

Nepal

Western Uplands Poverty Alleviation Project

Supervision Report

Main report and appendices

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Abbreviations and acronyms

AEPC	Alternative Energy Promotion Centre
ASHA	Adaptation for Smallholders in Hilly Areas Project
BOB	Beneficiaries' Oversight Board
C-PCU	Community Project Coordination Unit
CIP	Community Investment Plan
CO	Community Organization
CPM	Country Programme Manager (IFAD)
DA	Designated Account
DDC	District Development Committee
DDPC	Deputy District Project Coordinator
DFO	District Forest Office
DLSO	District Livestock Services Office
DOF	Department of Forest
DPC	District Project Coordinator
DPCU	District Project Coordination Unit
DTCO	District Treasury Comptroller Office
FCGO	Financial Comptroller General Office
GON	Government of Nepal
HVAP	High Value Agriculture Project
IFAD	International Fund for Agricultural Development
ISFP	Improved Seed for Farmers Project
KUBK	Kisan Ka Lagi Unnat Biu-Bijan Karyakram Project
LDF	Local Development Fund Board
LDO	Local Development Officer
LFUG	Leasehold Forest User Group
LRP	Local Resource Person
MAPs	Medicinal and Aromatic Plants
MCPA	Ministry of Cooperatives and Poverty Alleviation
MEDEP	Microenterprise Development Programme
MFALD	Ministry of Federal Affairs and Local Development
MOF	Ministry of Finance
MOU	Memorandum of Understanding
MFSC	Ministry of Forestry and Soil Conservation
NACCFL	Nepal Agricultural Cooperative Central Federation Limited
NCCSP	Nepal Climate Change Support Programme
NGO	Non-governmental Organization

NPC	National Planning Commission
NTFPs	Non-timber Forest Products
OAG	Office of Auditor General
PAF	Poverty Alleviation Fund
PCU	Project Coordination Unit
POSC	People oriented Service Center
PRA	Participatory Rural Appraisal
Rs	Nepalese Rupee
RAP	Rural Access Programme
TOR	Terms of Reference
VAHW	Village Animal Health Worker
VAT	Value added tax
VDC	Village Development Committee
WA	Withdrawal Application
WUPAP	Western Uplands Poverty Alleviation Project

A. Introduction

1. WUPAP is being implemented in three phases under the Flexible Lending Mechanism of IFAD with a loan effectiveness date of 01 January 2003, completion date of 31 March 2016, closing date of 30 September 2016, and is currently in its final Phase III. Phase I was completed in FY 2006/07 in four districts (Bajhang, Bajura, Humla and Jumla). Project coverage was extended in Phase II to ten districts (four Phase I districts, Dailekh, Jajarkot, Dolpa, Kalikot, Rolpa and Rukum) and was completed in July 2012. Phase III began in July 2012 and is working in eight districts (Bajhang, Bajura, Humla, Dailekh, Jajarkot, Kalikot, Rolpa and Rukum). The total budget for Phase III is USD14.82 million of which the IFAD Loan is USD 10.64 million (SDR 6.60 million). The goal of the project 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; and improved living standard through sustained growth of employment, income and access to resources amongst the poor households in targeted areas.
2. IFAD has recently funded a new project entitled Adaptation for Smallholders in Hilly Areas (ASHA) through a grant of USD 15 million from IFAD's Adaptation of Smallholder Agriculture Programme (ASAP) funds and a grant of USD 10 million from the PBAS allocation to improve climate change resilience of smallholders in Nepal. This new project and the on-going IFAD supported projects in the Mid- and Far-Western regions—High Value Agriculture Project (HVAP) and Improved Seed for Farmers Project (ISFP) or KisanKa Lagi Unnat Biu-Bijan Karyakram (KUBK) provide unique opportunities to sustain and scale up the outcomes and impact of WUPAP Phase III.
3. From 09-22 March 2015, the Government of Nepal (GON) and IFAD fielded a joint supervision mission to review the progress of WUPAP Phase III and its achievements since the last supervision mission carried out from 16 to 31 March 2014¹. The mission held initial discussions with the senior officials of the Ministry of Finance, the Ministry of Cooperatives and Poverty Alleviation, and the Ministry of Federal Affairs and Local Development on 9th March in Kathmandu. It met with the Project Coordination Unit (PCU) in Nepalgunj on 10th March in which the PCU team made a presentation highlighting the achievements, implementation issues and planned activities for the remainder of 16 July 2014 to 15 July 2015 period (FY 2071-72). The mission visited the district headquarters and project villages of Rolpa and Rukum districts as well as the headquarters of Dailekh and Jajarkot districts from 11 to 17 March to interact with the district project teams, different line agencies and other partners and met with project beneficiaries and their organizations to obtain first-hand information on their achievements, challenges and the possible way forward.
4. The mission objectives were to: (a) assess progress in implementation of Phase III modalities and provide support to the project team to address any bottlenecks or emerging issues; (b) assess progress made in agreed actions from 2014 supervision mission; (c) assess sustainability of Phase II outcomes; (d) assess the management strengths and problems faced in project implementation under the Ministry of Cooperatives and Poverty Alleviation (MCPA) and make recommendations to IFAD and the Government of Nepal (GON) on how to strengthen managerial capacities leading to sustainable development impacts; (e) assess progress made in quality and access to services and resources; (f) assess sustainability and resilience of community investment plans and various livelihood options; (g) assess inclusive poverty approaches and targeting as well community empowerment, rights-based and needs-based approaches, and grassroots institution building for participation of poor and food-insecure as well as women and marginalised people, including ethnic minorities; (h) assess risks and determine mitigation measures; (i) agree with the Ministry of Finance (MOF) and

¹ Mission composition: Ganesh Thapa - Mission Leader; Surya Bahadur Singh – Community Participatory Planning & Investment Specialist; Pratul Dube - Financial Management Specialist; Bashu Aryal – IFAD Country Programme Officer and Avigya Karki - M&E and Knowledge Management and Gender Specialist. The mission was joined in the field visits by Mr Biju Kumar Shrestha, Under Secretary of the Ministry of Cooperatives and Poverty Alleviation (MCPA), Mr Babu Ram Bhusal, Under Secretary of MCPA, Mr Raju Poudel, Planning Officer of the National Planning Commission, Ms Sita Duwadi, Section Officer of Ministry of Federal Affairs and Local Development (MFALD) and Mr Rajan Neupane, Accounts Officer of MCPA. Ms Lakshmi Moola, IFAD's Country Programme Manager for Nepal attended the Wrap-Up meeting held on 22 March 2015 in Kathmandu.

MCPA on the solutions to the observations made during the missions; (j) complete the regular fiduciary and supervision responsibilities in line with IFAD's current supervision policies.

5. A pre-wrap meeting was held in Nepalgunj on 19 March 2015 to discuss the mission findings and recommendations with the Project Coordination Unit (PCU) staff and Deputy District Project Coordinators (DDPCs) from three districts (Bajura, Dailekh, and Kalikot). The wrap-up meeting was held in Kathmandu on 22 March 2015 which was chaired by Mr Shreedhar Gautam, Secretary, Ministry of Cooperatives and Poverty Alleviation (MCPA) and was attended by senior officials of MCPA, MFALD, MOF, NPC, MOAD, DOF, FCGO, the Project Coordinator, mission members and the IFAD Country Programme Manager (CPM).

B. Overall assessment of project implementation

6. Overall performance of the project is rated *moderately satisfactory*. Good progress has been made in the areas of social and economic empowerment of targeted beneficiaries, service delivery, and Community Investment Plan (CIP) implementation. Of the 153 CIPs established by the project in eight project districts, approved project activities are being implemented in 133 CIPs whereas in the remaining 20 cases, training and other capacity building activities have been completed and project implementation will start soon. Among these 133 CIPs, where project work is underway, 56% of them are showing good results. The percentage of better performing CIPs varies from a low of 40% in Humla to a high of 65% in Rukum. Since the last mission, the project has also taken steps to address the demands of Janajatis to support them in the development of community and individual plans by taking into account their culture and identity.
7. However, there are issues with respect to the quality of training provided to Community Project Coordination Units (CPCU) members on business enterprises, adequacy and quality of service delivery, knowledge management, gender mainstreaming, low disbursement and timeliness of audit. These issues have been highlighted in some detail in the following paragraphs with recommendations to address them.
8. Most recommendations of the last supervision mission undertaken in March 2014 have either been complied with or are in the process of being addressed.

C. Outputs and outcomes

Component 1: Community empowerment progress is *moderately satisfactory*.

Social Empowerment

9. The main objective of the project is to "create vibrant grass roots institutions that will respond to the needs of the people, especially the target group and empower them to mobilize their own resources to access external resources and claim social justice". Phase III project activities are designed to strengthen the livelihood system of the poor and socially disadvantaged people living in the project area. The rationale is to socially and economically empower the community by giving them the authority to make decisions on activities and by providing funds to carry out those activities.
10. Of 2270 Community Organizations (COs) formed by WUPAP, about 88% are categorized as active COs and probably have been working well. The project has been working to graduate selected COs into cooperatives. In this regard, the project will be piloting to merge and graduate smaller Community Organizations (COs) into cooperatives, with support from the Nepal Agriculture Cooperative Central Federation Ltd. (NACCFL). It plans to graduate COs from 25 VDCs into cooperatives. The managers and CPCU representatives have already received training in cooperative development. It was also learned that the existing Cooperatives are also interested to follow the NACCFL model.
11. The CIPs were found to be successful in providing project funds directly to the beneficiaries. This has enhanced beneficiary ownership over the assets provided by the project. In most cases each member knows what businesses his/her peers have been undertaking with project

- support. The CPCU Board at VDC level monitors the activities at ward level. The bank accounts are active and the decisions are made through CPCU level meetings.
12. Following the recommendation of last year's supervision mission, the project has funded workshops of Janajatis in Rolpa and Rukum for them to discuss and develop business projects reflecting their needs and culture. These groups have submitted proposals to the project based on these workshops, which are being reviewed by the project. These proposals relate to technology upgrading, market support, museum establishment, and trade fair. WUPAP is also co-funding the organization of janajati art and culture trade fair to be organized in Taksera of Rukum district from 14-18 April 2015 to promote cultural values and enterprises.
 13. The project has tried to align the CIP planning process with the government planning cycle, where the VDCs endorse the annual plan and budget of the WUPAP beneficiaries and include in the total VDC plan and budget. As WUPAP has been funding these beneficiaries, VDC did not allocate any budget for these people for this year (beside 5% matching grant for infrastructure development). However, they also expect the VDC to allocate some funds in support of these poor HHs when the project is closed. VDCs have block grants for women and children (15%), dalits and Janajati (10%), children and handicapped people (10%). There is no provision to support the poorest households as such. This is a policy issue that needs government attention.
 14. The planning process was found to be effective in identifying the poor households and develop programme and budget. Since WUPAP conducts participatory rural appraisal (PRA) followed by household level economic survey to identify the poorest households in the VDCs, the planning process looks a bit lengthy. However, it ensures good targeting of the beneficiary households. The Ministry of Cooperatives and Poverty Alleviation has already shown interest to replicate/pilot test the model in the eastern region. Helvetas/SDC has started following WUPAP approach of rolling 3-year plans. NCCSP, MEDEP, AEPC and RAP have shown interest to work with the WUPAP groups. PAF is also interested to learn from WUPAP's experience in working with local level organizations like VDCs and DDCs.
 15. Despite WUPAP's success in targeting the poor, it was learned that the implementer needs at least one year of planning period. It has also been argued that the formation of multitude of groups at community level should be avoided and necessary strategies should be developed for poverty eradication rather than limiting objective to poverty alleviation.
 16. The communities in WUPAP's working area have been receiving support in nutrition improvement programmes through campaigns, distribution of flyers, wall painting, broad casting local songs related to nutrition and so on.
 17. Similarly, DDPCs and the Senior Social Mobilisers, after receiving training from PCU experts in "start and improve your business – an ILO package", trained the social mobilizers, who are expected to assist the micro-entrepreneurs to prepare business plans (on-farm and off farm) this fiscal year. Following this training, Social Mobilizers have assisted entrepreneurs/farmers to develop various business plans. These include goat, pig and poultry rearing, tailoring, mobile repair, restaurants, blacksmithing, etc.

Economic Empowerment

18. The implementation of CIPs started in the last fiscal year in all 8 districts. As of March 2015, a total of 11,602 beneficiaries received funding for different businesses, of which women constituted only 23%. *Dalit* beneficiaries represented 36%, *Janajati* 6% and the rest 58% others. Major activities included livestock rearing, vegetable farming, fruit orchards, NTFP, off farm businesses, market network development, micro loan activities, cash crops, infrastructure development and capacity building. In Rolpa and Rukum districts, project has also been supporting the *Janajati* beneficiaries for training in Allo (*Giardinia diversifolia* or Himalayan nettle which produces high quality fibre) products making and trading, Sisnoo (*Urtica dioica* or stingy needle) processing, radi pakhi (woollen blankets) weaving, and organization of cultural

trade fair, and development of cultural museums, where traditional arms and dresses, ornaments, utensils, water cans etc. will be preserved.

19. Selection of individual businesses was mainly based on technical feasibility and marketability of products - without adequate benefit and risk analysis. This was evidenced by change of businesses by beneficiaries in several villages from the ones demanded at the beginning, and some of the sick livestock activities observed by the mission in Rukum and Rolpa districts. A few farmers also reported that they were not aware of the investment support they received from WUPAP. The mission recommends that (i) project allocates adequate budget for the next fiscal year to train the social mobilizers in business risk assessment and management, who should following the training undertake participatory business risk analysis and management at the beneficiary level; training and supporting project beneficiaries in keeping expenditure and income accounts of their businesses; and (ii) SMs should organize settlement level meetings to inform each beneficiary HH on how much support each HH received from WUPAP.
20. To meet its main objective, the project should enable farmers to access and manage external resources (from the VDC, DDC and other agencies) to address their problems. If this is achieved, the mission is of the view that the project objective will be largely met. While many CPCU board members were found fairly vocal and able to express their problems/needs, a large number of CPCU general members are still unable to express their needs due to inadequate empowerment. Therefore, the mission recommends that in the remaining period of the project, it should give high priority to empower the beneficiaries so as to make them capable of accessing resources from government and non-governmental organizations and managing them for their own development.

Component 2: District Service Delivery Improvement progress is *moderately satisfactory*.

21. The design envisioned that the beneficiaries will receive technical services either from the public or the private sector under contract. In the CIP preparation process, these modalities were in use. However, due to limited time to prepare CIPs and to obtain government approval on these, farmer orientation in technical and economic feasibility was done hastily. Risk analysis was grossly ignored. As a result, landless farmers were also provided with goats or pigs. These interventions are unlikely to sustain.
22. The mission also observed that there is a serious gap in technical service delivery in the livestock sector. The network of public sector service agencies is limited. NGOs also have limited network. In addition, the livestock activities were not well packaged in CIPs. In most instances, goats were distributed without any support to construct pen, vaccination of goats against PPR and feed development. In the absence of such packaging, the sustainability of this enterprise is highly questionable. Recruitment of Livestock Technicians at DPCU has slightly eased this problem. However, their reach to beneficiary households is limited due to remoteness and scattered households in villages. To address these problems, the Mission recommends the following: (i) DPCUs assess the needs of the beneficiaries to adequately package the goat or pig programmes and allocate adequate budget for next fiscal year; (iii) PCU/DPCU requests respective DLSO to appoint a focal point for field level services, who could advise the farmers when he/she gets phone call from the concerned farmer and the Social Mobilizer; (iv) Farmers are advised to inform the respective Social Mobilizer when their animals are sick. The Social Mobilizer will then call the nearby livestock technician in the service centre, local resource person, project technician or the focal person at respective DLSO for any needed help to treat sick animals or any other advisory services. This system may minimize the disease risk of animals to a great extent.
23. In most areas of Nepal the experience shows that pig rearing business for the poor has largely been a failure except in areas where home brewery waste is available free of cost. Therefore, mission recommends that the project should not provide the pigs to the very poor households. Farmers interested in pig rearing should be made aware of risks related to piglet market and assisted to undertake detailed risk and cost benefit analysis before he/she makes any decision to take on this business.
24. The project has been supporting micro level poultry farming (100 to 200 birds per household) in district headquarters and market centres. Whether small or large, this business requires

specialized expert services. Proper housing and feeding, and availability of timely and accurate vaccinations and treatments are pre-conditions to success of such enterprises. On the other hand, there is hardly any professional in the project districts except one in Rukum, who can provide advisory services to poultry farmers. Fortunately, the Chief of Rukum DLSO has long experience in modern chicken rearing. Therefore, the Mission recommends that PCU should make arrangements with him to provide on-site technical coaching to the poultry farmers and field staff in project districts.

25. The Mission also observed that the trainings in livestock keeping are usually class room based, where most of the trainees can hardly read and write. The Mission recommends that all kinds of training related to livestock production should be field based and hands-on or practical. PCU/DPCU should communicate this message to the trainers very clearly and monitor the training at field level.
26. **Leasehold Forestry programme:** The Project reported that of 696 WUPAP promoted leasehold forestry groups, 458 are waiting for renewal of their certificates. Renewal of the certificates is crucial for the sustainability of the groups. Therefore, the Mission recommends that the project should assist the Leasehold Forestry User Groups to renew their certificates with the District Forest Office and to develop management plans with provisions for required resources as per government norms.

Staff capacity:

27. The Mission observed that the newly recruited social mobilizers have not yet received any training. Since they are the frontline workers for social preparation of beneficiaries, the Mission recommends that the social mobilizers should be trained in social mobilization (new candidates) and allow them to participate in the beneficiary training in "access and management of external resources – an activity planned for next year". In the later training, DPCU staff should also be included. SMs can be groomed as local community leaders as they can be instrumental in sustaining some aspects of the project after its completion.

Agreed action	Responsibility	Agreed date
Give high priority to empower the beneficiaries to enable them to access resources from government and NGOs and manage them.	PCU/district teams	Ongoing
DPCUs should assess the needs of beneficiaries to adequately package goat or pig programmes and allocate adequate budget for next fiscal year.	DPCUs	30 June 2015
The project should discontinue giving pigs to very poor households. They should be made aware of risks and assisted to undertake risk and cost benefit analysis before he/she makes any decision to take up this business.	PCU/District teams	Ongoing
All types of training related to livestock production should be field based and hands-on or practical.	PCU/district teams	Ongoing
The project should assist the Leasehold Forestry User Groups to renew their certificates with the District Forest Office before the project closes	PCU	Ongoing

D. Project implementation progress

Quality of project management

28. Project management is *moderately satisfactory*. The project has filled most of the vacant positions except in Bajhang district where the position of M&E Officer, JT and SM are yet to be filled. Several district project teams have recruited livestock/veterinary JTs to respond to the demand of a large number of CPCU members who are raising goats, poultry and pigs. The

turnover of SMs is an issue, which the project needs to address. SMs and SSMS are providing good support to the PCU members. However, there is room for improving the monitoring and implementation support provided by district teams and PCU staff

Performance of monitoring and evaluation

29. Mission finds performance of Monitoring and evaluation *moderately satisfactory* as data is regularly monitored and evaluation conducted in a timely manner. The project is using new M&E system and guidelines compiled in 2014, which was an outcome of a WUPAP M&E workshop for its districts M&E support staff. The PCU is equipped with all necessary tools to conduct M&E work. However, the mission observed that coordination between district level M&E team and PCU M&E team should be improved. This is mostly evident in collection of data in the field and lag time for compilation of those data and creation of reports at the PCU.
30. The project has its M&E system in place to collect both qualitative and quantitative data. It is also implementing the SIMES system. RIMS baseline was conducted in 2007, RIMS second level survey was conducted in 2010, and RIMS completion survey is scheduled for July 2016. In addition project baseline was completed in 2012 and midterm review was conducted in 2014-15. This illustrates that all evaluation work and activity schedule has been conducted in a timely manner.
31. The M&E system tracks activities but lacks monitoring and evaluation project management themes such as project human resource performance. To comply with various recommendations from the previous mission and create efficient tools the M&E system should create tools to track and evaluate current HR needs and performance, as well as project activity performance.
32. The project focuses on gender issues but the M&E tools are not gender sensitive. A gender sensitive M&E tool (i) assess project's effects and impacts on gender relations and women empowerment, (ii) monitors changes in gender division of labour, (iii) monitors changes in women's access, control, and benefits from resources and services, and (iv) changes in decision making patterns in household and community. The mission recommends that M&E tools be updated to be gender sensitive.

Actions to be taken	Whom	Complete Date
Create mechanism to improve coordination between district level M&E team and PCU M&E team	PCU / DPCU	31 May 2015
Update M&E indicator in the logical framework as per recommendation of previous mission	PCU	31 July 2015
Create tools to monitor and evaluation HR needs and performance, as well as project activity performance	PCU	31 August 2015
Update M&E instruments to be gender sensitive	PCU / Mission Member	31 June 2015

Coherence Between AWP&B and Implementation

33. Coherence between Annual Work Plan and Budget (AWPB) and implementation is rated *moderately unsatisfactory*. There has been little coherence between AWPB and implementation. In addition, progress of annual planned activities has not been documented well. This is due to weak coordination between the PCU and the district PIUs, which is clearly evident in the collection of data in the field and lag time for compilation of those data in reports..

Gender focus

34. Gender and Social Inclusion focus is *moderately unsatisfactory*. Although there has been improvement since the previous mission there still exists systematic weakness, which needs to be addressed. The project's approach is to mainstream gender within project activities rather than providing separate gender specific activities. However, the mission observed that gender mainstreaming requirements have not been understood by many project staff. Instead of identifying and addressing areas of gender inequalities within households and the society, and

the obstacles women face to participate in project activities many staff understand gender mainstreaming to mean a focus on women as target group. To overcome this weakness, the project has implemented leadership development training in December of 2014 for social mobilizers, which has a major component on gender issues/leadership.

35. The project has no explicit gender strategy. Also, as an agreed action item (train project related personnel and develop a pragmatic gender strategy to address gender discrimination by project beneficiaries in line with IFAD's gender policy and GoN gender responsive policies and legislation) from the previous mission has not been completed on the agreed date and is an on-going activity. However, Empowerment Guideline for the project has been created which needs to be finalized and implemented.
36. The project has been designed with poor households in which women are targeted and their participation in meeting and activities monitored. From the total beneficiaries from all project activities, women participation is 42.41% and their representation in CPCU is 53.66%. The mission found that many women who were part of the CPCU committee were able to express themselves better than before. After being part of the programme they have developed confidence to express their ideas and seek out opportunities for growth. They are slowly being capacitated in accessing resources to improve their economic wellbeing. However, their decision making pattern has not changed at the household level but it has improved at the community level. Social Mobilisers and CPCU committee members, who are majority women, are a vital medium of empowering women at the community level if well trained in issues related to empowerment and gender mainstreaming.

Actions to be taken	Whom	Complete Date
Develop a pragmatic activity strategy to address gender discrimination and gender mainstreaming by project beneficiaries	PCU	31 August 2015
Identifying and addressing areas of gender inequalities within households and the society, and the obstacles women face to participate in the project activities and apply it in activity strategies	DPCU / PCU	31 October 2015
Train project related personnel (staff and CPCU members) to address gender discrimination and gender mainstreaming issues	PCU	31 May 2015

Poverty Focus

37. The project's poverty focus is *satisfactory*. The project uses participatory wealth ranking to identify the poorer household in the community as the primary direct beneficiaries of the project. It also includes a mechanism of positive discrimination for the poorest households in the target VDC, giving them control of a larger shares of investment resources.

Effectiveness of targeting

38. The effectiveness of targeting is *satisfactory*. The project has focused on the poor and marginalized groups of people including Dalits, janajatis, and women-headed households in remote areas of mid-western and far-western regions of the country. A significant proportion of the project area is also a post-conflict zone. Almost half of the VDCs (153 of 311 VDCs) of eight project districts were covered during Phase III. Poor households were identified by a wealth ranking exercise by an assembly of households at the ward level and confirmed by economic survey using specific indicators relating to household income, fixed capital, nutritional and employment status. The proportion of total VDC coverage varied by district, the lowest coverage (36% of total) was in Dailekh and the largest proportion in Humla (81%) district. A total of 153 CIPs (one for each VDC) were prepared in 8 Districts. A total of 26,997 poor and ultra-poor households comprising 40% Dalit, 12% *Janajati* and the remaining 48% others are expected to benefit from a total investment of NPR 497,131,674. On average 68% of CPCU members (18,331 of 26,997) belonged to the WUPAP promoted COs and LFUGs, and the rest 32% are new members of the same communities.

39. Participation of Dalit was highest in Jajarkot and Dailekh districts (about 49%) and *Janajati* in Rolpa (43%), whereas the participation of others was highest (67%) in Kalikot district, where there is no *Janajati* HH. In proportionate term, (beneficiary HHs/total HHs in the WUPAP VDCs). Dalit HHs comprised the largest beneficiary (62% *Dalit*) followed by others (56%) and *Janajati* (49%).

Knowledge Management

40. The mission rates Knowledge Management as *moderately unsatisfactory*. Given that the project has covered almost 10 years spread over the 3 Phases, there have been limited activities in knowledge management. This is particularly key now as the project approaches the final leg of implementation. Some ongoing KM activities include case studies, field visits of target beneficiaries to see successful practices, and sharing case studies, videos and reports through WUPAP website.
41. The project is planning to pilot various methodologies [Most Significant Change (MSC), Outcome Mapping, and Learning Route] as a component within its KM system. These methodologies are going to be tested and implemented starting in the third quarter of this fiscal year (FY 2071-72). These methods will compile knowledge and experience from the project that will provide data for qualitative analysis for M&E system and allow to improve of the project management and performance. In collecting qualitative data field level staffs are compelled to collect information themselves and most of the time collected information express the stories of staffs not beneficiaries. By using these methods especially Most Significant Change (MSC) WUPAP will try to minimize this gap to collect qualitative information. This will provide information related to outcome level indicator for effectiveness of the service and sustainability of the activity. This will also support to establish learning as the primary outcome of the program. Story analysis will support in selection of best success story as well as enhance critical thinking capacity of the involved stakeholders. A training workshop for MSC and Outcome Mapping has been scheduled for next month to train Social Mobilizers who in turn will go to their villages and train CPCU members on applying these methods. In regards to Learning Route, a pilot application was conducted in Bajhang district where one member from each of the eight DPCU was trained. Learning Route 2nd level planning and training is scheduled to be completed by June 2015.
42. WUPAP project challenges old ways of working and deals with transforming passive and dependent people into active citizen for which the project needs to think in innovative terms of knowledge management. There is a lack of KM system that caters to all project beneficiaries (both literate and illiterate). For empowerment and social inclusion the project needs to innovate its KM practices. For example instead of giving livestock training in classrooms setting it should be taken to animal sheds and practical training should be provided. Knowledge and experience should be captured in audio form that can be replayed in mobile phones.

Actions to be taken	Whom	Complete Date
Pilot and implement KM tools such as Most Significant Change (MSC) method, outcome mapping, and learning route as a component within WUPAP KM system.	PCU	30 June 2015
Organize training workshop for staff and stakeholders on the three methodologies [Most Significant Change (MSC), Outcome Mapping, and Learning Route]	PCU	30 June 2015
Compile WUPAP experience documents from the beginning of the project to improve its knowledge repository	PCU	31 December 2015
DPCU team assist all beneficiaries to create business plans for their endeavours, which should be innovative and cater to literate and illiterate beneficiaries.	PCU / DPCU	31 December 2015

Innovation and Learning

43. The performance in this area is *moderately satisfactory*. There is a lack of institutional memory in the project as the information, experience and lessons from earlier phases of the project has not been documented and disseminated well. WUPAP's KM system does not have complete information from Phase I and Phase II. WUPAP lessons of success and failure can be valuable for future project planning and design in Nepal. WUPAP needs to compile its experience from the beginning of the project to improve its knowledge repository. Phase three documentation is in good order and MIS has assisted WUPAP in managing its data in an efficient manner. Also, there are documentations in various mediums which need to be organised in a manner that allows easy access for learning purpose of stakeholders as well as for future projects.
44. KM among CPCU stakeholders and between district teams needs to be improved. A mechanism to exchange best practices and failures will increase the chances of success of similar activities in another district. In addition, KM system needs to be innovative with CPCU beneficiaries as a lot of knowledge is lost between training and implementation of activities. CPCU beneficiaries lack record keeping activities. The Mission observed that people starting business with WUPAP support do not have a business plan for their endeavours though during the training phase they are taught to create a business plan. The Mission recommends DPCU team to assist all endeavours to create a business plan. This process should be innovative as not all beneficiaries are literate. They can create a written business plan for beneficiaries who can read and a comic/story book style business plan for illiterate beneficiaries.

Climate and environmental focus

45. The performance in this area is *satisfactory*. Most project areas are remote where farmers are being motivated for sustainable farming by many agencies. Therefore, it is unlikely that the vegetable or cereal production programmes will have any significant impact on environment. Poultry programmes are at micro level. Therefore, they will also have little or no negative impact on the environment. The goat programmes are also at micro level (3-5 goats per HH). However, many farmers still graze animals in the forest. Increasing herd size will have negative impact on the environment if they are raised under forest grazing. Therefore, the mission recommends that the project allocates budget and assist farmers to plant at least 20 sets of mulato and napier grass (per household) in their terrace risers or bunds. The work should start right this rainy season. PCU will have to reallocate budget accordingly. If the beneficiaries do not have their own land, they should be encouraged to plant these grasses in the terrace risers of neighbours, or in the forests for which the project staff will have to work with the DFO and forest user groups.
46. Major agreed action is given below.

Agreed action	Responsibility	Agreed date
Allocate budget and assist goat farmers to plant at least 20 sets of mulato and napier grass per household	PCU/district teams	31 August 2015

E. Fiduciary aspects

47. **Financial management.** The implementation performance of this component is rated as *moderately satisfactory*. Accounting is done manually in accordance with Government of Nepal (GoN) requirements. The project follows Cash system of accounting. Tally software has been customized and is being used in the project offices but more as a back-up rather than the actual books. The accountants maintain Cash Book, Advance Register and Activity Ledger. In some cases the Activity Ledger is replaced by the accounts in Tally. At the end of each month the accountants at the district prepare a statement in Excel of the expenditure under each budget head and forward it to the PCU along with a statement of Advances and the Bank Reconciliation. The finance analyst at the PCU compiles all such expenditure statements received from the districts to arrive at the total expenditure for each month under each category and budget head.
48. The accountants have been trained once in the use of the software. Refresher training is required in the use of various features of the software. Once this is done the software should be used to generate the monthly statements rather than preparing such statements in spreadsheets. The Chart of Accounts has been designed well by having a Group Head for each component. Cost centres are used for recording advances and the software is customized to include the Category under each account head itself. At the PCU, budget has been fed into the system, which enables comparing the actual expenditure with the budget for each activity. In case all the districts maintain accounts in the software a uniform Chart of Accounts can be installed at each of the location thereby enabling synchronization of data at the PCU. This will save a lot of time and also enable faster compilation of expenditure statement and consequently the Withdrawal Application.
49. There is a proper system of authorization of vouchers before payment is made. The project does not operate any bank account. All payments are made by the District Treasury Comptroller Office (DTCO), which are based on the supporting documents. Payments by DTCO are made only by cheque. The Mission however observed that though no cash is paid by the DTCO, advance is claimed in the personal names of the project staff and the amount is withdrawn for making cash payments. The Mission is of the view that such a system should be avoided and advance may be drawn in personal names for petty cash and not for larger amounts where cheques can be issued directly to the vendor.
50. The DTCO conducts internal audit which is supposed to do it every trimester. However it is noticed that such an exercise is carried out once in six months during which all vouchers for expenditure are verified. The annual report for the year 2013-14 was produced before the Mission. For the year 2014-15, the internal audit exercise has not been carried out at the PCU till date though eight months have elapsed.
51. **Disbursement.** The implementation performance of this component is rated as moderately unsatisfactory. IFAD has disbursed a sum of SDR 2.44 million (including the initial deposit of SDR 0.67 million), which is about 37% of the total loan allocation of SDR 6.60 million. Besides the loan, the project has an unused balance of USD 49,183 in the Grant Account (DSF-8010-NP) of which USD 18,900 is already with the project as part of the initial unadjusted deposit.
52. Withdrawal Applications (WA) up to the last fiscal year (July 15, 2014) have been disbursed by IFAD. The WA for the first trimester (up to November 15, 2014) for an amount of USD 156,225 has been submitted to IFAD in the month of February 2015, which is under process. Before the project submits a WA, the amount, which is being claimed from IFAD in the WA, is to be reimbursed to the GoN. The project uses the exchange rate at which the amount is reimbursed to the GoN for its WA. At times, there have been delays in transferring such funds either due to late submission/processing of WA or due to the time taken by the MCPA for effecting such transfer to the FCGO. In case the sum of two consecutive WA exceeds USD 1 million, the project is unable to submit the second unless the funds for the first one is reinstated to the Designated Account (DA). In the past it had to split its WA (WA 46 and 47) to enable transfer of funds to the GoN before submission of the next WA. The project is advised to submit its WA promptly after the end of each trimester so that the WA is processed and the balance in the DA is maintained before submission of the WA for the next trimester. Since during the second and third semesters during the year, the claims are likely to be higher, the project should request

- IFAD to increase its initial advance to suit its requirements (not exceeding 20% of the loan amount) so that sufficient balance is maintained in the DA.
53. The status of funds by Category in IFAD's records needs to be corrected for an error in respect of WA 47 wherein an excess of SDR 68,747.95 has been recorded in Category 1 with a consequent shortfall in Category 2. The correct status of funds is shown in Appendix 5C to this report. Further the allocation of funds in the Cos tabs of the Design Report for Category 3 should be changed from USD 277,000 to USD 797,000 and the unallocated amount be changed from USD 839,000 to USD 319,000 to be in conformity with the Financing Agreement.
54. **Counterpart funds.** The implementation performance of this component is rated as *satisfactory*. The GoN pre-finances all expenditure incurred by the project. There are some problems with the release of funds in the first and second trimester of the year. Generally funds for the first and second trimester are released after about two months of the beginning of the trimester resulting in delay in project implementation. The actual amount spent on account of the GoN share is USD 1.435 million. However the actual amount released by the GoN to the project up to February 12, 2015 is USD 1.735 million. This includes IFAD's share of expenses for the second trimester of the year, which will be reimbursed to the GoN once the WA for the second trimester is prepared.
55. **Compliance with loan covenants.** The implementation performance of this component is rated as *moderately satisfactory*. The project has generally complied with all the Loan Covenants. The project has delayed its compliance with Section 3.02 in respect of submission of the AWPB for the year 2014-15 and Section 5.02 in respect of submission of audited accounts within six months of the end of the fiscal year for the years 2012-13 and for the year 2013-14 it has still not been submitted.
56. **Procurement.** The implementation performance of this component is rated as *satisfactory*. The project has not undertaken any major procurement during the year under review. The procurement at DPCUs is generally made from the list of suppliers approved by the DDC. At the PCU an advertisement is issued at the beginning of each year to enrol vendors and from the applications received an approved list is prepared. Procurement is done from the approved list of vendors. The procurement of some of the assets was verified and quotations have been invited from three vendors. Stock registers have been maintained at the project offices. Physical verification has also been carried out and documented. Except vehicles, the other assets are not insured. The PCU has started maintaining the Register of Contracts for the PCU as well as the DPCUs.
57. **Audit.** The performance of audit is rated as *Moderately Unsatisfactory*. Audit of the project is being carried out by the Office of the Auditor General (OAG) of the GoN. Separate audit teams from the OAG visit the DPCUs and the PCU. Though the financial statements of all the DPCUs and PCU are compiled for preparation of the Project Financial Statement (PFS), the audit report of only the PCU is submitted to IFAD. The completion of audit for the year 2012-13 was delayed and signed on May 13, 2014 for the year ended July 15, 2013 (a delay of almost four months from the stipulated six months from the end of the fiscal year). For the year 2013-14, though the fiscal year has ended on July 16, 2014 and the audit has been completed, the audit report has not been issued till date, which should have been submitted to IFAD by January 15, 2015. During the year 2013-14, the PFS prepared includes the cumulative status of funds by category and the statement of comparison between actual expenditure and budget estimates, which was not part of the PFS during 2012-13. The project has started maintaining the detailed audit log, which needs to be validated by the auditor.

Agreed action	Responsibility	Agreed date
Conduct a refresher training programme for all accounting staff in computerised accounting (Tally) and also use of Excel.	FA, PCU	30 June, 2015
Use the software to generate monthly reports at the DPCUs and for compilation at the PCU	Accountants	15 July, 2015
Restrict advances to personal accounts only for petty cash or where payment by cheques is not possible. All other payments to be made by cheque from the DTCO	PC	15 April, 2015
Submit WAs promptly after completion of each trimester to have sufficient funds in the DA	FA	On-going
Submit audited accounts within the stipulated period of six months from the end of the fiscal year	OAG/ PC	Immediately
Include audit report of the DPCUs with that of the PCU for submission to IFAD	OAG/PC	In the audit report of 2013-14 and thereafter

F. Sustainability

Institution Building

58. The sustainability of institutions promoted by the project is rated *moderately satisfactory*. Out of 2,270 Community Organizations (COs) formed under earlier phases of the project, around 88% have been categorized as active COs. The project is planning to implement a pilot programme to merge selected COs and graduate them into cooperatives with support from the Nepal Agricultural Cooperative Central Federation Limited (NACCFL). It plans to graduate selected COs from 25 VDCs into cooperatives. The project had provided training on cooperative development to CPCU members.
59. There are also other categories of COs that have stopped savings and monthly meetings. COs which have received support even in this phase (e.g., infrastructure) are still active. Those COs not functional anymore could be merged with the CPCU groups and they could be provided training along with the CPCU general members. This will help in building capacity of the poor to access resources from VDCs and line agencies.
60. The sustainability of 696 leasehold forestry users groups promoted by the project is also an issue, as 458 of them are waiting for the renewal of their certificates. The mission has recommended that these groups be assisted by the project for the renewal of their certificates and for the development of their management plans.
61. These CPCU members also need to develop their clout at the community level. At the moment, these households are small in number and therefore their voices are not easily heard by service delivery agencies. Therefore, the mission recommends that the CPCU members at the community level be trained in accessing and managing resources from VDCs, line agencies and the NGOs. These training courses should be tailor made and organized for both Community Project Management Unit (CPCU) board members as well as the CPCU general members. The training will involve field level orientation provided by the VDC and the line agencies, and the practical training (contacting line agencies and asking for resources on their own in groups) - contacting the line agencies such as Village Development Committees (VDC), District Development Committees (DDC), Alternative Energy Programme, District Cottage Industry and Small Business Development Centre, District Livestock Services Office, Agriculture Development Office and so on with their felt needs and understanding how the resources could be accessed from these agencies. While CPCU board member training period would be completed in 4-5 events (VDC and district level), the training of CPCU general members will be completed in one event (2 days at community level).

Empowerment

62. The sustainability of beneficiary empowerment and livelihoods is rated *moderately satisfactory*. CPCU members who received training in tailoring were engaged in tailoring business. Each one of them has been earning between Rs 3,000 to Rs 6,000 per month. The mission also met a woman beneficiary who was earning about Rs 18,000 per month. All these members reported that they were trained only to sew women's and kids' dresses in the basic tailoring course lasting three months. They do not have the knowledge or skills to prepare men's dresses. Women who received such basic level training are demanding the second level training, which will enable them to sew men's clothes and school uniforms. It would be a 45-day training, commonly known as advanced training. Similar trainings would be required in other businesses too. Therefore, the Mission recommends that the PCU should plan adequate budget for the next fiscal year for refresher training for the micro entrepreneurs.
63. IFSP has a programme to develop 550 new livestock groups. This project overlaps with WUPAP in Rolpa and Rukum districts. Therefore, the mission recommends that the PCU should request IFSP to organize such groups in WUPAP areas by integrating its livestock groups. This will help IFSP to cut short its efforts to find beneficiaries and to organize them into groups. With IFSP's continued support, WUPAP beneficiaries may be able to expand their businesses and sustain farm incomes. This arrangement will help WUPAP in improving household level service delivery.
64. WUPAP has been promoting a large number of micro enterprises. They will require periodic technical back stopping. In addition, rewarding good performers will encourage them to do better in future. Others will also try to sustain their businesses through expansion and competitiveness. Therefore, the Mission recommends that the project (i) by end of April 2015, should identify critical points of all businesses where technical support is required, and develop and implement technical backstopping plans; and (ii) should prepare stringent selection criteria of the best performers and reward these entrepreneurs with additional funding to expand their businesses.
65. Funding should be provided by the project to establish demonstration plots such as plastic tunnel for off-season vegetable production, scientific chicken pen construction and so on.

Quality of Beneficiary Participation

66. The quality of beneficiary participation is *moderately satisfactory*. CPCU meetings in the villages the mission visited were held on a monthly basis. The meetings mainly focused on sharing the status of activities implemented at household level and the problems farmers have been facing. Some CPCUs also discussed nutrition awareness programmes. They maintained minutes of the decisions of each meeting. Some CPCUs also have started savings programme. Some of them are also moving ahead to establish linkages with the Ward Citizen Forum and VDC Citizen Awareness Centre, which may help in ensuring sustainability of such groups. However, the mission learned that in many VDCs, primarily in remote areas CPCU meetings are not regular as (i) there is not much to discuss except the routine agenda of field activity monitoring and review; and (ii) members have to walk for up to 3-4 hours to attend the CPCU meetings. The Mission feels that these meetings are held because farmers have to take second, third or even the first investment instalments from the project. Once there is nothing to take from WUPAP, it is likely that CPCUs will not be active.
67. Similarly, DPCU staff-facilitated Beneficiaries' Oversight Board (BOB) meetings take place once in six months. The meeting agenda usually is the review of status of businesses supported by WUPAP. There is no other agenda raised or discussed, although some of the BOB members have started approaching the service delivery agencies at the district level to explore potential support. It is therefore likely that neither the CPCU nor the BOB will sustain in the future. Therefore, the mission recommends that the project should give greater emphasis on developing individual capacity of CPCU and BOB members to reach out to external agencies

and access resources to meet their needs. This approach could be of much value to further expand their businesses in the future and develop settlement level groups by bringing the like-minded CO members together.

Responsiveness of Service Providers

68. The responsiveness of service providers is rated *moderately unsatisfactory*. The project design assumes that technical services will be provided to the beneficiaries by line agencies and the private sector under contractual arrangements. However, the mission observed a serious gap in the delivery of technical services due to the limited network of both public sector agencies and NGOs. Moreover, in the design of CIPs, different livelihood activities were not packaged well. For example, goat distribution was planned without any consideration of goat shed improvement or feed/fodder development. The sustainability of such enterprises is questionable in the absence of integrated package.
69. The social mobilisers can also play an important role for the sustainability of beneficiary groups and their enterprises. However, the mission observed that newly appointed social mobilisers have not received any training in social mobilization and other aspects. The mission recommends that the project should provide adequate training to social mobilisers and groom them as local community leaders so that they can play a more effective role in sustaining different aspects of the project.

Exit Strategy

70. Exit Strategy is rated as *moderately satisfactory*. Phase III was designed as a 4 year exit strategy for WUPAP with the expectation that social empowerment activities undertaken under the project would deliver a lasting improvement in the capacity of women and men from the poorest households in the project VDCs to take a more leading role in their own development processes. The facilitation of a process of planning, management and governance of their own project investments is intended to achieve these changes that will continue beyond the end of the project.
71. The project has made good progress in socially and economically empowering the poor, linking their CIPs to VDC and DDC planning processes, supporting COs to become cooperatives, and collaborating with other development projects funded by IFAD and other development partners. These efforts are expected to help in achieving a successful exit strategy.
72. The mission feels that, in the remaining period, the project should focus its efforts in two areas: further empowering the CPCUs, BOBs and COs through capacity building, and enabling successful entrepreneurs to scale up their businesses. In order to achieve this, the mission recommends reallocation of remaining project budget as indicated in the following table. The entire amount of challenge fund, the bulk of unallocated amount, the remaining amount of vehicles and equipment as well as parts of remaining amounts of local technical assistance, and operation and maintenance have been proposed to be reallocated to community investment fund (CIF) category. This will allow the project to provide additional resources to those beneficiaries who have demonstrated good results and need additional support to sustain and scale up their livelihood activities. Examples of such support include advanced training for those women who have received basic training in tailoring so that they can stitch school dresses, men's clothes, etc.; additional support to goat farmers so that they can build proper goat sheds; expanding the Farmer Field School programmes in the project districts with the technical assistance from FAO with whom IFAD is working through a grant-funded project; supporting COs to graduate into cooperatives; and strengthening the LFUGs by supporting them to renew their certificates with the District Forest Offices and to prepare management plans.
73. There is a discrepancy concerning the project completion date in the project financing agreement amendment signed by the Government of Nepal on 6 September 2012. Paragraph 4 (a) of this document specifies that the project completion date would be the thirteenth anniversary of the effective date, or such later date as agreed between the Borrower and the Fund. As no such later date has been agreed, the project completion date as per this paragraph would be 3 January 2016 given the fact that the project became effective on 3 January 2003. However, paragraph 14 (b) of the Annex "A" of the project financing agreement amendment

letter clearly envisages a four-year implementation of the project, which is consistent with the provisions of the project design document. The mission is of the opinion that a full four year project duration is needed to achieve the project objective, particularly in view of the delayed start of project activities and the challenging nature of the project area. Therefore, the mission recommends a no-cost 6-month extension of the project completion date to 30 September 2016 and project closing date of 31 March 2017.

Potential for Scaling Up and Replication

74. The potential for scaling up and replication is rated *moderately satisfactory*. The mission has learned that the WUPAP targeting/planning process has been recognized by a large number of development agencies. Programmes like NCCSP/DFID, Helvetas/SDC, Rural Access Program/DFID, AEPC and MEDEP/UNDP have shown interest to work with the WUPAP beneficiaries to provide complementary inputs and support. MEDEP has been providing training to WUPAP beneficiaries and WUPAP funds the programme costs in some locations. Helvetas has been preparing a 3-year plan by following the WUPAP approach. PAF is interested to follow the WUPAP approach so that its planning process is mainstreamed with the government planning cycle. The mission was informed by the MCPA that it is keen to adopt the WUPAP approach to expand poverty alleviation programme to the eastern hills on a pilot basis. These are some of the examples that illustrate WUPAP's achievement in developing an effective approach for beneficiary targeting and programme delivery.
75. A number of on-going and new projects funded by IFAD provide unique opportunities to replicate and scale up innovative and successful aspects of WUPAP. Two districts (Rolpa and Rukum) of the ISFP project overlap with the WUPAP project area. This project is planning to promote cooperatives in five VDCs each in these two districts. In Rolpa, one VDC is common to both projects and it provides a good opportunity to work together to support project beneficiaries. The recently approved Adaptation for Smallholders in Hilly Areas (ASHA) project covers five of the eight districts of WUPAP (Jajarkot, Kalikot, Dailekh, Rolpa and Rukum). Within these districts, it is envisaged that VDCs will be selected, where feasible in terms of household vulnerability, targeting an overlap with WUPAP project VDCs for leveraging finance. Also, in the process of local adaptation plans for action (LAPAs) preparation, existing CIPs under will be enhanced to include climate change concerns and thereby leveraging LAPA-based project investments in vulnerability reduction and resilience enhancement.

Agreed action	Responsibility	Agreed date
CPCU members should be trained in accessing and managing resources from VDC, line agencies, NGOs.	PCU/district teams	On-going
The project should identify critical points of all businesses where technical support is required, and develop and implement technical backstopping plans; should prepare stringent selection criteria to give additional funds.	PCU/district teams	30 April 2015
The project should prepare a work plan and budget reflecting the proposed reallocated amounts under different budget categories.	PCU	30 April 2015
The government should request IFAD to approve the proposed reallocation of funds under different budget categories.	MOF/MCPA	31 May 2015
The government should request IFAD for a 6-month, no-cost extension to allow the project activities to be completed as planned.	MOF/MCPA	31 May 2015

G. Other

76. Physical and Financial Assets

The project's performance in this area is rated as *moderately satisfactory*. It has contributed to asset build-up of target beneficiaries by distributing animals and other physical assets such as sewing machines as well as by funding community infrastructure such as minor irrigation schemes, etc. Likewise, it has supported COs in expanding their savings in savings groups. However, the sustainability of these resources is still an issue and the project needs to support them in the remaining period of the project so that they can be sustained and expanded in the long term.

77. Food Security

The performance in this area is *moderately satisfactory*. Support provided by the project for the production of food and horticultural crops by improving irrigation water and other inputs and goat, poultry and pig rearing has contributed to food security and nutrition. The sale of animals and other products has increased their cash income, which has enabled them to buy food products that cannot be produced by them. The project is also promoting nutrition awareness among project beneficiaries by distributing flyers and audio messages such as songs through radios and cell phones.

78. Quality of Natural Asset Improvement and Climate Resilience

The project's performance in this area is rated *moderately satisfactory*. WUPAP has supported a number of activities, which has the potential of contributing to natural resource conservation and environmental sustainability. These include support to LFUGs (which is contributing to natural vegetation regeneration), micro-hydros (which has the potential to reduce the dependence of villagers on fuelwood consumption), and sprinkler irrigation (which improves the efficiency of water use). However, the number of these schemes is still small.

H. Conclusion

79. The Likelihood of achieving development objectives is rates as moderately satisfactory. While the modalities of implementation have evolved over the 3 phases of WUPAP, the overall development objective of strengthening the livelihood systems and basic human dignity amongst the poor and socially disadvantaged has remained unchanged. Despite the challenges the project is facing in fully implementing the CIPs, in enhancing the capacity of CPCUs and BOBs to build linkages with VDCs and DDCs, and in improving the quality of service delivery, the mission believes with renewed efforts in implementing the recommendations of this mission, the project can achieve the development objectives and sustain the gains of the project in the long-term.
80. Project performance is *moderately satisfactory*. The project has made good progress in implementing the CIPs including the revision and updating of some CIPs based on re-assessment of opportunities and risks. However, more efforts are needed to expedite the implementation of approved CIPs and to improve the quality of service delivery to beneficiaries. More importantly, the project should work to further enhance the capacity of CPCUs and BOBs so that they empowered to demand and access resources from VDCs, DDCs, line agencies and other development projects. A good beginning has been made in this area but it needs to be supported further in the remaining period of the project. WUPAP also needs to make extra efforts to document and disseminate the achievements of the project so that senior policy makers and other development partners can benefit from the rich experience of the project in targeting, social and economic empowerment and service delivery to the poorest of the poor in remote hilly areas.
81. Although financial management is improving after the recruitment of finance staff, there are issues with respect to slow disbursement of funds and audit. As a result, the overall performance has been rated as moderately satisfactory. The project and the government need to urgently address the issue of delayed submission of withdrawal applications so that the project does not suffer from lack of funds in the designated account.

82. The next Implementation Support Mission should be conducted around August to assess the implementation of the recommendations of this mission.
83. The mission believes that concerted efforts by the project to implement the mission recommendations and close monitoring and support by concerned government agencies (MCPA, MFALD, MOF) and IFAD will enable the project to achieve the development objective and to sustain and expand its achievements.

Agreement was reached by all parties attending the wrap-up meeting chaired by Mr Shreedhar Gautam, Secretary, Ministry of Co-operatives and Poverty Alleviation on the main findings and agreed actions from the mission.

Appendix 1: Summary of project status and ratings

Basic Facts

Country	Nepal			Project ID	1119	Loan/DSF Grant No.	576/8010
Project	Western Upland Poverty Alleviation Project					Supp. Loan/DSF Grant	8010
Date of Update	06-Apr-2015					Financing terms	HC
Supervising Inst.	IFAD						
No. of Supervisions	12	No. of Implementation Support/Follow-up missions	7				
Last Supervision	16-31-March-2014	Last Implementation Support/Follow-up mission	Aug-2014				

					USD million	Disb. rate %
Approval	06-Dec-2001			Total costs	14.82	36%
Agreement	05-Feb-2002	Effectiveness lag	13	IFAD Total	10.64	34%
Effectiveness	01-Jan-2003	PAR value	Actual Problem	IFAD loan	10.64	34%
MTR	23-Aug-2010			DSF grant	0.19	74.1%
Current completion	31-Mar-2016	Last Amendment	02-Jul-2012	IFAD grant		
Current closing	30-Sep-2016	Last Audit	13-May-2014	Domestic Total	4.18	42%
No. of extensions	2			Beneficiaries		
				Government (Local)	8.45	
				Government (National)		
				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	4	4	1. Quality of project management	4	4
2. Acceptable disbursement rate	4	3 ²	2. Performance of M&E	4	4
3. Counterpart funds	5	5	3. Coherence between AWPB & implementation	4	3
4. Compliance with loan covenants	5	4	4. Gender focus	3	3
5. Compliance with procurement	4	5	5. Poverty focus	5	5
6. Quality and timeliness of audits	3	3	6. Effectiveness of targeting approach	5	5
			7. Innovation and learning	4	4
			8. Climate and environmental focus	4	5
B.3 Outputs and outcomes	Last	Current	B.4 Sustainability	Last	Current
Community Empowerment	3	4	1. Institution building (organizations, etc.)	3	4
District Service Delivery Improvement	4	4	2. Empowerment	4	4
			3. Quality of beneficiary participation	4	4
			4. Responsiveness of service providers	4	3
			5. Exit strategy (readiness and quality)	4	4

² The rating of 3 was agreed in consideration of the overall project disbursements from Phase I to Phase III.

6. Potential for scaling up and replication	5	4
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B.5 Justification of ratings

Overall performance of the project remains unchanged from last year's assessment at *moderately satisfactory*. Good progress has been made in the areas of social and economic empowerment of targeted beneficiaries, service delivery, and Community Investment Plan (CIP) implementation. Of the 153 CIPs established by the project in eight project districts, approved project activities are being implemented in 133 CIPs whereas in the remaining 20 cases, training and other capacity building activities have been completed and project implementation will start soon. Among these 133 CIPs, where project work is underway, 56% of them are showing good results. The percentage of better performing CIPs varies from a low of 40% in Humla to a high of 65% in Rukum. Since the last mission, the project has also taken steps to address the demands of Janajatis to support them in the development of community and individual plans by taking into account their culture and identity. However, there are issues with respect to the quality of training provided to Community Project Coordination Units (CPCU) members on business enterprises, adequacy and quality of service delivery, knowledge management, gender mainstreaming, low disbursement and timeliness of audit.

Overall Assessment and Risk Profile

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

Rationale for implementation progress rating:

The project has made good progress in implementing the Community Investment Plans (CIPs) including the revision and updating of some CIPs based on re-assessment of opportunities and risks. More efforts are needed to expedite the implementation of approved CIPs and to improve the quality of service delivery to beneficiaries. The project should work to further enhance the capacity of Community Project Coordination Units (CPCUs) and Beneficiaries Oversight Boards (BOBs) so that they are empowered to demand and access resources from Village Development Committees (VDCs), District Development Committees (DDCs), line agencies and other development projects. The project also needs to make extra efforts to document and disseminate the achievements of the project so that senior policy makers and other development partners can benefit from the rich experience of the project in targeting, social and economic empowerment and service delivery to the poorest of the poor in remote hilly areas.

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

Despite the challenges the project is facing in fully implementing the CIPs, in enhancing the capacity of CPCUs and BOBs to build linkages with VDCs and DDCs, and in improving the quality of service delivery, the mission believes with renewed efforts in implementing the recommendations of this mission, the project can achieve the development objectives and sustain the gains of the project in the long-term.

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"> Although financial management in general has improved over time in the project, there are problems with respect to slow disbursement and delayed audits.
Project implementation progress	<ul style="list-style-type: none"> Coordination between the PCU's M&E team and district level M&E teams needs to be improved. The turnover of social mobilisers is an issue, which the project needs to address. M&E tools need to be updated to make them gender-sensitive. The project needs to systematically document its experience from the beginning of the project to improve its knowledge repository. Knowledge management among CPCU members and between district teams needs to be improved. To comply with various recommendations from the previous missions and to create efficient tools, the M&E system should create tools to track and evaluate current HR needs and performance as well as project activity performance.
Outputs and outcomes	<ul style="list-style-type: none"> The selection of individual businesses (CIPs) was mainly based in technical feasibility and marketability of products without adequate benefit and risk analysis. This has led some beneficiaries to change their businesses. Many CPCU members are still unable to express their needs and demand services from VDCs/DDCs due to inadequate empowerment. The quality service delivery by line agencies and NGOs is poor in many areas due to their limited coverage and remoteness of project areas.
Sustainability	<ul style="list-style-type: none"> The project's targeting and planning process has been recognized by the government and several development agencies. A number of ongoing and new projects funded by IFAD provide unique opportunities to replicate and scale up innovative and successful aspects of WUPAP. The project needs to further empower CPCU and BOB members so that they are able to demand and access resources from VDCs/DDCs, line agencies and other development projects.

Proposed Follow-up

Issue / Problem	Recommended Action	Timing	Status
Gap in technical service delivery in the livestock sector	DPCUs should assess the needs of beneficiaries to adequately package goat or pig programmes and allocate adequate budget for next fiscal year	30 June 2015	
Gaps in the orientation of beneficiaries to the available opportunities	Give high priority to empower the beneficiaries to enable them to access resources from government and NGOs and manage them.	Ongoing	
Delays in coordination, collection and compilation of data	Create mechanism to improve coordination between district level M&E team and PCU M&E team	31 May 2015	
Implementation support	IFAD should field an implementation support mission to follow up actions on the recommendations of this supervision mission.	August 2015	
Insufficient garnering of knowledge from the experiences of implementation	Pilot and implement KM tools such as Most Significant Change (MSC) method, outcome mapping, and learning route as a component within WUPAP KM system.	30 June 2015	

Appendix 2: Updated logical framework: Progress against objectives, outcomes and outputs

Phase III Logical Framework

Phase III has a fully revised logical framework from previous Phases and has been under implementation since September 2012. The Phase III logical framework is included below for reference. It is being revised by the PCU. The progress against Phase III outcomes and outputs is shown below the logical framework.

Results hierarchy	Indicators	Means of verification	Assumptions
Goal Strengthened livelihood systems and basic human dignity amongst the poor and socially disadvantaged people in the Mid and Far Western regions of Nepal	1. Improvements in household assets ownership index 2. Reduction in prevalence of child malnutrition, especially chronic malnutrition (height for age) 3. # of household directly participating in the project	<ul style="list-style-type: none"> RIMS plus - Phase III baseline & end-line Project activity reports 	Socio-economic stability maintained so as not to disrupt market or project implementation. Government administrative structures at national and sub-national levels remain stable and supportive of project
Development objective Improved living standard through sustained growth of employment, income and access to resources amongst the poor households in targeted area	4. % increase in average household net income 5. % increase in average HH production of crops, NTFP/MAFS 6. % increase in average household herd size (livestock index) 7. % of HH with >20% increase in physical (e.g. land, equipment) or financial resources	<ul style="list-style-type: none"> RIMS plus - Phase III baseline & end-line 	
Outcome 1 (Component 1) Community Empowerment	8. 70% of people who believe their priorities were equitably reflected in CIP plans and implementation 9. 70% of participants are satisfied with CIP process (planning, implementation and governance) 10. 70% of CIP implementation that exceeds 70% physical and financial progress against plan for each year 11. 70% of CO and other groups graduating to self-sustaining status 12. 70% of HH adopting improved nutrition practices	<ul style="list-style-type: none"> Annual VDC-level results monitoring survey RIMS plus - Phase III baseline & end-line 	Social environment within target villages is conducive to participatory investment processes
1.1 Social empowerment	13. 153 participatory Community Investment plans prepared 14. 70% of people are satisfied with the pre-feasibility technical advice on agriculture (incl. livestock and forestry) and infrastructure 15. 70% of identified target households in each VDC reporting active participation of women and men from the HH in participatory CIP process (Active = attending 2 or more meetings in the planning process where they either voted or spoke to raise an issue) 16. 90% VDC conducting public audit each year covering all project supported activities 17. 80% satisfaction with overall services, infrastructure and other investments under CIP (disaggregated by respondent) 18. Number of HH where men and women both receive nutrition training and/or awareness raising activities	<ul style="list-style-type: none"> CIP feedback survey Annual VDC-level results monitoring survey VDC activity reports RIMS plus - Phase III baseline & end-line 	Social environment within target villages is conducive to participatory investment processes

Results hierarchy	Indicators	Means of verification	Assumptions
1.2 Economic Empowerment	<p>19. # of investments completed for the five types of eligible investment</p> <p>20. # of beneficiaries by each of the five types of investment</p> <p><u>Farming improvement</u></p> <p>21. 80% satisfaction among farmers with farming improvement services and technical support/training</p> <p>22. 80% of household adopt at least 50% of the technology components they receive training on for at least 2 production seasons after training</p> <p><u>Market linkage</u></p> <p>23. Number of households reporting increase in unit sales price for produce above changes in local market prices</p> <p><u>Vocational training</u></p> <p>24. % of vocational trainees receiving >25% increase in wage rate after training (corrected for inflation)</p> <p><u>Infrastructure</u></p> <p>25. 80 % of infrastructure with appropriate design, construction and O&M system <i>Labour savings infrastructure</i></p> <p>26. No. of households using schemes</p> <p>27. Average monthly time and/or cost savings per household <i>Productive infrastructure</i></p> <p>28. Increase in annual irrigated production area (=area of actual irrigated land X number of seasons irrigated)</p> <p><u>Loan capital</u></p> <p>29. 70% of CO's planned in CIP to receive capital meet criteria and receive Loan Capital by end of 3 yr plan.</p>	<ul style="list-style-type: none"> VDC activity reports Annual VDC-level results monitoring survey D-PCU progress reports (CIP's submitted) VDC Public Audit Report Pre- and post-activity beneficiary surveys and group discussion 	Appropriate technical service providers can be identified and contract to work in project areas to complement Government technical line agencies
Outcome 2/ component2: District Service Delivery Improvement	<p>30. 80% satisfaction of target people with farming improvement services and technical support/training provided by DADO, DLSO and DFO.</p> <p>31. 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)</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	32. 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>33. 5 FFS training courses developed/adapted, including all training materials, approaches and ToT materials</p> <p>34. At least 25 FFS pilot courses implemented</p> <p>35. 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 	

Progress Against Logframe³ Outputs and Outcomes

LOGFRAME																		
	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						NA	NA	NA	NA		NA	#DIV/0!		
Project Purpose																		
-	2	COSOP	% increase in average hh net income	%												NA	#DIV/0!	
	2		% increase in average hh production of crops, NTFP/MAFS	%													NA	#DIV/0!
	2		% increase in average hh herd size (livestock index)	%													NA	#DIV/0!
	2		% of HH with >20% increase in physical (e.g. land, equipment) or financial resources	%													NA	#DIV/0!

³ The logframe is currently in the process of being updated by WUPAP staff. Hence there is no change in the logframe since last supervision mission.

Per Component																	
<u>1.Comp onent</u>	2	COSOP	People who believe their priorities were equitably reflected in CIP plans and implementation	%		99									70	99	141%
Commu nity Empowe rment	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	%		NA									70	NA	0%
	2		COs and other groups graduating to self-sustaining status	%		NA									70	NA	#VALU E!
	2		HHs adopting improved nutrition practices	%		NA									70	NA	#VALU E!
<u>1.1 Sub- Compon ent</u>	2	COSOP	Participatory Community Investment plans prepared	Investm ents plans		66				66	66	66	66	66	153	66	43%
Social Empowe rment	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	%		NA									90	NA	0%
	2		Satisfaction with overall services, infrastructure and other investments under CIP (disaggregated by respondent)	%		NA									80	NA	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!
<u>1.2 Sub- Compon ent</u>	2	COSOP	Satisfaction among farmers with farming improvement services and technical support/training	%		80									80	80	100%
Economi c Emower ment	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		NA				NA	NA	NA	N A	NA		NA	#DIV/0!

	2		% of vocational trainees receiving >25% increase in wage rate after training (corrected for inflation)	%		NA										NA	#DIV/0!
	2	COSOP	Infrastructure with appropriate design, construction and O&M system	%		NA									80	NA	0%
	2		No. of HHs using schemes	hhs		NA				NA	NA	NA	NA	NA		NA	#DIV/0!
	2		Average monthly time and/or cost savings per HH			NA				NA	NA	NA	NA	NA		NA	#DIV/0!
	2		Increase in annual irrigated production area (=area of actual irrigated land X number of seasons irrigated)	ha		NA				NA	NA	NA	NA	NA		NA	#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		NA				NA	NA	NA	NA	NA		NA	#DIV/0!
	1		No of beneficiaries by each of the five types of investment	Beneficiaries		NA				NA	NA	NA	NA	NA		NA	#DIV/0!
1.2 Sub-Component	2		Satisfaction of target people with farming improvement services and technical support/training provided by DADO, DLSO and DFO	%		NA									80	NA	0%
District Service Delivery Improvement	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	%		NA									80	NA	0%
	1	COSOP	District service improvement projects implemented meet the key implementation and impact targets set in their proposal	%		NA									80	NA	0%
	1		FFS training courses developed/adapted, including all training materials, approaches and ToT materials	FFs trainings		NA				NA	NA	NA	NA	NA	5	NA	0%
	1		FFS pilot courses implemented	FFs courses		NA				NA	NA	NA	NA	NA	25	NA	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	Whom	Date	Progress
Components	Social empowerment: Give high priority to empower the beneficiaries to enable them to access resources from government and NGOs and manage them.	PCU/district teams	Ongoing	
	Economic empowerment: DPCUs should assess the needs of beneficiaries to adequately package goat or pig programmes and allocate adequate budget for next fiscal year.	DPCUs	30 Jun 2015	
	Economic empowerment: The project should discontinue giving pigs to very poor households. They should be made aware of risks and assisted to undertake risk and cost benefit analysis before he/she makes any decision to take up this business.	PCU/District teams	Ongoing	
	Service delivery: All types of training related to livestock production should be field based and hands-on or practical.	PCU/district teams	Ongoing	
Project Implementation	Service delivery: The project should assist the Leasehold Forestry User Groups to renew their certificates with the District Forest Office before the project closes	PCU	Ongoing	
	M&E: Create mechanism to improve coordination between district level M&E team and PCU M&E team	PCU / DPCU	31 May 2015	
	M&E: Update M&E indicator in the logical framework as per recommendation of previous mission	PCU	31 Jul 2015	
	M&E: Create tools to monitor and evaluation HR needs and performance, as well as project activity performance	PCU	31 Aug 2015	
	Gender: Develop a pragmatic activity strategy to address gender discrimination and gender mainstreaming by project beneficiaries	PCU	31 Aug 2015	
	Gender: Identify and address areas of gender inequalities within households and the society, and obstacles women face to participate in project activities and apply it in activity strategies	DPCU / PCU	31 Oct 2015	
	Gender: Train project related personnel (staff and CPCU members) to address gender discrimination and gender mainstreaming issues	PCU	31 May 2015	
	KM: Pilot and implement KM tools such as most significant change method, outcome mapping, and learning route as a component within KM systems	PCU	30 Jun 2015	
	KM: Organize training workshop for staff and stakeholders on the three methodologies—most significant change, outcome mapping, and learning route	PCU	30 Jun 2015	
	KM: Compile WUPAP experience documents from the beginning of the project to improve its knowledge repository	PCU	31 Dec 2015	
	KM: DPCU teams assist all beneficiaries to create business plans for their businesses, which should be innovative and cater to literate and illiterate beneficiaries	PCU/DPCU	31 Dec 2015	
	Climate and environment: Project to allocate budget and assist goat farmers to plant at least 20 sets of mulato and napier grass per household	PCU/district teams	31 Aug 2015	

Action Area	Action Agreed	Whom	Date	Progress
Fiduciary	Training: Conduct a refresher training for all accounting staff in computerised accounting (tally) and use of Excel	FA, PCU	30 Jun 2015	
	Monthly reports: Use software to generate monthly reports at all DPCUs and for compilation at the PCU	Accountants	15 Jul 2015	
	Cash advances: Restrict advances to personal accounts only for petty cash or where payment by cheques is not possible. All other payments to be made by cheque from the DTCO	PC	15 Apr 2015	
	WAs: Submit WAs promptly after completion of each trimester to have sufficient funds in the DA	FA	On-going	
	Audit reports: Submit audited accounts within the stipulated period of six months from the end of the fiscal year	OAG/PC	Immediately	
	Audit reports: Include audit report of the DPCUs with that of the PCU for submission to IFAD	OAG/PC	In the audit report of 2013-14 and thereafter	On-going
Sustainability and Exit Strategy	Training: CPCU members should be trained in accessing and managing resources from VDC, line agencies, NGOs	PCU/district teams	30 Apr 2015	
	Technical support: The project should identify critical points of all businesses where technical support is required, and develop and implement technical backstopping plans; should prepare stringent selection criteria to give additional funds	PCU/district teams	30 Apr 2015	
	Workplan and budget: The project should prepare a workplan and budget reflecting the proposed reallocated amounts under different categories	PCU	31 May 2015	
	Reallocation of funds: The government should request IFAD to approve the proposed reallocation of funds under different budget categories	MOF/MCPA	31 May 2015	
	No-cost extension: The government should request IFAD for a 6-month, no-cost extension to allow the project activities to be completed as planned	MOF/MCPA	31 May 2015	

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

Period: from July 16th 2014 to February 28th 2015

All amount Express in NPR term thousand

Results #	Objectives/Expected Results	Indicators				Budget			Expenses		
			Planned (Annual)	Achieved (Annual)	%	Planned (Annual)	Spent (Annual)	%	Total	Financier	
		Project Indicators								IFAD	GoN
	(A)	(B)	(G)	(J)	(K)	(M)	(R)	(S)			
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									
1.1	Component 1.1: Social Empowerment	153 participatory Community Investment Plan Prepared									
		70% of the people are satisfied with the pre-feasibility technical advice on agriculture (including livestock and forestry) and infrastructure									
		70% of identified household in each VDC reporting active participation of women and men from the HH in participatory CIP process (Active= attending 2 or more meeting in the planning process where they either voted or spoke to raise an issue)									
		90% VDC conducting public audit each year covering all project supported activities									
		80% satisfaction with overall services, infrastructure and other investments under CIP(disaggregated by respondent)									
		Number of household where men and women both receive nutrition training and/ or awareness activities									
	Output 1.1.1 Participatory planning, investment, management and governance	preparation of community Investment Plan									

		Ongoing supervision of implementation of activities under CIP									
		Annual social and public audit of activities, investment, support groups and impact									
		Annual review and updating of CIP									
	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		45			1224.5		0	0	
	Activities 1.1.1.2 Participatory Community Investment Planning Process	153 CIP preparation will be completed		45		250.00		-	0	0	
	Activities 1.1.1.2.1 CIP format preparation	Preparation of the format for the CIP preparation	-	1		-					
	Activities 1.1.1.2.2 days orientation training to S.M about the CIP	S.M will be awarded about the concept and working modality of CIP	-	8		-	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	-	8		-	1988.86				
	Activities 1.1.1.2.4 CIP preparation for each district and publish	8 district level consolidated CIP will be prepared	-	0		-	0		0	0	
	Activities 1.1.1.2.5 CIP publication at central level	Compilation and preparation of CIP monitoring software	-	0		250.00	0		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	306			4,590.00		1615	1356.6	258.4	
	Activities 1.1.1.3.1 Annual public audit	Implementation of the sub project will be approved by the community through public audit	-	0		-					
	Activities 1.1.1.3.2 Updating of CIP	CIP will be updated by community if necessary		0							
Total Budget for output 1.1.1						4,840.00		1,615.00	1356.6	258.4	
	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 MFIs/Banks	Merger of CO's or graduation of CO's into cooperatives and link with financial institution for sustainability	-	0		4,077.00	0	935.00	785.40	149.60	
	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	153	0		4,077.00		935	785.4	149.6	

	Activities 1.1.2.1 .2 Support in linking CO's	Co's or cooperative will be link to financial institution	-	0		-					
	Activities 1.1.2.2 Short term national TA for CO consolidation	TA will support project in Cos consolidation process	-	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		-					
	Total Budget for output 1.1.2					4,077.00			935.00	785.40	149.60
	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	-			5,000.00			778.00	653.52	124.48
	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	-	0		-				0	0
	Activities 1.1.3.1.2 Nutrition awareness program	Awareness program will be conducted in 113 VDC	155	1		5,000.00			778.00	653.52	124.48
	Activities 1.1.2.2 Short term national TA for nutrition campaign	Ta will support project in nutrition awareness campaign	-	0		-					
	Activities 1.1.5.3 Campaign material	Materials will be prepared for the nutrition awareness	-	0		-					
	Total Budget for output 1.1.3					5,000.00			778	653.52	124.48
	Total for Component 1.1					13,917.00			3,328.00	2,796	532
	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)									

		Infrastructure 80 % of infrastructure with appropriate design, construction and O&M system Labour 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)									
		Loan capital 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			306,000.00			47,203.00	39650.52	7552.48
	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					306,000.00			47203	39650.52	7552.48
	Activities 1.2.2.1										
	Total for output 1.2.2					-					
	Output 1.2.3 Social Mobilization	153 people at the community level will be used for the social mobilization at the field level	306			38,084.00			19,803.00	16,634.52	3,168.48
	Activity 1.2.3.1 Social Mobilizers salary and allowance	Salary paid to social mobilizers	153	153		34,884.00			18,857.00	15839.88	3017.12
	Activity 1.2.3.12. Mobilization allowance for Social Mobilizers	Allowance paid to social mobilizers	153			3,200.00			946.00	794.64	151.36
	Activity 1.2.3.2 ToT and Training to S.M	Training provided to S.M	17			5,354.00			800.00	672.00	128.00
	Activity 1.2.3.2.1 ToT to S.M on participatory Rural appraisal	Training provided to S.M		8		-					
	Activities 2.3.2.1. TOT on Leadership Development to the project staffs	9 Training to project staffs to be organized to develop capacity and skill for effectively manage and function Cos and CPCU etc.	9			3,048.00			800	672	128
	Activity 1.2.3.2.2 .2. ToT to S.M on Cooperative Development	153 SM will be trained	8	0		2,306.00			0	0	0
	Total for output 1.2.3					43,438.00			20,603.00	17,306.52	3,296.48
	Total for Component 1.2					349,438.00			67,806	56,957	10,849
	Total for Component 1					363,355.00			71,134.00	59,752.56	11,381.44

	Component 2 District Service Improvement	80% satisfaction of target people with farming improvement services and technical support/training provided by DADO, DLSD and DFO.									
		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)									
	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										
	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	-			-					
	Activities 2.2.2 FFS Pilot	FFS in 2 sites will be carried out	68			10,000.00			1269	1065.96	203.04
	Activities 2.2.3 FFS roll out of capacity building	ToT will be provided to the Line agency staffs	2			5,000.00			625	525	100
	Total for output 2.2										
	Output 2.3 Human resource Development	Professional training to service provider staffs	-			-					
	Activities 2.3.1 ToT to Service providers	Training to service providers to give more effective service to beneficiaries	31			3,060.00			319	267.96	51.04
	Total for output 2.3										
	Total for Component 2										
	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	8			25,856.00			4,903.00	4,118.52	784.48
	Activities 3.1.1 Beneficiaries Oversight Board (BoB) Event	2 BoB meeting in each district	8	2		800.00			100	84	16

	Activities 3.1.2 Project Meeting, Coordination committee and workshop	8 DSCC meeting in each district	710			25,056.00			4,803.00	4,034.52	768.48
	Activities 3.1.2.1 District Service Coordination Committee formation and Meeting		96	64		576.00			124	104.16	19.84
	Activities 3.1.2.2 Formation and meeting of Community Project Coordination Unit	153 CPCU will be formed. 153 meeting will be conducted	-	45		-				0	0
	Activities 3.1.2.3 Orientation at the District level	Orientation about the new phase in each district at various level	-	8		-					
	Activity: Empowerment of the community people	Trainings/ meetings/ coaching/ campaigns to enabling community people to claim their rights and meaningful participation	614			24,480.00			4679	3930.36	748.64
	Total for output 3.1					25,856.00			4,903.00	4,118.52	784.48
	Output 3.2 Meeting and workshop Ministry, PCU and Regional Level	Various nature of meeting and workshop conducted by PCU for coordination	16			4,660.00			1172	984.48	187.52
	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	2			900.00			119	99.96	19.04
	Activities 3.2.2 PSC meeting	4 PSC meeting will be conducted in this year	6	4		400.00			39	32.76	6.24
	Activities 3.2.3 Regional Coordination Meeting	Meeting with various regional line agencies	6	3		360.00			11	9.24	1.76
	Activity 3.2.4 Review Planning Workshop		2	1		3,000.00			1003	842.52	160.48
	Total for output 3.2					4,660.00			1,172.00	984.48	187.52
	Output 3.3 Human Resource Development	Support in development of project H.R through training, workshops, and visits	40			13,247.00					
	Activity 3.3.1 Professionals training and Exposure visits	Training and exposure visits to the Project staffs	1			3,591.00			195	163.8	31.2
	Activity 3.3.2 Professional training and workshop participation cost to project staffs organized by IFAD and other organization	Training and exposure visits to the Project staffs	3	2		300.00			300	252	48
	Activity 3.3.3 Training to staffs on various issues (M&E Workshop on 3rd 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)	2 training for technical people and Talley training to account staffs will be held 1 Janjati Workshop will be held in Rukum and Rolpa to study probable activities to be implemented under CIP	-			1,320.00			1114	935.76	178.24
	Activity 3.3.4. Learning Route training on Youth and Rural Finance	9M&E Officers and 1 MIS officer of projects will be trained in LR	9			1,530.00			0	0	0
	Activity 3.3.5. Enterprises Advice and Entrepreneurship Development Training	8 trainings will be provided at district level	8			2,306.00			2259	1897.56	361.44
	Activity 3.3.6. Knowledge Management Training for the project staffs (2 PCU/ 8 districts) will be provided	10 trainings (2 PCU/ 8 districts) will be provided	10			1,800.00			0		
	Activity 3.3.7 Training on Appreciative Inquiry for effective service delivery and management	9 appreciative inquiry trainings will be provided to the project staffs and service providers	9			2,400.00			500	420	80

	Total for Output 3.3				13,247.00			4,368.00	3,669.12	698.88
	Output 3.4 Monitoring, Evaluation and Knowledge Management									
	Activity 3.4.1 Project Monitoring Cost		9		13,572.00			2850	2394	456
	Activity 3.4.1.1 Regional Directors operation and Monitoring Cost	At least 1 field visit by RD technical staff in districts	-		-				0	0
	Activity 3.4.1.2. Monitoring and Supervision cost by Cooperative office for support in graduation of CO's into cooperatives		-		-					
	Activity 3.4. 1.3 Program Monitoring Cost by PCU, and District				9,960.00			2823	2371.32	451.68
	Activity 3.4. 1.4 Program Monitoring Cost by districts (only outside districts)				600.00					
	Activity 3.4.1.4 Knowledge Management System									
	Activity 3.4.1.4.1 Documentary preparation, broacher, baseline format printing, newsletter and WUPAP program awareness program through FM and radio	At least 2 documentary 3 newsletter 32 FM program and broacher will be prepared and printed	1	2	1,176.00			27	22.68	4.32
	Activity 3.4.1.4.2 MIS system preparation	1 MIS system will be prepared	-		-					
	Activity 3.4.1.4.3 Accounting Software installation	Talley software installation in 8 district and renew in PCU	1	1	86.00			0		
	Activity 3.4.1.4.4 Baseline information analysis software		-	1	-					
	Activity 3.4.1.4.5 CIP progress mapping tool	1 CIP process mapping tool will be prepared	-		150.00			0		
	Activity 3.4.1.4.6 Project Knowledge Management	different KM activities will be carried out and published	1		1,600.00			0		
	Activity 3.4.2 Studies and Publication		3		800.00			0	0	0
	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	-	45	-			0	0	0
	Activity 3.4.2.2 Data collection format	Different Data collection format will be developed	1	45	300.00			0		
	Activity 3.4.2.3 Baseline data compilation and selection of core beneficiaries	Baseline will be compiled for 153 VDCs	-	45	-					
	Activity 3.4.2.4 Project implementation guideline		-	1	-					
	Activity 3.4.2.5 Report Preparation and Publication	Different Studies will be carried out and published	2		500.00			0		
	Total for output 3.4				14,372.00			2850	2394	456
	Output 3.5 Equipment Purchase									
	Activity 3.5.1 Vehicle Purchase	1 four Wheel Drive vehicle will be purchased	-		-					
	Activity 3.5.2 Motorbike purchase		-	9	-	179.1				
	Activity 3.5.3 Laptop Computer purchase		-	30	-	2390				
	Activity 3.5.4. Office equipment and furniture		-		1,334.00			476	399.84	76.16
	Activity 3.5.3 Audio Visual equipment Purchase		-		-	0				
	Activity 3.5.4 Information Management related equipement purchase		-							
	Activity 3.5.5 Furniture, Solar and battery for electricity support	Solar Pannel and battries will be purchased	9							

	Activity 3.5.6 Printer, Scanner purchase, Multimedia Projector	Printer, scanner and projector will be purchased	9			1,736.00	0		1109	931.56	177.44
							0				
	Total for output 3.5					3,070.00			1585	1331.4	253.6
	Output 3.6 Local Technical Assistance		21.00			17,016.00			5707	4793.88	913.12
	Activity 3.6.1 Staff hiring Cost	5 position of TA and 1 position of Accountant in 8 districts will be filled	2			919.00			404.00	339.36	64.64
	Activity 3.6.2 LTA Cost	17 regular TA will be paid salary and short term TA	19			16,097.00			5303	4454.52	848.48
	Activity 3.6.3 Subproject Account preparation					-					
	Total for output 3.6					17,016.00			5707	4793.88	913.12
	Output 3.7 Admin and Management										
	Activity 3.7.1 Admin Cost		9			11,590.00			2945	2473.8	471.2
	Activity 3.7.2 Salary to Staff		9			34,378.00			15395		15,395.00
	Total for output 3.7					45,968.00			18,340.00	2,473.80	15,866.20
	Total for 3					124,189.00			38,925.00	19,765.20	19,159.80
	Grand Total					505,604.00			112,272.00	81376.68	30895.32

1) WUPAP Validated RIMS Table

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.

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.

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 wellbeing ranking and prepare a 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)

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.

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

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). 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 28percentage points and sanitation by 22 percentage points for the same duration.

Currently WUPAP Phase 3 RIMS activity for first and second level is occurring. The following is the latest WUPAP RIMS information:

⁴ The 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 the project evolves. Specific targets for each phase must be met for the project to proceed to the following phase.

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

FIRST LEVEL RESULTS (Outputs)															
Back to Summary	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
Total Project															
	Persons receiving project services (total)	Individuals		358,746				358,746	358,746	358,746	358,746	358,746	71,000	358,746	505.3%
	Men	men		179,373				179,373	179,373	179,373	179,373	179,373	35,500	179,373	505.3%
	Women	women		179,373				179,373	179,373	179,373	179,373	179,373	35,500	179,373	505.3%
	Per Component														
1.Component	Irrigation schemes rehabilitated/constructed	ha		0				0	0	0	0	0		0	#DIV/0!
Social Empowerment	Farmers working on rehabilitated/new irrigation schemes	farmers		0				0	0	0	0	0		0	#DIV/0!
	Community projects implemented by type	number		0				0	0	0	0	0	750	0	0%
	Sanitation (toilets)	number		0				0	0	0	0	0		0	#DIV/0!
	Small Irrigation	number		0				0	0	0	0	0		0	#DIV/0!
	Community building (School, health post, market shed, micro-hydro power house etc.)	number		0				0	0	0	0	0		0	#DIV/0!
	Wooden bridges and mule trails	number		0				0	0	0	0	0	475	0	0%
	Improved Pani Ghatta (traditional grinding device)	number		0				0	0	0	0	0		0	#DIV/0!
	Drinking water	number		0				0	0	0	0	0		0	#DIV/0!
	Others (Slaughter house, drenching and dipping house etc.)	number		0				0	0	0	0	0		0	#DIV/0!
	Micro-irrigation only for LFUG	number		0				0	0	0	0	0		0	#DIV/0!
1.Component	Interest groups formed by type														

Social Empowerment	leasehold forest user groups - LFUGs	number		0				0	0	0	0	0	1,000	0	0%
	People belonging to groups, by gender														
	LFUGs – men	men						0	0	0	0	0	5,750	0	0%
	LFUGs – women	women						0	0	0	0	0	5,750	0	0%
	Area under resource management plans														
	area covered in leasehold forestry plans	ha						0	0	0	0	0	13,000	0	0%
2.Component	Demonstrations held on farmers' land	number		2				2	2	2	2	2		2	#DIV/0!
Service Delivery Improvement	Persons trained, by gender and sector											0			
	village animal health workers - men	men		0				0	0	0	0	0	190	0	0.0%
	village animal health workers - women	women		0				0	0	0	0	0		0	#DIV/0!
	animal husbandry – men	men		0				0	0	0	0	0		0	#DIV/0!
	animal husbandry – women	women		0				0	0	0	0	0	5,000	0	0.0%
3.Component	Interest groups formed by type														
Project Management	savings and credit groups	number		0				0	0	0	0	0	4,900	0	0%
	Active savers (disaggregated by gender)														
	Men	men		27,088				27,088	27,088	27,088	27,088	27,088	35,300	27,088	77%
	Women	women		27,845				27,845	27,845	27,845	27,845	27,845	35,300	27,845	79%
	Value of savings mobilized	USD		998,223				998,223	998,223	998,223	998,223	998,223		998,223	#DIV/0!
	Active borrowers (disaggregated by gender)														
	Men	men		10,122				10,122	10,122	10,122	10,122	10,122		10,122	#DIV/0!
	Women	women		12,113				12,113	12,113	12,113	12,113	12,113		12,113	#DIV/0!
	Value of gross loan portfolio (loans outstanding – loans written	USD		70,223				70,223	70,223	70,223	70,223	70,223	1,026,666	70,223	7%

	off)														
3.Compo nent	% disbursement of IFAD loan	SDR		61				61	61	61	61	61	9,685 ,690	61	0.0%
Project Management	% disbursement of IFAD loan	USD		61				61	61	61	61	61		61	#DIV/0!
	% disbursement of IFAD grant	SDR		0				0	0	0	0	0	441,3 18	0	0.0%
	% disbursement of IFAD grant	USD		0				0	0	0	0	0		0	#DIV/0!

SECOND LEVEL RESULTS (Outcomes)																		
Back to Summary	Rating indicators	Indicators justifying rating	Unit	Target current year	Per year				Cumulative years					End of Project			Ratings *	Ratings previous year
					PY10 (12-13)	PY1 1 (13-14)	PY1 2 (14-15)	PY1 3 (15-16)	PY10 (12-13)	PY11 (13-14)	PY12 (14-15)	PY13 (15-16)	Total	Project target	Actual	% of project target		
Per Component																		
<u>1.Component</u>	<u>1.Component</u>	Community projects functional, by type																
Infrastructure Development	Social Empowerment	Sanitation (toilets)	number		6				6	6	6	6	6		6	#DIV/0!		
		Small Irrigation	number		126				126	126	126	126	126		126	#DIV/0!		
		Community building (School, health post, market shed, micro-hydro power house etc.)	number		231				231	231	231	231	231		231	#DIV/0!		
		Wooden bridges and mule trails	number		25				25	25	25	25	25		25	#DIV/0!		

		Improved Pani Ghatta (traditional grinding device)	number		25				25	25	25	25	25		25	#DIV/0!		
		Drinking water	number		203				203	203	203	203	203		203	#DIV/0!		
		Others (Slaughter house, drenching and dipping house, River bank protection, Compound wall etc.)	number		5				5	5	5	5	5		5	#DIV/0!		
2.Component	1.Component	Groups operational/functional, by type (total no. of member under LFUGs)	Groups		781				781	781	781	781	781		781	#DIV/0!		
Leasehold Forestry and non-timber forest products	Social Empowerment	Common property resources (area under improved management practices, i.e handed over under forestry lease agreements)	ha		11,938				11,938	11,938	11,938	11,938	11,938		11,938	#DIV/0!		
		HHs provided with long-term security of tenure of natural resources, including land and water	HHs		4,243				4,243	4,243	4,243	4,243	4,243		4,243	#DIV/0!		
3.Component	Component 1 and 2	Farmers adopting technology recommended by project																

Agriculture and Livestock Production		crop production technologies	farmers		3				3	3	3	3	3		3	#DIV/0!		
		animal husbandry	farmers		0				0	0	0	0	0		0	#DIV/0!		
		Farmers reporting production/yield increases																
		crop production/yield increases	farmers		0				0	0	0	0	0		0	#DIV/0!		
		animal production/offtake increases	farmers		0				0	0	0	0	0		0	#DIV/0!		
4. Component	Component 3	Portfolio at risk (outstanding balance of overdue loans)	%		6										6	#DIV/0!		
Micro-finance and Marketing Promotion	Project Management																	
	-																	
* Rating from 1 to 6																		

SECOND LEVEL RESULTS (Outcomes)																		
Back to Summary	Rating indicators	Indicators justifying rating	Unit	Target current year	Per year				Cumulative years					End of Project			Rating s*	Rating s previous year
					PY 10 (12 - 13)	PY1 1 (13- 14)	PY1 2 (14- 15)	PY1 3 (15- 16)	PY10 (12- 13)	PY11 (13- 14)	PY12 (14- 15)	PY13 (15- 16)	Total	Proje ct target	Actu al	% of proje ct target		
Per Component																		
<u>1.Component</u>	<u>1.Component</u>	Community projects functional, by type																
Infrastructure Development	Social Empowerment	Sanitation (toilets)	number		6				6	6	6	6	6		6	#DIV/0!		
		Small Irrigation	number		126				126	126	126	126	126		126	#DIV/0!		
		Community building (School, health post, market shed, micro-hydro power house etc.)	number		231				231	231	231	231	231		231	#DIV/0!		
		Wooden bridges and mule trails	number		25				25	25	25	25	25		25	#DIV/0!		
		Improved Pani Ghatta (traditional grinding device)	number		25				25	25	25	25	25		25	#DIV/0!		
		Drinking water	number		203				203	203	203	203	203		203	#DIV/0!		
		Others (Slaughter house, drenching and dipping house, River bank protection, Compound wall etc.)	number		5				5	5	5	5	5		5	#DIV/0!		
<u>2.Component</u>	<u>1.Component</u>	Groups operational/functional, by type (total no.of member under LFUGs)	Groups		781				781	781	781	781	781		781	#DIV/0!		
Leasehold Forestry and non timber forest products	Social Empowerment	Common property resources (area under improved management practices, i.e handed over under forestry lease agreements)	ha		11,938				11,938	11,938	11,938	11,938	11,938		11,938	#DIV/0!		
		HHs provided with long-term security of tenure of natural resources, including land and water	HHs		4,243				4,243	4,243	4,243	4,243	4,243		4,243	#DIV/0!		

3.Component	Component 1 and 2	Farmers adopting technology recommended by project									
Agriculture and Livestock Production		crop production technologies	farmers		3	3	3	3	3	3	#DIV/0!
		animal husbandry	farmers		0	0	0	0	0	0	#DIV/0!
		Farmers reporting production/yield increases									
		crop production/yield increases	farmers		0	0	0	0	0	0	#DIV/0!
		animal production/offtake increases	farmers		0	0	0	0	0	0	#DIV/0!
4.Component	Component 3	Portfolio at risk (outstanding balance of overdue loans)	%		6					6	#DIV/0!
Micro-finance and Marketing Promotion	Project Management										

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 2015)

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 2015)

Financier	Appraisal (USD '000)	Disbursements (USD '000)	Per cent disbursed
IFAD loan ¹	10643.00	3,611.74	34%
IFAD grant			
Government ²	4180.00	1,735.25	42%
Local Government		8.45	
Beneficiaries			
Private Sector			
Total	14,823.00	5,355.44	36%

Notes: 1) IFAD Loan Disbursement includes initial advance of USD 1 million.

- 2) The Government pre-finances expenditure and hence amount claimed from IFAD pending disbursement and amount spent yet to be claimed from IFAD are shown as Government contribution

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			3,714.00	3,250.97	88%
Leasehold Forest & NTFP	1,954.00	2,227.02	114%				116			132.00			362			2,544.00	2,227.02	87%
Crops and Livestock	1,442.00	1,624.14	113%							188.00						1,630.00	1,624.14	100%
Microfinance & Marketing	1,325.00	470.04	35%							401.00						1,726.00	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 (As at 12 February, 2015)

Component	IFAD loan			IFAD grant			Local Government			Government			Beneficiaries			Total		
	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%	Appraisal	Actual	%
Community Empowerment	7,194.00	2,919.83	41%					8.45		1,370.00	560.18	41%				8,564.00	3,488.46	41%
Social Empowerment	2,543.00	136.64	5%							484.00	25.64	5%				3,027.00	162.28	5%
Economic Empowerment	4,651.00	2,783.19	60%					8.45		886.00	534.54	60%				5,537.00	3,326.18	60%
District Service Delivery Improvement	953.00	31.86	3%							182.00	6.17	3%				1,135.00	38.03	3%
Project Management	1,657.00	959.88	58%							2472.00	869.07	35%				4,129.00	1,828.95	44%
Unallocated	839.00									156.00						995.00	-	0%
Total	10,643.00	3,911.57	37%	-	-		-	8.45		4,180.00	1,435.42	34%	-	-		14,823.00	5,355.44	36%

Table for proposed reallocation

Category	Original Allocation in USD	Expected expenditure till 2014-15	Balance	Reallocation (USD)	Funds available for 2015-16	Final Budget (USD)
<u>Loan 576-NP</u>						
III-1 Vehicle & Equipment	273,000.00	121,071.28	151,928.72	(151,928.72)		121,071.28
III-2 Studies, survey, training workshop	3,417,000.00	1,784,938.81	1,632,061.19		1,632,061.19	3,417,000.00
III-3 Local Technical Assistance	797,000.00	274,127.95	522,872.05	(285,462.05)	237,410.00	511,537.95
III-4 Challenge Fund	359,000.00	-	359,000.00	(359,000.00)	-	-
III-5 Community Investment Fund	4,651,000.00	3,923,823.47	727,176.53	1,165,446.85	1,892,623.38	5,816,446.85
III-6 Operation & Maintenance	827,000.00	533,523.92	293,476.08	(70,056.08)	223,420.00	756,943.92
Unallocated	319,000.00	-	319,000.00	(299,000.00)	20,000.00	20,000.00
Loan 576 total	10,643,000.00	6,637,485.43	4,005,514.57	-	4,005,514.57	1,0643,000.00
Grant DSF-8010⁶	190,000.00	121,917.00	68,083.00		68,083.00	190,000.00

⁶ From Grant DSF-8010, first installment of USD 140,817 was disbursed. However, only USD 121,917 was spent leaving an unspent amount of USD 18,900. The total balance remains USD 68,083 (USD 190,000-127,917).

Table 5C: IFAD Loan 576 disbursements (SDR, as at 10-03-2015)

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			100%

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	2,024,505.84	-	35,494.16	98.28%
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	239,397.37	-	602.63	99.75%
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	2,39,958.67		110,041.33	68.56%
	Unallocated	300,000	180,104			180,104.00	
	Initial deposit	-	-				
	Total	6,700,000	7,307,104	6,854,642.74		452,461.26	93.81%

Phase III

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
	Initial deposit	-	-	667,227.11		(667,227.11)	
III-1	Phase III Equipment & Vehicles	170,000.00		63,551.63		106,448.37	37.38%
III-2	Phase III Studies, Survey, Training and workshop	2,110,000.00		501,807.01	70,446.34	1,537,746.64	23.78%
III-3	Phase III Local Technical Assistance	500,000.00		90,540.43	20,390.35	389,069.22	18.11%
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		909,463.90	2,447.38	1,968,088.72	31.58%
III-6	Phase III Operation & Maintenance	520,000.00		205,584.90	17,232.09	297,183.01	39.54%
	Phase III Unallocated	200,000.00		-		200,000.00	0.00%
	Total	6,600,000.00	-	2,438,174.99	110,516.16	4,051,308.85	36.94%

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	-	-	99.98%
	Initial deposit						
	Total	290,000	290,000	289,978.12			99.99%

IFAD Grant DSF 8010/NP- Disbursements (USD, as at 10-03-2015)

Category	Category description	Original Allocation	Revised Allocation	Disbursement	W/A pending	Balance	Per cent disbursed
Phase II							
Vb	Local Technical Assistance	190,000	-	121,916.98	-	68,083.02	64.17%
	Sub Total	190,000	-	121,916.98	-	68,083.02	64.17%
				18,900.01		(18,900.01)	
	Initial deposit						
	Total	190,000	-	140,816.99		49,183.01	74.11%

Appendix 6: Compliance with legal covenants: Status of implementation

Section	Covenant	Target/Action due date	Compliance Status/Date	Remarks
1.05	Appointment of the Cooperating Institution. 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.	On Loan effectiveness	Complied with. IFAD now directly supervising since 2008	
2.03	Special Account. (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.	On loan effectiveness	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.	On loan effectiveness	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.	During project period	Ongoing Compliance	
3.01	The Borrower declares its commitment to the goals and purposes of the project as stated in Schedule 1	During project period	Ongoing Compliance	
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	During project period	Ongoing compliance	AWPB's are prepared at the district level in consultation with the VDCs and SMs based on Community Investment Plan for

	the coming Project Year, and the sources and uses of funds therefore.			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 15th 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.	15 th April of each year	Delayed compliance	AWPB for 2014-15 submitted on 08-06-2014
	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.	Before 15 th July each year	Complied with	
	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.		Ongoing compliance	
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.	On Grant effectiveness	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.	On loan effectiveness	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.	On loan effectiveness	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.	On loan effectiveness	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.	During project period	Ongoing compliance	
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 Agreement.	During project period	Ongoing compliance	
	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.	During project period	Ongoing compliance	
	The Borrower shall also cause each DDC and VDC to make available to the LDFB during the Project Implementation Period counterpart	During project period	Ongoing compliance	

	funds in accordance with the relevant District Agreement as described in paragraph 9 of Schedule 3.			
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.	Prior to first transfer of funds to DDC	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	During project period	Ongoing compliance	
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	Before December 2003	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.	Before January 15, May15, September 15, each year	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</p>	In July 2007 and 2011	Complied with	

	<p>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> <ul style="list-style-type: none"> (i) cease funding for the Project, any unused Loan and Grant Proceeds shall be cancelled; (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 (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>The Borrower shall ensure that, should the Fund decide the Project shall continue to the following Phase, the recommendations resulting</p>			
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	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.			
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.	By March 31,2017	Not yet due	
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.	During project implementation and ten years thereafter	Ongoing compliance	
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.	By October 15 each year	Complied with	Submitted in October, 2014 for the year 2013-14.
5.02	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. b) The Borrower shall have the financial statements relating to the Project audited each Fiscal year by the Auditor General in accordance	By January 15 each year	a) Ongoing compliance. b)Not complied	Audited financial statements for 2013-14 not yet submitted.

	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			Audited statement for 2012-13 signed on May 13, 2014 which is delayed by almost four months
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 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.		N/A	
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		N/A	

	Borrower.			
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.	On loan effectiveness	Not complied	GoN has transferred implementation of the 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").	During project period	Ongoing compliance	
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.	During project period	Ongoing compliance	
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.	During project implementation	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.	During project implementation	Ongoing compliance	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 until the formation of the District-level CO federations	During project implementation	Complied with.	Position title has been changed as Deputy District Project Coordinator.
8.1	Each LDFB shall recruit Social Mobilizers who shall report to the Senior Social Mobilizer of each District Team.	During project implementation	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.	By December 2003	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.	By December 2003	Complied with.	A new PIM prepared for Phase III.
SCH. 3A	The Borrower shall :		Ongoing compliance	
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	By June 2003	Not complied	
3	The Borrower shall ensure that the concerns of the women and dalits are integrated into all Project activities during Project implementation.	During project implementation	Ongoing compliance	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.	By June 2003	Complied with.	Activities discontinued in Phase III
5	The Borrower shall ensure that the monitoring and evaluation system	By December 2003	Complied with	

	is established within 12 months of the Effective date			
6	The Borrower shall insure Project personnel against accident risks and shall insure all vehicles and equipment funded by the Project	During project period	Partially Complied with	Equipment are not insured & District project staff except DDPC are not insured
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").	During project period	Ongoing compliance	The Govt of Nepal rules for procurement are being followed
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.	During project period	Ongoing compliance	
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.	During project period	Ongoing compliance	
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.	During project period	Ongoing compliance	
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.	During project period	Ongoing compliance	

11	Procurement of civil works shall be conducted with the established national procedures of the Borrower.	During project period	Ongoing compliance	
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.	During project period	Ongoing compliance	
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.	During project period	Ongoing compliance	
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.	During project period	Ongoing compliance	
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.	During project period	Ongoing compliance	
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.	During project period	Ongoing compliance	

Appendix 7: Knowledge management: Learning and Innovation

Learning: What has worked particularly well in this project during this period.

Field Accountability:

Accountability in the field is structured with three levels: community, VDC, and district. This ensures good delivery service to the community and accountability. With this monitoring structure the PCU is able to control the quality of service provided to the community as well as be accountable to project beneficiaries. However, due to geography structure of the project location there is a small time lag between monitoring and the data reaching the PCU. To overcome this the MIS personnel is trying to harness innovative technology.

Targeting

Targeting of poor and poorest households is one of the strengths of WUPAP Phase 3. This has been able to be achieved by using Disadvantage Group (DAG) mapping and Participatory Rural Appraisal (PRA) methodology. Using these methods the project has been able to facilitated social mapping and identify the poor and poorest households. In addition field team confirmed directly with beneficiaries that the poorest has been identified. There were some exclusions as those household members were not present in the area during that time. However due to the three tier evaluation structure the community has informed the project personnel about people who have been missed out.

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

Empowerment:

At the core of WUPAP Phase 3 design is empowering component, “Empowering of target communities to drive their own development processes”. Although empowerment process is occurring at beneficiary level, it has not been able to engulf the whole beneficiary community. Empowering beneficiaries of the project is an ongoing activity but working to empower poor illiterate people takes time. The project timeframe underestimates the time it takes to work with poorest illiterate people on livelihood activities and overall empower them. WUPAP is working to cultivate social and economic empowerment through various mechanisms such as participatory community investment fund which is used to develop beneficiary's economic position, and provide access to services and skill development training to raise quality of life. However, the mission observed that not all be beneficiaries had informed decision on activities and resource invested; they just went with the flow of their peers. Plus, at community level supervision and monitoring of activity delivery was mostly done by CPCU committee members and finally awareness of taking responsibility for the impacts of the investment was not prevalent. As the project is coming towards its termination date next year, there is a need to intensify activities for empowerment of beneficiary communities at the household level.

Gender focus:

Targeting of poor and poorest households is one of the strengths of WUPAP Phase 3 which includes poor women, and vulnerable female headed household. However there is indication that women who are part of CPCU have become part of the program without clearly understanding the barriers they face after being part of the project activities and they need more gender mainstreaming support. This should be addressed by providing a gender empowerment and mainstreaming training to Social Mobilizer and CPCU committee member who in turn can teach their community.

Although there has been improvement since the previous mission there still exists systematic weakness which needs to be addressed. The project's approach is to mainstream gender equity within project activities rather than provide separate gender specific activities. However, the mission observed that gender mainstreaming requirements have not been understood by many project staff. Instead of identifying and addressing areas of gender inequalities within households and the society, and the obstacles women face to participate in project activities many staff understand gender mainstreaming to mean a focus on women as target group. The mission proposes to provide gender mainstreaming training to social mobiliser and CPCU committee members.

Knowledge Management:

There has been limited knowledge management activities occurring which should be increased before completion of the project. Plus there is a lack of KM system that caters to all project beneficiaries (both literate and illiterate). Some ongoing KM activities include case studies, field visits of target beneficiaries to

see successful practices, and sharing case studies, videos and reports through WUPAP website. There are various activities that are planned to create a stronger KM system which will be implemented in the coming months.

For social and economic empowerment the project needs to innovate its KM practices for example instead of giving livestock training in classrooms setting it should be taken to stables and provide practical training. Then to store the knowledge in audio form that can be replayed in mobile phones.

There is a lack of complete institutional memory of WUPAP project as it has been conducted in various phases with different officers. KM system lacks phase one and phase two's complete information. Due to lack of success and failure stories from previous WUPAP phases there is a possibility the project is not able to use the knowledge created in previous years. WUPAP needs to compile its experience (lessons of success and failure) from the beginning of the project to improve its knowledge repository which can be used for future project planning and implementation.

Record keeping during Implementation of venture:

The beneficiaries of WUPAP are provided appropriate training to start a venture which they have chosen. They receive training in leadership development, business literacy, cooperative training, financial literacy, and entrepreneurship development to improve prospects for long-term sustainability. Creating a business plan and record keeping are vital aspect of a venture sustainability for which the beneficiaries are trained. The mission observed that the beneficiaries do not have a business plan and do not implement record keeping task in their venture.

Innovation: Describe any interesting innovation noted during supervision

WUPAP project challenges old ways of working and deals with transforming passive and dependent people into active citizen. To achieve this it is mixing traditional knowledge with scientific technical knowledge in working with livestock. For its livelihood project, the households who are familiar with traditional knowledge of goat raising are incorporating scientific technical knowledge of goat raising. Giving vaccination to keep the goats healthy, moving away from grazing to stall feeding goats, taking traditional feed and incorporating goat nutrition knowledge to make the goat a higher return investment.

In addition people are learning to do business. People who were doing subsistence farming are being trained to develop new skills and provided with information to start a business. They are being equipped to deal with the changing landscape, rural area is being transformed into semi urban landscapes. People, mostly women, are being trained for sewing and starting their own business. For example the surrounding 2 VDC of Musikot Municipality has become part of the Municipality. These farmlands are being converted into housing plots and population density is increasing. Women who once worked in the field are taking sewing training and starting new business to fulfil the demand of clothing in the area.

Appendix 8: Progress against previous mission recommendations

Action Area	Action Agreed	Date	Whom	Status December 2014	
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	On going	
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	Completed	
	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	Completed	
	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	Ongoing /SIYB completed	
	SM: SMs complete the beneficiary level orientation.	By August 2014	DPCU	Completed	
	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	Completed	Humla, Bajura
	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	Next year AWPB	
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	Completed	Except Bajhang
	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	Complied	

	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	Ongoing	
	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	Completed	Format in USE
	M&E: Explore adaptation of MIS system in consultation with HVAP	By July 2014	PCU	On going	
	M&E: Compile and complete the baseline data to set annual programme targets and specify indicators in the Logical Framework	By end 2014	PCU	Completed / On going	
	KM: WUPAP establish KM programme to document the project's 15 year experience before closing.	On-going	PCU	Next Year AWPB	
	KM: Learning Routes to be organised before the end of the project in coordination with PROCASUR Asia	Before end of project	PCU & IFAD	Next Year AWPB	
	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	September 2014	PCU	On-going	
	Last equipment to be bought: 4x4 car + 10 additional motorcycles for districts + internet equipped phones for field staff	August 2014	PCU	Partially Complied	
Fiduciary Aspects	Advance for Infrastructure projects: Instructions to release advance to user communities	Immediately	GoN	Complied	
	Design Finalization & cost estimates for Infrastructure Projects: DTO approval required only for project cost exceeding NPR 1 million.	On-going	MOFAL D/DDC	Complied	
	Audit Report of FY 2012/13: Submit audit report to IFAD	30 April 2014	PCU/OAG	Completed	23 May 2014
	Phase II Accounts: Settlement of Phase I and II balance and source re-allocation to GoN	15 May 2014	MOCPA/MOF	Account settled / Request sent to MoCPA	
	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	Complied	
	Grant Balance: Reassigning grant amount of phase II to phase III	15 May 2014	IFAD	Request sent to IFAD by MOF in 3 June 2013	
	Staffing: Appoint full time accountants in remaining three districts-	15 May 2014	IFAD	Complied	
	Travel Log: Develop travel approval format and travel log and implement in PCU and all districts	15 May 2014	PCU	Complied	

Sustainability	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	On-going	
	Infrastructure: Project Assistant /sub Engineers together with the Social Mobilizers spend adequate time in planning and alignments of infrastructures.	On-going	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.	July 2014	PCU& IFAD	Complied	
	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	On-going	
	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	On-going	

Appendix 9: List of persons met

Ministries

Mr Shreedhar Gautam	Secretary, Ministry of Cooperatives and Poverty Alleviation
Mr Suresh Pradhan	Joint Secretary, Ministry of Cooperatives and Poverty Alleviation
Mr. Pura Chandra Bhattarai	Joint Secretary, Ministry of Federal Affairs and Local Development
Mr Madhu Kumar Marasini	Joint Secretary, Ministry of Finance
Mr Biju Kumar Shrestha	Under Secretary, Ministry of Cooperatives and Poverty Alleviation
Mr Ram Babu Bhusal	Under Secretary, Ministry of Cooperatives and Poverty Alleviation
Mr. Prakash Dahal	Under Secretary, Ministry of Federal Affairs and Local Development
Mr. Amrit Lamsal	Section Officer, Ministry of Federal Affairs and Local Development
Ms. Sita Duwadi	Section Officer, Ministry of Federal Affairs and Local Development
Mr Raju Prasad Paudel	Planning Officer, National Planning Commission
Mr Huma Kanta Bhandary	Section

FAO Nepal

Mr. Binod Shah	Assistant FAO representative, FAO-Nepal
Mr. Shrawan Adhikary	Program Officer, FAO Nepal

PCU Team

Mr. Uttam Prasad Nagila	Project Coordinator
Mr. Dhruva Regmi	Senior Deputy Coordinator
Mr. Shakti Kumar Lama	Senior Deputy Coordinator
Mr. Rakesh Jha	Empowerment Specialist
Mr. Sagar Dahal	Finance Analyst
Mr. Purushottam Aryal	DDPC, Dailekh
Mr. Resham Bahadur Shahi	DDPC, Kalikot
Mr. Roshan Joshi	Engineer
Mr. Hmnidhi Neupane	MIS Specialist
Mr. Ramesh Kumar Gautam	PME Officer
Mr. Bal Krishna Kharel	Account Officer
Mr. Kamal Panthi	Accountant

Rolpa district

Mr. Durga Bhusal	Planning officer, DDC, Rolpa
Mr. Nanda Lal Chaudhary	Chief, District Livestock Service Office, Rolpa
Mr. Kishore Panta	Chief, District Agriculture Development Officer, Rolpa
Mr. Ganesh Aidi	Ranger, DFO, Rolpa
Ms. Deepa Budha Magar	Senior Social Mobilizer, DPCU, Rolpa
Ms. Bhishma BK	Senior Social Mobilizer, DPCU, Rolpa
Mr. Rajesh Prasad Chaudhary	DDPC, Rolpa
Mr. Sushil Prakash Sunar	Account and Administration, DWAC Nepal
Mr. Nim Bahadur Singh	Veterinarian, DLSO
Mr. Dinesh Subedi	Vice president, Federation of NGOs
Ms. Devi Gurung	Secretary, National Gurung Council
Ms. Rshmi Roka Magar	Trainer, Beauty Parlour, Liwang
Ms. Bimala KC	Trainer, Tailoring
Mr. Jug Bahadur Oli	Secretary, Rolpa Technical School
Mr. Keshav Sthapit Gharti Magar	M&E Officer, DDPC
Ms. Bhishma KB	Senior Social Mobilizer, DDPC
Mr. Janardhan Gharti Magar	Manager, DidyaJyoti SACOS, Liwang
Mr. Bhishma Raj Budha	Sub-engineer, DDPC
Mr. Dev Kumar Oli	Social Mobilizer, Rolpa
Mr. Kamal Pun Magar	Livestock Technician, DDPC
Ms. Shrijana Roka	Social Mobilizer, Whama VDC.
Ms. Isha Sen	Social Mobilizer, Gajul
Mr. Yam Bahadur Budha Magar	CPCU Chairperson, Gajul VDC + member of Water user committee/drinking water, Kuwapani, Kotpandhera Source Protection

Mr. Keshar Bahadur Bista	Secretary, Gajul VDC
Mr. Birsaman Sunar	Blacksmithing, Gajul 5
Ms. Kushma Sunar	Goat farmer, Ratmata, Gajul 1
Mr. Tek Bahadur Sunar	Hosiery (Nepali cap), Ratmata, Gajul 1
Ms. Puna Sunar	Goat farmer, Ratmata, Gajul 1
Ms. Purnima Thapa	Goat farmer, Ratmata, Gajul 1
Mr. Ranga Bahadur Sunar	CCPCU, Gajul
Mr. Durga Sunar	Goat Farmer, Gajul
Ms. Subitra Sunar	Goat Farmer, Gajul
Ms. Sunamati Sunar	Goat Farmer, Gajul
Ms. Amrita Sunar	Tailoring
Ms. Nish Pariyar	Tailoring
Ms. Muna Damai	Tailoring
Ms. Khuma Nepali	Tailoring
Mr. Hari Bahadur Sunar	Social Mobilizer, LGCDP
Mr. Kabiram Subedi	Turmeric, ginger farmer
Ms. Sarita Gharti	Goat farmer
Ms. Tirtha Pariyar	Member of Water user committee/drinking water, Kuwapani, Kotpandhera Source Protection
Mr. Balaram BK	Drinking water User group member Gajul 5
Ms. Geeta Sunar	Drinking water User group member Gajul 5
Ms. Tej Kumari Chand	Drinking water User group member Gajul 5
Ms. Indra Nepali	Member CO
Mr. Hira Bahadur Nepali	Member CO
Mr. Ram Bahadur Pun	Drinking water User group member Gajul 5, Bhainsakate
Ms. Kamala Pun	Drinking water User group member Gajul 5, Bhainsakate
Mr. Janga Bahadur Pun	Drinking water User group member Gajul 5, Bhainsakate
Mr. Bhanu Bahadur Gharti	Social Mobilizer, Gairigaon, Tila
Mr. Kamal Pariyar	Poultry farmer, Gairigaon, Tila
Mr. Ramesh Kumar Oli	Trainer, Tailoring, Gairigaon, Tila
Ms. Sapana Dangi	Trainee, Tailoring, Tila 6, Richi
Ms. Jun Maya KC	Trainee, Tailoring, Tila 8, Rakdanda
Ms. Dil Maya Budha	Trainee, Tailoring, Tila 9, Dhoneni
Mr. Bhim Bahadur Mahara	Chair person, CPCU, Ward 9, Gairigaon Tila
Ms. Nausara Pariyar	Member, CPCU, Ward 6, Gairigaon Tila,
Ms. Deusari Pariyar	Member, CPCU, Ward 4, Gairigaon Tila
Ms. Bishwo Kumari Dangi	Member, CPCU, Ward 3, Gairigaon Tila
Ms. Sapana BK	Manager, CPCU, Ward 8, Gairigaon Tila
Mr. Nara Bahadur Pun	Member, CPCU, Ward 7, Gairigaon Tila
Ms. Mina BK	Member, CPCU, Ward 5 + chairperson of Goat rearing group
Mr. Amar Budha	Vegetable farmer, Gairigaon, Tila
Mr. Bhupendra Birahi Budha	Social Mobilizer, Budhgaon
Ms. Deva Budhathoki	Irrigation Scheme, CO member, Chhaap, Budhgaon
Ms. Narayani Oli	Irrigation Scheme, CO member, Chhap, Budhgaon
Ms. Jyoti Kumari Jaisi	Irrigation Scheme, CO member, Chhap, Budhgaon
Ms. Bhoj Kumari Oli	Irrigation Scheme, CO Manager, Chhap, Budhgaon
Ms. Bam Kumari BK	Irrigation Scheme, CO member, Chhap, Budhgaon
Ms. Bhumsara Nepali	Irrigation Scheme, CO member, Chhap, Budhgaon
Ms. Kaushila Pariyar	Irrigation Scheme, CO member, Chhap, Budhgaon
Ms. Yuba Dangi	Irrigation Scheme, CO member, Chhap, Budhgaon
Ms. Gita BK	CPCU Board member
Ms. Laxmi BK	CPCU Board member
Ms. Lal Kumari Budhathoki	Irrigation Scheme, CO member, Chhaap, Budhgaon
Ms. Meena Oli	CPCU Board member
Ms. Bina KC	CPCU Board member
Ms. Dila Budhathoki	Irrigation Scheme, CO member, Chhap, Budhgaon
Ms. Ramkali Budha	Irrigation Scheme, CO member, Chhap, Budhgaon
Ms. Ram Sari Pariyar	Irrigation Scheme, CO member, Chhap, Budhgaon
Ms. Tanki Gharti	CPCU member

Mr. Nukhram Gharti Magar	CPCU member
Mr. Nava Raj Yogi	Chairperson, Nigalpani Cooperative, CO member
Mr. Khadga Bikram Gharti	CPCU member
Mr. Okil Bahadur Oli	Irrigation Scheme, CO member, Chhaap, Budhgaon
Mr. Ganga Ram BK	CPCU member

Dailekh district

Mr Purushottam Aryal	DDPC
Mr Sanjib Hamal	Accountant

Jajarkot district

Mr Lokendra Bahadur Rawal	DDPC
Mr Jai Prasad Pandey	Accountant
Mr Uday Bahadur Rana	Assistant Accountant

Rukum district

Mr. Chinta Mani Dahal	Program Officer, DDC
Mr. Srikrishna Neupane	District Agriculture Office
Mr. Lalit Budha	Executive Secretary, LDF
Mr. Gokarna Khadka	Monitoring Officer, DPCU
Mr. Krishna Bahadur Karki	Senior Livestock Officer, DLSD
Mr. Budharam Malla Ale	Account Officer, DDC
Mr. Bhim Bahadur KC	DDPC
Mr. Prem Bahadur Khadka	Accountant, DDC
Ms. MAimi Gain	CPCU Member, Bafikot
Mr. Pahal Singh Gharti Magar	NEDN, RUKUM
Mr. Yagya Bahadur Bhandari	VDC Secretary, Pokhar
Mr. Sujan Bohora	CPCU Coordinator, Purtimkanda
Mr. Karma Lal Pun	CPCU Coordinator, Garayala
Mr. Khambe Kami	CPCU Coordinator, Jhula
Mr. Shyam Bahadur	CPCU member, Kankri
Mr. Mohan Malla	CPCU Member, Jaang
Mr. Dhan Bahadur Kami	CPCU Coordinator, Pwang
Ms. Geeta Pun	CPCU Coordinator, Bafikot
Ms. Dil Kumari Khatri	CPCU Coordinator, Pipal
Ms. Pabita Gharti Magar	CPCU Coordinator, Duli
Mr. Gokarna Pun	Administrative Assistant, Musikot Municipality
Mr. Dande Kami	CPCU Member, Aathbiskot
Ms. Deepa Kunwar	CPCU Coordinator, Musikot municipality 5
Ms. Deumati Khatri	CPCU Member, Musikot Municipality 1
Ms. Pampha Pariyar	CPCU Member, Musikot Municipality 1
Ms. Krishna Khatri	CPCU Member, Musikot Municipality 6
Ms. Sushila BK	CPCU Member, Musikot Municipality 4
Mr. Tika Khadka	CPCU Member, Musikot Municipality 6
Mr. Dal bahadur BK	CPCU Member, Musikot Municipality 3
Ms. Man Kumari Pun	Musikot 2 (Tunnel vegetable farming)
Ms. Bhim Kala Budha	Social Mobilizer, Syalapakha
Ms. Kali Budha	Syalapakha 6, CPCU board Chair
Ms. Lalina Nath	Syalapakha 6, CPCU member
Ms. Jhakarbi Nepali	Syalapakha 9, CPCU board member
Ms. Suki Budhathoki	Syalapakha 4, CPCU board member
Ms. Kumari Pariyar	Syalapakha 1, CPCU board member
Ms. Nirma Kanwar	Syalapakha 7, CPCU board member
Mr. Ran Bahadur Budhathoki	Syalapakha 3, CPCU board member
Mr. Sarbajit Pariyar	Syalapakha, CPCU member
Mr. Prem Dhoj Pun	Syalapakha 5, CO chair
Ms. Pramila Budha Magar	Social Mobilizer, LGCDP
Mr. Yamuna Oli	VDC Technician
Mr. Vijaya Rasaili	Social Mobilizer

Mr Rup Bahadur Khatri	VDC Secretary
Mr. Gobardhan Raut	Chair, Naudhari Micro Hydro project, Nathigaad
Mr. Shahshidhar Budha	Secretary, Naudhari Micro Hydro project, Nathigaad
Mr. Dhan Bahadur KC	Member, Naudhari Micro Hydro project, Nathigaad
Mr. Ram Prasad Sharma	Member, Naudhari Micro Hydro project, Nathigaad
Mr. Chandra Bahadur Khatri	Treasurer, Naudhari Micro Hydro project, Nathigaad
Mr. Yek Bahadur Pariyar	User, Naudhari Micro Hydro project, Nathigaad
Mr. Yam Bahadur Raut	User, Naudhari Micro Hydro project, Nathigaad
Mr. Laxman Gautam	User, Naudhari Micro Hydro project, Nathigaad
Ms. Kamala Rawal	User, Naudhari Micro Hydro project, Nathigaad
Ms. Kamala KC	User, Naudhari Micro Hydro project, Nathigaad
Ms. Shanti Devi BK	User, Naudhari Micro Hydro project, Nathigaad
Ms. Yamuna Kumari BC	User, Naudhari Micro Hydro project, Nathigaad
Ms. Bhima Kanwar	Syalapakha 7, CPCU board member
Ms. Kabita Budha	Syalapakha 9, CPCU board member
Ms. Sita Pariyar	Pokhara 5
Ms. Laxmi Jaisi	Pipal 3, Chair Tailoring
Ms. Sita Pariyar	Pipal 6, CPCU board member
Ms. Chandrakala Khadka	Pokhara 6
Ms. Prema Kumari BK	Pokhara 3
Ms. Sushila Khatri	Pipal 9
Ms. Chandra Kumari KC	Pipal 6, CPCU board member
Ms. Sita Gurung	Pipal 4
Ms. Pabita Khadka	Pokhara 4, CPCU chair
Ms. Mana Kumari Khatri	Pokhara 3, CPCU Borad member
Ms. Manisha BK	Pokhara 9, CPCU Board Member
Mr. Dhan Bahadur BC	Ex VDC Secretary
Ms. Subhadra Dahal Gurung	Social Mobilizer
Ms. Kaliram Gharti	CPCU member, Pokhara 7
Ms. Champa Badi	CPCU member, Pokhara 5
Ms. Kabita Khadka	CPCU member, Pokhara 1
Ms. Chandra Kala Khadka	CPCU member, Pokhara 4
Ms. Manisha BK	CPCU member, Pokhara 9
Ms Urmila Khadka	CPCU member, Pokhara 3
Mr. Bhari Kami	CPCU member, Pokhara 2
Ms. Devi Kumari Khadka	CPCU member, Pokhara 1
Ms. Dal Kumari Pariyar	CPCU member, Pokhara 5
Mr. Yakshya Bhadary	VDC Secretary
Ms. Lila Pande	Trainer Tailoring, Sankh, Musikot 9
Ms. Jeni Gautam	Tailoring, Sankh, Musikot 9
Mr. Nadiram Sunar	Goat farmer, CPCU
Mr. Mohan Prasad Mahat	Social Mobilizer, Musikot
Ms. Nirmala Bk	Tailoring, Musikot 11, CPCU Board member
Ms. Sushila pande	Tailoring, Musikot 10, CPCU Board member
Ms. Reshma Gharti	Goat farmer, Musikot 10, CPCU Board member
Ms. Yam Kumari Pun	Tunnel vegetable farming, Musikot 7
Ms. Deepa Sunar	Goat famer, CPCU member, Musikot 9
Ms. Chandra Kumari Sunar	Goat famer, CPCU member, Musikot 9
Ms. Manisha Gharti	Goat famer, CPCU member, Musikot 9
Ms. Oima Gharti	Tailoring, Sankh, Musikot 9
Mr. Rabin Gharti	Mobile repair trainee
Mr. Chankhe Damai	Goat farmer
Mr. Seturam BK	Goat farmer
Mr. Shashiram Pariyar	Goat farmer
Mr. Tara Prasad Khatri	Chowmein machine
Ms Radha Thakali	Pig rearer, Bohora gain, Musikot

Appendix 10: Audit Log

Article II. 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	14	2,587,707.18	8	2,069,893.00	6	517,814.18
Total	301	41,673,245.74	32	9,046,613.96	269	32,626,631.78

Detail Audit Table (Phase III)

Sr. No.	Financial Year	Class: Serious / General	Audit Ref.	Audit Observation	Total Amount per observation (NRs)	Action taken by the project /PCU (Reply of Para wise)	Present status (Auditors Validation Result)	Total outstanding amount (NRs)	Remarks
1	2012-13	General	3	Overdue advance of DDPC Mr. Raju Sharma	544,000	Related document was submitted by concern person & advance was settled	Settled		DPCU Bajhang
2	2012-13	General	4	Expenses has been booked without disclosing purpose of expenditure and even tax has not been deducted	16,400	The said amount was recovered from concern authority/person	Settled		DPCU Bajura
3	2012-13	General	5	TDS not deducted on goods procure under program expenditure	3,044	The said amount was recovered from vendor	Settled		DPCU Bajura
4	2012-13	General	6	Expenses booked under office expenses voucher is not approved by authority and even no supporting found for such expenses	23,493	The said amount was recovered	Settled		DPCU Bajura
5	2012-13	General	26	Overdue advance of M & E Officer Mr. Rajan Rawat	834,500	Related document was submitted by concern person for settling advance	Settled		DPCU Humla
6	2012-13	General	26	Overdue advance of SM Mr. Nar Bahadur	63,000	Related document was submitted by concern person for settling advance	Settled		DPCU Humla
7	2012-13	General	3	15% tax should be deducted on remuneration of DDPC Mr. Arjun Ale	30,000	Cash was deposited to concern bank account of IRO by DDPC	Auditor validation remain		DPCU Jajarkot
8	2012-13	General	5	Expenses without supporting to be recovered by concern person	7,840		Not settled	7,840	DPCU Jajarkot
9	2012-13	General	4	Excess amount claim against DSA by DDPC Mr. Lokendra Rawal should be recovered	5,500		Not settled	5,500	DPCU Kalikot
10	2012-13	General	5	Social Security Tax not deducted of DDPC Mr. Arjun Ale should be recovered by concern person	4,220		Not settled	4,220	DPCU Kalikot
11	2012-13	General	6	Overdue advance of Mr. Parba Bd Shahi & Mr. Chakra Adhikari	555,456	Related document was submitted by concern person to settle advance	Settled		DPCU Kalikot

12	2012-13	General	7	Salary increment provided to Secretary Mr. Narjang Shahi, Office Assistance Mr. Shanti Sunar & Mr. Belu Giri prior than one year of tenure	20,800		Not settled	20,800	DPCU Kalikot
13	2012-13	General	8.3	Vehicle rental tax (TDS) not deducted	1,255		Not settled	1,225	PCU
14	2012-13	General	8.4	Tax deposited or adjustment document should be submitted by: Dinesh Trading House Pvt. Ltd, Nepalgunj MAW Enterprises Pvt. Ltd, Kathmandu	478,199		Not settled	478,199	PCU
					2,587,707			517,784	