



Investing in rural people

Nepal

COSOP completion review

2013-2020

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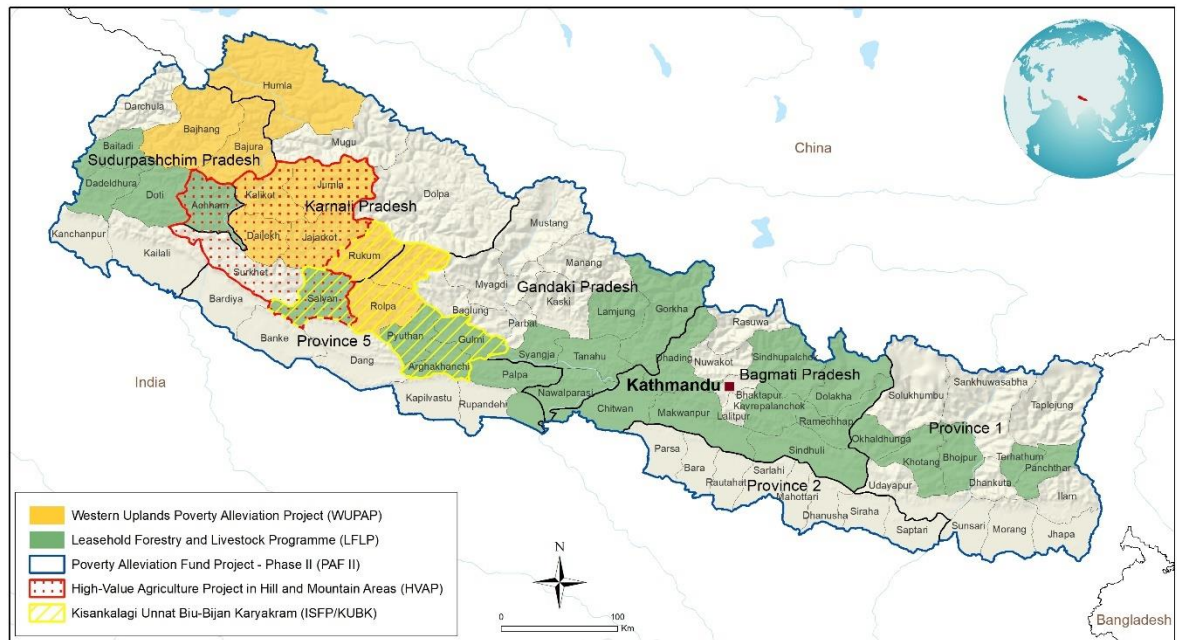
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Abbreviations and acronyms

ADB	Asian Development Bank
ADS	Agriculture Development Strategy
AEC-FNCCI	Agro-Enterprise Centre of the Federation of Nepalese Chambers of Commerce and Industry
ASDP	Agriculture Sector Development Programme
ASHA	Adaptation of Smallholders in Hilly Areas Project
CCR	COSOP Completion Review
CLPE	Country level policy engagement
COSOP	Country strategic opportunities programme
COVID	Coronavirus disease
CSPE	Country Strategy and Programme Evaluation
FY	Financial year
GDP	Gross Domestic Product
GESI	Gender equality and social inclusion
GON	Government of Nepal
GPS	Global positioning system
HVAP	High value agricultural project in hill and mountain areas
ICT4D	Information and communication technology for development
IFAD	International Fund for Agricultural Development
KM	Knowledge management
KUBK/ISFP)	Kisankalagi Unnat Biu-Bijan Karyakram/ Improved Seeds for Farmers Programme
LFLP	Leasehold Forestry and Livestock Programme
MOALD	Ministry of Agriculture and Livestock Development
MSFP	Multi-Stakeholder Forestry Programme
MTCP	Medium Term Cooperation Programme With Farmer's Organizations
MTR	Mid term review
NGO	Non-governmental organization
NR	Nepalese Rupee
PAFP	Poverty Alleviation Fund Project
PM	Prime Minister
PO	Producer organization
RERP	Rural Enterprises and Remittances Programme - Samriddhi
RSPA	Rural Sector Performance Assessment
SDC	Swiss Development Cooperation
SNV	Dutch development cooperation organization
SO	strategic objectives
SSTC	South-South Triangular cooperation
US\$	United States Dollars
WUPAP	Western Uplands Poverty Alleviation Project

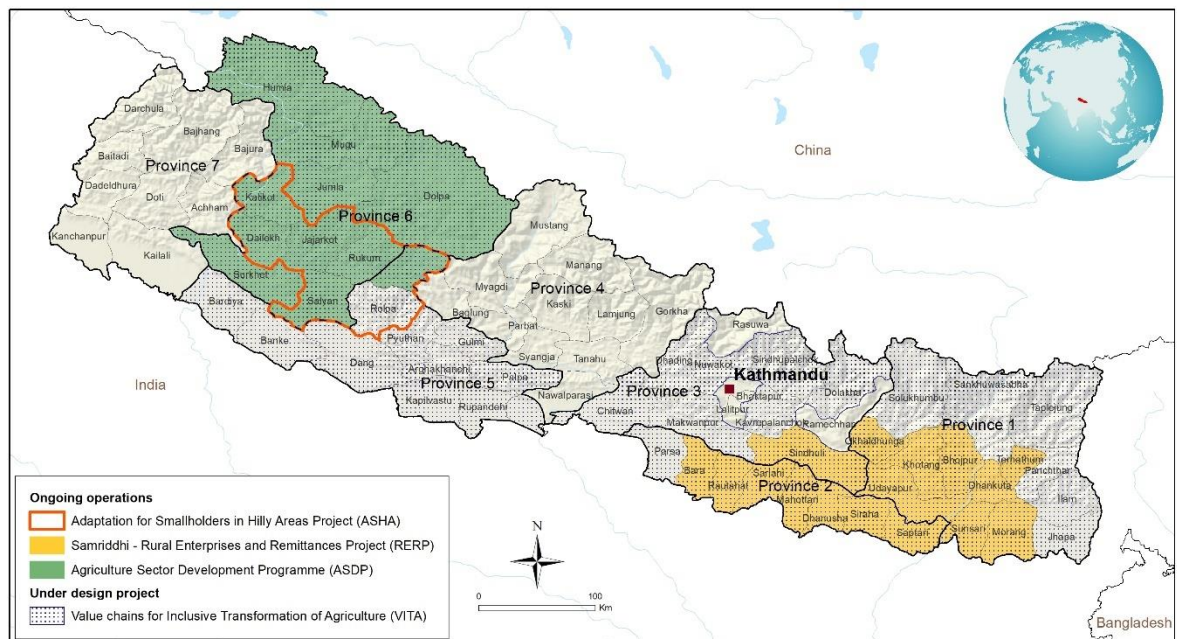
Map of IFAD-funded operations in the country

Figure 1: Map of projects during COSOP – now closed



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
 IFAD Map compiled by IFAD | 17-09-2020

Figure 2: Map of projects during COSOP – on-going and approved



The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.
 IFAD Map compiled by IFAD | 06-04-2020

Nepal

COSOP completion review

I. Introduction

COSOP objectives and investment projects

1. The COSOP Completion Review (CCR) covers the COSOP 2013-2020 and reflects on lessons from its performance to feed into the next COSOP 2021-2026.
2. The original COSOP period was 2013-2018. A COSOP Results Review was completed in 2018 and agreement reached to extend the period to 2020 to enable the next COSOP to be guided by the 15th Plan (2019-2024) and the 2019 IFAD Country Strategy and Programme Evaluation (CSPE). The 15th Plan is the first prepared by a government elected under the new constitution.
3. The 2013 COSOP sets out three strategic objectives (SOs): (i) promote income diversification and stimulate employment - in both the agriculture and off-farm sectors; (ii) strengthen food security and resilience to climatic and other risks; and (iii) promote inclusive, accountable and sustainable rural institutions - so that they can deliver accountable and inclusive services to on-and off-farm producers.
4. There were a total of 8 projects under implementation during the COSOP. In 2013 there were four ongoing projects plus co-financing of PAF-II with the total investment value of US\$132.7 million (excluding PAF-II) with IFAD funding of US\$94.1 million plus US\$9.0 million IFAD funding to PAF-II. At completion in 2020, there were three ongoing projects with total investment value of US\$139.8 million with IFAD funding of US\$85.1 million. The VITA programme was approved in September 2020, to be effective from early 2021, with total investment value of around US\$199 million with US\$97.8 million IFAD funding – by far the largest single investment ever in the country programme.
5. During the COSOP period the main investment projects under implementation have been: (see Annex V)

Closed projects

- (a) Western Uplands Poverty Alleviation Project (WUPAP)
- (b) Leasehold Forestry and Livestock Programme (LFLP)
- (c) Poverty Alleviation Fund Project II (PAFP-II)
- (d) High Value Agricultural Project in hill and mountain areas (HVAP)
- (e) Kisankalagi Unnat Biu-Bijan Karyakram/Improved Seeds for Farmers Programme (KUBK/ISFP)

Ongoing projects

- (f) Samriddhi-Rural Enterprises and Remittances Programme (Samriddhi - RERP)
 - (g) Adaptation of Smallholders in Hilly Areas Project (ASHA)
 - (h) Agriculture Sector Development Programme (ASDP)
6. **Country context.** 2013-2020 witnessed substantial changes and challenges in Nepal. The failure of the first Constituent Assembly (2008-2012) to produce a constitution led to the appointment of an acting Prime Minister in March 2013 for almost one year, with a temporary freeze on government budgets, before a new Prime Minister was appointed by the second Constituent Assembly in 2014. In 2015

the country suffered a 7.8 magnitude earthquake in April (Ghorka earthquake) killing nearly 9,000 people and injuring nearly 22,000. The new federal constitution was approved by parliament in September 2015. In 2016 there was a six-month border blockade with India relating to the new constitution. Elections for the newly created three tiers of government were held in late 2017 and province and local governments received their first budgets in Financial Year (FY) 2018/19 but with many staff vacancies only gradually filled. 2020 saw the start of the COVID-19 pandemic. The period also saw the opening up of many previously remote areas with road and telecoms networks especially in hill and mountain areas.

7. During this period, there were seven Prime Ministers in seven years from three main political parties and four more Prime Ministers in the preceding five years. There was a correspondingly high turn-over of leadership and managers within government ministries. IFAD had four country programme managers/directors during the COSOP.
8. On the economy, the constitution and 2017 elections ushered in a period of stability and growth. In FY2018/19, Nepal achieved its third consecutive year of +6% growth for the first time in >50 years. Prior to COVID-19, GDP growth was projected to average 6.5% over the medium term. For FY2019/20, budget allocation for agriculture, forestry and fisheries was NR 79.8 billion (~US\$715 million), 5.2% of the total national budget allocation. In the sector, expenditure continues to be dominated by federal level (82.5%), provinces' share at 15.2% and local level government just 2.1%. Continuing dominance of federal expenditure contrasts with the substantially devolved nature of the sector in the constitution and principle of subsidiarity for the multiple concurrent powers.

The Completion Review

9. The review draws on the stakeholder feedback exercise completed in August 2020 which gained feedback from 54 stakeholders – from government, farmers' representatives, civil society, private sector and development partners. Due to COVID-19 restrictions, this was conducted remotely including an online survey. Insights are also drawn from the 2019 CSPE, 2018 COSOP Results Review and project completion and mission reports. The forthcoming review¹ of IFAD's policy engagement experience in Nepal provides insights on the policy framework and international comparative perspectives.
10. The CRR presents the review of the COSOP performance under the following dimensions. i) Relevance; ii) Effectiveness; iii) Policy engagement; iv) Knowledge Management; v) Strategic partnerships; vi) South-south and Triangular Co-operation, and vii) Lessons learned and recommendations. Perspectives from the stakeholder feedback and CSPE² and are presented alongside further analysis and conclusions from the CCR itself.

II. Relevance

Stakeholder feedback

11. Stakeholder feedback indicates that the COSOP and associated projects are widely considered to have been relevant to the needs and priorities of rural communities, especially in remote areas – giving an average rating of *moderately satisfactory* (score 5 of 6). Fully 91 percent of stakeholders rated it as either highly relevant (48%, Score: 6) or mostly relevant (42%, Score: 5) with an average score of 5.4– indicating the programme has been consistently highly or mostly relevant with necessary adaptations adopted.
12. Most common positive reasons given include:

¹ Chambers, Tom (2020) IFAD's Experiences with Policy Engagement in Nepal: A Review of Recent Strategies and Project Designs, IFAD, Rome (unpublished)

² Sections referencing the CSPE are highlights from the relevant sections in the main CSPE report. Extended quotes are shown in quotation marks.

- (a) Overall targeting of the programme – geographically in relatively remote areas as well as in terms of working with small-scale producers and poor rural communities and individuals and other disadvantage groups including dalits, janajatis and women.
 - (b) Focus on expanding decent economic opportunities for rural communities, especially through support to inclusive market-driven rural growth, equipping small-scale producers to effectively link to buyers and market opportunities as well as support to skills training, rural employment and micro- and small-enterprise development.
 - (c) Strengthening of rural institutions, especially market-oriented producer organizations (POs) and savings and credit cooperatives, as well as leaseholder forest user groups under LFLP and WUPAP.
 - (d) Close alignment of projects with national priorities, for example the Agriculture Development Strategy (ADS) 2015-2035 and its main objectives including: poverty reduction, food and nutrition security, higher and more equitable income for rural households, fostering diversification, facilitating access to credit, and enabling access to markets.
13. While there is an overall strongly positive sentiment on relevance, areas for improvement were noted by stakeholders including:
- (a) Relevance to the very poorest households was sometimes reduced by using matching grants, especially in KUBK and ASHA, due to their difficulty in raising required matching contributions or preparing required documents and evidence for their plans.
 - (b) Climate change gained some attention, especially through ASHA and LFLP, yet was relatively under-represented in the programme (see below on forestry sector).
 - (c) The major institutional transition to the federal system has created opportunities and challenges for the programme. Ongoing projects such as RERP and ASDP have made substantial efforts to engage with and support the new local and provincial institutions – for example on community-managed agricultural extension services, inclusive market development, migration services, employment and skills training. However, this remains challenging and further devolving project leadership and implementation is likely to be a priority for the future COSOP.

CSPE assessment

14. The CSPE found that the COSOP was aligned with national development policies and, although formulated beforehand, the priorities of the COSOP reflect a solid alignment with the main thrusts of the ADS2015-2035. It considered the COSOP to be part of a series of successive COSOPs that have “supported a progressive shift to address the challenge of agricultural and rural transformation in Nepal from subsistence-based to a higher-value market-driven productive sector in a way that generates equitable benefits for poor rural people and disadvantaged groups. Improving the profitability of increasingly fragmented farms is of paramount importance for agricultural development in Nepal.”
15. “The 2013 COSOP maintained focus on the inclusion of poor and disadvantages groups such as Dalits, Janajati and women. The entry point was agricultural commercialization and connectivity with value chains. RERP fully manifests this new orientation and geographic coverage with activities concentrated along major transport routes in Provinces 1 and 2, which has some of the highest malnutrition and poverty incidence statistics.”
16. One negative identified by the CSPE was the COSOP de-emphasized “serving more remote areas and with community-based approaches focusing on basic needs and

services as the entry point. This meant concentrating more on the mid-hills rather than mountains, although the CSPE recognizes that such concentration tended to happen in provinces 5 and 6, where there is clear concentration of poverty.”

17. The CSPE noted specific challenges to the COSOP regarding IFAD’s ability to manage it in a holistic programmatic manner to maximize its strategic relevance, combing investment projects and non-lending activities. The CSPE correctly notes that “the 2013 COSOP presented objectives for non-lending activities and provided some measures to manage the programme in a more holistic manner. However, this would have required far more resources, notably human resources in the Country Office but also more corporate collaboration, which were not forthcoming.”
18. The CSPE assessed the overall strategic relevance of the COSOP as moderately satisfactory (4).

Further Analysis

19. Three further areas warrant discussion in relation to the COSOP relevance to complement the perspectives of stakeholders and CSPE above:

- (a) Geographical targeting;
- (b) Forestry sector withdrawal at the time of increased prominence of climate change issues;
- (c) Strategic focus relative to areas of potential weakness in the country based on international comparisons.

a) Geographical targeting

20. The CSPE noted that the COSOP had de-emphasized serving remote areas and communities more distant from the ever growing road networks, with the implication that this reduced its relevance (see para 16 above). This merits further consideration.
21. Table 1 shows the multi-dimensional poverty by province and the geographically focused projects in each (i.e. excluding PAF2 and LFLP, that worked widely across the country)

Table 1: Multi-dimensional poverty headcount and population by province (2014)

Province	MPI Poverty Population		MPI Poverty Headcount rate	Projects
	Number of people (000s)	% of poor people	%	
2	2,935	35	47.89	RERP
5	1,677	20	29.92	ISFP-KUBK
1	1,006	12	19.67	RERP
Sudurpaschim (7)	922	11	33.56	
Bagmati (3)	755	9	12.24	
Karnali (6)	671	8	51.22	WUPAP, HVAP, ASHA, ASDP
Gandaki (4)	419	5	14.19	
Total	8,386	100	28.62	

22. At province level, projects appear to be well aligned with the highest number of poor (Province 2, 5 and 1) and highest poverty rate (Karnali Province - 6). Only Sudurpaschim Province (7) stands out as having a relatively high poverty rate but not covered by the programme – due to the presence of projects from other development partners including World Bank and ADB.

- (a) Province 2, in the eastern terai, has 35% of all poor in Nepal and the 2nd highest poverty rate. RERP works in all rural districts and targets locations

within those based on poverty and market opportunities. Similarly, in Province 1, with the 3rd largest number of poor, RERP works in the terai and mid-hill districts with the highest numbers of poor.

- (b) In Karnali Province, with the highest multi-dimensional poverty rate in the country, HVAP and ASDP have worked intensively in 8 of 10 districts, representing around 94% of the total population of the province. With communities included up to 4 hours walk from the roadhead, the projects have achieved broad coverage of communities within these districts. ASHA also works in many of the same districts.
 - (c) Province 5 includes areas of the western terai and mid-hills and has fewer remote areas excluded by lack of road networks.
23. Thus, while it is true that very remote communities in districts not connected to road networks did not receive support under the COSOP after the closure of WUPAP – e.g. Humla, parts of Mugu and Dolpa in Karanli Province, the data indicates that overall the COSOP has not lost relevance in terms of targeting the poor. Indeed, expansion of the geographical footprint to include large parts of the terai has increased the programmes relevance to the poor.
24. For the future COSOP, given the above, investments in inclusive rural economic development adopting a road-corridor approach based around the ever expanding road network are likely to remain highly relevant as is the continuation of investments targeting the poor in the terai as well as in the hills and mountains.

b) Forestry sector withdrawal

25. A notable shift in focus under the COSOP compared to earlier periods was the move out of the forestry sector, with the closure in 2014 of the last phase LFLP. This concluded many years of successful sector engagement, especially related to leasehold forestry which addressed recognized weaknesses in pro-poor dimensions of community forestry and offered successful bottom-up models that increased rural incomes. At COSOP design, this withdrawal appears to have been well-reasoned from multiple perspectives, yet subsequent events have challenged this decision in hindsight.
26. Firstly, by 2013, leasehold forestry was mainstreamed within the Ministry of Forestry and scaled-up across Nepal. Yet in the following years, in part driven by high turn-over of personnel within government, there was a loss of political support for, technical capacity in relation to and knowledge about leasehold forestry. As a result there have been difficulties in extending it to new area and so, despite its successes, the potential for leasehold forestry has not been realized (McCord, Heinemann, & Phillips, 2018).
27. Secondly, the US\$100 million ten year Multi-Stakeholder Forestry Programme (MSFP) was launched in 2012 covering 61 of 79 districts as a major new initiative between the government, the UK's Department for International Development, Swiss Development Cooperation and the Government of Finland. This major programme sought to move towards a sector-wide approach including all forms of community and leasehold forestry and the mainstream timber sector. With its small country presence, IFAD did not have a comparative advantage to lead policy engagement in the wider forestry sector.
28. However, the entire MSFP was terminated early, after concerns identified during the 2015 Phase 1 MTR and issues of governance and management within the programme and ministry. This undoubtedly contributed to the withdrawal of these major donors from the forestry sector and a wider shift among development partners towards a focus on climate change with the preferred partner in government moving to the Ministry of the Environment. Consequently, there have been gaps in donor support in the forestry sector over the last 5 years though it is unlikely that these could have been foreseen during COSOP design.

c) Strategic focus versus international comparisons

29. Looking at the wider policy framework and international comparisons, IFAD's Rural Sector Performance Assessment (RSPA) provides a framework to consider the COSOP relevance from a wider development perspective. The RSPA 2018 and RSPA 2014 both identified policy gaps in two areas: first in rural governance, transparency and public administration and second, in gender equity.
30. On rural governance, the COSOP prioritized building the capacity of local institutions within the "bottom-up" approach to rural poverty reduction. Within projects themselves, capacity-strengthening activities for rural institutions became key priorities (Chambers, 2020). Projects have routinely deployed mechanisms specifically intended to improve governance and transparency. These range from the Beneficiary Oversight Boards adopted by WUPAP, to widespread use of public audits as well as the introduction of multi-stakeholder platforms to improve supply chain governance by HVAP, KUBK, RERP and now to be introduced in VITA. With the introduction of federalisms, rural governance and institutions are likely to remain a priority consideration for the future COSOP.
31. On gender equality and social inclusion (GESI), this has been an important focus of the COSOP and projects. The CSPE assessed the COSOP performance to be satisfactory, noting the strong focus on several dimensions of women's empowerment in project design and the progress made in terms of financial and social equality at implementation. It is however notable that the strong focus on gender equality did not include wider direct policy engagement on women's empowerment. It is also notable that while the Constitution is committed to ending discrimination related to class, caste, region, language, religion, and gender and eight sectoral ministries have their own GESI guidelines, MOALD is not among them and the ADS does not include specific measures on GESI (ADB, 2020).

Conclusions

32. The relevance of the COSOP 2013 to the priorities and needs of poor rural households and individuals is assessed to have been satisfactory (5 of 6) both in design and implementation – reflecting the positive perspective of many stakeholders and the numerous examples given.
33. Notwithstanding this, more systematic evidence-based policy engagement, building on clear project level successes, would increase the relevance of the forthcoming COSOP to rural communities. This is likely to be especially important with the transition to federalism and the increasing role of local and provincial governments in rural transformation and local economic development.

III. Effectiveness

Stakeholder feedback

34. Stakeholders regarded COSOP effectiveness as broadly positive but not as favourably as its relevance. Stakeholders gave an average score of 4.8, implying the COSOP was considered to be consistently mostly effective in delivering tangible results for its target beneficiaries with reasonable evidence to demonstrate this, but not highly effective. While 55% consider it mostly effective, only 15% considered it highly effective and 27% rated it only moderately effective.
35. By far the most common reasons given for this assessment are that although most projects have ultimately yielded positive results, they often suffer from long delays in start-up with many only performing after mid-term. This appears to be a systemic weakness in the country programme during the COSOP period. Weaknesses in design, administrative and bureaucratic hurdles and a lack of continuity in teams from design to implementation are considered key factors.

CSPE assessment

36. The CSPE assessed the overall COSOP effectiveness satisfactory (5), “considering the reasonable realization of strategies through projects and programmes, despite the special circumstances in the country and IFAD’s small country office presence. In addition, the moderate performance of the non-lending agenda requires attention. Positive trends in social indicators on rural poverty, productivity and income were recorded in spite of the uncertain and changing development administration and management landscape in the country. Key points include:
- (a) The 2013 COSOP was developed in a participatory manner. It gave continuity to the previous COSOP’s shift to address the challenges of agricultural and rural transformation in Nepal from subsistence-based to a sustainable market-driven productive sector that generates equitable benefits. The shift towards commercial agriculture did not compromise social targeting but de-emphasized geographic targeting to remote areas and the provision of basic infrastructure and services to communities and areas that are not yet ready for market-oriented approaches but could be prepared for it in a longer-term perspective. The traditional way of working, for IFAD and other development agencies in Nepal, is not well suited to the federal system.
 - (b) The loan portfolio propelled improvements in income diversification of beneficiary households and market access. It gave a small but important contribution to reversing the decline of agriculture as a sustainable livelihood in the project areas.
 - (c) Non-lending activities (on knowledge management and in the policy domain) were foreseen as an instrument to achieve the SOs. They were in fact under-resourced, although selected project-backed initiatives were successful.”
37. On coordination between projects towards more systemic impacts, the CSPE noted that “events to exchange information between project directors are organized several times in a year. However, it is not clear that these meetings have a structured agenda tied to agreed objectives. There have been cases of spillover effects of experiences from one project to another (e.g. MSPs from HVAP to KUBK/ISFP and RERP) and these have been facilitated by IFAD’s supervision missions and MTRs. However, the CSPE found little evidence of synergies between the projects in the form of collaborating in the same geographic area, or on the same topic. This is an area for future attention. The total effect of the interplay among projects can have a larger impact on the rural sector, subnational governments and subsequently on policies.”

Further analysis

38. At project level, the COSOP has often found itself in the contradictory position of having genuine flagship projects of potential national relevance (e.g. LFLP, HVAP) implemented alongside chronic problem projects (e.g. RERP until 2020). Yet eventually most projects do perform relatively well. This suggest systemic weaknesses in the process of project identification, design and start-up.
39. A review of performance against the Results Management Framework shows the COSOP substantively met or exceeded a large majority of outcome and milestones targets set at design (Seen Annex 2). This reinforces the assessment that, while many projects struggled in their early years, ultimately they are able to recover and meet their targets. The principal exception to this is RERP in which very high design targets were substantially reduced during restructuring in early 2020.
40. At COSOP level, the coherence and complementarity between projects has often been weak, as also noted by the CSPE. Examples of this include:

- (a) Had Adaptation for Smallholder Agriculture Programme (ASAP) investment been mainstreamed within one of the existing projects it would have likely driven a deeper programmatic focus on climate adaptation as opposed to being isolated in a stand-alone silo under ASHA. Similarly, ASHA failed to learn from the successful Community Investment Planning under WUPAP that could have been readily adapted for Local Adaptation Plans of Action processes.
 - (b) RERP was arguably the most disjointed project at design. The scope of the project was extremely broad but lacked a clear organizing logic encompassing: market-based technical and vocational education and training (TVET) for non-agriculture employment; a business development services (BDS) based approach to RMSE development mostly in the agriculture sector; financial inclusion and; migration services.

TVET activities followed good practice in Nepal, notably the Employment Fund implemented by Helvetas, and performed well from the start. In contrast the BDS-led agriculture development was entirely untested in Nepal and introduced by IFAD country management. It was subsequently abandoned as inappropriate in favour of the best practice models from HVAP.
41. As was the case with ASHA not learning from WUPAP, it is notable that HVAP was increasingly recognized as an emerging good practice that, within a year, would have a direct influence on inclusion of value chains as an ADS flagship project. Yet this emerging good practice, adapted to the complex Nepal context, was eschewed in favour of an external untested approach which was a major factor in the chronic problems RERP faced in its early implementation alongside management issues.
42. Two patterns emerge from the above that have structurally reduced the effectiveness of the programme:
- (a) Firstly, new projects have too often been identified and developed in apparent isolation from the rest of the country programme with no clear programmatic logic, often by different country programme managers.
 - (b) Secondly, design and implementation of new projects has often placed too high importance on introducing nominal innovations while eschewing highly relevant existing good practice from within the country. In Nepal's challenging implementation context this has undoubtedly been a key factor in slow and problematic project start-up which is central to the issue of effectiveness.
43. A further missed opportunity has been the minimal connection between the programme of grants and investment projects. This was also noted by the CSPE. Yet despite the moderate performance of the overall non-lending agenda, there were some important successes. Notably, the Medium Term Cooperation Programme With Farmer's Organizations (MTCP2) and its successor, the new Asia Pacific Farmers' Programme grant, which represent a continuous effort by IFAD to support farmers organizations across the region as key originators of pro-poor agricultural policies. In the stakeholder consultation for the CCR, the head of the All Nepal Peasants Federation observed that MTCP2 has "facilitated farmers organizations to move from the street to the policy table at local to federal government level" and that such core initiatives should continue. Given the devolved policy making framework under federalism, vibrant POs in local communities and provinces able to effectively engage in policy processes are vital for future inclusive rural growth.

Conclusions

44. The effectiveness of the COSOP is considered by the CCR to be moderately satisfactory (4). This reflects the fact that projects have, ultimately, been relatively

effective at delivering on their development objectives albeit in a disjointed manner and with slow and problematic start-up.

45. Yet the programme could and should have been far more effective given the range of good practices developed within projects. The implementation context has been challenging and undoubtedly been affected programme effectiveness. Yet equally important have the been disjointed choices in the design and integration of new investment projects and grants into the overall programme, too often eschewing local good practices in favour of nominal external innovations.

IV. Policy engagement

Stakeholder Feedback

46. Stakeholders have a mostly favourable perception of the COSOP's policy contribution, largely due to project-driven contributions, frequently noted being from LFLP and HVAP, plus support to preparation of the ADS and seed policy. Stakeholders rate policy engagement on a par with effectiveness (4.8).
47. Support by IFAD to formation of the National Peasants' Coalition is also recognized as having made a valuable contribution to giving farmers greater voice in policy dialogue. There is also a general sentiment that policy interventions have often been local or specific to particular sub-sectors or issues (e.g. seed policy) as opposed to engagement in the wider key policy agenda. Several stakeholders note that this is a challenge across the development partner community in Nepal, where the fluid administrative context has created substantial challenges for policy engagement and delivery.

CSPE Assessment

48. The CSPE notes that policy engagement received a much lower priority during 2013 COSOP implementation than envisaged at design due to other pressing implementation issues during the period, including limited time and resources available to engage in and contribute to policy level forum.
49. A key assumption of the 2013 COSOP was that arrangements would be devised to escalate project experience to a higher decision-making level. This was a valid strategy, but ultimately additional resources were not forthcoming on the scale required. The performance of non-lending activities improved compared to the previous CSPE, thanks to initiatives funded by projects. However, they have been undercut by several limiting factors, with the limited size of the country office being again highlighted as a key factor alongside the regional and global nature of grants, which did not help forge strong linkages with the project portfolio.
50. At a strategic level, IFAD engaged in support for the ADS and rural poverty alleviation. At the national level, IFAD and ADB financed the ADS process, for which IFAD provided a total of US\$0.5 million grant. The ADS process was joined by other 11 development partners at a later stage. Resources were also provided through KUBK/ISFP to strengthen the ADS Unit. Another policy support initiative was under WUPAP, for developing the mechanism/system for identifying poor households in the country in order for the Ministry of Poverty Alleviation and Cooperatives to issue "poverty identity cards".
51. IFAD is a member of the Local Donor Group and a core member of the National Portfolio Performance Review convened by the Ministry of Finance plus various thematic groups which contribute to policy processes. There are donor groups such as Donor Food Security Group and UNDAF outcome groups. However, it has been difficult for the IFAD Country Office to contribute actively in all meetings, due to human resource constraints. Based on interactions with Government and development partners, the extent of IFAD's substantive contribution to deliberations and agenda-setting in these forums was perceived to be small.

52. The CSPE rated policy engagement as moderately satisfactory (4) noting that “There is some evidence of IFAD’s project-level efforts culminating in policy-level outcomes. However, there was no systematic effort in policy engagement at a strategic level through the articulation of analytical products and regular participation in and contribution to policy forums. The COSOP agenda for policy engagement was relevant to the context but there was no clear thinking or plan on which policy reform processes IFAD should engage in and which working groups and task forces IFAD would participate in (and with what resources). Certain issues generated from completed projects were elevated to national policy-level discussion with some outcomes, such as legislation on leasehold forestry and the adoption of HVAP as a “flagship project”. Policy engagement was a lower priority due to other pressing issues during the period, and the CPM/Country Office lacked resources to engage in policy-level forums beyond project level.”

Further analysis

53. The recent review of IFAD’s policy engagement experience in Nepal (Chambers, 2020) draws the following conclusions on policy engagement:
- (a) Difficulties in policy engagement relate strongly to the absence of a stable policy framework in Nepal, in large part due to the wider political processes ongoing during much of the COSOP. The transition to federalism offers the prospect of greater stability and the potential for stronger policy frameworks. However, it carries uncertainty on how effective practices and knowledge from projects can be contributed into policy planning processes.
 - (b) There now exists a pressing need to identify areas of overlap and disconnect between federal, province and local structures. IFAD has a comparative advantage through its projects in conducting needs assessments, developing participatory mapping and planning exercises and ICT-enabled tools that can contribute to policies and practices to improve coordination of service delivery among the tiers.
 - (c) Potential partners in knowledge sharing and scaling-up are starting to emerge in the new federal structure, for example in Ministry of Federal Affairs and General Administration (MOFAGA) and the Nepal Administrative Staff College (NASC). Incorporating analytical work into projects through such partners is worth exploring.
54. The single biggest issue for policy engagement for inclusive rural transformation is the structural transformation of government under federalism. While important policy areas remain at the federal level, substantial powers have been transferred to local and provincial governments, especially for local economic development, agriculture, local adaptation to climate change and local rural infrastructure. Alongside the seven provinces, each with typically seven line ministries, there are 460 rural municipalities among the 753 local governments all with their own policymaking and investment powers.
55. This represents a substantial challenge for the country programme which must find new ways to engage not only with the same federal ministries, but also the corresponding ministries in each of the 5 of 7 provinces and around 180 of 460 rural municipalities (40%) the programme will be active in. Consequently, whereas before there were less than ten policy making ministries and agencies to engage with, there are now around 250 relevant policy making entities across the three tiers of government within just the areas served by the country programme directly. A twenty-five-fold increase. The scale and complexity of this challenge will require fundamentally new ways of the country programme approaching policy engagement and will also place substantial extra burden on the time and resources of the country programme office.

56. In the later stages of the 2013 COSOP RERP, ASDP and ASHA, have been testing practical processes for policy engagement at the local and province level combined with institutional strengthening:
- (a) RERP is widely using multi-stakeholder platforms (MSPs) as open participatory processes between producers, private sector and government to inform local economic development plans in priority sub-sectors. Similar processes have been used around migration services for harmonization between government and other actors.
 - (b) ASDP, also uses MSP and associated strategic investment plans to inform the development of local agricultural policies and community-driven extension services.
 - (c) ASHA adopts participatory planning for preparation of LAPAs which are strongly regarded by municipalities as part of their own plans. Such processes have wider relevance to enhanced participatory local planning and policy processes.
57. These approaches share common elements of a: i) introducing practical processes and tools for participatory planning, especially for local economic development and/or resilience policies and ii) institutional strengthening of the responsible local institutions. This is a promising template for future 'mass' policy engagement with local authorities through investment projects within an overall country-level policy engagement plan.

Conclusions

58. Policy engagement during the COSOP is assessed by the CCR as moderately satisfactory (4). Although policy engagement at a strategic level generally remained ad-hoc, projects provided inputs to national policy-level discussions, including:
- (a) direct support to the development of the ADS2015-2035, in partnership with ADB and other donors.
 - (b) leasehold forestry via LFLP informing the 2019 Forestry Policy,
 - (c) adoption of the HVAP model as a "flagship project" for value chain development within the ADS
 - (d) new seed policy development, supported directly by KUBK
 - (e) supporting the formation of the National Peasants' Coalition giving greater voice to farmers in policy dialogue.

V. Knowledge Management

Stakeholder Feedback

59. Stakeholders rate knowledge management (KM) above both effectiveness and policy engagement but lower than relevance, with an average score of 5.0. This is consistent with their favourable perceptions of recent projects e.g KUBK, HVAP.
60. However, it is also widely noted that KM efforts during the COSOP have been largely driven by the projects while the overall programme has not had a strategic approach to KM. This, in turn, diminished its ability to leverage genuine projects successes into wider policy.

CSPE assessment

61. The CSPE rated KM moderately satisfactory (4) noting that since 2013, projects have devoted more attention to KM and sharing of concepts and lessons, with evidence of generation of knowledge and information products. Some projects (HVAP, PAFP-II, KUBK/ISFP) invested more in preparing knowledge products.
62. KM efforts were generally intra-project and client-focused, with limited efforts at cross-project exchanges. There has been little effort to distil and position selective

portfolio knowledge into IFAD's corporate or regional knowledge repository. Some of the lessons from WUPAP, PAFPII, HVAP and KUBK have potential strategic content which, with additional effort, could be quality enhanced and tabled as policy inputs at a higher level, for the country and the region. Lack of IFAD corporate support and constrained resource and staffing capacity of the IFAD Country Office are clear hindrances to running this extra mile.

Further analysis

63. Knowledge from country programme has been widely disseminated and used within Nepal – by IFAD, the government and other organizations - and also more widely in IFAD, informing the design of investments projects in Cambodia, Indonesia, Montenegro, Turkey, Eswatini and Uganda during the COSOP. Given that many of these practices are now in their second or third generation of application in Nepal, they represent an increasingly valuable knowledge base of good practices with wider relevance for IFAD and others on, inter alia, inclusive market development, cluster development and business skills education for small-scale producers.
64. In terms of knowledge themes from the current COSOP, there have been some notable success in the area of information and communication technology for development (ICT4D) – for example the linked MIS-farmer diaries tools and the evolving GPS-based geo-spatial data planning tools. Given the rich data these provide at relatively low cost, such tools may prove useful to support the work of the local authorities as part of policy engagement processes.
65. Looking forward, IFAD's knowledge architecture established by the new KM Strategy assigns specific KM responsibilities for staff in IFAD's Strategy and Knowledge Department and Programme Management Department. These staff have responsibilities towards the KM Strategy targets with detailed KM plans. This provides an opportunity for the future COSOP to adopt a systematic approach to KM that builds on the commitments of IFAD's new KM strategy and its dedicated resources.

Conclusion

66. KM is rated by the CCR as moderately satisfactory (4). KM at the project level improved over the course of the COSOP. Projects such as HVAP and KUBK/ISFP made substantial efforts to document and capture knowledge and represent a step-up from earlier projects in this regard. However, this fell short of the COSOP's ambition to establish a knowledge value chain to underpin more systematic knowledge generation and analysis in support of higher-level policy engagement.

VI. Strategic partnerships³

CSPE assessment

67. The CSPE noted that responsive partnership was maintained with the federal government. Partnerships with provincial and local government are evolving in light of changes in the Constitution and the new federal structure. With other development agencies (World Bank, SDC, SNV) there has been some co-financing. Partnerships with the United Nations system were minimal.
68. "With the private sector, a beginning of partnership was initiated through contract-farming agreements as well as via the MSP under HVAP and RERP. Partnerships have been sufficient to support the implementation of the portfolio so far but lacked depth to foster a strategic agenda for policy influence. "

³ Stakeholder feedback on overall strategic partnerships was not sought during the feedback survey.

Further analysis

69. Partnerships are assessed to be moderately satisfactory (4) due to strong partnership with government, technical partners and local private sector but more limited with wider development community.
70. International co-financing partnerships were limited beyond IFAD's partnership and funding of the World Bank supported PAFII programme – with IFAD contributing US\$9 million towards overall programme costs of US\$213 million. HVAP and ISFP each secured around 3.75% co-financing from SNV and Heifer International, respectively. A similar level of co-financing for ASDP was secured with SDC but subsequently withdrawn shortly after project start-up.
71. Though modest in co-financing value, successful technical partnerships were in place with international development partners that made major contributions to investment projects adopting best practices – including with SNV on inclusive market development under HVAP, Heifer International on livestock development under KUBK and Helvetas on skills training and job placement in RERP and community-managed extension services in ASDP.
72. On private sector partnerships, these have been at project level (HVAP, KUBK/ISFP, RERP) with local and national businesses, typically engaged through the multi-stakeholder platforms. Several projects have provided capacity building support to local Chambers of Commerce through partnerships with the Agro-Enterprise Centre of the Federation of Nepalese Chambers of Commerce and Industry (AEC-FNCCI). These strengthened local private sector bodies and their partnerships with small-scale producer. However the partnership with AEC-FNCCI has not created a platform for strategic partnerships with the wider private sector. One of the challenges has been the 'missing middle' of agri-businesses in Nepal. The agribusiness sector is small and domestically focused with only about 200 medium-sized (i.e. >US\$300,000 in fixed assets) and large firms in the entire agriculture sector.
73. Consequently, partnerships with lead firms for inclusive market development have been rare, with few suitable firms in many sub-sectors in Nepal. HVAP spent considerable time seeking participation of big firms for linking to POs in seven different commodities but secured only one such deal for organic ginger processing and export. HVAP evolved its approach to a cluster-based model, working with a wider range of smaller, aspiring traders and businesses – with local networks of multiple competing buyers, MSMEs and service providers dealing with multiple independent POs through a mix of formal and ad-hoc trading relationships to meet market demand. This is the template that other projects then followed (e.g RERP, VITA).

VII. SSTC⁴

74. South-south co-operation was primarily at project level, with those such as HVAP acting as the source of knowledge and good practices for a family of approaches around inclusive market and cluster development accompanied by graduation strategies for poor small-scale producers.
75. Cooperation included a series of visits by projects teams from countries including Cambodia and Bhutan to learn from the Nepal experience, with follow-up technical support from the Nepali projects and teams. Similar technical exchanges were also seen with some of the India country programme.
76. With the Nepali-inspired inclusive market and cluster development approaches being replicated in projects in Cambodia, Indonesia, Uganda, Eswatini, Montenegro and Turkey as well as influencing ongoing projects in Bhutan and India among others,

⁴ This section includes perspectives only from the CCR itself. The CSPE does not cover SSTC and stakeholder feedback on SSTC was not sought during the feedback survey.

there is clear scope to develop a wider community of practice and deeper south-south cooperation on these areas. This would accelerate learning and help raise performance across all projects.

VIII. Lessons learned and recommendations

77. Lessons and recommendation are presented below in thematic areas alongside the corresponding CSPE recommendations.

i) Supporting federalism

78. **Lesson:** The transition to federalism is profound and will affect almost every aspect of IFAD's work in Nepal – from policy engagement to delivery of investment projects. While offering the prospect of greater accountability and improved local service delivery, its implementation will evolve over the course of the next COSOP. Ongoing projects, such as ASDP, RERP and ASHA, are already evolving promising practices in working with local governments in support of the new system.

79. **CSPE Recommendation:**

- (a) **Recommendation 1. "Support federalization as an integral part of the preparation of the new COSOP and project design.** The new strategy and programme need to focus on supporting the federal system, including the federal, province and local governments but with special emphasis on the latter."

The CCR fully endorses this recommendation.

80. **CCR Additional Recommendation:**

- (a) **Policy engagement under federalism:** For the future COSOP, the priority for policy engagement must turn to the provincial and local level, building on RERP, ASDP and ASHA, addressing local policy engagement hand-in-hand with the development of practical models for local planning and services delivery and associated capacity building of the responsible institutions. (e.g. on community-managed agricultural extension, migration and employment services, participatory resilience and local economic development planning and investment). This should be approached within a structured policy engagement plan, backed by sufficient resources, and complemented by systematic knowledge management and analytical outputs from the programme to feed into these policy spaces. Deepening networks and capacity of POs to participate in local policy processes will also be vital.

ii) Raising Effectiveness

81. **Lesson:** Slow start-up and early implementation issues have become too commonplace in the portfolio, driven by design and project management issues. This undermines the relevance, effectiveness and impacts of the individual projects but also the credibility of the wider programme on which effective policy engagement is built. The absence of a coordinated programmatic approach has also been a missed opportunity for the programme to contribute more substantively to wider systemic change. This stems from issues in the choices and design of individual investment projects, coordination among projects during implementation and between investment projects and grant programmes.

82. **CSPE Recommendation:**

- (a) **Recommendation 6. Enhance portfolio management and implementation preparedness.** The Government and IFAD should take measures to make portfolio management and project design more

realistic, knowing that with federalization interactions with local governments will be more frequent.

The CCR fully endorses this recommendation.

83. CCR Additional Recommendations:

- (a) **Adopt a coordinated programmatic approach** between ongoing investment projects and in the design of new projects, including greater sharing of evidence, knowledge and experience in pursuit of lasting systemic change and a greater emphasis on how projects will work in practice in the Nepali context. This should also ensure better integration of the grants programme into a country programmatic approach.
- (b) **Deliver rapid start-up of new investment programmes** through:
 - (i) substantive technical engagement in detailed project design by the expected lead project agency and key implementing partners,
 - (ii) greater continuity in teams between design and early years of the project – from government and IFAD. From IFAD’s perspective this argues for continuing to develop a strong cadre of national experts to support the design and early implementation of new projects complemented by targeted international experience.

iii) Technical focus for investment projects

84. **Lesson:** The COSOPs focus on rural poor and small-scale producers as well as inclusive value chains development remains highly relevant while the focus on climate change adaptation needs to be scaled-up.

85. CSPE Recommendations

- (a) **Recommendation 2. Continue the support to value chain development with renewed emphasis on inclusiveness.** IFAD and the Government need to continue emphasis on the inclusion of poor and very poor small-scale producers (e.g. Dalit, Janajati, women) and youth by making special provision for them in the project design. Another priority is to strengthen the consultation forums between value chain stakeholders (e.g. multi-stakeholder platforms) so that they can become instruments to improve value chain governance in a more inclusive manner.
- (b) **Recommendation 4. Integrate natural resource management and climate change adaptation in all project designs.** Given the portfolio’s ubiquitous investment in livestock, the environmental consequences on forests and grasslands need to be monitored systematically.

The CCR fully endorse these recommendations

86. CCR Additional Recommendations:

- (a) **Scaling-up the growing set of good practices** from ongoing and recent projects in the country programme should be prioritized, including more active cross-pollination of good practices between ongoing projects.
- (b) **The future COSOP should not only support inclusive economic opportunities in agriculture but also explore opportunities in sub-sectors beyond agriculture to support rural transformation,** for example light manufacturing in Provinces 1, 2 and 5 and tourism in Provinces 6 and 7. From an inclusion perspective, IFAD’s revised Operational Guidelines for Targeting (November 2019) will be a useful reference for this.

iv) Knowledge management and visibility

87. **Lesson:** Good progress has been made in improving KM at project level, yet this has not been matched by progress in strategic KM and country-level policy engagement. A key limiting factor has been the limited size and resourcing of the IFAD country office and absence of a clear strategic KM agenda.

88. **CCR recommendation:**

- (a) **Establish a systematic approach to strategic KM across the country programme** that identifies policy and operationally relevant lessons from across the programme, gathers evidence, documents lessons and practices and feeds them into the policy engagement processes and operational fora. Efforts at the country-level should build on the commitments in IFAD's new KM strategy and its associated resources.
- (b) **The next COSOP should identify a set of priority knowledge themes around which to structure the comprehensive KM work-streams.**
Two themes for consideration include:
 - (i) Inclusive market development approaches – these are highly relevant within Nepal for agriculture and other potential growth sub-sector but also in IFAD more widely. Within this workstream, IFAD should accelerate efforts to establish a community of practice and associated knowledge sharing mechanisms between the growing community of projects around the world that are implementing the Nepali-inspired cluster and inclusive market development approaches.
 - (ii) ICT4D – building on the experience with the linked farmer diaries/MIS and geo-spatial planning tools. Such comparatively inexpensive, information rich tools can play an important role in enabling local and province authorities to deliver public policies, goods and services in support of inclusive rural transformation.

v) Strengthening the IFAD Country Office

89. **Lesson:** There is recognition from many stakeholders of the quality of many of IFAD's projects during the 2013 COSOP but also that these have not translated into more systemic change for rural transformation. A key factor has been the very limited size and resourcing of the country office, which despite its high quality, has simply not had the resources and support to be able to capitalize on its strong networks and opportunities for more substantive policy engagement building on the projects' successes. Stakeholder feedback makes clear that this is not only the perception of the CSPE but also of many key stakeholders. This is a missed opportunity.

90. **CSPE Recommendation:**

- (a) **Recommendation 7. IFAD needs to strengthen its Country Office in Nepal and its corporate support to the country programme.** The staffing of the Country Office needs strengthening. In addition, thematic support from the sub-regional hub and headquarters, combined with country-specific grants, could help IFAD engage in higher-level knowledge management and policy engagement.

The CCR fully endorse this recommendation.

Annexes

- I Results framework (at the time of design)
- II Results framework – actual performance vs targets
- III Ratings matrix (in line with IOE evaluation methodology)
- IV Comments from government
- V Investment projects and programmes under implementation during COSOP period

COSOP results management framework (at design)

COSOP Strategic Objectives	Outcome indicators related to the strategic objectives	Milestone indicators showing progress towards strategic objectives	COSOP institutional/policy objectives
<p>COSOP Goal: promote inclusive growth in the rural areas and contribute to peace consolidation</p> <p>Number of households with improved household asset ownership (RIMS, LFLP, WUPAP, HVAP)</p> <ul style="list-style-type: none"> • WUPAP: 134,000 HHs have improved their asset base (over 71,000) • HVAP and LFLP: percentage of HHs with improved asset ownership – no target <p>Length of hungry season (RIMS, WUPAP, LFLP, ISFP)</p> <ul style="list-style-type: none"> • WUPAP, LFLP and HVAP: No. of HHs experiencing one/two hungry season + No. of months of each hungry season – no target • HVAP: No. of HHs reporting improved food security • LFLP: No. of leasehold households with improved food security and months per year of adequate food • ISFP: 15,000 families improved food security <p>Level of child malnutrition (RIMS, LFLP, WUPAP, HVAP)</p> <ul style="list-style-type: none"> • WUPAP: 10% reduction in child malnutrition • LFLP and HVAP: % of malnourished children – no targets <p>Youth employment rate</p> <p>Percentage of representatives of disadvantaged groups and women in local decision making bodies and multi-stakeholder platforms</p>			
<p>SO1: Promote income diversification and stimulate employment</p>	<p>Number of farmers reporting increased yield for selected crops/increased livestock production/increased forestry production in programme areas (LFLP, WUPAP, ISFP)</p> <p>LFLP: No. of farmers reporting increased yields: 20,590</p> <p>ISFP: 15% average increase in yields</p> <p>Number of farmers reporting increased marketed volume and value of agricultural products (HVAP, ISFP)</p> <p>ISFP: 15% increase in total value of production</p> <p>Average % increase in farmer revenue (RIMS, WUPAP, HVAP)</p>	<p>Number of people adopting recommended technologies (RIMS, LFLP, WUPAP, HVAP)</p> <p>LFLP: 44,300</p> <p>No. of marketing group formed or strengthened and no. of members (RIMS)</p> <p>HVAP: 1,000</p> <p>No. of partnership arrangements passed between small producers and private sector operator/producers' organizations for the provision of support services/marketing (HVAP, ISFP)</p>	<p>Economic and institutional models for inclusive business partnerships, including for the provision of support services and for marketing are tested, documented and disseminated</p> <p>Seed Act and its regulations are amended to develop seed quality control system based on licensed service providers (ISFP)</p> <p>Models for the optimisation of migration remittances for productive investment are</p>

COSOP Strategic Objectives	Outcome indicators related to the strategic objectives	Milestone indicators showing progress towards strategic objectives	COSOP institutional/policy objectives
	Number of jobs generated (RIMS) Volume of remittances mobilized for productive investment	ISFP: 50% of seed groups/35% of livestock groups establish private contracts No. of people trained in business and entrepreneurship (RIMS, HVAP, ISFP) Volume of remittances channelled through participating financial institutions in target areas and derived volume of savings Enterprises/farmers accessing non-financial services (RIMS)	tested, documented and disseminated.
SO2: Strengthen food security and resilience to climatic and other risks	Common property resource land under improved management/climate resilient practices (ha) (RIMS, LFLP, WUPAP) LFLP: 31,000 ha Number No. of smallholder HHs whose climate resilience has been increased (ASAP) No. of farmers with secure access to water resources (RIMS) No. of operational NRM groups, including leasehold groups (RIMS, ASAP, WUPAP, LFLP) LFLP: 3,300 Clients of rural financial services in the programme areas are multiplied by xxx and include 40% of women	No. of environmental management plans, including forest management systems (RIMS, LFLP, WUPAP) LFLP: 3,300 No. of climate smart agricultural and natural resources investments tested, climate adaptation benefits validated and replicated (ASAP) No. of people trained in community management topics (ASAP, WUPAP, LFLP) No. of active borrowers (RIMS, LFLP, ISFP) ISFP: 26,000 Value of loans and savings mobilized (RIMS, WUPAP, LFLP, HVAP)	Successful models for developing smallholders' capacity to climate change are tested, documented and disseminated. Policy lessons are documented and disseminated, based on retrospective assessment of leasehold forestry model developed in IFAD projects Successful models for the integration of savings and credit groups into the financial markets and innovative financial products are tested, documented and disseminated.

COSOP Strategic Objectives	Outcome indicators related to the strategic objectives	Milestone indicators showing progress towards strategic objectives	COSOP institutional/policy objectives
		No. of enterprises/farmers accessing financial services (RIMS) Value of total gross loan portfolio in programme areas is increased by xxx% (RIMS, LFLP) On time repayment rate is above 95% (HVAP)	
SO3: Promote inclusive, accountable and sustainable rural institutions	No. of farmers reporting access to services (WUPAP, HVAP) HVAP: 15,300 Average rate of satisfaction of service users (HVAP) No. of new service providers offering effective and cost-recovered services No. of operational/sustainable producers' organizations (including coops) (LFLP, HVAP, ISFP) LFLP: 2,723 in 2011 + 500/yr but flat from 2010 to 2011 HVAP: 500 in total (?) ISFP: 15,000 farmers organized in seed producer groups and linked to the formal seed sector - + (?) 95 farmer groups + 80 coops (but another indicator says 37 increase) + 40 women coops No. and type of partnerships established by producers' organizations 30% of decision-making positions in farmers' groups occupied by women/disadvantaged groups	No. of multi-stakeholders' consultative platforms established at local/national level	Consultation mechanisms gathering producers, public authorities, the private sector and NGOs involved in programme related fields are set up and mainstreamed into public investment planning, implementation and M&E processes

COSOP results management framework: actual achievement vs target

Indicator	Target	Actual	% vs target
Outcome level indicators, Strategic Objective 1			
HVAP: No. of households with improvement in household asset index	13,500	15,965	118%
ISFP: Households showing improvement in asset ownership (%)	20%	22%	110%
ISFP: Average increase in goat meat, and milk productivity	Goat meat: 25%,	34.5%	138%
	milk: 50%	40.2%	80%
ISFP: Increase in total value of agricultural, and livestock production	15% for agriculture and 10% for livestock	No data	
Milestone level indicators, Strategic Objective 1			
LFLP: No. of people adopting recommended technology (forests)	44,300	34,997	79%
HVAP: No. of marketing groups formed/strengthened and no. of members	1,000	No data	
HVAP: Agricultural/livestock production groups formed/strengthened	500	456	91%
HVAP: No. of persons in agricultural/livestock production groups (men)	5,400	10,116	108%
HVAP: No. of persons in agricultural/livestock production groups (women)	8,100	10,116	125%
HVAP: No. of people attending business literacy and numeracy classes	2,500	8,617	345%
HVAP: No. of business plans successfully implemented through window 1 (50:50) and 2 (85:15) in each value chain	500	456	91%
HVAP: No. of people trained in post-production, processing and marketing	2,500	2,394	96%
ISFP: Percentage of seed groups establish private contracts (%)	50%	95%	190%
ISFP: Percentage of livestock groups establish private contracts (%)	35%	85%	243%

ISFP: Dairy animals and goats covered by vaccination (%)	80	81	102%
ISFP: Area sown with truthful label (TL) seeds of cereals and vegetables (ha)	100,000	237,949	238%
Outcome level indicators, Strategic Objective 2			
LFLP: No. of farmers reporting increased yields	20,590	16,204	79%
LFLP: No. of farmers adopting recommended technologies	44,300	34,997	79%
ISFP: Average increase in crop yields	15%	17%	115%
LFLP: Leasehold forest under improved management practices (ha)	31,000	23,813	77%
LFLP: No. of operational NRM groups formed	3,300	8,082	245%
ASHA: Households in vulnerable areas with increased water availability (No.) @ Sep 2019 – project ends July 2021	22,000	22,558	103%
ASHA: Households apply efficient water use techniques (No.) @ Sep 2019 – project ends July 2021	22,000	22,558	103%
ASHA: Households adopt renewable energy technologies for domestic purposes (No.) @ Sep 2019 – project ends July 2021	7,500	5,842	78%
Milestone level indicators, Strategic Objective 2			
LFLP: No. of environment management plans formed	3,300	4,080	124%
LFLP: No. of people in NRM groups formed	44,200	40,638	92%
WUPAP: Savings/credit groups formed (No.)	4,900	2,672	53%
WUPAP: Value of gross loan portfolio (US\$ 000)	1,026.7	725	71%
ASHA: Land under improved management practices (ha) -@ Sep 2019 – project ends July 2021	40,000	11,127	28%
ASHA: Lead farmers contracted by LAPA beneficiary groups (No.) - @ Sep 2019 – project ends July 2021	400	250	63%
ISFP: No. of active borrowers (financial services)	26,000	21,330	82%

ISFP: Small Farmers Agricultural Cooperatives Limited (SFCALs) with satisfactory financial governance (No.)	65	75	115%
Outcome level indicators, Strategic Objective 3			
WUPAP: No. of households receiving project services	115,000	120,682	105%
WUPAP: No. of persons receiving project services	632,000	535,700	85%
LFLP: No. of persons receiving project services (men)	44,300	131,121	296%
LFLP: No. of persons receiving project services (women)	44,300	136,472	308%
HVAP: No. of households reporting access to services	13,500	15,965	118%
HVAP: No. of persons reporting access to services (men)	32,400	39,577	122%
HVAP: No. of persons reporting access to services (women)	48,600	68,283	141%
PAF II: No. of persons benefitting from project activities	644,000	988,879	154%
ISFP: No. of households receiving project supported services	75,000	91,794	122%
ISFP: No. of farmers organized in seed producers' groups	9,000	13,475	150%
ASHA: No. of households reached by project - @ Sep 2019 – project ends July 2021	100,000	50,602	51%
Milestone level indicators, Strategic Objective 3			
ISFP: Groups formed with women in leadership positions (%)	50%	59%	118%
ISFP: Participating village development committees (VDCs) receive training on good governance (%)	80%	58%	73%
WUPAP: Community level projects implemented (No.)	750	1,327	177%
WUPAP: Village community plans formulated (No.)	150	153	102%
ASHA: Village community plans formulated (No.) @Sep 2019 – project ends July 2021	150	174	116%
ASHA: Beneficiary households participate in LAPA preparation (No.) @Sep 2019 – project ends July 2021	100,000	93,695	94%

HVAP: No. of persons belonging to Dalit and Janajati groups receiving project services	20,250	33,540	166%
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Ratings matrix

<i>Evaluation of country programme</i>	<i>Rating (1-6 scale)</i>		
	<i>CCR</i>	<i>CSPE</i>	<i>Stakeholders (mean)</i>
- Relevance	5	4	5 (5.4)
- Effectiveness	4	5	5 (4.8)
- Policy engagement	4	4	5 (4.8)
- Knowledge management	4	4	5 (5.0)
- Strategic partnerships	4	not rated	not rated
Overall country programme achievements	4	4	5

Ratings: 6 = highest, 1= lowest

Comments from government

To be inserted

Investments projects and programmes under implementation during COSOP period

Major IFAD investment projects implemented during the period 2013-2020

Long running projects

91. **WUPAP** was a long running project – first approved in December 2001 and closed in March 2017. The project goal was "to have more resilient livelihoods and basic human dignity of the poor and socially disadvantaged people" in the uplands of the Far and Mid-Western regions. It was an integrated community-based project. Activities included a mix of labour-intensive community infrastructure development, leasehold forestry and non-timber forest products, crop and livestock production, microfinance, and marketing and institutional support. The cost was US\$29.77 million, financed by an IFAD loan of US\$22 million, an IFAD grant of US\$0.6 million and contributions from the national and local governments. The project was initially under the Ministry of Local Development and later under the Ministry of the Cooperatives and Poverty Alleviation.
92. **LFLP** was a long running project – first approved in December 2004 and closed in June 2016. The objectives were to improve: (i) forage and tree crop production from secure and sustainable management of leasehold plots; (ii) household production of small livestock (goats); (iii) provision of microfinance services to leaseholders; (iv) the Government's capacity to implement leasehold forestry nationally. Placed under the responsibility of the Ministry of Forestry and Soil Conservation, the project promoted the leasehold forestry approach. It had total costs of US\$16 million, of which US\$13.2 million was an IFAD loan and the rest was from Government counterpart funding and beneficiaries' contributions.
93. **PAFPII** was a long running project, first approved in December 2007 and closed in June 2019. This was a follow-up to a World Bank project. The Poverty Alleviation Fund was a national institution, chaired by the Prime Minister. It was launched at the time of the internal conflicts. The main development objective was to improve rural living conditions, livelihoods and empowerment with particular attention to groups traditionally excluded due to gender, ethnicity, caste or location. It was a community-driven development project, including community-selected and -managed subprojects on socio-economic infrastructure and group-based savings and credit. It was financed by a US\$220 million DSF grant from the World Bank and a US\$9 million IFAD grant.

Regular projects

94. **HVAP** was approved in December 2009 and closed in March 2019. It supported agricultural production and value chain development, aiming to integrate the rural poor, especially women and marginal groups, in high-value agriculture value chains to increase income and employment opportunities. The project was under the responsibility of the Ministry of Agriculture and Livestock Development implemented with FNCCI-AEC and SNV. It had total costs of US\$18.9 million, of which US\$7.6 million was from an IFAD loan, US\$7.6 million from an IFAD DSF grant, US\$1.7 million from the Government, US\$6.1 million expected from private entrepreneurs, and the balance from SNV.
95. **KUBK/ISFP** was approved in September 2012, completed in December 2019. It supports production of high-value products (seeds, livestock, dairy) and market linkages. It was under the responsibility of the Ministry of Agriculture and Livestock Development implemented with Heifer. Total costs were around US\$65 million, financed by a US\$14.5 loan from IFAD, a US\$14.5 million IFAD grant, US\$7.9 million from the Government, US\$2.5 from Heifer International, and around US\$10.9 million from beneficiaries'.

96. **Samriddhi-RERP** was approved in April 2015, with completion planned by December 2022. The project's development objective is to create viable rural micro, small and medium enterprises in the farming and non-farming sectors and provide sustainable sources of income to poor households, migrant families and returnees. It promotes: i) RMSEs and job creation – seeking to create sustainable economic opportunities for rural individuals, as producers in supply chains, micro-entrepreneurs or in skills-based employment, and 2) Productive Investment seeking to improve financial inclusion for productive investment and better mobilize resource and skills of migrant households. It is under the responsibility of the Ministry of Industry, Commerce and Supplies. After restructuring, the total estimated cost is around US\$25 million, financed by an IFAD loan of US\$2.5 million and an IFAD grant of US\$16.5 million, Government counterpart funding for around US\$4 million, and around US\$2 million foreseen from the private sector.
97. **ASHA** was approved in September 2014, with completion planned by March 2022. The development objective is to reduce the vulnerability of local communities to climate-related risks and strengthen the institutional environment for climate change adaptation by introducing better climate-resilient production techniques. It is under the responsibility of the Ministry of Forests and Environment, formerly the Ministry of Forests and Soil Conservation. The total estimated cost is US\$37.6 million, financed by IFAD (US\$15.0 Adaptation for Smallholder Agriculture Programme (ASAP) fund and US\$10 million DSF grant), by the Government with US\$6.6 million, and beneficiaries' US\$5.9 million.
98. **ASDP** was approved in December 2017 and its completion is scheduled by June 2024. It is a successor project to HVAP, building on much of the HVAP approach in similar project area in Province 6. The development objective is to sustainably improve the income and food security of smallholders and disadvantaged rural groups involved in commercially oriented production and marketing systems in selected high-value agricultural value chains. It is under the responsibility of the Ministry of Agriculture and Livestock Development. At design it had total estimated costs of US\$68 million, financed by a US\$38.2 million IFAD loan, a US\$1.8 million grant, US\$11.4 million contribution from the Government, US\$3 million from the Swiss Agency for Development and Cooperation (SDC), and the rest from private sector and beneficiaries' contributions.