

# Nepal

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## **Adaptation for Smallholders in Hilly Areas Project Supervision Report**

### **Main report and appendices**

Mission Dates: 26 October - 8 November 2017

Document Date: 31/01/2018

Project No. 1100001723

Report No. 4680-NP

Asia and the Pacific Division  
Programme Management Department

# Abbreviations and Acronyms

## A. Project Overview

Region:	Asia and the Pacific Division	Project at Risk Status:	Actual problem
Country:	Nepal	Environmental and Social Category:	B
Project Name:	Adaptation for Smallholders in Hilly Areas Project	Climate Risk Classification:	not available yet
Project Id:	1100001723	Executing Institution:	Ministry of Forests and Soil Conservation
Project Type:	Rural Development	Implementing Institutions:	not available yet
CPM:	Lakshmi Moola		
Project Director:	not available yet		
Project Area:	not available yet		

Approval Date	13/09/2014	Last audit receipt	12/01/2018
Signing Date	26/02/2015	Date of Last SIS Mission	08/11/2017
Entry into Force Date	26/02/2015	Number of SIS Missions	2
Available for Disbursement Date	06/08/2015	Number of extensions	0
First Disbursement Date	13/08/2015	Effectiveness lag	5 months
MTR Date	not available yet		
Completion Date	31/03/2021		
Financial Closure	30/09/2021		

### Project total financing

IFAD Financing breakdown	
Debt Sustainability Framework	\$10,000,000
ASAP Trust Fund	\$14,999,000

	Beneficiaries	\$5,979,900
	National Government	\$6,638,400
Co-financing breakdown,		
<b>Project total financing</b>		<b>\$37,617,300</b>

## Current Mission

Mission Dates: 26 October - 8 November 2017

Days in the field: 10

Mission composition: Emmanuel Jouve, Mission Team Leader and Project Management Specialist; Pradeep Shrestha, Financial Management Specialist; Hari Dhakal, Procurement Specialist; Karan Sehgal, Renewable Energy Technologies Specialist; Nirajan Khadka, Environment Programme Consultant

Field sites visited: Salyan and Rukum (team A), Dailekh, Kalikot (team B), TSU in Surkhet

## B. Overall Assessment

Key SIS Indicator #1	∅ Rating	Key SIS Indicator #2	∅ Rating
Likelihood of Achieving the Development Objective	3	Assessment of the Overall Implementation Performance	4
Effectiveness and Developmental Focus	3	Project Management	3
Effectiveness	3	Quality of Project Management	3
Targeting and Outreach	2	Knowledge Management	5
Gender equality & women's participation	3	Value for Money	2
Agricultural Productivity	3	Coherence between AWPB and Implementation	2
Nutrition		Performance of M&E System	3
Adaptation to Climate Change	5	Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)	4

Sustainability and Scaling-up	4	Financial Management and Execution	4
Institutions and Policy Engagement	4	Acceptable Disbursement Rate	2
Partnership-building		Quality of Financial Management	3
Human and Social Capital and Empowerment	4	Quality and Timeliness of Audit	4
Quality of Beneficiary Participation	4	Counterparts Funds	5
Responsiveness of Service Providers	3	Compliance with Loan Covenants	4
Environment and Natural Resource Management	3	Procurement	4
Exit Strategy	3		
Potential for Scaling-up	3		

## **C. Mission Objectives and Key Conclusions**

### **Background and Main Objective of the Mission**

The Supervision Mission (SM) of ASHA was carried out jointly by the Project Coordination Unit (PCU), the Technical Support Unit (TSU), the District Project Coordination Unit (DPCU) and IFAD team with the objective to i) review the progress of the project since the ISM of May 2017; ii) ensure that the project systems, procedures and new management structure are able to fast track the project delivery and better anticipate emerging issues. The latter is of critical importance as the project will go through a mid-term review in 2018. The mission mainly focused on: (i) the assessment of the project progress to date, especially on the agreed actions and milestone achievements outlined in the last ISM mission (May 2017); (ii) the implementation of the past and current AWPB 2017/18; (iii) the assessment of the project tools, manuals and guidelines and the way these are operationalized by service providers and project teams at district level; (iv) the progress of the fiduciary aspects and compliance with the financial agreement, government and IFAD regulations; (v) the effectiveness of the new implementation structure and its coherence between central, Surkhet and district level project units; (vi) the readiness of the project to intervene within the new administrative and political boundaries; and (vii) integration with NCCSP Phase II based on discussions with DFID.

The mission met with representatives of the Ministry of Forests and Soil Conservation (MoFSC), Project Steering Committee, the Alternative Energy Promotion Centre (AEPC) under the Ministry of Population and Environment, the PCU, TSU and DPCU including district line agencies (Forestry, Agriculture, Livestock, Energy), service providers (SPs) both, Social Mobilizers (SMs) and Enhanced LAPA preparations, newly elected bodies of Rural Municipality / Municipality, ward committees, representatives of community-level groups, and household beneficiaries. Field visits were organized in 4 of the 6 target districts: Salyan, Rukum, Dailekh and Kalikot. Extensive discussions were held with PCU, TSU and all District Project Coordinators (DPCs) in Surkhet to jointly review preparedness for implementation and agreed on critical actions to accelerate delivery of activities funded by the grant facilities.

Pre-wrap up was held in Surkhet on the 6th of November 2017, and the wrap-up chaired by Secretary of Ministry of Forests and Soil Conservation was organized in Kathmandu on the 8th November.

## Key Mission Agreements and Conclusions

The project overall rating is moderately unsatisfactory (3), making ASHA at risk of failing to deliver the intended project outputs and outcomes within the timeframe. There will be no project extension, and the progress and delivery will be reviewed at MTR in late 2018 and decision will be made in view of physical and financial disbursement progress. The joint supervision mission agreed on the following findings and issues: the government seconded personnel to the project is inadequate to address challenges at two levels. Firstly, TSU requires delegated authority and decision power to one deputed government staff to handle management and daily operations and secondly, DPCs capacity is strained by the number of hired staff, SPs operating in their respective districts and inadequate mobilization of deputed accountants. The training methodology does not follow a participatory approach and does not include post-training plans. The grant manual has not been submitted to IFAD for NoL although it is being implemented. Grant operational aspects: (i) so far, the number of household grantees and their respective contribution is not properly recorded and reported upon; (ii) some of the grant funded activities don't systematically contribute to key performance indicators in the project logframe; (iii) project stakeholders at all levels have a different understanding on grant implementation and monitoring modalities and respective co-financing arrangements; (iv) activities funded by the grants are selected prior to proposal preparation; (v) grant proposal format does not clearly define investment costs and expected returns; (vi) approval and endorsement of the grant proposal procedure does not include RM/M; (vii) grant recipient and actual investments are smaller than expected; (viii) PPP mechanisms are not included in the current grant facilities preventing from entering in partnerships with small businesses and suppliers at local level. Gender Equity Social Inclusion (GESI): the guideline has been drafted but it is neither operational nor user-friendly. The format and content is not adapted for intended users at field level. Monitoring and Evaluation: strategy is not finalized and ASHA does not have an operational M&E system in place. The GIS based M&E system has not yet been established. No field orientation for raw data collection inducing utilization of ad-hoc data collection forms by DPCUs. Templates have not been translated in Nepali for easy entry by local level staff. Knowledge Management: The KM strategy has not been finalized, website has not been updated and does not include project documents, reports and other KM products. As per October 31st 2017, the disbursement rate is 4.15% of the total allocated ASAP and IFAD grant excluding the advance payment. The withdrawal application 14th March 2017 to 31st October 2017 is being prepared for submission to IFAD. A full-time accountant at DPCU is necessary. Computerization of accounts and accounting software meeting IFAD requirements are missing. Procurement processes, documentation and record keeping are as per IFAD requirements and the procurement register is up to date however following issues were identified: (i) delays in the



procurement of several packages including social mobilizer, enhance LAPA service provider, CCA toolbox, permaculture model sites; (ii) qualifications of some of the hired staff do not match the TOR requirements; (iii) social mobilizer for Salyan district was awarded the contract but has not fully mobilized the field personnel and some of them were replaced in the process after contract awarding. Subsequently, service provider filled the complaint for formal review of the contract revision; (iv) Service provider contracts for social mobilizers are of duration of two or more years but should be annual basis and extendable based on satisfactory performance.

## **D. Overview and Project Progress**

The last ISM in May 2017 made a number of recommendations to address delays and bottlenecks in delivery of implementation and management issues. Most of the actions have been addressed but were not completed within the agreed deadline.

On management, monthly planning, communication and reporting, procedures have been put in place but are yet to produce visible impact on the overall coordination. Recruitment of technical specialists such as the technical team leader (TTL) in TSU, district-level GIS specialists, land-use planners, LAPA coordinator, climate change specialist and mid-level technicians (MLTs) were recruited to fill vacant positions. TSU was established in 2016 without adequate mobilization of government deputed staff overseeing daily management and operation. TSU specialists have not provided adequate field level support to the DPCUs as witnessed by specialists' attendance records at duty station. AWPB and Procurement plan 2017/18 has been revised incorporating agreed actions from previous ISM and received no objection from IFAD.

Overall, 13 tools have been developed. 2 strategies (Performance Management, Knowledge Management and Learning Sharing) 3 guidelines (Social Mobilization / Gender Equity Social Inclusion-GESI / Planning, Monitoring and Evaluation), 6 procedures (Annual Activity Implementation - AIPP / LAPA update / Lead Farmer Selection and Mobilization / Lead Farmer Grant Mobilization / Community Knowledge Centre-CKC / Communication Handbook) and 2 manuals (Small Grants / Enhanced LAPA). However, most of the tools are in draft form and some of them are still pending formal review and feedback from IFAD. In addition, most tools are not operational or user-friendly. The format and content are not adapted for intended users at field level. The baseline survey and vulnerability assessment and RIMS reports were submitted in June 2017.

Component wise, significant progress has been made in the following areas:

Under component 1.1, CCA screening with GESI considerations and capacity building plans have been completed. A number of trainings and workshops have been organized on orientation and CCA although coordination with Government line agencies at all levels has not been systematic as mentioned in the wrap up meeting. A total of 4 sub-watershed assessments have been drafted, 10 enhanced LAPAs have been finalized, out of which 9 were recently endorsed, 6 LAPAs have been updated and are currently under implementation in Rukum district. The target for this year is the preparation of

52 enhanced LAPAs in 6 districts except Salyan, and the update of 10 existing LAPAs in Jajarkot and Rolpa.

Under component 1.2. Participatory Action Research (PAR) activities are lagging behind schedule and the 8 intended climate-resilient agriculture models have not been developed. The recruitment of the service provider to develop the CCA toolbox is still delayed. Out of the target of 70 farmers in fiscal year 2016-17, a total of 20 lead farmers have been selected following the lead farmer selection and grant mobilization guidelines.

Under component 2.1, a range of small-scale community infrastructures for CCA have been implemented (a total of 32 activities in Rukum only). However, the selection process does not include criteria for detailed investment costs and expected benefits in terms of number of households and economic return. The climate proofing process is missing as witnessed in water-supply infrastructure in Rukum.

Under component 2.2, climate adapted profitable production activities have been started in Rukum with little consideration for integration into farming systems and market access. Within the context of the on-going administrative restructuring process, extension and marketing function previously devoted to Agriculture Forestry Environment Committee (AFEC) are not addressed. Instead of focusing on ward committee capacity building, the project has allocated resources to train AFECs which might be dissolved. On renewable energy technologies (RETs), the project signed a Memorandum of Understanding (MoU) with Alternative Energy Promotion Centre (AEPC) on 19th July 2017. The mission visited two functional flexi biogas units and concluded that an additional six months of rigorous performance monitoring is required to facilitate the integration of the technology within the National Rural and Renewable Energy Programme (NRREP). A total of 117 households in Rukum are using improved cook stoves and ASHA has co-financed with AEPC, public funds, and beneficiary in-kind contribution the installation of solar water pumping systems for drinking water.

Overall, more than 3,300 households have directly received support from the project representing less than 5% of the project target of 100,000 beneficiaries. Procurement and Fiduciary: Between March and October 2017, the project has signed for procurement of goods (2 packages) and consulting services (5 packages). Currently, the project is in the process of procuring the following services: CCA Toolbox, GIS based M&E framework, MIS Specialist, enhanced LAPA preparation (5 packages) and establishment of permaculture farm sites, social mobilization services (2 packages). In addition, the project is in the process of procuring the following goods: motorcycles (39 units) and GIS equipment. So far, overall financial progress against AWPB 2016/17 reached 28.4% indicating systemic delays in implementation and slow delivery.



## E. Project implementation

### a. Development Effectiveness

#### Effectiveness and Developmental Focus

Effectiveness

Rating: 3

Previous rating: 4

#### Justification of rating

In terms of physical progress, as of October 2017 the project has reached less than 5% of the appraisal target. Without significant efforts to accelerate implementation of component 2 before MTR in 2018, it is unlikely that the project will reach the intended overall target by completion date in March 2021.

#### Log-Frame Analysis & Main Issues of Effectiveness

The project delivery against logframe performance indicator is lagging behind schedule. The mission focused on identifying and addressing key issues hampering effectiveness of the project in delivering physical results at community level, through the accelerated LAPA preparation and implementation through grant facilities under component 2. The joint mission found out that :

(i) TSU level lacked delegated power of decision and approval authority from PCU to effectively coordinate daily activities of the project and provide support at DPCU level

(ii) project personnel mobilisation has been delayed at all levels (PSU, TSU and DPCU); Most of the personnel at District level was hired in last 3 to 4 months and were not fully aware of their role and responsibilities. Some of the specialist do not have the expected level of experience as outline in their terms of reference

(iii) Management tools such as monthly work plans are needed to enhance coordination and ensure hired personnel are fully committed and mobilised to support activities at community level (LAPA preparation and implementation, monitoring)

(iv) manuals, guideline and tools prepared by the specialist at TSU levels need to be made operational in order to be used by Mid-Level Technicians at DPCU and the service providers personnel

(v) Specialists at TSU have not been mobilized at their duty station as expected and could not provide the required level of technical support to the DPCU

Adequate actions have been agreed upon with project stakeholders at all levels (PCU, TSU and DPCU) to ensure that those constraints are addressed quickly in order to improve overall effectiveness of the project organisational structure.

## Development Focus

**Targeting and Outreach**

Rating: 2

Previous rating: 4

### Justification of rating

So far, project outreach is below expectations and lag behind schedule. About 3,300 households have participated in LAPA preparation process, representing 3.3% of the intended PDO target of 100,000 households.

### Main issues

The agreed revised target of 200 wards in lieu of the original target of 200 VDCs will be reached through a phased approach: 60 wards in the current FY 2017/2018, 80 in the FY 2018/2019 and 60 wards in the FY 2019/2020. Consolidation and phasing out will occur in the last year of the project in FY 2020/2021. LAPA implementation spans over three years. Time available for the implementation of third batch of 60 LAPA will be one year only.

2. The wards being a smaller administrative unit than the prior VDCs, the potential number of households participating in LAPA and benefiting from grants has to be assessed by updating population data in the selected wards. It was agreed that the project intends to cover all wards in a given Rural Municipality/ Municipality where possible. This has been requested by newly elected RM/M councils on several occasions during the mission. During meetings at M/RM level in Dailekh and Rukum, elected officials raised concerns that some of their wards in their municipality will not be covered. A compromise will have to be found on a case-per-case basis to also address the landscape approach at watershed level.

1. Target groups- The project design document did not specify whether the target groups under component 2 should be registered or informal groups. The draft Grant Manual however has clearly specified that

organisations illegible for grants under component 2 should be registered entities only. As a result, the first grantees in Rukum District are only cooperatives. The mission emphasized that the project should support a wider range of community organisations such as: Forest Community Users groups, water users groups, groups within cooperatives, women groups, etc. In the case there are no registered groups in the target wards, the project should liaise with relevant authorities and line agencies to fast track groups registration and strengthening.

1. The process and criteria used to select grantee organisations has not been disseminated in a transparent manner. In Rukum, the mission had the impression that cooperatives are selected by the Rural Municipality council and/or the DPCU, on an ad-hoc basis including non measurable indicators such as "popularity of the cooperative". A transparent and fair selection process is a key element of the project approach. Grants should be awarded to community organisations based on proposals, selected with a clear set of criteria. Therefore, LAPA preparation process should include preparation of proposals.

1. The programme does not have an operational method to systematically record the actual number of beneficiaries of each grant under sub component 2.1 and 2.2. However, the mission found out that the number of beneficiary households is below the expected target of 270 households per VDC / ward for grantees under component 2.2.

5. There is no clear reporting on the targeting approach regarding vulnerability levels versus marginalized people (i.e. Dalits, Janajati). So far the main selection criteria has been households vulnerability ranking. In some instances, those rankings were subject to interpretation. For example, some communities reported that vulnerability ranking was inconsistent from one household to another due to difficulties in applying the vulnerability assessment methodology.

**Gender equality & women's participation**

Rating: 3

Previous rating: 4

**Justification of rating**

GESI guideline has not been made operational by GESI specialist nor disseminated to SMs (particularly in Dailekh and Kalikot)

### **Main issues**

*The GESI guideline is not operational. In Dailekh and Kalikot, SMs were not aware of the guideline, but more importantly, the format of the guideline leans more towards a concept note rather than an operational document that can be used in the field. In addition, the GESI guideline needs to focus on women-related drudgeries that related to firewood collection, water hauling and other time-consuming activities which cause physical exhaustion. Health aspects should also be integrated such as the smoke inhaled due to the combustion of firewood (especially in indoor spaces with poor ventilation). The baseline and vulnerability assessment show that more than 98% of target beneficiaries in all 6 districts depend on firewood for fulfilling their cooking needs. As such, the GESI operational guideline should include options to identify technologies and practices that can improve women's livelihoods. The SMs play a key role to advance ASHA's project objective of deploying 7,500 RETs which include labour saving technologies like biogas and cookstoves.*

### **Agricultural Productivity**

Rating: 3

Previous rating: 4

### **Justification of rating**

As of October 2017, five districts out of 6 have not started any agriculture-oriented activities.

### **Main issues**

*The activities supporting agricultural production are made with little consideration to existing farming systems and access to market. Under component 2.2 there has been no clear focus to support productive investments while most of the interventions have focused on potable drinking water and river bank protection etc.*

- 1. Another concern for the project, which has become more challenging due to the re-appointment of staff at RM/M levels, is liaising with line agencies, ensuring timely backstopping of TSU to develop agricultural production models and providing coaching support to MLTs. At present, there has been minimal interaction with line agencies and their technical expertise to support various sub-sectors (livestock, horticulture, water etc.) has been minimal. Moreover, the increased participation of TSU staff and line agencies would engage MLTs to perform more field-level*



*implementation support in the agriculture and livestock sectors which is currently lacking.*

*3. A total of 8 Farming system models need to be finalized to bring agricultural production options to farmers in the LAPA preparation process. These models would include, but not limited to, permaculture activities. The CCA toolbox will also include some climate-resilient, sustainable land management (SLM) practices among others. In addition, a thorough review of existing CCA models should be conducted (i.e. through WOCAT, NEPCAT and ICIMOD, CSA in other IFAD projects, LiBird etc.) Those options should clearly indicate investment costs and expected returns for farmers.*

## **Nutrition**

Rating:

### **Main issues**

*The baseline and vulnerability assessment has not captured any data relevant to the nutritional level of households, especially children. The survey results show that majority of households can survive with their own production for less than six months. In contrast, around 22% of sample HHs have a stock for 12 months purchased from local market. The assessment shows that people spend significant amount of their income on food items. The project M&E indicators do not include any tracking on nutrition-sensitive indicators. As mentioned in the Rating 4, the proposals developed as part of the LAPA preparation process will indicate the expected impact on nutrition in the target communities*

## **Adaptation to Climate Change**

Rating: 5

Previous rating: 4

### **Justification of rating**

LAPA is the main planning tool for the implementation of project activities therefore all activities are addressing climate-related risks to a certain extent.

### **Main issues**

*The project has made significant efforts in mainstreaming CCA among line ministries and district level agencies and beneficiary communities through a number of workshops and trainings.*

*So far, there is no clear evidence on how the sub-watershed assessments will inform decisions in the LAPA process. Cross LAPA potential bigger investments have not been clearly identified in Sub-WS assessments*

*The project has experienced delays in preparing and approving the sub-watershed assessment, inducing further delays in the next step of the process (LAPA preparation and implementation)*

*A clear challenge has been identified in the way interventions are prioritized. Communities tend to put high priority to abiotic interventions (infrastructure, roads etc.) rather than biotic ones (sub-watershed level, farming systems, ecosystem services). The proposed interventions are also scattered and lack synergies to produce visible impacts and results*

*3. The enhanced LAPA manual has yet to be disseminated among the SPs and DPCUs. Moreover, the enhanced LAPA manual still refers to VDCs without reference to the new administrative restructuring into wards*

## **b. Sustainability and Scaling up**

### **Institutions and Policy Engagement**

Rating: 4

#### **Justification of rating**

So far no activities have been implemented in terms of policy engagement per se

### **Partnership-building**

Rating:

### **Human and Social Capital and Empowerment**

Rating: 4

#### **Justification of rating**

Poor rural women and men have been supported to develop the LAPAs and gained control over decision-making processes thus gaining access to essential social and productive services.

#### **Main issues**

*xisting farmers organisations have the opportunity to decide which are the priority investments in their community and to directly implement those plan with the support of the grant facilities.*

*As implementation of component 2 has just started, it is too early to identify and impact on the human and social impact given that activities are still at the very preliminary stage.*

### **Quality of Beneficiary Participation**

Rating: 4

#### **Justification of rating**

The participation of lead farmer (LF) is expected to be enhanced through the Lead farmer selection and grant mobilization procedures.

#### **Main issues**

*There is limited monitoring of the contributions made by beneficiaries as well as the actual number of beneficiaries reached under component 2. During field visits in Rukum, the mission could not clearly identify how many households benefitted the interventions co-funded by the grants, and more importantly, how was the beneficiaries contributions calculated, recorded and reported upon.*

*As noted in the previous sections, if planning tools are not finalized, and TSU staff mobilization in the field not adequate then it becomes difficult to assess the quality of beneficiary participation given that most importantly, monitoring and evaluation indicators are not in place to track the qualitative outcomes of the project. Taking into consideration that project activities on the ground are still delayed there is still possibility to steer the project to better monitor and assess the participation of beneficiaries at all levels: from LAPA preparation phase with SMs and SPs, which should include the number of options proposed to farmers and avoid demanding for technologies and practices that farmers are already aware of, to DPCUs providing timely the sub-watershed assessments etc.*

### **Responsiveness of Service Providers**

Rating: 3

Previous rating: 4

#### **Justification of rating**

Recruitment of a service provider to prepare the CCA toolbox has not yet been finalized.

## Main issues

Responsiveness of service providers (SP) for enhanced LAPA preparation has received mixed reviews (high level of responsiveness and commitment of the SP in Salyan compared to Dailekh). In some instances, lack of clarity has been reported as to whom the service provider should be reporting to (PCU, DPCU), creating coordination issues at district level. A more in-depth analysis of this indicator is pending procurement of a number of service providers packages. Permaculture activities to be contracted by February to ensure the SP can start activities before the 2018 cropping season.

Line of reporting of service providers - In few instances, DPCUs not being aware of SPs going to field not allowing DPCs to mobilize their MLTs to support the LAPA preparation process. It is crucial that DPC are involved in the recruitment process of field staff to be mobilised by Social Mobilisation Service providers to promote better coordination between SM SP and DPCU.

### Environment and Natural Resource Management

Rating: 3

Previous rating: 4

#### Justification of rating

Through the watershed assessment and the Participatory Scenario Development, the enhanced LAPA process has adequately addressed challenges in the field of natural resources management at local and community level.

## Main issues

The watershed assessment need to be adequately disseminated at ward level during the LAPA preparation process.

From the first instance of grant investments for community infrastructures under component 2.1, it appeared that measures to ensure climate proofing of infrastructures were not included in the design nor in the construction process.

### Exit Strategy

Rating: 3

Previous rating: 4

#### Justification of rating

Given the delays in implementation, the project remaining timeframe will not be sufficient to ensure sustainability of proposed interventions

### **Main issues**

The key aspects that require close follow-up and attention to ensure that the project is sustainable and that activities put in place are sustained beyond project life include: (i) the process for institutionalizing the enhanced LAPA and ensuring ownership of LAPAs from beneficiary communities as well as through participatory approach of line agencies and endorsement of RM/M; (ii) A present challenge which will determine the sustainability of the project entails examining the current relationship between PCU-TSU-DPCU and SPs and SMs. At present DPCs are over-stretched in terms of management role of staff at district level with minimal support from the TSU. Indeed, the role of TSU and establishment of a Deputy Project Coordinator/Manager with decision power role need to be considered to reduce the management issues and ensure project activities are delegated to responsible staff. Ultimately, if there are no checks and balances the project will suffer from further delays; (iii) Given the delays in implementation, the project remaining timeframe will not be sufficient to ensure sustainability of proposed interventions (especially related to permaculture and climate resilient farming system). To this end, the project needs to promote more KM products and increase cooperation on the ground with district line agencies as well as potential donors (such as the NCCSP-II) to leverage more funds and simultaneously ensure project activities can be sustained over a long-term.

Given the delays in implementation, the project remaining timeframe will not be sufficient to ensure sustainability of proposed interventions (especially related to permaculture and climate resilient farming system). In addition, there will be only one year available to implement the third batch of 60 LAPAs. Those issues are to be addressed at MTR.

**Potential for Scaling-up**

Rating: 3

**Previous rating: 4**

### **Justification of rating**

The project is by nature geared toward up-scaling the innovative enhanced LAPA methodology, that include the Participatory Scenario Development (PSD) and the landscape-level approach at subwatershed level

### **Main issues**

The project as a whole has enormous potential to attract further investment beyond the project life given the preparatory planning process and LAPAs

which are prepared with GIS and land-use aspects taking into consideration both downstream and upstream landscape level challenges.

Leveraging the 1:2 and funding leverage from ASHA for US\$2 for each US\$1 is currently overlooked. The enhanced LAPA manual has not been finalized and thus not yet distributed to potential partners and donors for scaling up. To this end, DPCU should promote the earmarking local public resources and budget in bridging the funding gap to implement the activities under LAPAs which ultimately need to be integrated in the RM's planning process starting from December 2017.

ASHA to disseminate the LAPAs and seek leverage for funding by other development actors that currently are not possible to be fulfilled by ASHA. DPCU to promote the earmarking local public resources and budget in bridging the funding gap to implement the activities under LAPAs. To this end, the LAPA should be integrated in the RM's planning process starting from December 2017 and subsequent years. Enhanced LAPA methodology and disseminated to NCCSP – II and other partners and donors to ensure scaling up of this new planning methodology

Leveraging funds by ASHA for US\$2 for each US\$1 is currently overlooked

The enhanced LAPA manual has not been finalized and thus not yet distributed to potential partners and donors for scaling up.

### **c. Project Management**

**Quality of Project Management**

Rating: 3

Previous rating: 4

#### **Justification of rating**

At the time of the current supervision mission, the project management structure was reviewed after the restructuring of the TSU and the recruitment of additional technical personnel at DPCU.

#### **Main issues**

*The mission and the project stakeholders agreed on identified key issues and constraints hampering the project effectiveness. The mission recognised that internal factors (delayed recruitment of personnel, lack of commitment of hired personnel) as well as external factors (earthquake, administrative restructuring, on-going elections) have made project management*

challenging, in particular from the PCU located in the Capital far from the project target areas.

Main issues related to project management were outlined under Rating 1: Effectiveness:

(i) The coordination between the three levels of the project structure is still difficult due to lack of delegation of power of decision and approval authority from PCU to TSU. Daily management and coordination of support to DPCU by TSU needs to be decided at TSU level, closer to the implementation level.

(ii) Simple management tools are missing, namely: joint monthly work plan at DPCU and TSU, as well as close monitoring of TSU specialists input and outputs

Line of reporting (currently from SPs to PCU)

Untimely mobilization of project staff and recruitment of SPs -

**Knowledge  
Management**

Rating: 5

Previous rating: 4

### **Justification of rating**

The project supports renewable energy technologies (RETs) having the objective of at least 7,500 households adopting RETs for domestic purposes.

### **Main issues**

*The project targets a total of 560,000 tons of GHG emissions reduction. This will also largely come from the community forestry activities (40,000 hectares), stalling livestock (which is related to the scaling up of biogas thereby capturing the methane emissions which are 22 times more damaging to the atmosphere in terms of their global warming potential). It has been agreed with the PCU, that FAO Carbon ExAct tool will be used to calculate the GHG emission benefits from the project.*

*The enhanced LAPAs are also an innovation in itself by combining spatial tools such as GIS and combining these with participatory approaches to develop the local adaptation plans. However, timely distribution of the sub-watershed assessments and GIS maps to SPs and SMs need to be provided so that they can benefit from this additional information when interacting with target beneficiaries.*

*With regards to the Flexi biogas initiative, another innovative technology which is portable and proven to be effectively working for nearly 1 year, control observations in three cluster areas having the altitude range maximum of 1946 m (cold climatic zone) of Talloguranse of Dailekh district to minimum of 642 m in Raharpur of Surkhet district (moderate zone), show that all units are functioning with burning of gas in average 1.5 to 3 hrs per day after feeding about 10 to 20 kgs of dung per day. However, in Dailekh district it was observed that the volume of gas production is not at its full potential due to limited cow/buffalo manure fed into the system compared to other units. From discussions with beneficiary farmers, the consumption of 5kg of firewood per day for cooking, requiring 2 hours per day to collect in nearby forest areas has been reduced significantly. With the installation of Flexi Biogas system they can replace 54.75 tons per year per households of firewood in their daily lives for cooking only. Along with this, they can save the time for collection of firewood which is used for income generation activities such as agricultural production.*

*AEPC will play a critical role in ensuring the technology is institutionalized under their national program making it eligible for the national subsidy and thus more affordable for smallholder farmers. AEPC will also play a key role in building capacity of DPCU staff, in particular, it will be responsible to assess the level of understanding of MLTs in all 6 districts and devise a tailored training module and 3-day workshop on basic O&M of RETs as well as monitoring aspects for quality assurance. These activities will bridge cooperation with line district agencies such as the DEECCC, Department of Livestock, Water and Agriculture. Lastly, AEPC will provide promotional material and knowledge products to ASHA KMS so that during the LAPA process, KM products on specific RETs can be disseminated which can increase awareness and consequently demand for RETs especially for community-based RETs (which can benefit from additional grand funding through component 2.1) such as solar water pumps and improved watermills which can increase income levels and production capacities by energizing selected agricultural value chains i.e. grinding and pumping activities. A detailed work plan has been drafted and already distributed by PCU to all DPCUs with specific activities to be conducted by AEPC hand-in-hand with the ongoing process of validating RETs under existing and new LAPAs.*

**Value for Money**

Rating: 2

**Justification of rating**



As the project has just started implementation of physical activities under component 2, it is too early to provide an assessment of efficiency at this stage.

### **Main issues**

At MTR, the project and the mission will be in a position to estimate the investment cost per beneficiary among other efficiency indicators analysis.

However given the delays of implementation and as this rating measures the value for money, the delay of the implementation has had a detrimental effect on the beneficiaries and therefore on the value to money for the beneficiaries, the Government and IFAD.

#### **Coherence between AWPB and Implementation**

Rating: 2

#### **Justification of rating**

The project should work proactively coordinating with all project staff in implementation of the approved AWPB to increase implementation progress and achieve the project objectives within the project period.

#### **AWPB Inputs and Outputs Review and Implementation Progress**

The implementation progress of the AWPB is very low. The activities are not being implemented within the period specified in the approved AWPB because of delay in recruitment of the technical staff, deputation of the government staff, and slow procurement of vehicles, office equipment and service providers. The budget of NPR 11.50 million and NP 215.14 million was allocated for the FY 2014-15 and FY 2015-16 whereas an expenditures of NPR 0.35 million in FY 2014-15 and NPR 37.88 million in FY 2015-16 were incurred which were 3.03% and 17.61% respectively of the approved budget. The budget of NPR 352.61 million for FY 2016-17 was allocated but expenditures of NPR 100.16 million were only incurred which is about 28.40% of the allocated budget.

#### **Performance of M&E System**

Rating: 3

Previous rating: 4

#### **Justification of rating**

Although some M&E activities have been initiated in the past months, the project still lacks an operational M&E system

## **M&E System Review**

Critical elements of the M&E system are missing. The following issues have been identified: ( i)The M&E guideline has not yet been finalized and therefore has not distributed to key project stakeholders. (ii) The methodology for raw data collection is not clear and no role has been devised by appointed Project M&E specialist (PMED) at TSU, (iii) Data collection formats need to be updated according to new ORMS, (iv) Lack of understanding on coordination between M&E Officer and PMES at TSU (v) Insufficient field visits to DPCU by PMES to assist in implementing the M&E system , (vi) The DPCU have created ad-hoc M&E formats to fill the gap in lacking M&E system, (vi) MIS system is still absent, (vii) lack of orientation and training to the district staffs especially to MLTs and SMs, (viii) insufficient coordination and collaboration with the HVAP M&E officer and other IFAD funded projects with operational M&E systems in place

### **Requirements of Social, Environmental and Climate Assessment Procedures (SECAP)**

Rating: 4

#### **Justification of rating**

The mission rated the SECAP indicator as moderately satisfactory although there was no formal SECAP prepared for the ASHA project.

#### **SECAP Review**

As per the design, the project has embedded Local Adaptation Plans of Action as the key planning tool at community level supported by sub-watershed assessment at landscape level. With this approach, the project is well positioned to directly address climate change related risks and vulnerabilities and enhance adaptation capacity from the community level up. In the context of the new federal administrative system, this approach has the potential to further demonstrate climate adaptation.

There was no SECAP prepared for the ASHA project. The SECAP requirement was introduced in 2015, after project design.

## **d. Financial Management & Execution**

### **Disbursement by financier**

Type	Name	Current Amount	Disbursed Amount	Actual Rate
Domestic Financing breakdown	Beneficiaries	\$5,979,900		
	National Government	\$6,638,400		

**Acceptable Disbursement Rate**

Rating: 2

### Justification of rating

The disbursement made so far is USD 2.0 million only for initial advance to the designated accounts.

### Main issues

*The project had not submitted WA for the expenses incurred due to low expenditure and not up to the amount of WA threshold of 20% of the advance amount in the FY 2015-16. The project did not prepare WA even after crossing the threshold of 20% in FY 2016-17. After continuous follow up, the WAs of USD 544,281 for the period July 17, 2014 to march 13, 2017 were prepared and submitted on Oct 18, 2017 which are yet to be disbursed. The project needs to prepare WAs for the remaining period. The expected amounts of WAs for the period of March 14 to October 31, 2017 would be about USD 400,000. The disbursement even after submission of WAs up to the period of October 31, 2017 would be USD 944,281 equivalent to SDR 672,234 at the exchange rate of USD 1.40469 per SDR prevailing on October 31, 2017, which will be 4.15% of the total allocated amounts of ASAP and IFAD grant excluding advance amounts.*

*The total disbursement under ASAP grant 2000000755 and IFAD DSF HC grant 2000000756 is only SDR 1.42 million, which is initial deposit and it is 8.75% of the total allocation of SDR 16.18 million. The project has submitted WAs for reimbursement of USD 544,281 (SDR 387,474 at the exchange rate of USD 1.40469 per SDR prevailing on October 31,2017) for the period July 17, 2014 to march 13, 2017. The Project is yet to submit WAs for about USD 400,000 (SDR 284,760) for March 14 to October 31, 2017. The disbursement including expenditures of SDR 672,234 (USD 944,281) incurred up to October 31, 2017 and claimed and yet to be claimed will be SDR 2.09 million which is 12.90% of allocated amount. The project has not yet prepared the WA for the period after March 13, 2017*

## Fiduciary Aspects

Quality of Financial Management

Rating: 3

### Justification of rating

The accounts at the PCU and DPCUs are maintained as per government accounting systems and financial reports as per government requirement are being prepared.

### Main issues

*The accounts at the PCU are maintained by an Accounts Officer and Accountant and at the DPCUs by the Accountants deputed by the Financial Comptroller General's Office (FCGO) as per government accounting system, Financial Procedure Act and Regulations, Directives and Project Implementation Manual. The Account Officer does not have experience in donor funded projects that needs training on project accounting and reporting requirement of IFAD. The FM specialist has to help in maintaining accounts and preparation of WA and project financial statements as per requirement of the IFAD. The AWPB for the year 2017-18 is being prepared as per guidelines of the government and also in the prescribed format of the IFAD. The AWPB for the year 2017-18 was prepared within due date and submitted on time but it was revised many times based on comments provided by IFAD. The final revised AWPB was submitted to IFAD on June 12, 2017 for approval. AWPB has been prepared in line with expenditure categories of the Schedule 2 of the Financing Agreement, financing sources and implementing agencies for each category are mentioned in the AWPB. The procurement plan is prepared cross referencing with the AWPB. The project was authorized after budget is tabled in the Parliament from the FY 2017-18 and separate budget authorization is not required. Budget is released based on payment request after issuance of budget. Payments for regular expenses are made after budget is tabled and start of fiscal year while capital and program expenditures are paid after approval of AWPB. Double entry accounting system is used to maintain account using government chart of accounts and accounting source of funding for each expenditure. The accounting software being used is capable to account expenses based on government budget line and generate financial report as per government reporting requirement. The accounting software identified could not be customized to meet accounting and reporting requirement of the IFAD. The project has decided to buy new accounting software suitable for IFAD funded project which is being developed by the software company identified by the project to account expenses based on activities, components and categories from various funding sources, accounting of IFAD grant in multiple currencies, designated bank account in NPR and USD currencies and beneficiaries contribution and generate*

*information required for preparation of withdrawal application (WA), financial monitoring report (FMR) and project financial statements (PFS). The programme ledger specifying the allocated budget and expenditures incurred under each activity has been maintained. Budget line items of the Government system are used as chart of accounts and which are adequate for accounting project expenses. The project does not maintain record of expenditures classifying as per component and category but the expenses are subsequently classified to the component and category based on nature of expenses and activities for preparation of WA and reporting purpose.*

*Financial reports as per government requirement are correctly prepared within specified period.*

*The trimester progress report has not been prepared and submitted to IFAD. The unaudited project account has not been prepared as there is time for submission to IFAD. However, the project should prepare the unaudited project account before start of the external audit by the office of the Auditor General.*

**Quality and Timeliness  
of Audit**

Rating: 4

**Previous rating: 3**

### **Justification of rating**

The auditor has issued unqualified audit opinions on the financial statements and SOEs. The audit reports and financial statements of FY 2015-16 received on April 21, 2017 were found acceptable

### **Main issues**

he audit reports of the FY 2015-16 issued on April 11, 2017 was submitted after due date on April 12, 2017 which was received on April 21, 2017. There was no audit opinion on designated account. The notes to the financial statements do not have fixed assets statement and no details about the accounting and reporting principles. The management letter includes only low percentage of expenditures and not any other audit observations. The internal audit of the project is conducted by the respective District Treasury Controller Offices (DTCOs). The internal audit reports have pointed out many internal control issues and non-compliance with the prevailing Financial Procedure Regulations and Directives. They are: (i) no "PAID" stamp on supporting documents, (ii) no inspection report of equipments purchased, (iii) no minute for payment of meeting allowance, (iv) expenses not related to the activities, (v) amount of expenses not justified, (vi) advances provided without specifying purposes and refunded without incurring expenses, (vii) payment of local allowance, (viii) contract register in the specified format not maintained, (ix) no

advance income tax deduction, (x) vehicle facility and payment for fuel and repair to the consultants, (xi) accounting of local allowance to other allowance budget, (xii) no completion report, (xiii) no supporting documents of expenses, and (xiv) balance advance amount not refunded

### **Counterparts Funds**

Rating: 5

Previous rating: 4

#### **Justification of rating**

Government pre-finances the expenditures for Government and IFAD sources and requests for reimbursement after transfer of expenditure amounts from designated accounts to the government treasury.

#### **Main issues**

The Government of Nepal contributes to the project for office space, VAT and custom duties, remuneration of government deputed staff, and PCU & DPCUs supplies. The government has allocated counterpart funds as per approved AWPB for FY 2015-16, FY 2016-17 and 2017-18. Total budget of NPR 215.14 million for FY 2015-16, NPR 352.61 million for FY 2016-17 and NPR 519.28 million for FY 2017-18 has been allocated. The budget allocated for government counterpart was NPR 29.31 million in FY 2015-16 and NPR 93.19 million in FY 2016-17 and it is NPR 118.65 million for FY 2017-18. The project was able to spend NPR 37.88 million in FY 2015-16 which was about 17.61% the allocated budget. The project was able to increase the disbursement in FY 2016-17 to NPR 100.16 million which was about 28.40% of the allocated budget. The project has not consolidated the expenditures incurred in the first three months of the FY 2017-18.

The project was not able to incur expenditures as per AWPB due to delay in implementation of most of the activities causing actual disbursement rate of 17.61% in FY 2015-16 and 28.40 % in FY 2016-17. The disbursement rate of the recurrent budget was 73.30% while it was only 23.77% for the capital budget in the FY 2016-17

### **Compliance with Loan Covenants**

Rating: 4

Previous rating: 3

#### **Justification of rating**

All service providers bidding processes have not been duly completed and related documents have not yet been signed.

#### **Main issues**

A computerized accounting system was identified and selected by the Project but could not be customized to meet accounting and reporting requirement of IFAD. The project has decided to buy new accounting software suitable for IFAD funded project which is being developed by the software company identified by the project. The positions of M&E Officer, Agriculture Specialist and Engineer are now vacant. The Technical Team (subsequently named as technical support unit) is based in Surkhet in rented building. CC Specialist is working from ASHA PCU and providing CC support to ASHA only. Office of DPCUs are located at building rented by the project. Register of contracts has been maintained for contract entered by PCU only and it has not been submitted to IFAD every trimester. The audited financial statements consisting financial statements, SOEs and designated accounts of FY 2015-16 were submitted to IFAD after due date on April 12, 2017 without audit opinion on Designated Accounts. The audited financial statements and audit report were found acceptable. The log of audit observations has not been maintained as there was no audit observation. The AWPB and PP of FY 2017-18 to be submitted within May 15 were submitted on June 12, 2017. Information management system for monitoring progress of the project has not yet been developed. Annual progress report is submitted but periodic progress reports are not submitted. All reports received from service providers and consultants are not submitted to IFAD. Accounts of expenditures based on category and component, designated accounts and beneficiary contribution have not been maintained.

The following covenants of the Financing Agreement, LTB and General Conditions have not been complied with. They are: (a) Financing Agreement: (i) Section E- Para 1(a)(vi) - non-completion of all service providers bidding processes & signing of related documents, (ii) Section E- Para 1(a)(v) - the accounting software identified & selected could not be customized, (iii) Schedule 1 – Section II Para 4 - positions of M&E Officer, Agriculture Specialist and Engineer are vacant, technical support unit is located in rented building and CC specialist is based in PCU instead of Sahayatri, (iv) Schedule 1 – Section II Para 5 - DPCUs are located in rented building, (b) Letter to the borrower: (i) Paragraph 28 - all contracts are not listed in the Register of Contracts and non-submission to IFAD, (ii) Paragraph 29 - no audit opinion on designated accounts, (iii) Paragraph 31 - log of audit observations not maintained, and (c) General Conditions: (i) Section 4.02 - partial compliance with some of the additional general conditions precedent to withdrawal, (ii) Section 7.01 (b) (ii) - non submission of AWPB within the stipulated time, (iii) Section 8.02 (a) - MIS is yet to be developed, (iv) Section 8.03 - non-submission of periodic progress reports, (v) Section 8.05 - non-submission of all reports to IFAD, (vi) Section 9.01 - non-maintenance of accounts of expenditures based on category and component, designated accounts and beneficiary contribution, and (vii) Section 9.03 - delay in submission of the audit report

## Procurement

Procurement

Rating: 4

### Justification of rating

A review was done to the Procurement Management Procedures and Procurement Progress. The review covered the Procurement Plan, Contract Register, and Contract related files. All needed documentations were made available to the mission.

### Procurement Review

*Procurement Staff: ASHA Project is staffed with an experienced Procurement Officer who is handling all the Procurement tasks under the Project and ensuring compliance with IFAD's Guidelines and Procedures. The Bidding process is managed by the PIU while the evaluation committees are formed from government staff with support from technical staff as invitee.*

*Procurement Plan: The plan has been updated and requested for IFAD's No-objection. Generally, Quality and Cost Based Selection method is being used which should be used for only with high value assignments. Procurement Progress: During this fiscal year (2017/18), only two individual consultants have been recruited. Given the low value of actual contract awarded, additional efforts are to be made for award of contract including contract management. Prior\Post review requirement: The Prior\ Post requirements set in the Plan have been followed as provisioned in the Letter to the Recipient requirements (revised LTR dated 22 September 2016). The Prior Review for the solicitation and award for consulting firms is set at NPR 3 million and NPR 5 million for goods. Procurement Processes, documentation and record keeping: Following the review of the Procurement files, it was revealed that the files were complete summarizing all the required Procurement stages and documents, including TORs, Technical Specifications, bidding Documents, evaluation report, acceptance reports and the contracts signed by the project. The record keeping was done properly. Contract register and contract management: The format for contract register (in electronic format) being used by the project is in conformity with IFAD's requirements. The register is up to date. A contract for Procurement of Social Mobilizer Service from NGOs for Salyan district was signed on July 2017. However, the consultant has not been fully mobilised. It is understood that there is an issue of replacement of personnel. More effort needs to be provided in effective contracts management. Complaint Management: The project issues Letter of Intent to successful bidder, with a copy to the unsuccessful bidders as provisioned in the Public Procurement Regulation of Nepal. There has been a complaint by unsuccessful consulting firm for information and review of the award. The project has responded to the firm as provided in the IFAD guidelines. The firm*



*has approached the Supreme Court requesting stay order to the award. As the Supreme Court did not issue any injunction and the Contract have been signed with the highest ranked firm in combined evaluation. GIS equipment not available for Dailekh districts hampering effectiveness to prepare maps*

*Delays in supplying office equipment (i.e. computers and motorbikes) to DPCUs especially to Kalikot district*

*The contracts of SPs in district with access constraints should reflect the additional costs beared by the SPs to access communities and therefore the contract value should include adequate resources relative to other districts*

*DPC should be involved into reviewing the proposals for enhanced LAPA SPs for the respective districts*

*Delays in recruitment of CCA toolbox SP hampreing the enhanced LAPA preparation quality and beneficiairy participation in deciding on the potential investments and activities*

*Tablets for MIS and App have not been distributed to DPCU level*

## F. Relevance

Relevance

Rating:

## G. Logframe

Results Hierarchy	Indicators							Source
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	
	1.b Estimated corresponding total number of households members							RIMS
	Household members			500000				
	1.a Corresponding number of households reached							RIMS
	Non-women-headed households			100000				
	Women-headed households							
<b>Outreach</b>	1 Persons receiving services promoted or supported by the project							
	Indigenous people							
	Males							
	Not Young							
	Non-Indigenous people							
	Young							
	Females							

Results Hierarchy	Indicators						Sources
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	
<b>Goal</b> Rural poverty reduced in the hilly regions exposed to climate change	100,000 direct beneficiary households (HHs) (70% of target HHs) reporting at least 25% improvement in HH asset index, as compared to baseline (disaggregated by gender, caste and ethnicity of HH-head)						RIMS and baseline surveys; preparatory implementation and M&E
	% improved HHs assets			25			
	15% reduction in the prevalence of child malnutrition, as compared to baseline						RIMS and baseline surveys; preparatory implementation and M&E
% reduction child malnutrition			15				
<b>Objective</b> Vulnerability of local communities to climate-related risks reduced and enabling institutional environment for climate change adaptation strengthened	100,000 direct beneficiary HHs (RIMS) (70% of target HHs) moved down the CC vulnerability scale by at least one step (disaggregated by gender, caste and ethnicity of HH-head)(RIMS)						Climate responsibility audits of Districts relevant Ministries Ministry policies and plans DD plans Sectoral studies Technical agencies reports and studies Research academic studies RIMS M&E
	% of HH moved down from CC vulnerability			70			
Targeted Districts and program relevant Ministries have climate-informed policies, programmes, plans and staff capacity						Climate responsibility audits of	

Results Hierarchy	Indicators						Sources
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	
	No. of districts						Districts relevant to LAPA implementation; Ministry of Environment, Urban Planning and Construction (MUEPC) policies and plans; District Development Plans (DDPs); Sectoral Development Studies (SDS); Technical assistance from UN agencies; reports and studies; Research and academic studies; M&E
	Each US\$1 of ASAP financing leverages at least US\$2 from other sources for LAPA implementation in at least six districts						Climate responsibility audits of LAPA implementation; Districts relevant to LAPA implementation; Ministry of Environment, Urban Planning and Construction (MUEPC) policies and plans; District Development Plans (DDPs); Sectoral Development Studies (SDS); Technical assistance from UN agencies; reports and studies; Research and academic studies; M&E
	USD Financing leverages ASAP						Climate responsibility audits of LAPA implementation; Districts relevant to LAPA implementation; Ministry of Environment, Urban Planning and Construction (MUEPC) policies and plans; District Development Plans (DDPs); Sectoral Development Studies (SDS); Technical assistance from UN agencies; reports and studies; Research and academic studies; M&E
	560,000 tons of greenhouse gas emissions (CO2E) avoided and/or sequestered (RIMS)						Climate responsibility audits of LAPA implementation; Districts relevant to LAPA implementation; Ministry of Environment, Urban Planning and Construction (MUEPC) policies and plans; District Development Plans (DDPs); Sectoral Development Studies (SDS); Technical assistance from UN agencies; reports and studies; Research and academic studies; M&E

Results Hierarchy	Indicators						Sources
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	
	No. of tons of greenhouse gas emissions			560000			Districts relevant Ministries Ministry policies and plans DD plans Sector studies Technical agencies reports and studies Research academi studies R M&E
	3.1.3 Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions						
	Indigenous people						
	Young						
	Females						RIMS
	Not Young						
	Non-Indigenous people						
	Males			7500			
<b>Outcome</b> A scalable	At least 150 LAPAs incorporated into district development plans						Project M reports

Results Hierarchy	Indicators						Source
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	
climate change adaptation framework for the agriculture sector supported by participating institutions, districts and communities	No. of LAPAs			150			Contract studies and beneficiary GoN circle adoption enhance LAPA methodology
	GIS-based sub-watershed management plans covering at least 10 VDCs developed						Project M reports Contract studies and beneficiary GoN circle adoption enhance LAPA methodology
	No. of VDCs covered			10			Contract studies and beneficiary GoN circle adoption enhance LAPA methodology
	At least 8 new profitable (IRR >12%) climate resilient farming systems tested with at least 100 farmers each						Project M reports Contract studies and beneficiary GoN circle adoption enhance LAPA methodology
	No. of new profitable climate resilient systems			8			Contract studies and beneficiary GoN circle adoption enhance LAPA methodology
	Spatially and temporally enhanced LAPA development methodology adopted by GoN						Project M reports Contract

Results Hierarchy	Indicators							Sources
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	
Output	No, of LAPA methodology adopted y GoN							studies R and ben GoN circ adoption enhance LAPA methodo
	At least 100,000 beneficiary households participate in LAPA preparation (disaggregated by gender, caste and ethnicity of HH-head) - Policies, programmes and staff capacities of MoFSC and MoAD enhanced to improve LAPA implementation							Project progress Line age reports C adaptati
	Households			100000				screenin capacity building
	GIS-referenced ASHA planning and M&E system established in new target areas							Project progress Line age reports C adaptati
	No. of GIS							screenin capacity building
	At least 100,000 HHs with access to knowledge of climate resilient farming practices and diversified livelihood options							Project progress Line age reports C adaptati
Households				100000			screenin capacity building	
Village community plans formulated							RIMS	



Results Hierarchy	Indicators							Source
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	
	No. of village community plans			150	0	0	0.0%	
	Number of nationals and international policy processes on climate issues to which the project is contributing							RIMS
	No. of policies			3	0	0	0.0%	
	At least 150 VDCs commit at least 80% of their ASHA LAPA financial allocation							Project M reports F and ben Line age reports S studies a reports Statistica significant sample s of benefi
<b>Outcome</b>								
Climate informed and gender-sensitive natural resource management and climate resilient agricultural and forestry practices and technologies implemented	No. of VDCs			150				Project M reports F and ben Line age reports S studies a reports Statistica significant sample s of benefi
	At least 150 VDCs mobilize at least 20% co- or parallel financing for implementation of LAPA priorities							Project M reports F and ben Line age reports S studies a reports Statistica significant sample s of benefi
	No. of VDCs mobilizing parallel financing			150				
	100,000 beneficiary households adopting at least one climate resilient agriculture practice							Project M reports F and ben

Results Hierarchy	Indicators						Source
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	
	Households			100000			Line agency reports, Studies and reports, Statistical significance sample size of beneficiaries
	70% of beneficiary households report satisfaction with climate adaptation technical service support provided through line agencies and lead farmers (disaggregated by gender, caste and ethnicity headed hhs)						Project M reports, Field and beneficiary reports, Line agency reports, Studies and reports, Statistical significance sample size of beneficiaries
	Households			70			Line agency reports, Studies and reports, Statistical significance sample size of beneficiaries
	1.2.3 Households reporting reduced water shortage vis-à-vis production needs						
	Young						
	Males						
	Women-headed households						RIMS
	Non-women-headed households						
	Households						
	Females						

Results Hierarchy	Indicators							Source
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	
	Non-Indigenous people							
	Total household members							
	Households							
	Not Young							
	Indigenous people							
	3.2.1 Greenhouse gas emissions (CO2) avoided and/or sequestered							
	Number of tons							RIMS
	At least 40,000 ha of land managed under climate- resilient micro-watershed management practices, such as terracing, slope stabilisation, land rehabilitation, reforestation etc.							
	Hectares of land			40000				Project progress Sector a LAPA re and stud
<b>Output</b>								
Community infrastructure for climate adaptation operational	At least 25,000 households adopting livestock stall- feeding with adapted forage and fodder trees							
	Households			25000				Project progress Sector a LAPA re and stud
	At least 22,000 households apply efficient water use techniques and methods introduced by the project, including ponds, drip or sprinkle systems							
	Households			22000				Project progress Sector a LAPA re and stud



Results Hierarchy	Indicators							Source
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	Cumulative Result %	
	Non-Indigenous people							
	Women in leadership position							
	Total size of groups							
	Young							
	Indigenous people							
	Not Young							
	3.1.2 Persons provided with climate information services							
	Not Young							
	Males							
	Non-Indigenous people							RIMS
	Young							
	Indigenous people							
	Females							
	3.1.3 Persons accessing technologies that sequester carbon or reduce greenhouse gas emissions							RIMS

Results Hierarchy	Indicators						Source
	Name	Baseline	Mid-Term	End Target	Annual Result	Cumulative Result	
	Indigenous people						
	Young						
	Females						
	Not Young						
	Non-Indigenous people						
	Males						
	3.1.4 Land brought under climate-resilient practices						
	Hectares of land						RIMS