centre of the project. Empowerment approach is to nurture social and economic empowerment of target communities and their existing organisations around participatory Community Investment Funds to meet their own priorities for economic development; getting access to livelihood oriented services and raising their quality and responsiveness to people’s needs. This is expected to happen when target communities will be i) deciding how resources are invested and in what activities; ii) supervising and monitoring the delivery of activities; and iii) taking responsibility for the impacts of their investments.

However, in several locations the mission observed that the selection of livelihood assets was not fully participatory, BoB was not fully working and the poor, particularly women were still shy to express their needs, let alone influence policy makers, another indicator of empowerment mentioned in the project document.

There has been some underestimation by all parties of the time it takes to work with the poor illiterate people, assisting them in their livelihood activities. Although the project has been successful in targeting, the mission observed that the project has not aligned with GoN Gender Equality and Social Inclusion (GESI) Strategy and IFAD Policies on Gender Equality and Women Empowerment as well as on Engagement with Indigenous Peoples. Important as targeting is, it is only a first step in the long process of empowerment of women, poor and Janajatis. More attention needs to be given to empowerment processes, gender mainstreaming and supporting Janajatis’ development with culture and identity in livelihoods.

There is a need to intensify empowerment processes of the communities and households and to strengthen the role of the CPCUs and Social Mobilisers as a vehicle of empowerment. At the moment, approach is more of an asset transfer instead of empowerment. Appropriate trainings, such as leadership development training, training for business literacy, cooperative training and CPCU coaching campaign through the BoB are already planned. In addition, mission proposes to gear some of these trainings towards financial literacy and simplified entrepreneurship development to be conducted for and with the communities and HHs to improve prospects for long-term sustainability.

(Concrete examples of lack of empowerment are given in working paper 8).

Innovation: Describe any interesting innovation noted during supervision

Opportunities to build on Janajatis identity and livelihoods:

Empowerment of Janajatis in developing their community and individual plans has so far failed to take into account their culture and identity as assets. A meeting held in Buadagaun VDC, Rolpa district (with Magars) informed the mission that WUPAP did not respond to their distinctive needs, but is applying a general approach without tapping their rich indigenous knowledge on forest, medicinal plants, traditional agriculture practices, NTFP, textiles, etc.

In Khalanga, the IFAD Technical Advisor on Indigenous and Tribal Issues was informed by about 15 Janajatis and their organisations of their priorities on self-driven Janajati development in Rukum, which is home to about 40 % Janajatis. Youth expressed their wish for vocational training on blending tradition and modern technology in medicinal plants (Yarsagumba) as well as tourism trainings on “guerilla roads”.

Innovation: How might this be replicated by others, or upscaled here?

The mission has recommended that Janajati NGOs/experts be involved in the project to facilitate and support appropriate planning at community level as well as in monitoring activities.

Further Knowledge Management methods and tools, such as the Most Significant Change – methodology, have been addressed in the Working Paper on M&E and Knowledge Management.

Appendix 8: Progress Against Previous Mission Recommendations

Issue / Problem	Recommended Action	Timing	Status/March 2014
2013 Mar - Joint Review Mission			
Major actions	Leadership & management: Loan Amendment to be signed formalizing MCPA as new host ministry with Project Co-chair and Co-Directors from MFALD with defined responsibilities as in Annex 1.	15 Apr 2013	Request letter from MoF forwarded to IFAD on 17 Sept 2013. Subject to IFAD approval.
	Leadership & management: PCU to implement revised internal management structure as in Annex 1, revising roles and recruiting additional contract staff as needed (incl. Senior District Coordinators)	15 Apr onwards	Completed. Two SDC positions established, and filled.
	Leadership & management: Mobilize additional highly experienced local TA to provide regular coaching and implementation support to key staff (especially SDCs and DDPCs) over the next 12 months	15 Apr onwards	Not met. Process Approved by PSC, but not seen as necessary anymore.
	Leadership & management: IFAD to mobilize short and medium term national and/or international technical assistance as required	15 Apr onwards	Completed. APO recruited by IFAD Country Office.
	Leadership & management: Progress with new leadership and internal management arrangements to be jointly reviewed in Aug/Sep and continuation of the project under these arrangements will be subject to satisfactory progress at that time.	26 Aug – 6 Sep	Completed.
	Fiduciary: PCU existing Accountant to be immediately replaced by a capable accountant.	30 Apr	Completed.
	Fiduciary: PCU Account Officer to be immediately appointed.	30 Apr	Completed.
	Fiduciary: PCU to complete recruitment to PCU of: 1x Financial analyst (in process), 1x Compliance officer	15 May	Financial analyst recruited. Compliance officer not yet recruited, no longer applicable.
	Fiduciary: PCU to recruit 8 District Project Accountants – 1 per district – using a fast track recruitment and contracting process	15 May	Partially Completed. Deputed in two districts by FCGO and appointed by DDC in three districts.
Components	CIP Preparation process to be implemented in 2 stages in calendar year 2013.	40 VDC – 10 Jun All VDC – 30 Sep	Completed in all 153 VDCs.
	CIP Preparation process to include effective pre-feasibility/feasibility technical advice to communities and local Learning Routes for selected community members.	07 Apr onwards	Completed. Unclear on status of Learning Routes.
	CIP Preparation process: Senior District Coordinators to conduct systematic process of work with DDPC to implement first 1-2 CIPs in each district to ensure full DPCU team and SMs are familiar and clear on process – supported by highly experienced national TA if possible	07 Apr onwards	Completed (implementation of CIP preparation process)
	Service providers: Immediate engagement to begin with district service providers and “selling of the project” (NGOs, public sector) as per the process outlined in the draft revised PIM	07 Apr onwards	Completed. Rosters established, contracts between DDCs and service providers under process.
	Service providers: PCU to identify external service providers for vocational training and obtain suitable information on available courses, unit costs, timing etc. for inclusion in CIP preparation process	25 Apr	Completed by an external consultant.
	Service providers: Ensure selected district service providers have skills and resources and skills to deliver, including 1. ToT of local service provider staff on technical issues (production,	Before service delivery	ToT of local service provider staff not completed.

	post -harvest etc.) and training methods as needed 2. Training of DPCU sub-engineers on hydraulic design and surveying (min. 10 days including field work) and provision of complete set of necessary engineering survey instruments for all DPCUs.	15 May	Training of DPCU sub-engineers completed, 16 sub-engineers, 10 days training.
	Social mobilizers: Reinvigorate network of SMs through strategies including – local learning routes, in-village coaching by Senior SMs, rewards for best performing SMs	07 Apr onwards	SM process on-going in all 8 districts.
Project Implementation	Project management: Monthly work plans for all Districts and PCU team members and teams. Progress reviewed weekly and new plans set at regular monthly meeting. SDCs to attend all DPCU monthly meetings	15 Apr onwards	Partially met. Attendance in DPCU monthly meetings not met. With 2 SDCs this may be now be met.
	Project management - PIM: Prepare updated Project Implementation Manual / CIP & District Guidelines for Phase III based on draft District/CIP process already prepared by project team.	07 Apr – Final Internal Draft 07 May – approved by GoN/IFAD	PIM subject to no objection by IFAD.
	Planning, M&E: PCU (with support from IFAD ICT team) to develop an action plan to better exploit ICT within its PM&E at the community, district and PCU levels, and where possible coordinate with HVAP on approaches/technologies	30 Apr	On-going. MIS officer recruited.
	Knowledge management: PM&E staff to be trained in design and use of Learning Routes as KM tool	30 Apr	Planned for FY 2070/71, subject to PROCASUR availability.
	Knowledge management - CIP process: Produce video(s) of actual CIP process and various steps for use with communities, SMs and other stakeholders. Include a “how to” and “how not to” versions. Hire local communication consultant to lead process. Filming to be done now in first batch of CIPs being prepared covering all steps including roles of service providers.	7 Apr – 30 Jun	Completed.
Fiduciary	Phase II Accounts: Appoint a consultant for closure of Phase II accounts	15 Apr	Completed.
	Phase II Accounts: Project to make final withdrawal claim and close the accounts. If accounts are not closed by the deadline and final withdrawal claims are not made, the balances of Phase II shall be utilized towards disbursement of IFAD in Phase III	Final WA by 31 May Final Acc 31 May	Final WA submitted and Phase II accounts closed by IFAD. Balance appearing in project accounts to be source reallocated to GoN.
	Phase II Grant: Final WA to be processed and then balances reassigned to Phase III categories before closed	30 Apr	MoF requested IFAD to reassign grant balance of Phase II to Phase III. Pending approval by IFAD.
	Tax: Reclaim eligible tax amount of NPR 1,972,623.53 (of loan) and NPR 1,028, 582 (of grant) in next WA.	Next WA	Completed.
	Public audit format: Standardized dual language cost and income report formats should be developed and used in all public audit events at District and VDC levels	30 Sep	Completed. Project using GoN format.
Other	Joint Support Unit: WUPAP to finance one position within the emerging Joint Support Unit with role to be determined jointly with IFAD	16 Jul onwards	On-going.

Appendix 9: Supervision Mission Schedule and Persons Met

Date	Time	Place	Activity
Mission Team assembles and conducts initial meetings in Kathmandu and Nepalganj:			
16.3	Evening	Hotel Himalaya	Arrival to Kathmandu
17.3	8.00-9.30	IFAD office	Introduction and briefing of the mission team
	9.30-11.30	UN house	UNDSS Security briefing and lunch
	11.30-12.30	IFAD office	Discussion
	13.00-14.00	MoF	Meeting with MoF, Mr Madhu Kumar Marasini, Joint Secretary and Mr Kailash Raj Pokharel, Under Secretary
	14.00-14.30	MoFALD	Meeting with MoFALD, Mr Govinda Karki, Under Secretary and Mr Shashi Rai, Section Officer (Foreign Aid Coordination Section) (others not available at the time)
	14.30-15.30	MoCPA	Meeting with MoCPA, Mr Biju Kumar Shrestha, Under Secretary, Mr Rajan Neupane, Account Officer and Ms Roshani Shrestha, Section Officer (others not available at the time)
	15.30-17.00	IFAD office	Testing of the satellite phone, discussion on work distribution
18.3	10.30-13.00	Nepalganj	Flight and arrival to Nepalganj; brief introduction at PCU office in Nepalganj; check in to hotel and lunch
	13.00-18.30	Nepalganj	Meeting with the PCU – review of the field itineraries for both teams, presentation by WUPAP staff and discussion
	19.30-22.00	Nepalganj	Dinner with PCU and joint review mission team (Mr Rajan Neupane, Account Officer and Ms Roshani Shrestha, Section Officer from MoCPA, Mr Gokul Khadka, Programme Director, National Planning Commission, and Mr Janak Dulal, Account Officer, FCGO).
Team 1: Rolpa and Rukum (where field mission team complimented and hosted by respective DPCU staff):			
19.3	8.00-15.30	Travel	Nepalganj to Liwang, Rolpa
	15.30-18.00	Liwang, Rolpa	Meeting with Rolpa district DPCU staff and stakeholders (DDC, DAO, WCO, DFO, DADO, DLSO, DSCO, NFC, RCIW) and one private service provider from People Service Delivery (NGO).
20.3	8.00-16.00	Travel	Liwang to Ransi VDC, Rolpa, lunch
	16.00-17.30	Ransi VDC	Meeting with Ransi VDC Secretary, CPCU, SM and beneficiaries, total 18 participants.
	17.30-18.30	Randi VDC	Field observation of a piggery (owned by Kamala Sunar, Dalit woman)
21.3	8.45-19.00	Travel	Ransi VDC, Rolpa to Salyan. Informal encounter on the way with a joint MHP project of Kujegar Sallimor Madikhola
22.3	8.00-17.00	Travel	Salyan to Rukumkot, Rukum. Informal lunch on the way with DPCU staff in Solabang, Rukum.
	19.00-21.00	Rukumkot, Rukum	Dinner with DPCU staff (Bhim K.C. and Lalit Budha) and Chintamani Dahal, DDC Programme officer.
23.3	8.00-12.00	Pokhara VDC, Rukum	45 min. walk from road to Pokhara VDC, observation and interaction with beekeeping training being conducted by a private service provider Mr Om Prakash Khadka, with 16 participants from 3 VDCs (Pokhara, Bafikot and Garayala). Meeting with Pokhara VDC CPCU, SM and beneficiaries (total 39 participants present, incl. participants of the training observed). Lunch, and 45 min. walk back to the road.
	12.00-15.30	Syalupakha VDC, Rukum	Meeting with Syalupakha VDC CPCU, SM and beneficiaries (total 80 beneficiaries present) and observation of a tailoring workshop with some 8 participants. Training conducted by OCDC, Rukum.
	15.30-17.30	Travel	Syalupakha VDC to Syarpu Lake, Banfikot VDC
	17.30-21.00	Syarpu Lake, Rukum	Local programme and dinner
24.3	9.00-10.00	Banfikot VDC, Rukum	Meeting with Banfikot VDC CPCU and goat recipient beneficiaries, total 21 participants present. Simultaneously the team conducted a separate visit to a Janajati village nearby.
	10.30-11.30	Banfikot VDC, Rukum	Observation and interaction of a tailoring training with 10 participants. Private service provider Ms Shushila Pariyar.
	12.00-14.00	Travel	Banfikot VDC to Radijyula VDC, Rukum
	14.00-16.00	Radijyula VDC, Rukum	Lunch. Meeting with Radijyula VDC CPCU and pig recipient beneficiaries (mainly representing the badi). Total 13 participants. Brief observation of a nearby piggery of 2 households.
	16.00-22.00	Travel	Radijyula VDC to Khalanga, Rukum district hq. (travel time increased due to incidents on the road)
25.3	8.15-10.00	Khalanga VDC, Rukum	Meeting with Rukum district DPCU staff and stakeholders (DDC, DADO, DFO, DLSO). Simultaneously the team conducted a separate meeting with local NEFIN and women/youth/political participants(janajatis). Lunch.
	10.30-19.00	Travel	Khalanga VDC to Nepalganj, Banke.

Team 2: Dailekh and Jajarkot (where field mission team complimented and hosted by respective DPCU staff):			
19.3	12.00-19.00	Travel	Nepalgunj to Dailekh, visit to Farmer Field School, Sheri-9, Dailekh
20.3	8.30-10.00	Dailekh	Meeting with Dailekh district DPCU staff and stakeholders (LDO and line-agencies)
	10.00-12.00	Dailekh	DDC Accounts by Finance Team (catches up later with the team moving on)
	10.00-11.00	Travel	Dailekh to Belpata VDC, Dailekh
	11.00-13.00	Belpata VDC, Dailekh	Belpata VDC meeting with CPCU, SM and beneficiaries. Lunch.
	13.00-14.30	Travel	Belpata VDC to Gamaudi VDC, Dailekh
	14.30-16.30	Gamaudi VDC, Dailekh	Meeting with CPCU, SM and beneficiaries. Field observation of a drinking water project.
	16.30-18.00	Travel	Gamaudi VDC to Dullu, Dailekh
21.3	7.30-13.00	Travel	Dullu to Singaudi VDC, Dailekh
	13.00-14.30	Singaudi, Dailekh	Meeting with CPCU, SM and beneficiaries
	14.30-21.00	Travel	Singaudi to Birendranagar, Surkhet
22.3	9.00-15.00	Travel	Birendranagar to Dadakhali, Surkhet (programme cancelled and night-stay in village due to car breakage)
23.3	9.00-18.00	Travel	Dadakhali to Khagenkot VDC, Jajarkot (programme postponed due to ferry breakage)
24.3	8.00-12.00	Khagenkot, Jajarkot	Meeting with CPCU, SM and beneficiaries and field observation to a drinking water project. Lunch.
	12.00-15.00	Dadagaun, Jajarkot	30 min. walk to Dadagaun VDC. Meeting with CPCU, SM and beneficiaries. 30 min. walk back to the road.
	15.00-18.30	Travel	Dadagaun to Khalanga, Jajarkot
25.3	8.30-12.00	Khalanga, Jajarkot	Meeting with LDO, line agencies and stakeholders. DDC accounts with Finance Team. Lunch.
	12.00-19.00	Travel	Khalanga to Nepalgunj.
Nepalgunj, Banke/KTM:			
26.3	8.00-17.00	Nepalgunj	Individual work; meeting with FM and M&E/Planning team at PCU(Mukunda & Kukka)
	17.00-23.00	Nepalgunj	Mission team meeting, exchange of field observations, individual work
27.3	8.00-18.00	Nepalgunj	Individual work; meeting with FM and discussion on KM at PCU (Mukunda & Kukka)
	18.00-19.30	Nepalgunj	Meeting with and briefing of CPM Benoit Thierry and CPO Bashu Aryal at PCU
	19.30-21.00	Nepalgunj	Mission team sharing and consultation with CPM and CPO
28.3	9.00-18.30	Nepalgunj	Meeting at the PCU and sharing and revision of 1st draft AM. Formulation of PSR ratings and recommendations.
	19.00-23.00	Nepalgunj	Individual work/Compilation of mission recommendations.
29.3	7.00-8.30	Nepalgunj	Team meeting to refine recommendations
	9.00-17.00	Nepalgunj	Pre wrap-up Meeting with PCU and Deputy District Project Coordinators (DDPCs) to share and review 2 nd draft of AM and agree on recommendations
	17.00-22.00	Nepalgunj	Finalization of the AM (team leader), draft 3
30.3	Morning	Nepalgunj/KTM	Distribution of AM
	10.00-	Travel, KTM	Flight and arrival to KTM – public holiday in Kathmandu. Individual work.
31.3	8.00 -	KTM	Preparation, individual work
	16.00–18.00	KTM	Final Wrap-up Meeting at MoCPA (with MoCPA, MoFALD and MoF)
1.4		KTM	Finalization of the AM

Appendix 10: Audit Log

Article I. Summary Audit Table

Financial Year	Audit Observations as per Audit Report		Audit Observations Settled		Audit Observations Outstanding	
	Number	Value (NPR)	Number	Value (NPR)	Number	Value (NPR)
2002/03	5	361,379.00	0	-	5	361,379.00
2003/04	17	478,301.64	1	11,305.00	16	466,996.64
2004/05	22	835,821.00	0	-	22	835,821.00
2005/06	54	5,763,320.24	3	1,125,963.00	51	4,637,357.24
2006/07	18	1,063,874.83	3	121,470.00	15	942,404.83
2007/08	40	2,487,729.97	7	435,968.00	33	2,051,761.97
2008/09	46	10,480,674.07	4	3,116,019.96	42	7,364,654.11
2009/10	43	13,579,639.77	3	2,084,921.00	40	11,494,718.77
2010/11	22	3,128,885.94	1	73,664.00	21	3,055,221.94
2011/12	20	905,912.10	2	7,410.00	18	898,502.10
2012/13	19	8,453,733.18	0	-	19	8,453,733.18
Total	306	47,539,271.74	24	6,976,720.96	282	40,562,550.78

Appendix 11: RIMS table

WUPAP Validated RIMS Table

1. Introduction

1. The Western Poverty Alleviation Project (WUPAP) became effective from 1 January 2003 for eleven years to end in 2014 with three implementation phases under IFAD's Flexible Lending Mechanism (FLM)⁴. The Project was design followed integrated rural development approach to support devolution process of the local bodies in Nepal. However, the project period adjusted during the second and third phase will take it to July 2016. The first phase covered a period from January 2003 to July 2007 (4 years); the second phase from July 2007 to July 2012 (with extension of one year); and the third phase from July 2012 to July 2016 (with extra one year).

2. The initial phases of the project covered 11 districts⁵ of mid and far-western regions of Nepal having high poverty index, low human development indices and overall deprivation. The third phase focused on eight districts leaving out Mugu, Jumla and Dolpa^{districts}, with objective to have more resilient livelihoods and basic human dignity of poor and socially disadvantaged groups through rights based approach. It thus emphasizes on community empowerment and provision of community investment fund to be invested on community demands. The project has three components: (i) Community Empowerment, (ii) District Service Delivery Improvement, and (iii) Project Management.

3. The third phase implementation management was changed from the previous phase modality of dependence on line agencies and the Local Fund Board (LDF) for service delivery. This Phase created separate project offices e.g., District Project Coordination Unit in each district under the leadership of Local Development Officer. Funds (Community Investment Fund (CIF)) are allocated to each VDC. Target groups identified through the well-being ranking prepare the three-year investment plans known as Community Investment Plan (CIP) with support from technical experts and project staffs. There is no direct support to any groups including the Leasehold Forest User Groups.

2. Results and Impact Management System (RIMS)

4. In February 2003, IFAD's Governing Council called upon the Fund to establish a comprehensive system for measuring and reporting on the results and impact of IFAD-supported country programmes. In response, IFAD developed the Result and Impact Management System (RIMS). The system looks at three level of results:

1. First Level Results correspond to the project activities and outputs.
2. Second Level Results relate to project outcomes.
3. Third Level Results link to project impact.

5. In recognition of IFAD's commitment to the Millennium Development Goals (MDGs), the RIMS framework includes two mandatory indicators --child malnutrition and household assets -- that can be used to measure IFAD's contribution to the first MDG that is eradicate to "extreme poverty and hunger".

3. RIMS and WUPAP

6. RIMS was introduced in WUPAP in 2005. First and second level indicators are monitored each year towards the end of the fiscal year and reported to IFAD. WUPAP has already completed two surveys on RIMS third level results (impacts).

⁴The Flexible Lending Mechanism (FLM) is a lending instrument that provides a greater period of time for project implementation and accommodates modifications to the project as evolves. Specific targets for each phase must be met for the project to proceed to the following phase.

⁵Humla, Jumla, Kalikot, Mugu, Dolpa, Jajarkot, Dailekh, Rolpa, Rukum, Bajhang and Bajura.

7. The second survey for impact level indicator was done in 2011. The survey found that acute malnutrition decreased by 3 to 4 percentage points among boys and girls, and chronic malnutrition by 6 percentage points against the benchmark of 2007. Food security of project beneficiaries increased by 21 percentage points, access to water by 28 percentage points and sanitation by 22 percentage points for the same duration.

8. The updated RIMS table is presented in the excel sheet (Excel file: RIMS_WUPAP 2012/13)

RIMS 1st Level Results (outputs)

Back to Summary	Indicators	Unit	Target current year	Target per year									
				PY1 (03-04)	PY2 (04-05)	PY3 (05-06)	PY4 (06-07)	PY5 (07-08)	PY6 (08-09)	PY7 (09-10)	PY8 (10-11)	PY9 (11-12)	PY 10 (12-13)
Total Project													
	Persons receiving project services (total)	Individuals		9 613	1 710	3 216	2 936	4 172	16 248	16 350	174 064	144 784	358 746
	men	men		5 714	917	1 941	1 699	1 533	7 866	7 420	95 394	73 635	179 373
	women	women		3 899	793	1 275	1 237	2 639	8 382	8 930	78 670	71 149	179 373
Per Component													
1.Component	Irrigation schemes rehabilitated/constructed	ha		145	199	53	20	124	242	352	45	44	0
	Farmers working on rehabilitated/new irrigation schemes	farmers		1 755	4 779	1 408	439	2 615	6 360	7 800	13 941	22 482	0
	Community projects implemented by type *	number		28	34	39	26	72	83	133	172	165	0
	Sanitation (toilets) **	number		1	0	0	1	0	0	2	1	1	0
	Small Irrigation	number		8	8	5	2	12	19	34	30	8	0
	Community building (School, health post, market shed, micro-hydro power house etc.)	number		13	15	17	2	28	32	51	66	7	0
	Wooden bridges and mule trails	number		3	2	4	6	3	1	0	5	1	0
	Improved Pani Ghatta (traditional grinding device)	number		1	1	2	2	3	1	4	11	0	0
	Drinking water	number		0	8	9	12	26	30	42	59	17	0
	Others (Slaughter house, drenching and dipping house etc.)	number		2	0	2	1	0	0	0	0	0	0
	Micro-irrigation only for LFUG	number		0	15	12	4	21	45	70	77	0	0
								93					
2.Component	Interest groups formed by type												
Leasehold	leasehold forest user groups - LFUGs	number		135	62	36	81	97	144	164	62	0	

Forestry and Non-Timber Forest Products	People belonging to groups, by gender												
	LFUGs - men	men		1 072	611	367	614	696	1 116	1 372	2 108	0	
	LFUGs - women	women		777	485	292	851	624	929	666	2 135	0	
	Area under resource management plans												
	area covered in leasehold forestry plans	ha		1 628	1 800	228	1 603	1 331	1 763	1 688	1 877	20	
3.Component	Demonstrations held on farmers' land	number		269	135	181	372	253	1 492	942	193	220	2
Agricultur e and Livestock Productio n	Persons trained, by gender and sector												
	village animal health workers - men	men		23	15				55	33	0	0	
	village animal health workers - women	women		1	1				3	1	9	5	
	animal husbandry - men	men		355	244	870	374	728	1 014	2 870	592	2 755	
	animal husbandry - women	women		166	119	548	194	392	888	1 191	522	2 708	
4.Compon ent	Interest groups formed by type												
Micro- finance and Marketing Promotion	savings and credit groups	number		389	72	122	92	170	614	626	556	0	
	people in savings and credit groups	men					14 244					0	
		women					11 198					0	
	Active savers (disaggregated by gender)												
	men	men		5 714	917	1 941	1 699	1 533	7 866	7 420	7 545	32 288	27 088
	women	women		3 899	793	1 275	1 237	2 639	8 382	8 930	6 751	31 065	27 845
	Value of savings mobilized	USD		12 854	30 001	32 271	79 358	77 309	260 587	240 021	429 638	995 832	998 223
	Active borrowers (disaggregated by gender)												
	men	men		84	140	117	116	245	335	218	14 800	13 998	10 122
	women	women		35	40	69	38	96	152	230	12 802	12 478	12 113
	Value of gross loan portfolio (loans outstanding – loans written off)	USD		18 853	34 647	29 781	28 307	78 397	95 240	80 424		70 223	70 223

5.Component	disbursement of IFAD loan	SDR		427 530	435 825	486 954	461 940	788 908	1 618 889	211613 3	87611. 7		61
Institution al Support	disbursement of IFAD loan	USD		246 685									61
	disbursement of IFAD grant	SDR		17 355	42 524	57 877	56 259	30 694	36 543	60487	43396		0
	disbursement of IFAD grant	USD		10 014									0

Cumulative years											End of Project		
PY1 (03-04)	PY2 (04-05)	PY3 (05-06)	PY4 (06-07)	PY5 (07-08)	PY6 (08-09)	PY7 (09-10)	PY8 (10-11)	PY9 (11-12)	PY 10(12-13)	Total	Project target	Actual	% of project target
9 613	11 323	14 539	17 475	21 647	37 895	54 245	228 309	373 093	731 839	731 839	71 000	731 839	1030.8 %
5 714	6 631	8 572	10 271	11 804	19 670	27 090	122 484	196 119	375 492	375 492	35 500	375 492	1057.7 %
3 899	4 692	5 967	7 204	9 843	18 225	27 155	105 825	176 974	356 347	356 347	35 500	356 347	1003.8 %
145	344	397	417	541	783	1 135	1 180	1 224	1 224	1 224		1 224	#DIV/0!
1 755	6 534	7 942	8 381	10 996	17 356	25 156	39 097	61 579	61 579	61 579		61 579	#DIV/0!
28	62	101	127	199	282	415	587	752	752	752	750	752	100%
1	1	1	2	2	2	4	5	6	6	6		6	#DIV/0!
8	16	21	23	35	54	88	118	126	126	126		126	#DIV/0!
13	28	45	47	75	107	158	224	231	231	231		231	#DIV/0!
3	5	9	15	18	19	19	24	25	25	25	475	25	5%
1	2	4	6	9	10	14	25	25	25	25		25	#DIV/0!
0	8	17	29	55	85	127	186	203	203	203		203	#DIV/0!
2	2	4	5	5	5	5	5	5	5	5		5	#DIV/0!
0	15	27	31	52	97	167	244	244	244	244		244	#DIV/0!
									0				
135	197	233	314	411	555	719	781	781	781	781	1 000	781	78%
									0	0			
1 072	1 683	2 050	2 664	3 360	4 476	5 848	7 956	7 956	7 956	7 956	5 750	7 956	138%
777	1 262	1 554	2 405	3 029	3 958	4 624	6 759	6 759	6 759	6 759	5 750	6 759	118%

									0	0			
1 628	3 428	3 656	5 259	6 590	8 353	10 041	11 918	11 938	11 938	11 938	13 000	11 938	92%
269	404	585	957	1 210	2 702	3 644	3 837	4 057	4 059	4 059		4 059	#DIV/0!
									0	0			
23	38	38	38	38	93	126	126	126	126	126	190	126	66.3%
1	2	2	2	2	5	6	15	20	20	20		20	#DIV/0!
355	599	1 469	1 843	2 571	3 585	6 455	7 047	9 802	9 802	9 802		9 802	#DIV/0!
166	285	833	1 027	1 419	2 307	3 498	4 020	6 728	6 728	6 728	5 000	6 728	134.6%
									0				
389	461	583	675	845	1 459	2 085	2 641	2 641	2 641	2 641	4 900	2 641	54%
0	0	0	14 244	14 244	14 244	14 244	14 244	14 244	14 244	14 244			
0	0	0	11 198	11 198	11 198	11 198	11 198	11 198	11 198	11 198			
									0	0			
5 714	6 631	8 572	10 271	11 804	19 670	27 090	34 635	66 923	94 011	94 011	35 300	94 011	266%
3 899	4 692	5 967	7 204	9 843	18 225	27 155	33 906	64 971	92 816	92 816	35 300	92 816	263%
12 854	42 855	75 126	154 484	231 793	492 380	732 401	1 162 039	2 157 871	3 156 094	3 156 094		3 156 094	#DIV/0!
									0	0			
84	224	341	457	702	1 037	1 255	16 055	30 053	40 175	40 175		40 175	#DIV/0!
35	75	144	182	278	430	660	13 462	25 940	38 053	38 053		38 053	#DIV/0!
18 853	53 500	83 281	111 588	189 985	285 225	365 649	365 649	435 872	506 095	506 095	1 026 666	506 095	49%
427 530	863 355	1 350 309	1 812 249	2 601 157	4 220 046	6 336 179	6 423 791	6 423 791	6 423 852	6 423 852	9 685 690	6 423 852	66.3%
246 685	246 685	246 685	246 685	246 685	246 685	246 685	246 685	246 685	246 746	246 746		246 746	#DIV/0!
17 355	59 879	117 756	174 015	204 709	241 252	301 739	345 135	345 135	345 135	345 135	441 318	345 135	78.2%

10 014	10 014	10 014	10 014	10 014	10 014	10 014	10 014	10 014	10 014	10 014		10 014	#DIV/0!

* In project year 9 it include 33 new scheme and remaining 132 maintenance project

** Under single toilet construction project 24 toilets were constructed

Rims 2nd Level Results (Outcomes)

Back to Summary	Rating indicators	Indicators justifying rating	Unit	Target current year	Per year										PY9 (11-12)	PY 10(12-13)
					PY1 (03-04)	PY2 (04-05)	PY3 (05-06)	PY4 (06-07)	PY5 (07-08)	PY6 (08-09)	PY7 (09-10)	PY8 (10-11)				
Per Component																
<u>1.Component</u>		Community projects functional, by type														
Infrastructure Development		Sanitation (toilets)	number		350			385			1 144	1 535	149	6		
		Small Irrigation	number		4 960	3 497	1 640	426	5315	5 131	18 103	23 472	22482	126		
		Community building (School, health post, market shed, micro-hydro power house etc.)	number		8 003	4 602	15 711	3 411	641	641	43 798	110 949	16200	231		
		Wooden bridges and mule trails	number		2 787	1 712	1 514	3 690	2 436	14	4 257	7 295	276	25		
		Improved Pani Ghatta (traditional grinding device)	number		2 135	80	603	403			785	6 602	2 173	25		
		Drinking water	number			2 584	2 415	4 890	3 603	3603	20 100	33 330	26 856	203		
		Others (Slaughter house, drenching and dipping house, River bank protection, Compound wall etc.)	number		2 218		53	1 073						5		
<u>2.Component</u>	likelihood of sustainability of groups	Groups operational/functional, by type	Groups		<u>1 849</u>	<u>1 096</u>	<u>659</u>	<u>1 465</u>	<u>1 320</u>	<u>2 045</u>	<u>2 038</u>	<u>315</u>	2 971	781		
Leasehold Forestry and non-timber forest products	likelihood of sustainability of NRM abd conservation programmes	Common property resources (area under improved management practices, i.e. handed over under forestry lease agreements)	ha		1 071	2 307	46	1 835	1 331	1 763	1 836	1699.6	20	11 938		
		HHs provided with long-term security of tenure of natural resources, including land and water	HHs		1 849	1 096	659	1 465	1 320	2 045	2 038	4243	0	4 243		
<u>3.Component</u>	Improved agricultural and livestock	Farmers adopting technology recommended by project														

	production													
Agriculture and Livestock Production		crop production technologies	farmers										1 867	3
		animal husbandry	farmers										0	
		Farmers reporting production/yield increases												
		crop production/yield increases	farmers							10 990	7 657			
		animal production/off take increases	farmers				2 653				12 603			
<u>4.Component</u>	likelihood of sustainability of credit and savings groups formed-strengthened sustainability of credit and savings groups	Portfolio at risk (outstanding balance of overdue loans)	%		0	61	40	24	20	16	14			6
Micro-finance and Marketing Promotion														

* Rating from 1 to 6