

13 September 2021

GAFSP Coordination Unit
The World Bank
1818 H Street
Washington DC, 20433 USA

Subject: ADB and WFP as Nepal's GAFSP Supervising Entities

The Government of Nepal has designated the Asian Development Bank (ADB) and the World Food Programme (WFP) as the supervising entities in support of a proposed Vegetables in Hilly Areas Project. The project proposal is developed in response to the Call for Proposals for under the Global Agriculture and Food Security Program, issued on 20 May 2021.

The estimated cost and funding requested under the GAFSP for the proposed project is USD 12 million (twelve million United States Dollars). Further to the development partner meeting that discussed Nepal's proposal for a GAFSP project on 22 June 2021, the Ministry of Agriculture and Livestock Development, ADB and WFP held a joint consultation meeting on 4 August 2021. Based on the email exchanges and online meetings, it was agreed that ADB will co-finance the GAFSP project with the ADB loan of USD 60 million and grant of USD 10 million, and WFP will supervise the TA component of nutrition field school with the GAFSP financing of USD 3 million. ADB and WFP confirm that the project approach and interventions are fully in line with policies, priorities and planned initiatives of both ADB and WFP.

When the GAFSP proposal is successfully approved by December 2021, the project will cost a total of USD 97 million, comprising (i) ADB loan of USD 60 million; (ii) ADB grant of USD 10 million; (iii) GAFSP grant of USD 12 million; and (iv) Government of Nepal financing of USD 15 million. Beneficiary's in-kind contribution is not counted towards the total project cost.

Both institutions would plan an appraisal of the project including the GAFSP by January 2022. ADB board approval is expected in February 2022 with the project effectiveness in April 2022. The project will be implemented over 7 years and completed by March 2029. The project management unit under the Ministry of Agriculture and Livestock Development as well as project implementation units at the provincial levels are already in place, and the target 100 municipalities were also selected after crop suitability assessment was conducted. The first disbursement of the GAFSP fund is estimated to occur by June 2022.

ADB and WFP reaffirm our strong commitment and readiness to serve as supervising entities. You will find the list of ADB and WFP agriculture and food security related sector projects (pipeline as well as under implementation) in Nepal and their most recent performance rating in attachment. Both institutions are committed to do our utmost to effectively supervise the implementation, monitoring and financial management of the project, if the GAFSP project proposal is successfully approved in time.

Reiterating our determination to contribute fully to the success of the project, please accept the assurances of our highest consideration.



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Attachment:

List of ADB and WFP agriculture and food security sector projects in Nepal

List of ADB and WFP agriculture and food security sector projects in Nepal

(i) List of ADB projects in Nepal and their performance rating

S.N.	Name of project/programme	Development partner/donor	Project end	Funding (US\$ million)	Province	Project Status	Most recent Supervising Entity performance rating for the project
1	Food Safety and Agriculture Commercialization Program (policy-based loan)	ADB	2021	50.0 (concessional policy-based loan)	National and Gandaki	Under implementation	Satisfactory – on track
2	Community-Managed Irrigated Agriculture Sector Development – Additional Financing	ADB	2022	45.8 (ADB 30; Gov't 8.3; Beneficiary 7.5; 30 OPEC Fund for International Development)	Province 1, Bagmati, Gandaki, Karnali	Under implementation	Satisfactory – on track
3	Nuts and Fruits in Hilly Areas Project	ADB	2029	85.0 (ADB 70.0; Gov't 15)	Province 1, Bagmati, Gandaki, Karnali and Sudurpashchim	Pipeline	NA
4	High Mountain Agribusiness and Livelihood Improvement Project	ADB	2019	20.0 (grant)	10 mountain districts (Province-1, Bagmati, Gandaki, and Karnali)	Recently completed	Satisfactory (rating confirmed by the independent evaluation department)
5	Raising Incomes of Small and Medium Farmers Project	ADB	2020	20.1 (grant)	10 districts (Karnali, Lumbini, Sudurpashchim)	Recently completed	Satisfactory (rating confirmed by the independent evaluation department)

(ii) List of WFP projects in Nepal and their performance rating

S.N.	Name of project/programme	Development partner/donor	Project end	Funding - grant (US\$ million)	Province	Project Status	Most recent Supervising Entity performance rating for the project
1	Adapting to Climate Induced Threats to Food Production and Food Security in Karnali Areas of Nepal (CAFS)	Adaptation Fund	2022	9.5	Karnali	Under implementation	Satisfactory – on track
2	Rural Women Economic Empowerment Project	Multi Partner Trust Fund	2022	5	Province 2	Under implementation	Satisfactory – on track
3	School Meal Programme and Home-Grown School Feeding linking school meals to local agricultural production	United States Department of Agriculture (USDA) and Government of Japan	2025	28.5	Bagmati, Karnali and Sudur-Paschim	Under implementation	Satisfactory – on track
4	Maternal Child Health and Nutrition Programme and Social Behaviour Change Communication/Nutrition Education Programme	WFP Headquarters (HQ) and Government of Japan	2024	6	Province 1, Province 2 and Karnali	Under implementation	Satisfactory – on track
5	Leveraging Women's Leadership and Empowerment in Value Chain for Resilient Livelihoods	WFP HQ and UN Women HQ	2022	3	Sudur-Paschim	Under implementation	Satisfactory – on track
6	Strengthening community-based adaptation and food system resilience in Nepal and Bhutan	Adaptation Fund (regional project)	2026	14	Sudur-Paschim (Nepal)	Pipeline	NA
7	Improving Climate Resilience and Food Security of Vulnerable Communities Living in Disaster-prone Areas of Terai in Nepal	Green Climate Fund (GCF)	2027	10	Province 2, Lumbini and Sudur-Paschim	Pipeline	NA