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**IFAD**

**INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT**

**Executive Board – Eighty-Sixth Session**

Rome, 12-13 December 2005

**REPORT AND RECOMMENDATION OF THE PRESIDENT**

TO THE EXECUTIVE BOARD ON A PROPOSED

**GRANT UNDER THE COUNTRY-SPECIFIC GRANTS WINDOW**

TO THE

**CENTRE FOR ENVIRONMENTAL AND AGRICULTURAL POLICY RESEARCH,  
EXTENSION AND DEVELOPMENT**

FOR THE

**LOCAL LIVELIHOODS PROGRAMME IN MID-WESTERN NEPAL**



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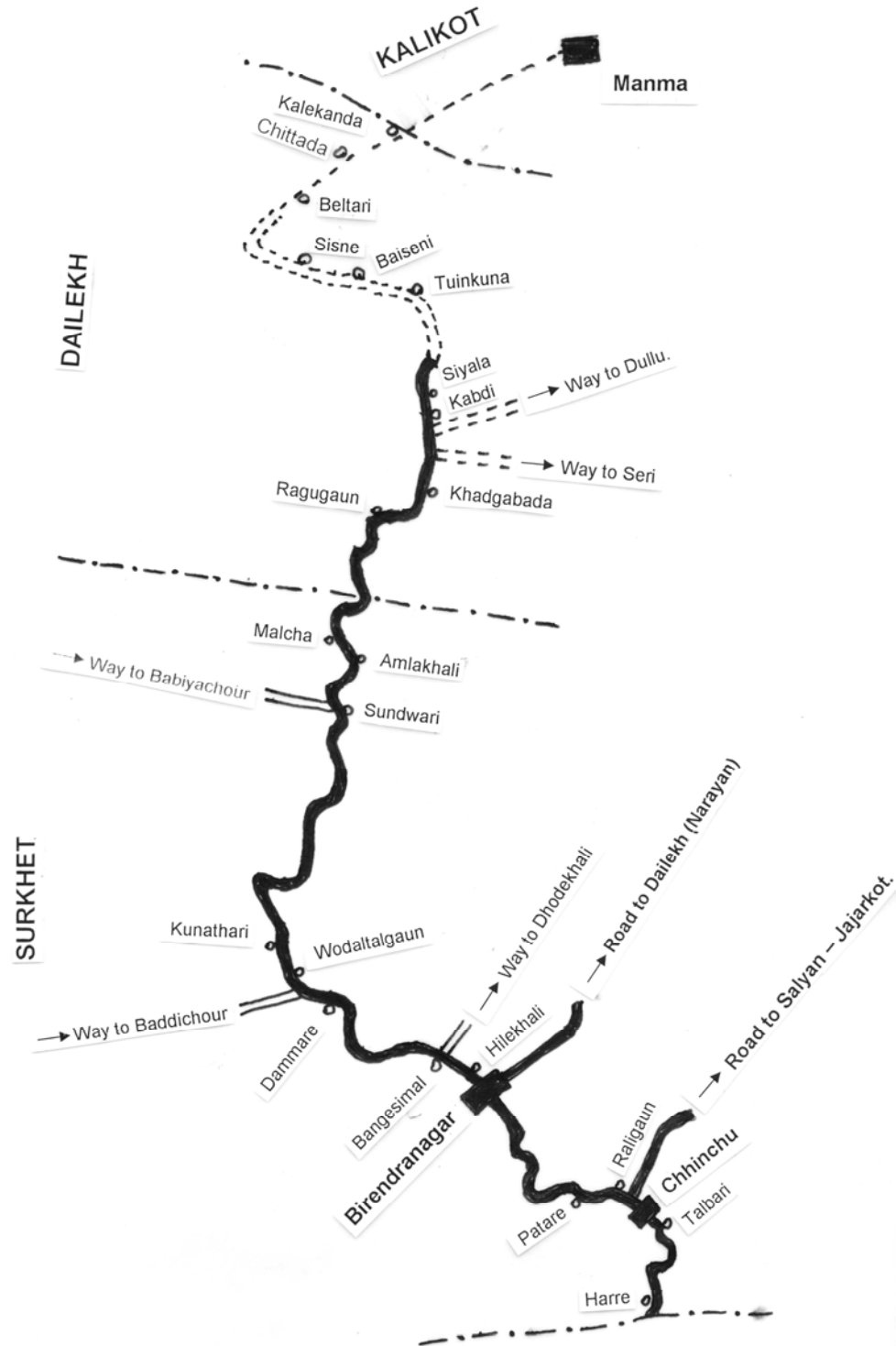
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**ABBREVIATIONS AND ACRONYMS**

CEAPRED	Centre for Environmental and Agricultural Policy Research, Extension and Development
CPMU	central programme management unit
DPMU	district programme management unit
LIOs	local implementing organizations
LLP	Local Livelihoods Programme in Mid-Western Nepal
MWDR	Mid-Western Development Region

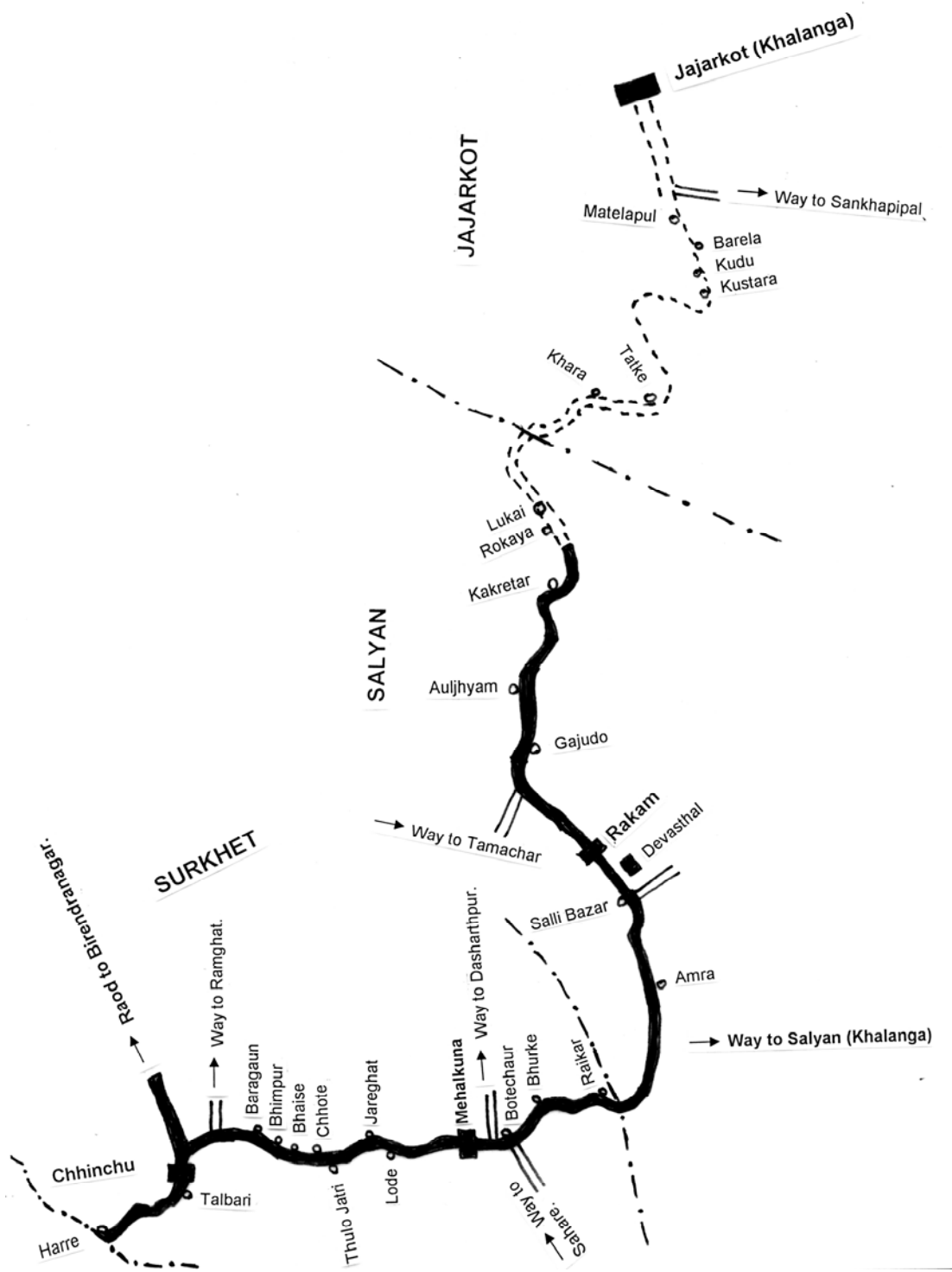
MAP 1 OF PROGRAMME CORRIDORS

Surkhet–Jumla Road



MAP 2 OF PROGRAMME CORRIDORS

Chhinchu (Surkhet)-Jajarkot Road



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I submit the following report and recommendation on a proposed grant to the Centre for Environmental and Agricultural Policy Research, Extension and Development (CEAPRED) to support the Local Livelihoods Programme in Mid-Western Nepal in the amount of USD 485 000 for a three-year period.

**I. BACKGROUND**

1. Conflict in Nepal has taken a heavy social, political and economic toll on society, claiming more than 12 000 lives and rendering several times this number internally displaced or homeless. Women-headed households are on the increase, while the able workforce (especially young people) in rural villages for local economic activities is shrinking. Much important infrastructure has been destroyed; the mobility of people, goods and services has been disrupted; new private-sector investment has been halted, and the operations of industries and businesses have been threatened. Conflict in the country has adversely affected public spending on development, as security expenditures have risen and development spending has fallen.

2. The question is: should development wait until a political solution to the conflict is identified and adopted? This is tantamount to asking whether to leave the poor and vulnerable to die of desperation, as conflict affects all but hurts the poor and vulnerable the most. While it is true that the development space has contracted in recent years, it has not altogether disappeared. The challenge is to plan and prioritize a development programme that fits within the available space and contributes to sustainable poverty reduction. Such a programme must be conflict-sensitive so that it can work in and around conflict (and potentially, on conflict); it must be pro-poor and inclusive so that the poor receive a greater share of benefits; it must be built upon local potential and priorities so that the benefits can be sustained locally; and it must be focused on promotion of local livelihood opportunities so that the labour force can be productively employed locally.

3. Agriculture dominates the rural economy of Nepal. The livelihoods of rural households revolve around on-farm activities supplemented by wage labour from migration. Given the small size of land holdings and lack of access to market information coupled with the low-risk and low-investment philosophy of farmers, cereal is the crop most widely cultivated. Helping farmers to break out of this vicious cycle requires diversifying income sources and moving into products that give better returns. In this vein, the Tenth Plan/Poverty Reduction Strategy Paper and the National Agricultural Policy of the Government of the Kingdom of Nepal propose commercial agriculture development along north-south road corridors as a strategy for rural poverty reduction.

## II. RATIONALE/RELEVANCE TO IFAD

4. The ongoing construction in the Mid-Western Development Region (MWDR) of the Chhinchu-Jajarkot and Surkhet-Jumla corridors provides opportunities for subsector market development. It is against this backdrop that the Local Livelihoods Programme in Mid-Western Nepal (LLP) is being developed, and will contribute to improved, sustainable local livelihoods for the poor families living in these corridors. The proposed grant funding will yield implementation lessons that could be scaled up through ongoing IFAD-supported projects<sup>1</sup> as well as future investment opportunities in Nepal. It will also provide implementation experience relevant to IFAD's Private-Sector Development and Partnership Strategy.<sup>2</sup>

## III. THE PROPOSED PROGRAMME

5. The LLP programme will contribute to improved, sustainable livelihoods for 5 000 rural poor families in five districts of the MWDR, i.e. Surkhet, Dailekh, Salyan, Jajarkot and Kalikot.<sup>3</sup> The purpose of the programme is to demonstrate that the north-south corridor development approach, as articulated in the Government's agricultural policy will contribute to poverty reduction. Action research generated from this pilot will provide lessons for future scaling up. Implementation will start in districts closer to Surkhet and activities will focus on villages located within a reasonable distance from the road. The programme area will be extended to other districts based on the findings of an independent review after 18 months of implementation. The target beneficiaries will be marginal farmers, landless families, women-headed households, scheduled castes (*dalit*) and other downtrodden communities, and internally displaced persons. The duration of the programme in its current phase will be three years. Implementation will be conflict-sensitive by promoting: (i) small-scale infrastructure activities as an entry point; (ii) economic empowerment of the poor, women and disadvantaged groups; (iii) local initiative and ownership in programme planning, implementation and monitoring; (iv) local capacity-building for sustainability; and (v) engaging women as motivators and social mobilizers.

6. The LLP programme will consist of four interrelated components: (a) economic empowerment, (b) local capacity strengthening, (c) market-oriented small-scale infrastructure, and (d) programme learning, knowledge-sharing and scaling up. Economic empowerment will facilitate a move by targeted households from traditional cropping patterns into more profitable activities, e.g. commercial horticulture, livestock, agro-processing and off-farm enterprises. Commodity value chains will be selected by the target group and promoted on the basis of: (i) high potential to enhance income and provide employment opportunities for targeted households; (ii) market demand and potential to absorb additional production; (iii) high participation of poorer households and women; (iv) adequate household demand to allow for economies of scale; and (v) availability of support services. Marketing channels linking production pockets along the road corridors to market centres will be strengthened.

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<sup>1</sup> IFAD is currently supporting three poverty reduction projects in Nepal: the Leasehold Forestry and Livestock Programme (LFLP), the Western Uplands Poverty Alleviation Project (WUPAP) and the Poverty Alleviation Project in Western Terai (PAPWT). The first two are ongoing, while the last is nearing completion. The LLP programme will overlap with the WUPAP project in Kalikot and with the LFLP programme in Salyan. The PAPWT districts include Banke, which will be linked with the LLP programme through marketing channels. In the overlapping programme districts, the LLP programme will work closely with these projects and their target groups.

<sup>2</sup> Document EB 2005/84/R.4/Rev.1.

<sup>3</sup> Poverty incidence in this region is 45%, compared with 31% for Nepal as a whole and 35% in rural Nepal. Although home to only 12% of the country's total population, this region accounts for 18% of Nepal's total poor population. The per capita GDP of USD 988 (in purchasing power parity) and the Human Development Index of 0.402 are, respectively, the lowest of all regions.



7. Local capacity development will empower communities socio-economically through village development plans, which will be consolidated within the district's north-south economic growth corridor development plan. This plan will identify markets and relevant commodities, strengthen linkages between farmers and markets, tailor production and selection of activities to market demands, and enhance skills and knowledge about market conditions and improved production. The programme will provide for small-scale infrastructure directly linked to production, processing or marketing of the target group's products. The identification, construction, supervision, management and maintenance of the small scale infrastructure schemes will be carried out by user's groups or by village-based construction groups. Under the programme, action research will be carried out and learning and knowledge-sharing will be promoted through regular reporting, workshops, publications, a core learning group, exposure visits and other advocacy activities. Policymakers, key donors and IFAD will be kept informed on setbacks and successes in implementation through an effective flow of information.

#### **IV. EXPECTED OUTPUTS AND BENEFITS**

8. The LLP programme is expected to yield an impact at four levels: (a) household; (b) local community; (c) district; and (d) national. At the household level, targeted families will benefit from secure and sustainable sources of livelihood, improved food security and nutrition, and a better standard of living. At the community level, local implementing organizations (LIOs) will be established and strengthened to plan and manage community development. At the district level, village development committees located along road corridors will develop plans with functional interlinkages and will adopt a common agenda for developing the road corridor as an economic growth corridor. Finally, at the national level, the Government and donors will have gathered experience in corridor development and in the approach adopted by the LLP programme. It is understood that introducing institutional frameworks for market-led development is a formidable task when working in rural areas, as the target group is mainly producing for subsistence only, market infrastructure is weak, and the local market economy is highly dependent on agricultural cycles.

#### **V. IMPLEMENTATION ARRANGEMENTS**

9. The Centre for Environmental and Agricultural Policy Research, Extension and Development (CEAPRED) will carry out, guide and oversee programme implementation. A central programme management unit (CPMU) led by a programme coordinator with support from the Netherlands Development Organization (SNV), will provide training and coordinate any technical support needed in strengthening the capacity of the district programme management unit (DPMU). DPMUs will be set up in each of the programme districts, led by a district programme manager and supported by a small cadre of technical (agriculture and engineering) and non-technical staff. The main functions of the DPMU will be to plan and implement programme activities at the district level; identify and resolve any implementation issues; maintain relations with other development programmes operating in the districts; monitor and supervise the work of LIOs and provide them with necessary training and technical support to strength their institutional capacity. LIOs will work with users' groups with the support of local technical assistants, one per village development committee, to: (i) identify commodities or income-generating activities to be adopted, (ii) facilitate linkages to markets, marketing and economic agents and (iv) build and maintain small-scale market infrastructure.

10. At the district level, two semi-annual review and planning workshops and one annual review and planning workshop will be organized each year to review the progress of the programme and plan future activities to meet programme objectives effectively and efficiently. Independent evaluations at the national level will take place at mid-term and at the final stage of the programme. Based on the findings of the mid-term review, the programme will be expanded to other districts. In order to make programme implementation transparent and locally manageable, independent public audit groups made up of representatives of civil society, the media, and others, as deemed appropriate, will be

formed to monitor, supervise and evaluate programme activities at the local level. The CPMU will prepare an annual workplan and budget (AWP/B) for IFAD's approval upon signature of the grant agreement and every year thereafter. Disbursement will take place upon approval of each AWP/B. Six months before the closing date of the grant period, a programme completion report will be prepared by the CPMU. Independent audit reports on the programme will be provided to IFAD annually. Programme implementation will be supervised by IFAD. Procurement, accounting and disbursement will be carried out in accordance with procedures agreed upon by CEAPRED and IFAD.

## VI. INDICATIVE PROGRAMME COSTS AND FINANCING

11. The total programme budget for external financing is estimated at 34.34 million Nepalese rupees (NRs), approximately equivalent to USD 485 000. Allocation by component will be: 42% for economic empowerment, 15% local capacity strengthening, 22% for market-oriented small-scale infrastructure, and 12% for learning, knowledge-sharing and scaling up. The remaining 10% is allocated to programme management by the executive agency. The annual allocation will be about 23% for the first year, 39% for the second year, and 38% for the third year. See Appendix II for detailed itemized estimates.

Component Activities	PY1	PY2	PY3	Total (NRs)
(a) ECONOMIC EMPOWERMENT	3 166 000	6 121 200	5 165 485	14 452 685
Training	295 000	700 000	460 000	1 455 000
Inputs and Supplies	2 341 000	4 621 200	4 705 485	11 667 685
Equipment	530 000	800 000	-	1 330 000
(b) LOCAL CAPACITY STRENGTHENING	1 082 000	1 940 875	2 049 125	5 072 000
Training	1 047 000	1 765 875	1 879 125	4 692 000
Inputs and Supplies	35 000	175 000	170 000	380 000
(c) MARKET-ORIENTED SMALL-SCALE INFRASTRUCTURE	1 806 500	2 752 700	3 137 460	7 696 660
Inputs and Supplies	1 581 500	2 452 700	2 937 460	6 971 660
Equipment	225 000	300 000	200 000	725 000
(d) LEARNING, KNOWLEDGE SHARING AND SCALING UP	1 165 000	1 372 300	1 463 665	4 000 965
Meeting/Workshop	255 000	270 000	270 000	795 000
Inputs and Supplies	910 000	1 102 300	1 193 665	3 205 965
TOTAL	7 219 500	12 187 075	11 815 735	31 222 310
Programme Management Cost (10%)	721 950	1 218 708	1 181 574	3 122 231
<b>Total Programme Cost (NRs)</b>	<b>7 941 450</b>	<b>13 405 783</b>	<b>12 997 309</b>	<b>34 344 541</b>
<b>Total Programme Cost (USD)</b>	<b>111 851</b>	<b>188 814</b>	<b>183 061</b>	<b>483 726</b>

## VII. RECOMMENDATION

12. I recommend that the Executive Board approve the proposed technical assistance grant in terms of the following resolution:

RESOLVED: that the Fund, in order to finance the Local Livelihoods Programme in Mid-Western Nepal, shall make a grant not exceeding four hundred eighty-five thousand United States dollars (USD 485 000) for a three-year programme from 2006 to 2009, to the Centre for Environmental and Agricultural Policy Research, Extension and Development (CEAPRED) upon such terms and conditions as shall be substantially in accordance with the terms and conditions presented to the Executive Board in this report and recommendation of the President.

Lennart Båge  
President

**LOGICAL FRAMEWORK**

<b>Narrative</b>	<b>Measurement Indicators</b>	<b>Means of Verification</b>	<b>Risks and Assumptions</b>	<b>Risk Management</b>
<b>Goal</b>				
North-south economic growth corridor development approach of the Government of the Kingdom of Nepal's National Agricultural Policy operationalised	<ul style="list-style-type: none"> <li>Replication of similar development programmes in other North-south corridors of Nepal</li> <li>Alignment of related line ministries' development policies and programmes with the LLP approach</li> </ul>	<ul style="list-style-type: none"> <li>Investment in similar development programmes by the Government and other donors, using a similar approach</li> </ul>	Government is fully aware of the programme activities and their impact on livelihood improvement for poor families at the local level	<ul style="list-style-type: none"> <li>(i) National dissemination workshops organized annually</li> <li>(ii) Regional dissemination workshops organized biannually</li> <li>(iii) Official field visits to programme areas organized for planners and policymakers at least once yearly</li> </ul>
<b>Purpose</b>				
North-south economic growth corridor development approach for poverty reduction implemented successfully	<ul style="list-style-type: none"> <li>XX families with improvement in household assets, income and food security</li> <li>XX families with improvement in the status of women and children in the family</li> <li>XX families with improvement in social and other quality of life indicators</li> <li>Increase in the farm gate price of commodities promoted</li> </ul>	<ul style="list-style-type: none"> <li>Programme completion report</li> <li>Annual progress reports</li> <li>Evaluation reports</li> <li>Household surveys</li> <li>Social/public audit report</li> <li>Monitoring and evaluation (M &amp; E) reports</li> </ul>	<ul style="list-style-type: none"> <li>(i) Programme activities would not be affected by existing conflict</li> <li>(ii) Internal situation in terms of peace and security does not deteriorate further</li> <li>(iii) Government line agencies support decentralized and flexible programme implementation modality at the local level</li> </ul>	<ul style="list-style-type: none"> <li>(i) Adoption of conflict-sensitive approaches to implementation based on district-level peace and conflict impact assessment (PCIA)</li> <li>(ii) Adoption of a flexible implementation modality and contingency plan at the district level</li> <li>(iii) Memorandum of understanding between Government line ministry and IFAD signed indicating the roles and responsibilities of all stakeholders of the LLP programme</li> </ul>

Narrative	Measurement indicators	Means of Verification	Risks and Assumptions	Risk Management
<b>Outputs</b>				
1. Economic empowerment	<ul style="list-style-type: none"> <li>• Volume of products produced and marketed</li> <li>• Farm gate prices</li> <li>• Market linkages among districts within the corridor and between the corridor (districts) and the terai/boarder town centres</li> <li>• Synergies or complementarities of district economic growth corridor development plans</li> <li>• Number of district partners programmes revised (or in the process of revision), ensuring synergies and complementarities between the development potentials and priorities of each individual district with other districts lying in the corridor</li> </ul> <p>Number of cooperatives formed</p>	<ul style="list-style-type: none"> <li>• Semi annual and annual review and planning</li> <li>• Monthly/quarterly progress reports</li> <li>• M &amp; E reports</li> <li>• Community-based organization (CBO) reports</li> <li>• Mid-term review and grant completion report</li> <li>• Social/Public audit reports</li> </ul>	<p>(i) Training activities would not be hampered by conflict</p> <p>(ii) Target families interested to get formally registered as cooperatives</p> <p>(iii) Local bodies are willing and capable of integrating the corridor development plan in their respective DPPs</p>	<p>(i) Training package designed to consist of several short-duration (half-day or less), practical and on-site interactive courses administered at the level of small group</p> <p>(ii) Formation of cooperatives only after benefits from organized production and marketing are realized</p> <p>(iii) Provision of programme support towards capacity development of local bodies</p>
2. Strengthening local capacity	<ul style="list-style-type: none"> <li>• Number of local CBOs and user groups (UGs) actively engaged in Programme activities</li> <li>• Number of CBOs and UGs with acceptable indicators of outreach and volume of business, and management</li> <li>• Number of community members providing social mobilization, training and other technical services to the target families</li> </ul>	<ul style="list-style-type: none"> <li>• M &amp; E reports</li> <li>• Social/public audit group's reports</li> <li>• Annual progress report</li> <li>• Supervision reports</li> <li>• CBO progress reports</li> <li>• Media and other agencies' reports</li> </ul>	<p>(i) Appropriate and least disputed CBOs/UGs are selected (or developed) to implement the programme activities</p> <p>(ii) Social mobilization, training and capacity building activities would not be affected by conflict</p>	<p>Adoption of a set of clear, objective and transparent CBO selection criteria; and involvement of local social/public audit group in the CBO selection process</p>

Narrative	Measurement indicators	Means of Verification	Risks and Assumptions	Risk Management
<b>Outputs</b>				
3. Market-oriented small-scale infrastructure	<ul style="list-style-type: none"> <li>• Number of micro-irrigation schemes developed</li> <li>• Number of improved sheds for livestock (goats, piggery, dairy) constructed</li> <li>• Number of collection centers established, maintained by the villagers</li> <li>• Number of local markets/hatbazars developed, maintained by the villagers</li> </ul>	<ul style="list-style-type: none"> <li>• Monthly/quarterly progress reports</li> <li>• M &amp; E reports</li> <li>• CBO progress reports</li> <li>• Mission reports</li> <li>• Financial/audit reports</li> </ul>	Construction activities would not be hampered by conflict	
4. Programme learning, knowledge sharing and scaling up	<ul style="list-style-type: none"> <li>• A viable set of ‘lessons’ or ‘practices’ documented for mainstreaming the corridor concept and assessing the impact of activities for learning and change</li> <li>• Implementation guidelines and policy feedback disseminated to all related stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation guidelines</li> <li>• Project completion report</li> <li>• Annual progress reports</li> <li>• Independent Evaluation reports</li> </ul>	The programme is able to make a significant, visible and tangible impact towards improving local livelihoods of the target families	

<b>Main Activities</b>
<p><b>Output 1: Economic empowerment</b></p> <ul style="list-style-type: none"> <li>• Preparation of a strategy for N-S economic growth corridor development based upon a coordinated effort among districts on a focused number of commodities.</li> <li>• Definition of a corridor information strategy and regular consolidation of district corridor development plans.</li> <li>• District level workshops to define how to integrate local initiatives into product development for markets, identifying channels for products, improving product linkages and support technical and financial services.</li> <li>• Development of a district economic growth corridor development plan.</li> <li>• Support to DPMUs towards reviewing and revising their respective district corridor development plans in a synergistic manner.</li> <li>• Planning and coordination of production and marketing activities for efficiency and economies of scale.</li> <li>• Organisation of regular “buyer-seller meet” to bring the producers and marketers on the same platform to exchange views and to develop strategies to harness their synergies for mutual good.</li> <li>• Establish linkages with market agents/entrepreneurs in the form of buy-back arrangements.</li> <li>• Establishment of a revolving fund within the DPMU for the landless, poorer households to finance the start or development of an income generating activity.</li> <li>• Federation of the cooperatives formed in a corridor (formally or informally, as appropriate) and brought into a single network according to respective supply value chains.</li> <li>• Establishment of a system that would help flow of information among the cooperatives along the corridor on various aspects of the programme (e.g., technology, market).</li> <li>• Development of content for radio programmes highlighting commodities, cultivation techniques, market demand and price information.</li> <li>• Training of farmers to respond to the market signals and quality needs.</li> <li>• Formation of savings and credit groups to provide savings opportunities and lending activities.</li> <li>• Consolidation, enlarging participation and institutionalization of the UGs as marketing (or commodity-specific) cooperatives along a number of supply and value chains and production pockets</li> <li>• Dissemination of market information by publishing market information bulletins on commodities that hold potential in the area, e.g. demand for such commodities, price information, cultivation practices, etc.</li> <li>• Scholarships provided to two students per VDC to pursue long-term vocational courses up to 24 months.</li> </ul>
<p><b>Output 2: Local capacity strengthening</b></p> <ul style="list-style-type: none"> <li>• Annual training needs assessment of the DPMU (for district level training needs).</li> <li>• Capacity building of the DPMUs in analysis of market information, planning and development of district economic growth corridor plans, and establishment of linkages with market actors.</li> <li>• Consolidation of village development plans within the district economic growth corridor development plans.</li> <li>• Conduct of monthly planning and review workshops at district level, to involve key LIO staff and market actors.</li> <li>• Provision of logistical support to the DPMU in the form of equipment, materials, and operating budget.</li> <li>• Identification of LIOs capable in PRA, resource assessment, participatory development planning, social mobilisation/participatory development approaches, and user group formation and operation.</li> </ul>

- Annual training needs assessments (for UGs and LIO training needs).
- Retraining of LIOs in basic aspects of appreciative enquiry techniques, market based activity planning, management of local development initiatives, financial management, accounting and book keeping, construction management and techniques, and user group operations.
- Exposure visits and off-site training on production, processing and marketing of farm products, and micro-enterprise operation for the LIOs and the UGs.
- Widespread distribution of information in villages regarding: (i) project processes and activities; (ii) market opportunities and other income generating activities based on market potential, (iii) village entitlements for small scale market infrastructure and skills development; and (iv) district economic growth corridor development plans.
- Conduct of village-level PRAs. Appreciative enquiry would be carried out to identify priority infrastructure works and extension/production needs, on an annual basis. Needs assessments would be conducted separately for men and women.
- Preparation of simple village-level resource analyses and village development activity plans, updated annually, with the village PRAs.

**Output 3: Market oriented small scale infrastructure**

- Provision of logistical and operational support in order to strengthen the capacity of the DPMU in relation to preparation of feasibility studies and appraisal of final designs.
- Establishment of a Community Development Fund to be accessed by the DPMUs based on the district economic growth corridor development plan.
- Assessment of villages' infrastructure needs based on (i) linkage to the identified micro-enterprise/commodity to be promoted, (ii) coherence with the district economic growth corridor development plan, and (iii) number of target beneficiaries.
- Preparation of feasibility studies, design and cost estimates. Standardised designs appropriate for small-scale works used wherever possible in order to further simplify and reduce the cost of design. Design options are to maximise the use of unskilled labour in order to create local wage-labour opportunities.
- Training LIOs on simple accounting, construction techniques supervision and operation and maintenance (O&M) procedures would be carried out as soon as possible after scheme approval.
- Formation of village-based construction groups and organisation of user groups, together with appropriate training in management and simple accounting, construction techniques, and operation and maintenance of the village schemes.
- Implementation of schemes by either village-based construction groups or UGs under the supervision of the LIOs, with overall support from the DPMU.
- Monitoring O&M of the scheme.

**Output 4: Programme learning, sharing and up-scaling**

- Regular meetings of an Core Learning Group (including the Secretary, Ministry of Agriculture and Cooperatives (MOAC), representatives of related Government line ministries, key donors, representatives of DPMUs and the EA).
- Organization of regional and national workshops.
- Documentation of policy feedback and lessons learned from LLP.
- Dissemination of best practices at district, regional and national level through media and other means of mass communication.
- Video documentation of the process and impact at the local level.
- Monitoring and supervision reports by the CPMU outlining the status of implementation, constraints in implementation and project decisions required to address constraints.
- Exposure visits to programme areas for key officials at key stages of the programme implementation, and policy feedback at the national level.

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INTERNATIONAL FUND FOR AGRICULTURAL DEVELOPMENT

APPENDIX II

DETAILED BUDGET

Component Activities	PY1	PY2	PY3	Total (NRs)
<b>1 ECONOMIC EMPOWERMENT</b>	<b>3 166 000</b>	<b>6 121 200</b>	<b>5 165 485</b>	<b>14 452 685</b>
<i>A. Training</i>				
- Nursery Management	30 000	50 000	25 000	105 000
- Seasonal/off-seasonal Vegetable Production	80 000	240 000	80 000	400 000
- Compost/Farm Yard Manure Preparation	30 000	50 000	45 000	125 000
- Integrated Pest Management	50 000	140 000	80 000	270 000
- Agro-forestry and NTFP production	50 000	90 000	85 000	225 000
- Goat raising	20 000	50 000	60 000	130 000
- Pig raising	20 000	50 000	60 000	130 000
- Poultry raising	15 000	30 000	25 000	70 000
<i>Subtotal</i>	<i>295 000</i>	<i>700 000</i>	<i>460 000</i>	<i>1 455 000</i>
<i>B. Inputs and Supplies</i>				
- Improved vegetable seeds, plastic sheets, polythene bags, saplings, sprayers, etc.	80 000	190 000	180 000	450 000
- Distribution of local she goats	70 000	190 000	190 000	450 000
- Distribution of local he goats	14 000	28 000	28 000	70 000
- Distribution of Poultry Birds	30 000	37 500	37 500	105 000
- Distribution of Piglets	55 000	210 000	160 000	425 000
- Vet Medicine Support (Deworming, Vaccinations, etc.)	15 000	30 000	30 000	75 000
- Support to NTFP Programme	25 000	40 000	35 000	100 000
- Farmer Field School	15 000	30 000	30 000	75 000
- Off-farm Inputs (Candle, incense making, etc.)	150 000	250 000	225 000	625 000
- LIO Allowances	416 000	1 105 000	1 160 250	2 681 250
- LTA Allowances	468 000	1 235 000	1 296 750	2 999 750
- Monitoring from Center Level	30 000	30 000	30 000	90 000
- DPMU Coordinator	175 000	240 000	285 000	700 000
- DPMU Staff	384 000	395 700	407 985	1 187 685
- Fuel and Lubricants	150 000	250 000	250 000	650 000
- Office Rent	96 000	150 000	150 000	396 000
- Stationeries	72 000	90 000	90 000	252 000
- Services (Phone, Fax, Electricity, Water Supply, etc.)	96 000	120 000	120 000	336 000
<i>Subtotal</i>	<i>2 341 000</i>	<i>4 621 200</i>	<i>4 705 485</i>	<i>11 667 685</i>
<i>C. Equipment</i>				
- Trekking Gear for Staff	50 000	80 000	-	130 000
- Establish Project and Unit Officer	60 000	90 000	-	150 000
- Computer Sets - 5	140 000	210 000	-	350 000
- Motor Cycle - 5	280 000	420 000	-	700 000
<i>Subtotal</i>	<i>530 000</i>	<i>800 000</i>	<i>-</i>	<i>1 330 000</i>
<b>2 LOCAL CAPACITY STRENGTHENING</b>	<b>1 082 000</b>	<b>1 940 875</b>	<b>2 049 125</b>	<b>5 072 000</b>
<i>A. Training</i>				
- Annual Review and Planning	10 000	25 000	25 000	60 000
- Cooperative Education	-	25 000	25 000	50 000
- Gender and Development	21 000	42 000	42 000	105 000
- Marketing Management	16 000	45 875	45 000	106 875
- Exposure Visit	140 000	140 000	140 000	420 000
- Saving and Credit	283 000	802 500	912 125	1 997 625
- Book keeping/lone Management	12 000	30 500	25 000	67 500



## APPENDIX II

Component Activities	PY1	PY2	PY3	Total (NRs)
- Experience Sharing Workshop	150 000	175 000	175 000	500 000
- Training Materials	25 000	30 000	40 000	95 000
- Capacity build up of LIOs/LTAs	390 000	450 000	450 000	1 290 000
<i>Subtotal</i>	<i>1 047 000</i>	<i>1 765 875</i>	<i>1 879 125</i>	<i>4 692 000</i>
<i>B. Inputs and Supplies</i>				
- Logistic Supports (Ledger, Passbook, Crates, etc.)	-	65 000	60 000	125 000
- Support of Crates to Cooperative/CBOs	-	40 000	40 000	80 000
- Public Auditing	35 000	70 000	70 000	175 000
<i>Subtotal</i>	<i>35 000</i>	<i>175 000</i>	<i>170 000</i>	<i>380 000</i>
<b>3 MARKET ORIENTED SMALL SCALE INFRASTRUCTURE</b>	<b>1 806 500</b>	<b>2 752 700</b>	<b>3 137 460</b>	<b>7 696 660</b>
<i>A. Inputs and Supplies</i>				
- Micro Irrigation/Hybrid/Water Supply	500 000	850 000	920 000	2 270 000
- Cooperative/Collection Centres	230 500	400 000	500 125	1 130 625
- Support to Market Shed	150 000	310 000	400 000	860 000
- Local Market Centres	350 000	400 000	600 000	1 350 000
- Engineer	234 000	245 700	257 985	737 685
- Sub-overseer	117 000	247 000	259 350	623 350
<i>Subtotal</i>	<i>1 581 500</i>	<i>2 452 700</i>	<i>2 937 460</i>	<i>6 971 660</i>
<i>B. Equipment</i>				
- Survey Materials	25 000	-	-	25 000
- Off-farm production and processing equipments	200 000	300 000	200 000	700 000
<i>Subtotal</i>	<i>225 000</i>	<i>300 000</i>	<i>200 000</i>	<i>725 000</i>
<b>4 PROGRAMME LEARNING, SHARING &amp; UPSCALING</b>	<b>1 165 000</b>	<b>1 372 300</b>	<b>1 463 665</b>	<b>4 000 965</b>
<i>A. Meeting/Workshop</i>				
- Workshop & Seminar	45 000	60 000	60 000	165 000
- Exposure visits	140 000	140 000	140 000	420 000
- Publications	70 000	70 000	70 000	210 000
<i>Subtotal</i>	<i>255 000</i>	<i>270 000</i>	<i>270 000</i>	<i>795 000</i>
<i>B. Inputs and Supplies</i>				
- Programme Coordinator Center based	520 000	546 000	573 300	1 639 300
- Admin./Fin. Officer	156 000	163 800	171 990	491 790
- Logistic Assistant	134 000	147 500	168 375	449 875
- Messenger/Helper	100 000	120 000	130 000	350 000
- Evaluation	-	125 000	150 000	275 000
<i>Subtotal</i>	<i>910 000</i>	<i>1 102 300</i>	<i>1 193 665</i>	<i>3 205 965</i>
TA to be provided by SNV				
TOTAL	7 219 500	12 187 075	11 815 735	31 222 310
Programme Management Cost (10%)	721 950	1 218 708	1 181 574	3 122 231
<b>Total Programme Cost (NRs)</b>	<b>7 941 450</b>	<b>13 405 783</b>	<b>12 997 309</b>	<b>34 344 541</b>
<b>Total Programme Cost (USD)</b>	<b>111 851</b>	<b>188 814</b>	<b>183 061</b>	<b>483 726</b>