FOOD AND NUTRITION SECURITY THROUGH SUSTAINABLE AGRICULTURE

NEPAL

A Proposal submitted to

Global Agriculture and Food Security Program (GAFSP)
Coordination Unit

Submitted by

Government of Nepal

January 2017

PART I

Summary of Overall Agriculture and Food Security Strategy and Associated Investment Plan

1.1 Overall sector strategy and investment plan, and past performance

1. Nepal's economy is highly dependent on agriculture which accounted for up to one-third of the gross domestic product (GDP) in 2015 and employed two-thirds of the population. Agriculture is a major source of livelihoods for approximately three-quarters of the population of Nepal. Since the majority of the population live in rural areas, where poverty and food insecurity and malnutrition have the highest incidence, agricultural development is key to achieving food and nutrition security, for their livelihoods and reducing poverty in the country. Despite its importance, however, the full potential of the agricultural sector is yet to be realized. In its three different physiographic regions (i.e. the Terai plain, the hills, and the mountains) the country has huge under-tapped water resources and diverse crops, livestock and forest resources that can be utilized for achieving the goals of food and nutrition security and poverty reduction.

2. Achieving food and nutrition security and reducing poverty are national goals of the Government of Nepal (GoN), in line with commitments to realize the Sustainable Development Goals (SDGs) and Zero Hunger Challenge (ZHC)[1], and graduate from Least Developed Country status to Middle Income Country by 2030. The country's agricultural development priorities are aligned with these two main goals and the Sustainable Development Agenda – particularly SDG1 and SDG2 - focusing on access to increased employment opportunities, sustainable management of natural resources, supportive infrastructures development, new avenues creation for economic growth, coping with emerging effects of climate change, social inclusion, and the development of farmer-responsive governance.

3. The Agriculture Development Strategy (ADS), endorsed by the cabinet of ministers in 2015, is the strategic long-term policy as well as Country Investment Plan for agriculture and food security in Nepal with 20-years of vision and 10-years of planning horizon. This strategic document has envisioned to accelerate agricultural growth through four strategic components, namely governance, productivity, profitable commercialization, and competitiveness. It has identified 7 distinguished yet interlinked components[2]to realize its vision *"A self-reliant, sustainable, competitive, and inclusive agricultural sector that drives economic growth and contributes to improved livelihoods and food and nutrition security leading to food sovereignty"*. The implementation roadmap of ADS is planned through 3 different types of programs: the Core[3], the Flagship[4] and Other[5] Program. The approach paper for 14th Development Plan (2016/17-2018/19) has aligned Nepal's socio-economic development in line with the objectives of the ADS. The plan envisages people's right to food sovereignty through food and nutrition security. The Plan aims at making the agriculture sector competitive and moving towards self-reliance through sustainable and commercial agriculture development. ADS interventions on food and nutrition security have been aligned with the Multi-Sector Nutrition Plan (MSNP), which guides the government's investment in nutrition for the period of 2013 to 2017.

4. The aim of the ADS as the Country Investment Plan of Nepal is to reduce poverty and household food and nutrition insecurity on a sustainable basis and to strengthen the national economy. The investment plan for the next 10 years of ADS implementation has planned to finance the Core and Flagship Programs as the priority. The Core Program represents 35 percent of total program cost, while Flagship and other take 37 percent and 28 percent respectively. Under ADS Flagship Programs, Food and Nutrition Security Program is one of the key priority program. GoN has implemented Food and Nutrition Security Program (FANUSEP) with an objective of improving food and nutrition security of most disadvantaged groups. The investment plan is designed to take advantage of emerging opportunities building upon the experience of ongoing programs in agriculture and other related sectors such as irrigation, rural infrastructure development, rural energy, forestry and health.

5. The estimated investment cost to accomplish the envisaged outcomes under these components in the first ten years is approximately USD 5 282 million of which 55.3 percent will be required for the first five years and the remaining 44.7 percent for the second five years. The breakdown of these estimated investment costs for each component covering a ten-year period are given in Table 1 below.

---

[1] ZHC is a global initiative declared by Rio+20 Conference on Sustainable Development by the UN Secretary General, which aims at eliminating starvation in our lifetimes by scaling-up development efforts with the vision of ending the hunger into reality. It anticipated increased investment in agriculture and the rural development activities that contribute to create greater employment opportunities and social protection. ZHC has become a vision of the "world without hunger "and it emphasizes on food systems that are sustainable as well as resilient. Nepal has endorsed ZHC National Action Plan (ZHCNAP) for 2016-2025 and brought under implementation.

[2] The 7 components include Competitiveness, Inclusiveness, Economic Growth, Self-reliant, Sustainability, Food and Nutrition Security and Livelihood.

[3] The Core Program of ADS are those programs which will be implemented through existing government structures already in place at the ministry or department levels. These programs will complement the Flagship Programs, but have a different specific output target and scope

[4] Flagship Programs are priority programs of ADS which will require different management structure due to their nature of garnering resources and multi-sector nature of activities. These include Food and Nutrition Security Program (FANUSEP), Decentralized Science, Technology and Education Program (DSTEP), Value Chain Development Program (VADEP) and Innovation and Agro-Entrepreneurship Program (INAGEP)

[5] Other programs are those which are currently implemented but not part of Core or Flagship

Table 1: Investment Plan for the First 10 Years Period

ADS Strategic Component		Equivalent (USD Million)	Component Proportion to the Total (in %)
Governance		434	8
Productivity		1,962	37
Commercialization		992	19
Competitiveness		413	8
Other Related Programs		1,482	28
Total	Amount	5282	-
	Percent		100

Source: Agriculture Development Strategy, Ministry of Agricultural Development, Kathmandu 2014

6. Under the seven different vision components[6], the ADS has explicitly outlined key indicators to monitor progress and has set the targets for a five-year interval of time (in Table 1 of ADS annexed, page 3). The targets are aligned to the SDGs as well as policies related to food and nutrition security namely the, ZHC National Action (ZHCNAP), the MSNP and the Nepal Health Sector Strategy. The monitoring system is linked with the information generated by the Nepal Food Security Monitoring System (NeKSAP)[7], the District Poverty Monitoring System (DPMAS), the Health Management Information System (HMIS) and the Poverty Monitoring System (PMAS).

7. The Agriculture Perspective Plan (APP), which has been implemented since 1995-96, has contributed to enhance the role of the agricultural sector in fostering economic development and well-being of farming households and communities. In 15 years, the APP has helped to enhance the growth of the agricultural GDP from USD 3.4 billion to USD 5.2 billion and increase agricultural labor productivity. It has contributed to increase the per capita national income from USD 466 to USD 700. The productivity of agricultural land has also increased, from USD 1118 to USD 1700 per ha. During the same period, the percentage of households reporting inadequacy of food consumption decreased from 50.9 percent to 15.7 percent and the irrigation cover for the cultivated area increased from 39.6 percent to 54 percent.

8. Overall performance of some sub-sectors such as community forest, horticulture, irrigation and rural road infrastructure grew considerably while the cereal sub-sector did not perform well due to the lack of timely availability of inputs such as fertilizers and seeds. Dairy processing and poultry emerged under the livestock sub-sector during the period of the APP. Increased investment of farmers in the fishery sector has resulted growth in its production. The fishery sector grew at 7.1 percent in the recent year against an envisaged target of 11.8 percent. Its average growth rate has remained 5.9 percent during the last ten years contributing to a share to GDP by 0.5 percent. The last decade (2005-2015) has been marked by almost stagnant agriculture growth in Nepal with an average agriculture growth rate of 2.9 percent. This period has also been characterized by great instability with growth rate fluctuating by up to 5.8 percent in 2007-08 from a mere 1 percent growth in 2006-07. The country's agricultural growth during the 13th Plan period remained at 2.2 percent against the target of 4.5 percent.

9. The production targets for cereals, fruits and vegetables could not be achieved as envisaged by APP. They were also lower than targeted. The production of milk, meat and egg were closer to the targets set. Excessive dependency on rain water, lack of timely availability of seeds and fertilizers, increasing trend of fallowing cultivated land are major reasons for lower achievement of targets. The production and productivity in almost all agriculture sub-sectors (crops, livestock, fishery, and forestry) have increased and these benefited from the APP. The increase in income per capita and productivity of agricultural labor contributed to reduction of poverty and malnutrition.

10. The earthquake that struck Nepal in April 2015 caused a massive loss of human and animal lives, property and heavily affected agricultural production and trade in agriculture, thereby weakening the national economy. The Post Disaster Recovery Framework[8] (PDRF) has emphasized for the urgent need to restore economic opportunities and livelihoods by the re-establishment of agriculture livelihoods of vulnerable earthquake affected smallholder farmers, as well as meeting the most urgent recovery needs in the agriculture, environment and forestry, livestock, irrigation and nutrition sector.

11. The ADS serves as the overall Country Investment Plan for national agriculture development, food and nutrition security in the country. It includes the investment to implement the Food and Nutrition Security Plan of Action (FNSPA) and ZHCNAP. The investment plan under the MSNP complements ADS's effort for food and nutrition security. Given the enormous loss and damage incurred as a result of the Earthquake, the Post Disaster Recovery Framework (PDRF) document of the GoN has estimated a requirement of USD 8377 million in next 5 years. Agriculture, Livestock and Irrigation has been identified as one of the top prioritized sector. The total financial requirement for earthquake affected districts in next 5 years is USD 734 million under agriculture, livestock, irrigation, livelihoods, environment, forestry, gender equality and social inclusion and nutrition sectors.

---

[6] The 7 components include Competitiveness, Inclusiveness, Economic Growth, Self-reliant, Sustainability, Food and Nutrition Security and Livelihood.

[7] NeKSAP information system covers monitoring indictors related to agriculture and food security. The information is generated through the assessment of periodic risks. The information not only facilitates understanding prevailing status but also provides basis for evidence-focused planning.

[8] The Post Disaster Recovery Framework (April 2016 – July 2021) is a systematic, structured and prioritized government policy framework for implementing recovery and reconstruction

Table 2: Food and Nutrition Security Related Country Investment Plans and Financing Gap (USD million)

FNS Related Plans and Policies and Associated Investment Plan	Annual Requirement	Current Annual Investment	Annual Financing Gap
Agriculture Development Strategy (ADS) including FNSPA	528.2[9]	350	178.2
Multi-Sector Nutrition Plan (MSNP)	25.5		25.5
Zero Hunger Challenge National Action Plan (ZHCNAP)	230.0[10]	0.5	229.5
Post-Disaster Recovery Framework (PDRF)	146.8[11]	6.05	140.75

12. Nepal falls under a low human development index (HDI) of 0.548 and ranks 145th in the world. Its economic performance in terms of real gross domestic product (GDP) growth is low in the South Asian Region. The international poverty line reported by the World Bank[12] with an income of USD 1.90 (2011 PPP) per day is 15 percent among the Nepalese population. The poverty gap ratio[13] at USD 1 per day was 5.6 percent. The prevalence of underweight children under 5 years of age was 30 percent[14], and the percent of the population below the minimum dietary energy consumption was 23 percent[15]. The data shows the vulnerable situation of Nepal in terms of poverty, food and nutrition insecurity in the country.

13. Despite some significant achievements made over the years, the agriculture sector is still in a low development stage failing to lift a number of farmers and agricultural laborers out of poverty reducing their malnutrition with assured food security. As per the current investment plan, the ADS has attempted to overcome some of the existing challenges by enhancing economic growth potential of the country building upon the emerging opportunities and a deeper understanding of the complexity of the agricultural sector as such in the country. The 2015 earthquake has added an extra pressing challenge for accomplishing the goal of poverty reduction, agricultural growth and sustained food and nutrition security.

1.2 Key elements of the policy environment

14. Nepal has made concerted efforts to make policy environment conducive for increased investment towards inclusive agricultural growth and enhanced food and nutrition security. In recent years, there has been a conscious effort to make policies coherent to enhance synergies within the agricultural sector. The policies have been aligned for multi-sector collaboration for programming, implementation and enhancing returns to investment under the guidance of the National Agriculture Policy of 2004. Other key policies include the Agriculture Biodiversity Policy, the Climate Change Policy, the National Land Use Policy, the National Cooperative Policy, the National Irrigation Policy, the National Health Policy and the National Nutrition Policy. The subsequent strategies and action plans (ADS, MSNP, FNSPA, and ZHCNAP) have operationalized the provisions for enhanced investment focusing on promoting land and water rights, addressing disadvantaged and poor groups, gender equality, natural resource management, enhancing equity, and strengthening competitiveness for agri-business.

15. Most of the policies needed for the smooth implementation of the ADS are already in place. In addition, some of the policies and regulations are currently in the process of enactment, particularly those related to governance. Few key policies and regulations needed for the implementation of ADS include the ADS Implementation Trust Fund, Farmers' Commission, Restructuring of Nepal Agriculture Research Council (NARC), Land Leasing, Vouchers for Extension and Input, Contract Farming, Insurance Regulations, Quality and Safety Regulations, and Food Safety Law. Furthermore, the Policy on Managing Adverse Effects of Climate Change, Natural Disasters and Market Price Volatilities, which focuses on smallholder farmers and the landless rural poor developed in 2015 is still in the process of being finalized.

16. The integration of agriculture with non-agricultural activities has remained a priority of the ADS. Nepal is gradually refining its policies towards economic growth interventions that contribute to accelerate inclusiveness, sustainability and multi-sectoral connectivity, through a focus on contract farming, value chains development alliance, inputs and outputs

[9] The Agriculture Sector Strategy estimated an annual requirement of USD 5,282 per year. Of this, it has planned to mobilize 89 percent resources from the Government and Donor sources, while the remaining 11 percent is expected to be mobilized from the private and community sources. It covers agriculture development, food security and nutrition as its priority focus areas

[10] The National Action Plan of Zero Hunger Challenge Initiative (2016 – 2025) estimated a total resource requirement of USD 2.3 billion for 10 years. It gives an annual requirement of USD 2,300 million. It has allocated 77.5 percent for the agricultural support related activities and 22.5 percent allocated for nutritional activities.

[11] The PDRF estimates USD 8.3 billion as the resource needed for five years for the recovery of damages resulted from the devastating earthquakes. Of this, the donor pledging was reported to be around 29%. Out of the total requirement of USD 8.1 billion, an estimated requirement for agriculture, livestock and irrigation was US $ 269 million; environment and forestry sector USD 284 million; GESI USD 46 million, Livelihoods USD 59 million and nutrition USD 75 million. In total, these sectors required USD 734 million for 5 years giving an average of USD 146.8 million per year.

[12] Data sourced from http://data.worldbank.org/indicator/SI.POV.GAPS

[13] As per the Sustainable Development Goals (2016-2030) National Preliminary Report, National Planning Commission. 2015

[14] Ibid

[15] Ibid

quality maintenance, food safety, agri-business development, crop and livestock insurance, land leasing and water management practices.

1.3 Government commitment to agriculture, food and nutrition security

17. The total cost estimated to implement the ADS for the first 10 years (2015-2023) is USD 50.2 billion. The public-private partnerships for cost sharing as financing arrangements for ADS implementation envisaged that 89 percent will be financed by the government and donors, while 11 percent will be contributed by the private sector. The last ten-year trend in terms of government budget expenditure in agriculture sector has seen steady increase over the years. Nepal's size of public expenditure was USD 7.01 billion in the Fiscal Year 2015-16. Of this, the country actually spent around 75.8 percent by the end of the Fiscal Year. For the Fiscal Year 2016-17, the country has planned an allocation of USD 10.48 billion-an increment of 48 percent than the previous year. The share of agriculture sector in this allocation is around 8 percent. The composition of the allocation claims that the government will meet these estimated requirements by mobilizing domestic resources (71.1 percent), external grant (10.2 percent) and loan (18.7 percent).

18. The Hunger and Nutrition Commitment Index[16] ranks Nepal 8th out of 45 countries. This confirms the strong political commitment of the GoN to tackle hunger and malnutrition. More specifically the government is committed to achieving agriculture sector development and food security and nutrition objectives through coordinated efforts. Its financial commitment priorities are therefore based on approaches like: (a) sector specific rights, and (b) development of the sector in coordination with other related institutions. The 24 country-level estimates[17] of domestic allocation to nutrition ranged from 0.06 to 9.23 percent with the mean allocation of 2.1 percent, in which Nepal ranks in top 5 countries with 3.59 percent allocation.

19. Poverty reduction has been identified as one of the five key impacts of the ADS along with increased food and nutrition security, competitiveness, higher and more equitable income and strengthened farmer's rights. Given the current low development stage of the Nepalese, the ADS has stated agriculture growth as holding the most potential approach for poverty reduction. It has put an emphasis on concerted and focused measures targeting disadvantaged and poor households, landless rural households and subsistence farmers; promoting small and micro agro-enterprises; adopting market-for-the-poor approach for commercialization of prioritized value chains and focusing on disadvantaged areas for poverty reduction. The increasing trend of public expenditure for agriculture and increased budget allocation for nutrition confirm the government's high and commitment to address hunger, food insecurity and malnutrition through agricultural development.

1.4 Process by which the strategy and investment plan were developed, and where relevant updated

20. The Ministry of Agricultural Development (MoAD) followed a participatory approach engaging all stakeholders in the formulation of the agriculture and food security strategies and the investment plans. The formulation of the ADS, MSNP, FNSPA and ZHCNAP are good examples of such process. During the formulation of the ADS, a series of discussions were held among the key stakeholders including concerned ministries, National Planning Commission (NPC), various experts, National Peasant's Coalition, value chain actors, donor agencies and multi-lateral non-government agencies. The ADS formulation process followed central and local level consultations. At the local level, both formal and informal sector stakeholders were consulted. Detailed process is described later in the document.

1.5 Implementation arrangements and capacity to implement

21. Nepal has made concerted efforts to strengthen the implementation process in coordination with the related institutions (state, civil society, and development partners). The NPC is assigned with the role of overall policy and planning coordination, while MoAD will lead the implementation process. The ADS will be implemented through existing structures of the GoN. Several related agencies will implement the core programs of the ADS including the four flagship national programs. The national ADS Implementation Committee chaired by the Minister of the MoAD and comprising high level representatives from all concerned ministries, farmer organizations, cooperative organizations and private sector organizations will guide the implementation through the ADS Implementation Support Unit. Similar structures are provisioned at the regional and district levels as well. The ADS will also use the coordination structure envisioned in the MSNP at all levels for food and nutrition security.

22. The ADS will be implemented through three different types of programs: core, flagship, and other programs. Core programs are implemented through the existing government structures, flagship programs will have different management structure in view of its innovativeness and multi-sector nature, and other programs are currently implemented but are not part of the existing core or flagship programs.

---

[16] The Hunger and Nutrition Commitment Index (HANCI) ranks governments on their political commitment to tackling hunger and under-nutrition. (www.hancindex.org)

[17] As mentioned in the Global Nutrition Report 2016

23. Currently, the government has 11 553 staff members to implement the agriculture development activities leading to food security. They are spread over several locations and levels: the Ministry Level[18] (214), the Department of Agriculture (5 016), the Department of Livestock Services (4 259), the Department of Food Technology and Quality Control (241), and the Nepal Agriculture Research Council (1 823).In order to match the functional roles of technical staffs with the changing work environment envisaged by the ADS under its core, flagship and other programs, the MoAD is in the process of developing a Human Resource Plan with documentation of information about the technical expertise held by its staff members. Though the Community Agriculture and Extension Service Centers will be managed by the local community, the government is in the process of placing the additional human resources as proposed by the ADS for each VDC. These staff members will have technical background on agriculture and livestock for balanced placements. The Ministry emphasizes on enhancing the efficiency in the delivery of services. Human resource development has remained its regular activity. Gender balance is in-built criteria in recruiting the staff members for the Ministry including offering them training for further capacity development.

24. The role of central and local level organizations is crucial in the planning and implementation of the agricultural sector-related interventions. The government categorically allocates budget for central and district level activities. The districts receive annual budgets under the related line ministries and the block grant for District Development Fund. The plans developed at the local level are coordinated at the district level and then forwarded to the regional level. They are consolidated at the NPC level with support of the concerned line ministries. Depending on the nature and size of the activities proposed, the plans can follow a multi-year funding approach.

25. Nepal has been promoting Public-Private Partnership (PPP) as an important approach under the priorities set by the country's Local Self Governance Act (1999), the National Agriculture Policy (2004), the Agri-Business Promotion Policy (2006), the National Health Policy (2014) and the recently introduced ADS, (2015). It builds partnership for diversification of the agricultural production activities, service delivery, post-harvest activities, value additions, marketing and the effort for the transformation of the agriculture from subsistence to a commercial level and promoting food based interventions for improved nutrition.

26. GoN has successfully implemented and is currently implementing several large, multi-sectoral agriculture and food and nutrition security projects[19] in close collaboration with donor partners. The majority of the projects have shown effective results in terms of accomplishing the desired outcomes.

27. The current GAFSP funded project in Nepal entitled "Agriculture and Food Security Project" has made consistent satisfactory progress in terms of the project's overall performance ratings and is on track to meet the project development objective. The GoN has successfully effected a multi-disciplinary, multi-dimensional and multi-sectoral project, which is unique, integrated and large-scale. The project is currently in the 4th year of implementation. The preliminary results based on the Impact Assessment Survey carried out in 9 out of 19 project districts for Mid Term Review (MTR) indicate that the project has met or exceed many of the Project Development Objective related indicators as well as other intermediate outcome indicators outlined in the Result Framework.

28. As per the survey result, the project released 24 technologies against the MTR target of 25 for "Improved Technologies (Crop and Livestock) for Project Area Farmers". The result suggests an increase in productivity of 23 percent for paddy, 14 percent for maize, 19 percent for wheat and 26 percent for potato against the target of 15 percent on "Increase in productivity of crops" during the period. The seed replacement rate has increased for the major crops (from 7 percent to 13 percent for main paddy, from 15 percent to 18 percent for maize, from 5 percent to 10 percent for wheat, and from 16 percent to 23 percent for potato). The production of eggs per year has increased by 85 percent against the 50 percent MTR target. The weight gains of crossbred goats increased to 16 kg within 4 months compared to 12 months before the project. An estimated 16 689 crop and 29 333 livestock farmers have increased productivity against the target of 18 000. More than three-fourth (79 percent and 89 percent) were female farmers for crop and livestock respectively. The percentage of women taking animal proteins and fruits and vegetables has increased by respectively 17 percent and 37 percent against the MTR target of 5 percent. The rate of recommended three Infant and Young Child Feeding practices for children aged 6-23 months has increased by 36 percent compared to MTR target of 15 percent.

29. All these results indicate the remarkable achievements made by the project and current progress trend suggests meeting or exceeding most of the PDO indicators. In addition, the project has brought several good practices and lessons learnt in terms of multi-sectoral collaboration, human resource management for large-scale multi-sector project, integration of nutrition in agricultural interventions, strengthening food based approach in the community, building the capacity of smallholder farmers and improving the livelihood, food and nutrition security of poor households in the project districts.

[18] The Ministry level includes staffs in the Ministry of Agricultural Development (132), the Ministry of Livestock Development, the National Agriculture Research and Development Fund (15), the Seed Quality Control Centre (32) and the Agriculture Information and Communication Centre (35).

[19] Major projects include AFSP, HIMALI, PACT, HVAP, KISAN, SABAL, PAHAL, Suaahara, Rural Village Water Resource Management Project

PART II
Specific Proposal for GAFSP Financing

Food and Nutrition Security through Sustainable Agriculture [FANSA]

2.1 Specific objectives, expected results and targeted beneficiaries

30. The Project Development Objective (PDO) is to enhance the food and nutrition security of poor and vulnerable households in selected locations by improving agriculture productivity and increasing resilience of farming households, their income and nutrition practices.

31. The specific objectives of the project are to : (i) Raise productivity of crops, livestock and fisheries through technology development, and knowledge management and adoption; (ii) Increase income of targeted households through market-linked farm and non-farm interventions; (iii) Improve resilience through enhanced preparedness against risks and vulnerability associated with farming practices and the promotion of biodiversity based climate smart agriculture; and (iv) Improve food and nutritional practices through the promotion of diversified local production, consumption of healthy, safe, nutritious and diverse diets, including improved feeding and care; and v) Enhance good governance and capacity for better service delivery

32. Expected Results: Key indicators for the achievement of the PDO include Increase in yield in targeted crops/commodities, diversity of foods produced on-farm at HH level, improvement in household income and nutritional status of target groups. Key indicators for the achievement of the PDO are given in the monitoring and evaluation (M&E) framework in Annex 1.

33. Targeted beneficiaries: The project will primarily target vulnerable (earthquake affected, acute food insecure, disadvantaged, marginalized and women headed) households. Smallholder and marginal farmers[20] who constitute the majority of the poor in Nepal will be prime beneficiaries. The beneficiaries will also include landless families and agricultural wage laborers, who will receive skill trainings and may experience benefitted in terms of real wages as a result of increased productivity and demand for labor. The nutrition interventions will mainly target households with young children, adolescent girls, pregnant and lactating women.

34. The project will contribute in accomplishing the objectives set out for one of flagship program of ADS i.e. food and nutrition security and consistent with broader coherent policy landscape[21] of reaching to disadvantaged and vulnerable populations for improved agricultural practices and addressing the problem of malnutrition.

2.2 Justification for the overall approach

35. The project has interlinked components having one component's output taken as input for another component eventually providing synergistic results. The project's approach for implementation has largely been based on the experience of implementing AFSP-the GAFSP funded project in Nepal. Learning and experiences of implementation approach of other similar large-scaled projects[22] in Nepal were also considered while identifying the components for this project. The operational modality and approach is multi-disciplinary engaging different types of government agencies spanning across sectors for combined and interactive results in support of the PDO. The AFSP experience is an instructive both for Nepal and for the global context, as it provides evidence that such large-scaled, complex-natured, multi-cost centers involved, multi-sectors involved project can still work to reach the desired beneficiaries especially female, disseminate technologies and agricultural practices for field-level adoption, make diverse micro-nutrient rich foods available at the household level; against challenges of geographical difficulties.

36. The assessment and evaluation from the implementation of AFSP[23] have resulted into several lessons learned in terms of technologies generation and dissemination, types of interventions implemented, their effectiveness for desired outcome and approaches taken. Farmer Field School (FFS) under the AFSP was found to be a successful approach for disseminating new techniques of farming, test innovations and learn about new ideas and good agriculture or animal husbandry practices. Moreover, FFS has empowered the local community especially the female farmers. Farmer groups and women groups were effective platform to deliver nutrition education and behavior change communication (BCC) interventions. Village Model Farms and Home Nutrition Gardens (HNG) have been effective for women groups about

---

[20] Small and marginal farmers are generally understood to include farmers with landholding size of less than 0.5 ha and less than 0.2 ha respectively.
[21] National policy landscape for food and nutrition security includes ADS, FSNPA, ZHCNPA, MSNP, National Agriculture Policy, National Health Policy and National Nutrition Policy
[22] Other project such as USAID-funded Suaahara has shown a great success for multi-sectoral engagement, reaching to unreached and achieving equity for health and nutrition services; RWAEEproject for making agriculture interventions nutrition sensitive;
23 As described in the Aide-Memoire of Mid Term Review of the AFSP and the Beneficiary Result Assessment Survey Report 2016

production of vegetables high in micronutrients and replicating these learning in establishing HNG for increased availability of nutrient-rich foods at the household level.

37. The experience from implementation of such a large-scaled AFSP in terms of managing huge number of human resources from many different agencies, coordination with agencies from 3 different ministries, building capacity of government functionaries, farmers and women group on improved agricultural and animal husbandry practices, integration of nutrition into agricultural interventions, involving all cost-centers for joint and integrated planning, implementation and monitoring and training of agricultural and health frontline workers on agri and food based nutrition are immense. The project has been able to mobilize resources and technical assistance team of experts with achievement of effective results. The technical assistance provided through a team of experts and field level project staff has been instrumental in empowering the government capacity for effective and quality service delivery contributing to achieving of the PDO.

38. The problems in agriculture that are prioritized to be addressed through the project include: (i) low availability of good quality seed and improved breeds of livestock at the farmer level ; (ii) insufficient development by the research system of "appropriate" – location and problem specific, and climate smart – technologies and management practices for use by farmers that tap topographic and climatic advantages or address local constraints; (iii) weak research-extension-farmer linkage; (iv) thin and inadequate extension support; (v) low investment in productive assets, including supplementary irrigation infrastructure to reduce rain-dependence, use of handy and portable mechanical tools; (vii) poor market linkages leading to high transfer and transection costs and weak market leverage of farmers; (viii) lack of institutions and instruments for agricultural risk-bearing and risk-sharing, (x) weak resilience of farmers to shocks due to disease outbreak, climate and market related shocks and (ix) weak nutrition sensitiveness in agricultural interventions.

39. The projects will address these inter-connected problems through a set of integrated, area-specific interventions that respond to local problems, potential and priorities. The project will focus on reduction of risk and vulnerability through improved risk-bearing and risk-sharing arrangements, enhanced market leverage and increased production which increase the impact of agricultural interventions through emphasis on key elements such as nutrition sensitive agricultural activities, food system approach for improved nutrition, health and hygiene practices, gender equality, climate smart agriculture, or public-private partnerships. Opportunities exist for raising farm productivity and increasing household's income through provision of appropriate technologies, farmer's education through farmer's field school and providing input support to farmers as demonstrated in some pockets by other projects[24]. The project will build on the lessons learned by these projects and provide support for scaling up the activities in the project districts.

40. The project will primarily focus on fourteen district[25]of Nepal. 6 of the 14 districts are heavily affected by the two subsequent earthquakes resulting into loss of economic and livelihood opportunities of most of the vulnerable populations. Remaining 8 terai districts are vulnerable to natural disasters such as flood and drought frequently impacting agricultural production activities, eventually leading to risk of food and nutrition insecurity, high rate of under-nutrition and micro-nutrient deficiencies and limited livelihood opportunities for vulnerable and disadvantaged populations. In addition, these regions do not have any large-scaled agriculture, food and nutrition security programs and projects. An estimated 40-60 percent of the population is unable to meet the minimum daily per capita intake of 2,144 kcal in the selected districts. Huge number of marginalized and disadvantaged people lives in these districts. The situation of proposed districts with list of relevant indicators is attached in annex.

41. Agriculture (including crop, livestock and fisheries) is the mainstay of the rural economy in Nepal but its productivity is low. This is because of a multiplicity of challenges faced by agriculture sector which constrain its performance well below its potential. Agriculture sector in Nepal is typically characterized by smallholder, traditional and subsistence farming; limited use of improved livestock, improved seeds, crop varieties or modern inputs and management practices; poor connectivity and insufficient irrigation facility; high susceptibility to pest and disease incidences; high risk of climate related hazards like flood and drought. In addition, the current food system is not responsive to the needs to deliver diverse, safe and nutritious foods. The project will impact on key pathways for agriculture to nutrition especially as the source of food, income, women empowerment, nutrition education and behavior change communication, access to health and nutrition services and food affordability for vulnerable and poor populations, thereby contributing into poverty reduction, addressing hunger and malnutrition in the country. The lesson learned from this project will have a significant on policy revision and evidence based programming for sustainable agriculture and food system and making agriculture sector a nutrition sensitive one.

---

[24]These are mostly area and crop or commodity-specific development projects supported by a range of donors and development partners, including ADB, CEDA, IFAD, SDC, USAID, FAO and WFP(in annex)

[25]. Six districts viz. Sindhupalchowk, Dolakha, Nuwakot, Rasuwa, Dhading and Gorkha are earthquake-affected districts and eight districts viz. Saptari, Siraha, Dhanusha, Mahottari, Sarlahi, Rautahat, Bara and Parsa are located in southern part of the country in Province number 2 under proposed federal structure

2.3 Activities to be financed and their justification

42. The project will use holistic approaches to improve the food and nutritional situation and productive, income generating and social reproduction capacities of farming household members, women and men, living in the project's locations by promoting resilience, sustainable production and commercial viability as well as availability and access to a diverse variety of food focusing on diversified food production, equitable distribution, affordable access, and nutrition awareness/literacy and have physical, social and economic access to food of sufficient quantity and quality in terms of variety, diversity, nutrient content and safety to meet their dietary needs and food preferences for an active and healthy life, coupled with a sanitary environment, adequate health, education and care. The project activities will go beyond a traditional food supply chain approach and be integrated in a food system approach that takes into account the provision of good food and nutrition as the foundation for human health and well-being, physical and cognitive development and economic productivity.

43. Food systems influence the availability of and access to a diverse variety of foods, and thus, the commercial viability of small scale family farming as well as the ability of consumers, including those in farming households, to choose healthy diets from their food environment. The central role of food and agriculture for providing healthy diets and improving nutrition and food security are a fundamental tenet of food system approaches. The importance of food systems and nutrition in human development has been again recently emphasized by the recent Sustainable Development Goals, particularly Goal 2; End hunger, achieve food security and improved nutrition and promote sustainable agriculture Goal 12 sustainable production and consumption.

44. The design of the components of the project is based on the lesson learnt from the implementation of ongoing projects including the Agriculture and Food Security (AFSP) funded by the GAFSP. The project will have four inter-related components: (i) Technology Development, Adaptation and Income Generation; (ii) Leveraging Market and Reduction of Risk and Vulnerability; (iii) Improving Food Safety and Nutrition Practices; and (iv) Project Management. Each component of the project, while having distinct and separate functions, will have synergies with the other components, which together will aim to enhance the role of the agriculture sector for sustained improvement in all four key dimensions of food security namely availability, accessibility, utilization and stability and for fostering nutrition security. Gender equity, social inclusion, resilience building, nutrition sensitive agriculture and biodiversity based climate smart agriculture will be crosscutting these components.

45. The direct beneficiaries of the project will be approximately 136, 500 small and marginal farmers belonging to earthquake affected, acute food insecure, disadvantaged, marginalized and women headed households. The direct beneficiaries include 30,000 crop and fisheries farmers; 25,000 livestock farmers through on-farm 13500 landless through non-farm livelihood program; 11,000 entrepreneur farmers and 60,000 golden 1000-days women. At least 60% of the direct beneficiaries are expected to be female except golden 1000-days women. In addition, three type of indirect beneficiaries are expected to be reached: (i) 250,000 farmers who will learn from project-supported farmers, adapt the technologies through farmer-to-farmer extension and benefit from information delivered by the project (ii) rural agricultural laborers, for whom both demand for labor and rear wages are expected to go up, as firm, level productivity increases and; (iii) the rural and urban poor who are net food buyer, as both relative food price declines and price swings are dampened.

Component 1: Technology Development, Adaptation and Income Generation

46. This component will contribute directly to the PDO by enhancing the long-term availability of staple foods, pulses, vegetables and animal-based foods in the project area. The main objective of this component is to improve production and productivity of crops, pulses, vegetables, fisheries and livestock by promoting the adaptation of appropriate technologies through the delivery of improved extension and research services via public-private partnerships and providing efficient support to producer groups at local level for enhancing their income. This component bridges the gap between research and farmers through extension services by bringing researchers, extension service providers and farmers together.

47. **Justification for Component 1**: Raising agricultural productivity is vital for economic growth, household incomes, and food and nutrition security in Nepal. Higher Productivity is one of the strategic components of the ADS. Agricultural productivity requires the adoption of appropriate technologies and know-how to increase efficiency and sustainability of agricultural production consistently with market demand. The measures to raise agricultural productivity include those related to (i) effective linkage within agricultural research extension and farmers; (ii) efficient use of agricultural inputs; (iii) efficient and sustainable practices and use of natural resources (land, water, soils, and forests); and (iv) increased resilience to climate change and disasters.

48. At present, crop and livestock yields in the project areas are low, and there is a large gap between the actual and potential yields. It is estimated that varietal improvement can increase potato yields in old seeds by 40-50 percent and in main cereals by at least 10-15 percent in project locations. Currently, only about 5 percent of the cropped area is covered by certified or improved seeds. Current estimates of good quality seed replacement rates are low: 5.4 percent for paddy

and 5.6percentfor wheat. The total quantity of breeder and foundation seed production in 2009-10 was 31.7 tons and 429 tons against the estimated requirements 340 tons and 3300 tons, respectively. In addition, there is

49. Cattle and buffalo farming is popular with all ethnic groups in all ecological belts and there is scope to dramatically increase milk yields through breed improvement from 450 liters \ lactation to 1600 liters \ lactation for cattle and firm 800 liters \ lactation to 1200 liters\ lactation for buffalo. Breed improvement will be done by crossing local with improved breed. Similarly, by cross breeding of local with Boer breed, the average daily weight gain of goats can be doubled from 40-50 gm\day to 100 gm\day. Based on experiences from AFSP, the F1 cross bred goat has the average weight of 28 kg at the age of 6 months which is more than double of local goat. In addition, Boer breed has shown excellent adaptation in the hills and Terai regions of Nepal.

50. Local poultry rearing is mainly based on scavenging but the weight gains and egg production is very low i.e. 1.5 kg mature weight and 40-50/year respectively. Rural people prefer both meat and egg of poultry because both are consumed at home and sold in the local market. Introduction of dual purpose exotic breed and improvement in husbandry will lead to higher production of meat and egg by 2.5 kg and 200/year respectively. The experience from on-going GAFSP project has shown that dual purpose breeds are well adapted and have performed well in the rural setting.

51. Fisheries as a sub-sector of agriculture, presently contributes 1 percent to the country's GDP and about 3 percent to agricultural GDP. Nepal's annual fish production has reached 57,520 tons, of which 62.6 percent was contributed by aquaculture[26]. As per the WHO standard, requirement of 28 kg of animal-based food per capita per annum, 11 kg is derived from animal sources and only 2.07 kg is contributed by fish in Nepal. There exists large and unexploited potential for aquaculture development in the wet lands, and trout farming in the hills and mountains. Fisheries development will be particularly favorable for landless and disadvantaged social group, which have little or no access to land especially in terai region. Goat-keeping and fisheries will increase household food and nutrient availability for small and marginal holders and socially disadvantage households. This will benefit women more, as they tend to bear the brunt of deprivation in case of food insecurity or any shortage in the households.

52. Moreover, there is need to strengthening linkage among research, extension services providers and farmers. At present, the coverage of national agricultural extension system is low and ineffective. It is heavily production-oriented and base on cereal – crop. Farmers lack access to technical skills and knowledge about more profitable crops that can be grown for increasing production, income and food security. The ineffectiveness of current extension coverage also stems from the fact that an extension worker is responsible for large number of location that are practically impossible to cover. The Farmer Field School has been proved as one of the successful and effective approaches for adaptation and dissemination of technologies with greater participation of farming communities.

53. A number of innovative approaches and initiatives, working with and through the local community, have been tried out and documented in recent years by various type of organization, including NGOs, cooperatives sector user group (forest and water user group) and other community-based organizations. Such initiatives are still pocket-based and need wider replication and up-scaling.

54. This component will consist of following four sub-components: (i) Technology Generation and Testing; (ii) Technology Adaptation and Sharing; (ii) Production Support to Producers; and (iv) Institutional Strengthening.

55. **Sub-Component 1.1: Technology Generation and Testing:** This sub- component aims to make available appropriate technologies, resources (source seeds, fingerlings and breeds) and improved agronomic and husbandry practices to project area farmers that will contribute to increased productivity of crops, fisheries and livestock. Priority will be given to technologies and innovations that have ability to produce tangible results in a short span of time. The activities to be financed under this subcomponent includes (i) Identification, testing and screening of locally suitable and CSA technologies on crops, livestock and fisheries at NARC stations and farmers field. (ii) Support for upgrading, strengthening and expansion of nucleus herd and parent stock centers of boer goat under NARC and DLS which are established and maintained under the on-going GAFSP project, (iii) Support for development of production package and appropriate house for poultry. (iv) Off season fingerlings production of common carp fish (v) Maintenance and supply of nucleus breeding herds of boar goat, Jersey cattle and Murrah buffalo in respective commodity programs and supply for maintenance in community level, (vi) technology development and improvement on the farm machines to reduce cost and energy requirement, improve quality of the product and making accessible to the resource poor farmers and, (vii) technology development on farm based agro-forestry systems.

56. **Sub-Component 1.2: Technology Adaptation and Sharing:** this sub-component will enable farmers to master the management skills required for sustainable production and intensification of agriculture. It aims at empowering farmers to learn and develop skills required for informed decision-making based on accurate problem analysis in their local contexts.

[26] DOFD-Annual Report – 2012-13(2069-70).

This sub-component will enhance the adaptation of improved agricultural production technologies and management practices, especially those developed and promoted under sub component 1.1 Technology Generation. This sub-component will provide educational and extension services for crop, livestock and fish production, agroforestry and small-scale farm and non-farm entrepreneurship development. Activities to be financed under this subcomponent includes Farmer Field School (FFS), demonstrations, seed kits (crop and forage), study/observation tours, cascade trainings, campaigns and exhibitions, field days, national or international study tours for farmers, leadership and group formation trainings for women, interaction workshops, social mobilization, community resource center establishment and management (e.g. Community hatchery, seed bank, nurseries, AI facility etc.) multi-stakeholder (including farmer representatives) monitoring. These services will be provided to targeted households in groups' viz. farmers' groups (FGs)/beneficiary groups (BGs).

57. **Sub-component 1.3: Production Support to Producers:** This sub-component facilitates need-based investments by groups of the small and marginal producers with matching funds for enhancing their access to assets, credit, skills, technology and markets and where feasible, promotion and strengthening of their economic organizations. The activities to be financed under the subcomponent will include (i) support to crop growers for seed multiplication, technology adoption, irrigation / on-farm water management and small scale productive infrastructure and farm mechanization; (support to livestock farmers (ii) support to livestock farmers for goat, dairy and poultry production and silvi pasture development, (iii) support to fish farmers for hatchery development, pond construction and table fish production.

58. Seed multiplication support will be focused on the development of community seed production of promising and released crop varieties. Support will be provided to actors (producers, processors, sales) of the seed value chain right from production to marketing of seeds. Foundation or Certified-I seed of promising varieties along with the necessary inputs will be provided to the farmers trained at seed production FFS approach. Community seed processing and storage support will be given to seed producer groups to develop suitable seed processing and storage facilities at their location. Small grants will be provided to potential groups on a competitive basis. As these seed production groups develop and show maturity (according to specific graduation criteria), seed marketing support will be given in a phased manner in the form of micro-grants to allow them develop their seed business skills. Established seed producer groups will be encouraged to develop multiple outlets for their seeds including direct sales to farmers and traders, farmer exchange programs, contracts with government and projects. Mobilization of Community Service and Resource Centers (CSRS) will be made responsible to make sure that interested farmer groups or co-ops are optimally trained and supported for seed multiplication activities so that seeds can be made locally available for the next planting season.

59. Technology Adoption Support: Technology adoption support aims at providing production inputs like seed, fertilizers, portable farm tools and accessories (sprayer, dusters, secateurs, garden pipes, polythene-sheets etc.), storage materials (bags, crates etc.) to farmers to promote adoption of technology. Such support will foster to promote legumes integration, vegetable (Seasonal and off-season) production, production of fruit species of short period (such as papaya, ground-apple, strawberry, lime, lemon, black cherries, chestnuts, banana), and green manuring, improvement of cattle shade, FYM improvement and collection and use of animal urine for the improvement of soil health and fertility.

60. Small Scale Irrigation and Farm Machinery Supports: Micro-irrigation / water harvesting facility will be supported in project locations. Depending upon the priorities set by the group members, the type of technologies supported for small scale irrigation would include: treadle pump, drip irrigation, collection and management of roof/rain water, management of waste water for kitchen gardening, canal improvement, shallow tube well installation, water lifting depending on its feasibility in the specific location. Farmers will be support to use farm machineries to enhance their efficiency and productivity. Such support would include: awareness creation, demand stimulation, concessionary, financing arrangements, and capacity building. Special attention will be given to promoting access to and use of machineries that are women friendly.

61. Support to Goat Farmers includes distribution of full blood Boer buck or Artificial Insemination (AI) for goat breeding at goat breeders' group level. Major support for improving husbandry practices include distribution forage/fodder seed, saplings and sets; forage/fodder seed production and storage; vaccination against PPR; distribution of parasite control medicines; shed construction, medicine fund establishment, and insurance; Distribution of F1 cross bred bucks for goat Productivity and Livelihoods Improvement

62. Supports to Dairy Farmers include distribution of the exotic breed of Jersey cow and Murrah buffalo bull and AI facility for breed improvement. Major support for improving husbandry practices for dairy production groups include shed construction/improvement, importation of source fodder/forage seeds/sets/saplings, fodder/forage seed/set/sapling multiplication, fodder/forage production in terrace risers, bunds and common pool resources, vaccination (HS, BQ and FMD) and medicine services for parasite control, chaff cutter, establishment of medicine fund, and insurance. Dairy production groups will be formed in areas having easy market access in project districts.

63. Rural Poultry Supportprogram will be launched to supplement nutrition and generate income of marginal/landless rural people, women in particular. Under this program, farmers will be supported for husbandry improvement and provided competitive grant for hatchery establishment at local level. Chicks of dual purpose breeds (New Hampshire, Australorp and Giriraj) will also be distributed to farmers for poultry rearing. Such farmers will be supported for pen construction, forage production, vaccination and medicine distribution.

64. The project will develop aquaculture and related small value chains contributing to food and nutrition security and rural livelihoods. The proposed project is expected to accelerate the growth of aquaculture through expansion in area, increase in productivity, and diversification and strengthening of extension services system by decentralizing and building partnership with farmers and their organizations. The potential of aquaculture will be further harnessed by organizing fish marketing systems, value chain development and development of infrastructure facilities including cold chain system. A substantial emphasis is placed on capacity building of farmers as well as hatchery and feed mill operators to ensure easy availability of quality inputs like seed and feed. This is also to be matched with appropriate technology and infrastructure support.

65. **Sub-component 1.4: Institutional Strengthening:** This sub-component aims to support the improvement of institutional infrastructure and capacity for implementation adequate of the project and ensure that project implementation is sufficiently monitored and evaluated in time to make adjustments and corrections. It calls forth the strengthening of institutional mechanisms to ensure inclusive and gender-responsive farmers' participation in the planning, decision making, implementation, and monitoring to improve the implementation level governance and project performance. Limited human resources to serve large farming population and inadequately trained service provider's result in poor quality of service delivery and inability to meet service demand of a large population of farmers and potential agribusiness enterprises. Currently, in the case of crops, there is one extension agent to serve approximately 2,000 farmers (ADS 2015). Under this sub-component, the activities to be financed includes: Formation of farmer's cooperatives and networks; Establishment of community agriculture extension service centers (CAESC); Promotion of the use of Information and Communication Technology (ICT); Capacity building of project functionaries through organization of various practicums like trainings, workshops, seminars and study tours; improvement upgrading of physical infrastructure of project functionaries; and mobilization of farmer's Organizations and Networks

Component 2: Leveraging Market and Reduction of Risk and Vulnerability

66. Enhancing the capacity of smallholder farmers and vulnerable households by increasing their bargaining power of providing support for strengthening producer organizations can improve prices farmers receive for their products and lower the cost of inputs. Nevertheless, farmers are prone to agricultural risk associated with negative outcomes stemming from imperfectly predictable biological, climatic, and price variables. The aim of this component is to increase the leverage of smallholders in markets by building their bargaining power and enabling them to adapt measures that enhance their risk bearing capacity.

67. **Justification for component 2**: This component is aligned with one of the ADS Output "Improved resilience of farmers to climate change, disasters, price volatility and other shocks". Raising productivity and improving leverage to markets through reduction of transfer and transection cost of farm produces are important to improve income levels and assets of the poor. In the project location, the cost to farmers of transacting in markets is high. Transport costs are often accounted as major proportion in total marketing costs, leading to situations to sale bulky food staples at farm gate at a price far below of market price. Limited access to information on the geographic distribution of market demand lead to product wastage and lower prices, particularly for perishables such as fish, milk and vegetables. Low volume and weak bargaining power act to both reduce product prices and raise input prices, reducing net farm income. Moreover, price risk reduces adoption of higher yielding seeds, lower fertilizer use, and lead to lower levels of local food production and income. Livestock disease outbreaks significantly reduce household assets, frequent flood and droughts lead to massive production losses. Scarcity of labor for agricultural activities has highly constrained the farming activities. Women's heavy workloads – or the intense demands on their time – constrain their ability to care adequately for themselves or their children, or get adequate rest during pregnancy. Further, exposure to indoor air pollution, especially smoke from fuel affects their health status and infant's birth weights.

68. These factors are increasing vulnerability of poor households in project locations. Hence, this component is designed in such a way that contribute the PDO by ensuring adequate access to sufficient nutritious food by developing longer term resilience to income and weather shocks through development of productive and market oriented smallholder agriculture and providing ample social protection for reducing the risks of rural households from engaging in higher return. Improvement in women's working condition through promotion of simple 'labor saving and drudgery reducing' technologies for women will also be undertaken

69. This component will finance activities focused on developing longer term resilience to disease and climate related shocks and income shocks and management challenges cropped up from scarcity of labor and increased workload of women. Such activities are distributed over following four sub-components: (i) Building resilience of farmer; (ii) Transfer

and Transection Cost Reduction; (iii) Women Workload Reduction and Labor Saving; and (iv) Post-production Management.

70. **Sub-Component 2.1: Building Resilience for Farmers**: The activities financed under this sub-component includes : (i) *prevention disease outbreaks* through routine vaccination, capacity building on emergency preparedness, establishment of early warning systems, developing contingency plan for vector borne livestock diseases and natural disaster induced hazards and awareness creation through mass media; (ii) *promotion of climate smart agriculture technologies* like e.g Urea deep placement, drought tolerant varieties, urea molasses mineral block (UMMB) feeding to livestock (iii) *establishing early warning system for food crop production* through investment in automatic weather station infrastructure and data reporting systems; capacity-building in agro-meteorology, crop surveillance, and crop estimation systems; (iv) *enhancing weather risk management capacity* through providing technical assistance in insurance product design and implementation; and support for the development of private crop and livestock insurance and (v) *Integrated pest management* for pesticide risk reduction; (iv) *strengthening systems for pest and animal disease surveillance*; and (iv) *upgrading infrastructure and laboratories* where justified by a large public good element.

71. **Sub-Component 2.2: Transfer and Transaction Cost Reduction:** This sub-component will finance the following activities: (i) *Upgrade and improve management of rural infrastructure* by providing support for construction and rehabilitation of rural access or feeder roads to connect farmers to markets; construction and upgrading of infrastructure like collection centres, s and market sheds; and investments in improved market management; (ii) *Improve collection and dissemination of market information*. by developing market information systems, including ICT, through private-public partnerships; technical assistance for provision of market-led advisory services; (iii) *Strengthen producer organizations* through technical assistance and demand driven funds; (iv) *Improve skills and access through contract farming* by providing competitive grant support.

72. **Sub-Component 2.3: Women Workload Reduction and Labor Saving:** This subcomponent promotes simple technologies that can save labor at farm for efficient field operations or reduces drudgery for women to liberate time for self and child care. This subcomponent will finance innovative labor saving devices, such as biogas plants, improved cooking stoves, solar dryers to preserve vegetables and fruits, handy agricultural tools, implements and small sized farm machinery like Power tillers, Thresher, Planters, Seed drills, Winnowers, Seed cleaners.

73. **Sub-Component 2.5: Post-Production Management:** This subcomponent will finance the following activities: (i) *Capacity building* of farmers, fishers, and dairy entrepreneurs, on better post-production storage, transportation, and management practices; (ii) Matching grants for investments in small-scale post-production infrastructure such as metal bins, chilling center, small-scale processing and drying equipment, cold stores, warehouse, pack house, ice plants;(iii) Support marketing cooperatives for storage and drying facilities so that the cooperatives can purchase various food grains directly from farmers and sale these food grains to other markets and consumer farmers.

Component 3: Improving Food Safety and Nutrition Security

74. This component of the project addresses the underlying causes of malnutrition by making the food system responsive to provide adequate, safe, diversified and nutrient-rich food, promoting food safety along the food chain, support for ongoing nutrition programs and promotion of health, hygiene and nutrition practices. Recognizing malnutrition as one of the health and human development challenges and understanding the greater role of agriculture and food security in improving nutritional status mostly of vulnerable groups, this project will facilitate in production diversification at household and community level and increase production of nutrient-rich foods through home nutrition garden, small-scale livestock and fisheries. This component will also enhance the food safety management practices among the small farmers, improve the processing, storage and preservation for prolonged access to and consumption of micronutrient-rich foods and integrate nutrition education for appropriate consumption and improve nutrition effects of interventions.

75. **Justification for Component 3**: Globally, a nutrition crisis as multiple forms of malnutrition has posed a serious threat to global health[27]. A quarter of all children under five years of age today are stunted, with compromised physical and mental capacities. Prevalence rates of overweight, obesity and diet-related chronic diseases are rapidly increasing. More than two billion people are micronutrient deficient. Only a third of all young infants are meeting the minimum dietary diversity standards needed for growth. Malnutrition associated with diets that are not nutritious or safe represents the number one risk factor in the global burden of disease and food systems are not responsive towards creating healthy and affordable choices for consumers. Current food systems are focused more on food quantity than quality; are not prepared well to cope with future long-terms threats and uncertainties namely climate change, rapid urbanization and competition for natural resources. Malnutrition undermines economic growth and perpetuates poverty. It is estimated that impact of

[27] A Report on *"Food systems and diet: facing the challenges of the 21st century"* by the Global Panel on Agriculture and Food Systems for Nutrition. September 2016

under-nutrition is 11% every year on gross domestic product (GDP). Young children, adolescent girls and adult women are particularly vulnerable to the health impacts of low-quality diet and other forms of malnutrition. Ensuring that adolescents, mothers and young children -- especially in the critical "window of opportunity" of the pre-school years -- have support for healthy diet, adequate nutrition, making choices and decisions about how income can be spent on food can have enormous impact on their health and development.

76. **Sub-Component 3.1: Nutrition Field School and Home Nutrition Garden:** Nutrition field school is a school based, participatory and skill oriented learning program involving a group of adolescent boys and girls enrolled in the secondary level of a school as an entry point to community for promotion of home nutrition garden, household level consumption of safe and healthy food, sanitation, hygiene, and food safety. Understanding underlying drivers for nutrition outcome span across different sectors namely agriculture and food security, health, education, early child development, social protection and water, sanitation, hygiene, this project will design, implement and evaluate the effectiveness of Nutrition Field School.

77. The project will collaborate with local schools and communities to establish such schools, where adolescents meet to learn, practice and adapt practical knowledge and skills related to home nutrition garden, production diversification, backyard poultry and fisheries, home based storage, processing and preservation, promotion of neglected nutritious crops, nutritious recipe preparation, consumption of diverse and healthy diet, food safety and hygiene, use of health and nutrition services and promotion of feeding and caring practices. This school will enhance the knowledge and skills of youth in nutrition sensitive agriculture and improved nutritional practices for consumption of diverse, safe and nutritious foods through discovery learning emphasized on participation, observation, demonstration, discussion, analysis and sensitization. Moreover, involving young people in agriculture will also contribute in making them realize the potential of agriculture sector in terms of income generation and livelihood improvement, which ultimately help to curb youth migration. The adolescents involved in the nutrition field school will be mobilized in the community to influence other people as well.

78. **Sub-Component 3.2: Promotion of Processing and Preservation Practices:** Nepal's policy assessment has identified post-harvest practices as one of the potential subsector in bringing out significant change in terms of addressing poverty and improving the food security situation of large number of people engaged in agriculture. Improving processing and preservation practices for vegetables, fruits and dairy at household level and for small businesses and cooperatives are essential to reduce post-harvest losses and can preserve the nutrient content of food. Appropriate processing, storage and preservation will make the farmers access to and consumption of nutrient-rich foods, reduce seasonality of food insecurity and improve food safety. This can help farmers for generating income as it can add value to crops, livestock and dairy products.

79. The project will support smallholder farmers for preservation and processing of locally available micronutrient rich foods and produce of home nutrition garden, backyard poultries and fisheries for making available diverse nutritious foods at the local level. The project will promote choices of processing method which conserves best micronutrient contents in the locally available fruits, vegetables, livestock and dairy products. Local processing and preservation methods will be used to demonstrate the role of household conservation practices in food security and nutrition.

80. **Sub-Component 3.4: Use of Nutrition Services and Promotion of Healthy Diet:** Diets and eating behaviors are influenced by many factors at individual, family and community level. Nutrition education and behavior change communication have a greater role in influencing the families, consumers and care takers for making healthier food choices and healthy diet. High rate of malnutrition is attributable to lower dietary diversity and consumption of healthy and nutritious diet and inappropriate feeding and caring practices in Nepal. The project will promote appropriate nutrition, health and hygiene practices through community education activities, public awareness campaigns and skill based trainings. The nutrition education will focus on promotion of healthy diet, dietary diversity, food handling and food safety, production diversity, encouraging cultivation and consumption of locally available nutrient dense foods, health risks of highly processed foods and of non-communicable diseases including over-nutrition. This activity under the project will complement the ongoing MIYCN related education and promotion activities by the health sector in the community. The existing health mother groups and other groups formed under the project will be used to carry out these educational activities in which the 1000-days groups and households will be ensured. In addition, the group will also be mobilized to seek and utilize existing health and nutrition services from the health facilities.

81. The project will promote the use of local horticulture produce and animal source food for improving the existing practices of diet through improvement in recipe development aimed to add variety, nutrient density and acceptability to the food preparation based on local culture and context with special focus on pregnant, lactating and children under 2 years of age to enhance dietary diversity and nutritious food consumption. The project will use every possible contact points under health and agriculture sector for recipe demonstration at the community level. In the first stage, the local recipes for family, pregnant and lactating women and children will be explored and assessed. Based on the assessment, the recipes will be improved and adapted to local cultural practices and tastes to promote consumption of micronutrient-rich vegetables and fruits. Beneficial traditional cooking and preparation practices will be promoted. During recipe

development, promotion of indigenous crops and cereals, legumes, beans, use of local vegetables, fruits and oil seeds in terms of dietary diversification will be emphasized.

82. **Sub-Component 3.5: Food Safety and Quality Management:** Inadequate knowledge on food safety is identified as the primary reason for exposure to unsafe food and water combined with poor hygienic quality of drinking water, food, milk and meat at the household level is a serious threat for the food safety in Nepal. Growing application of pesticides, increasing health risks due to antibiotic residue in food and subsequent food and water borne illnesses are of major concerns for the larger population in Nepal. Government of Nepal has emphasized to ensure preventive or pro-active food quality and safety management system in the entire food chain.

83. The project will protect consumers against various kinds of hazards present in food by The project will strengthen food safety enhancement and quality management system by supporting producers to make food safe, training producers, processors, food handlers and consumers for healthy and safe food. The project will also sensitize and advocate with policy makers and program implementers on food safety and promoting food hygiene at each stage of food chain. This subcomponent will finance for building the capacity of government functionaries and actors along the food chain on food safety and hygiene for protecting consumers against various kinds of hazards present in food; training and communication to raise stakeholder awareness through media and advisory services; promoting Good Agricultural Practices (GAP) and Good Animal Husbandry Practices (GAHP); improving systems for grades and standards and their application by providing support for design and putting in place of systems for grades and standards associated with quality; and supporting for design and putting in place of certification schemes and branding activities.

Component 4: Technical Assistance, Capacity Building and Project Management

84. This component will contribute to attainment of the PDO by ensuring that (i) interventions undertaken under the project are properly planned, coordinated and aligned with project design and development objectives; (ii) implementation and institutional arrangements and activities are in line with relevant fiduciary and safeguards policies, procedures and standards; and (iii) there is due monitoring, oversight and reporting of project implementation and the resulting outputs and outcomes. The activities to be financed under this component are organized under following three sub-components: (i) Project offices and Technical Assistance; (ii) Human resource management; (iii) Monitoring and Evaluation arrangement.

85. **Sub-Component 4.1: Project Offices and Technical Assistance:** The project will finance (i) the establishment and operation of a Project Management Unit (PMU) (ii) mobilization of a technical assistance team (iii) two Cluster Project Support Units (CPSUs); and (iii) 14 District Project Support Units (DPSUs). In addition to PMU team from GoN side, there will be a team of experts providing technical assistance service and will comprise of various specialist/experts. FAO will be requested to deliver part of the Technical Assistance under a sole source agreement. The overall objective of the technical assistance will be to fill capacity gaps and add value to the multi-sectoral partnership within the specific objectives of the AFSP. A technical assistance team will be recruited to support and assist project management unit at national, cluster and district level.

86. **Sub-Component 4.2: Human Resource Management:** Under this sub-component, the activities to be financed includes: (i) *Deployment of Project Staffs* in project areas and their mobilization; (ii) *Training and Capacity Buildings of Project Staff*. The project will hire the services of one Project Agriculture Technician (PAT), one Project Livestock Technician (PLT) and one Project Nutrition Cadre (PNC) for each local administrative unit through a local NGO as local service provider. Such technicians will be largely responsible for mobilizing the beneficiary groups (BGs) and coordinating the project interventions at the community level. These BGs will be the entry point for project activities in a village (a village could be whole ward or more than one ward in a VDC). Such groups will be formed and mobilized as per the agreed criteria and in consultation with concerned implementing agencies viz. agriculture, livestock and health. Service providers, working under the guidance of relevant implementing agencies, will provide support services to the groups. The frontline project staff will support the entire activity cycle of the group of their specialization and assignment, starting from sensitization about the project, community needs assessment, group formation/mobilization, establishing group activity plans, helping with group learning/training/exposure visits, to participatory monitoring and establishing post-production links with relevant stakeholders. They will work for the district level functionaries of relevant implementing agencies to ensure smooth planning and implementation of project activities. The beneficiary groups will be supported by local service providers. For nutrition related interventions, *Female Community Health Volunteers* (FCHV) will also be mobilized in close coordination with the health sector.

87. **Advocacy, Training and Capacity Building:** The project will build the capacity of policy makers, program managers and implementers on agriculture, food and nutrition security related policies, strategies and frameworks for effective programming, implementation and policy and programmatic analysis. Cascade approach for training to government staff, project staff and local service providers. Relevant resource agencies (including national and international NGOs) will be hired to develop program guidelines, training modules/materials; organize Training of Trainer (ToTs); support district level training programs; and provide overall oversight for ensuring quality of training and capacity building effort, if deemed necessary.

88. **Sub-Component 4.3: Monitoring, Evaluation and Knowledge Management:** A systematic monitoring and evaluation system will be in place for implementation effectiveness, identification of best practices for scale-up, improving service delivery, planning and allocating appropriate resources, undertake learning for mid-course corrections, and evaluate project outputs and outcomes. The project will have a three-pronged approach towards M&E processes: (i) internal monitoring by each line department and agency involved in project implementation; (ii) participatory monitoring by beneficiaries, beneficiary organizations and concerned stakeholders: and (iii) concurrent independent external M&E and social audit. Furthermore, the project will carry out impactful review work, operational research and disseminate for advocacy on sustainable agriculture, food and nutrition security. The verification/validation of crucial information on project activities, processes and outputs will also be carried out. A web-based Project Management Information System (PMIS) will be created and linked to contribute government agriculture, food and nutrition security information system.

2.4 Implementation arrangements

89. The project takes an integrated, cross-cutting approach to strengthen household level food and nutrition security. Accordingly, the implementation arrangements are designed to serve the four needs: effective coordination at all (central, regional, district and local) levels, marshalling implementation support at the district and sub-district levels, partnership with other development partners for leverage and use of area-based service providers, and involvement of the local community in project design, implementation, monitoring and evaluation.

90. The MoAD will be the lead implementing agency. Ministry of Livestock Development (MoLD) and Ministry of Health (MoH) will be the implementing partners of this project. The project will also collaborate with other concerned ministries, sectoral departments (Department of Agriculture, Department of Livestock Services, Department of Irrigation, Department of Health Services, Department of Food Technology and Quality Control), other relevant public (Nepal Agriculture Research Council, National Seed Board) and private agencies including non-governmental organizations for implementation of interventions. A project-specific coordination mechanism involving all concerned stakeholders will be created at all levels for inter-sectoral as well as inter-ministerial coordination. The coordination structures envisioned in the ADS and MSNP will also be actively utilized.

91. Relevant sectoral implementing agencies (District Agriculture Development Office, District Livestock Service Office, District Public Health Office) at the district level will lead the implementation of their respective area interventions. The District Agriculture Development Committee (DADC) will be used for coordination, key decisions related to planning, resource allocation and implementation of project activities. Farmer organizations, cooperatives and civil society groups, especially innovative and active service providers will also be involved during the implementation. In case of input delivery and market leverage, relevant private organizations will also be involved. The project beneficiaries mainly farmers' groups, women groups, disadvantaged communities, producer groups will be centrally involved in detailed, area-and need-specific design, and implementation of project activities. The role of farmer organizations and local civil society groups for planning, monitoring and evaluation of project implementation will be crucial. With the enforcement of federal structure, the implementation arrangements will accordingly be adjusted.

92. The current GAFSP funded AFSP has functional and effective coordination mechanism at central, regional and district level. The coordination structure for Food and Nutrition Security under the MSNP has also resulted into better results. These have enhanced the capacity of government institutions for coordination, joint planning, effective implementation and joint monitoring for quality results from the interventions. It is expected that such multi-sectoral coordination structure will contribute in minimizing the resource duplication, effective execution of the plan and for desired outcome. This will also help government officials in terms of their enhanced communication skills and for planning and implementation of multi-dimensional interventions.

2.5 Amount of financing requested and timeframe for implementation

93. This will be an investment project with technical assistance. The overall ADS implementation cost is estimated at USD 528.2 million annually. The PDRF estimates an added annual requirement of USD 146.8 million for earthquake-hit districts. The overall cost for this project is estimated at USD 60 million. Of this, USD 48 million is requested from the GAFSP Trust Fund as a grant. The GAFSP contribution would be matched by a USD 12 million contribution by the Government of Nepal.The project cost estimation is largely based on the experience from GAFSP funded AFSP activities. Other factors such as scale of interventions planned, beneficiaries number reached, proposed project area covered and the end-of-project target achieved have been taken into consideration.

Table 3: Estimated Project Cost by Component (in USD million)

Proposed component	Total Cost	GoN Contribution	GAFSP Contribution	Priority (*** high priority)
1 : Technology Development, Adaptation and Income Generation	21	4.8	16.2	**
2 : Leveraging in Market and Reduction of Risk and Vulnerability	18	3.8	14.2	***
3 Improve Food Safety and Nutrition Security	12	2.5	9.5	***

4 : Technical Assistance, Capacity Building and Project Management	9	0.9	8.1	***
Total Project Cost	**60**	**12**	**48**	

The requested amount of financing will complement the GoN's financing for the ADS implementation. This cost will not displace other donor or private sector financing. With respect to other donor-funded ongoing agriculture, food and nutrition security related projects and programs[28] in the country; this will complement their efforts avoiding any duplication of resources. Most of the districts selected for this project are not covered by these projects except PACT.

2.6 Preferred Supervising Entity

94. Given an extensive country experience of investment in development sectors and its strong position to support the GoN for increased, inclusive and sustainable growth and development in Nepal, the World Bank is selected as the Supervising Entity. The Bank has, for long, been providing their support for investment in Agriculture, Rural Development, Food and Nutrition Security and Health sector projects and programs in Nepal. Their technical support for project management, monitoring and evaluation and partnership experience with different government agencies and other development partners has been instrumental in the country. They also have well- established administrative capacity which will help for close monitoring of the project activities that ensure effective and timely implementation of the project. The Food and Agriculture Organization of the United Nations (FAO) has proven institutional capacity and technical expertise in the field of agriculture, food and nutrition security, rural development and livelihood. They have been providing support to the government in agriculture and other relevant development sectors for long and have successfully implemented numerous projects and programs in close collaboration with different government agencies. Under the Technical Assistance to current GAFSP funded AFSP, FAO has successfully managed to mobilize its human resources from central to local levels for technical backstopping and capacity building for quality implementation of project interventions. FAO is chosen to provide technical assistance for this project.

2.7 Post project sustainability and exit strategy

95. The project operational modality will be designed in such a way to enhance the capacity of government institutions and human resources to be able to own the successful interventions. The approach will be adopted to increase the likelihood by aligning the activities with the existing programs/interventions from the government system, imbedding delivery mechanism in the local systems and by designing programs to be self-sustaining. These will be achieved by involving the beneficiaries and concerned stakeholders actively, creating demand for the services, adequately developing the skills of beneficiaries, post-project monitoring and adopting a system strengthening mechanism.

- **Project asset and services:** The assets from the project will be embedded into the government system, which will increase the effectiveness as well as efficiency of the government institutions for quality service delivery. A clear set of criteria considering the willingness, commitment and capacity of the community will be used to involve the beneficiaries. The cost effectiveness of the modality will be given a due attention both from supply and demand side. The innovative and committed beneficiaries' groups will be capacitated for small entrepreneurship for economic sustainability. The service delivery mechanism will be adjusted as per the government service delivery system. Feasible and simple technologies and interventions will be provided to the beneficiary groups so that they can continue with the activities. The main issue with financial sustainability arises potentially with regard to funds for maintenance of facilities, structures and equipment that may be financed under the project. In this regard, during project design due care will be taken to ensure that available mechanism is developed whereby the government can commit to provide the necessary operation and maintenance for any long-term assets acquired or rehabilitated under the project. As such, only a relatively small amount of project resources may go into assets for which the maintenance responsibility would lie outside the community.
- **Institutions and management structure:** All the institutions and management structure for this project purpose will be created in line with the government policies without conflicting with any rules, regulations and law. Already existing structure will optimally be utilized from the project purpose. The groups under the project will be formed in line with government set of criteria and train them so as to provide basic technical support and extension services after the project. The M&E system will be aligned in the government's regular M&E system and post-project monitoring and supervision will be carried out by the government structures. Environment and social safeguard action plans will be included in the district and community level activities in the long run.
- **Social access and inclusion:** The project will aim to engage the most vulnerable and disadvantaged groups, small and marginal farmers and women and build their capacity and empower them during the project implementation for basic technical aspects of farming, access to information about services from government agencies and making them aware about their rights in order to access services even after the project. A sound post-project social mobilization plan will be developed, which will help for the community groups to guide for their participation and to access the services in a group. The project will invest in training and capacity building to

[28] Please refer to the list of past major donor funded agricultural project sizes ($m) and implementation status in annex

ensure relevant knowledge and skills are imparted to these groups so as to seek the services even after project closure.

2.8 Risk and risk management

96. A thorough and systematic process was adopted to carry out risk assessment involving all concerned stakeholders. All possible risks were explored and assessed by a team of experts and thoroughly discussed with participants (list attached in annex) during consultative meetings both at central as well as local levels. The risks were ranked in consensus with all the participants and verified by the higher authority people at government agencies. Possible mitigation measures were also sought and discussed. The team identified following six major risks for the project. The risk mitigation measures and its level after application of mitigation measures is given in table below.

Risks	Risk Mitigation Measures	Risk After Mitigation
Macro – instability: Political stalemate	The project has adopted design features that have proved resilient in the face of instability and law and order breakdown. The design features include communities. Organized farmer group and the private sector being given a greater role in the decision making process of project funds and in implementation of project activities (experience with on-going project show that these have proved more resilient)	Medium
Weak Coordination: Coordination between line departments is weak or ineffective, adversely impacting implementation.	MOAD will establishProject Management Unit for effective project implementation and to help coordinate planning and implementation of project-related activities; and District implementation and coordination Committee, which includes district level departmental officials, Private sectors representatives (Chambers, NGOs and Farmers) will be formed to coordinate and monitor project implementation at the district level. MOAD will coordinate with all related agencies and institution.	Low
Limited implementation capacity:	The proposed operation will give due emphasis to building up implementation capacities through an inclusive, pluralistic and reliable network of service providers. Capacity building and skill enhancement will be undertaken through short long- term training.	Medium
Benefits Capture: Project benefits are captured by local elites due in week selection processes political interference.	• An information and education campaign will be undertaken in the project area to explain the projects objectives, activities. And the selection criteria well before the actual selection of beneficiaries. • Transparent (pro-poor) beneficiary selection criteria will be designed and widely advertised. • The beneficiary list will be prepared and publicly displayed in appropriate places, including the project website. Prior to the commencement of reclamation works. • Role of brokers for market linkage will be discouraged.	Low
Community involvement: Local level capacities for planning and social activities is weak	• Support organization will be hired to mobilize community groups and their capacities to implement relevant project activities. • Partnership will also be sought with innovative private sector players, especially through the proposed Innovation Forum. • A program of training and cross-learning from other successful community-focused livelihoods projects will be developed to build skills and capacities of project implementation staff at the field level. • Group formation and community institution building will follow a "graduation model". With clearly demarcated stages allowing for capacity assessment and mid-course corrections.	Low

2.8 Consultation with Local Stakeholders and Development Partners

97. The proposal for GAFSP Funding are conceived as directly resulting from the objectives for agriculture and food security outlined in the ADS (2015 to 2035), the Three Year Plan (TYP) (2014/15 to 2015/16) of GoN, FNSPA and ZHCNAP in line with the Constitution of Nepal (provision of right to food and food sovereignty), and the National Agriculture Policy 2004.

98. The Agriculture Development Strategy (2015 to 2035), which is the 20 years Country Investment Plan followed a Participatory Process of Consultation from the beginning of the preparation and undertaken series of activities including : (i) Policy Roundtables (with NPC, Farmer Organizations, Private Sector, NGOs, Former finance Ministers); (ii) Policy Retreat; (iii) National Workshops (4 events); (iv) Regional Workshops (13 events); (v) Thematic Group Meetings (30 times); (vi) National Conference (1 event); (vii) Public Dialogues with media, farmer organizations, and civil society (9 times); (viii) Key stakeholder interviews (about 4,000); (ix) Project Steering Committee Meetings (7 times); (x) Focus Group Discussions at the village level (total 20of which 5 irrigation, 3 social, 3 trade, 3 women, 3 research and extension, 3 academia); (xi) Experts assessment; (xii) Submission to Ministry of Agricultural Development; (xiii) Formation of ADS Advisory Committee and Technical Committee in the ministry; (xiv) Wide dissemination of the report through website and national papers; (xv) Peer review by the experts; (xvi) Consensus with National Peasant's Coalition; (xvi) Final Regional consultations (2 event) and National workshop (1 event); (xvii) Suggestions from AWRC-LP and NPC incorporated; (xviii) Submission to the cabinet for approval; and (xix)Approval by the Economic and Infrastructure Committee of the Cabinet as mandated by the cabinet with suggestions incorporated rose during the meeting (ADS Final Report page no.22-23).

99. Following to the ongoing process of Nepal in achieving food security through its policy and plan documents mentioned above, GAFSP Trust fund is taken as a complimentary window to narrow the funding gap in ensuring food and nutrition security. In order to prepare proposal for fourth call of GAFSP funding, a technical coordination committee was formed by MoAD including Government officials, FAO officials and members of Nepal Peasant Coalition. Under this committee,10 member working team encompassing AFSP officers, FAO TA experts and Experts from MoAD, DoA and DLS were formed to draft the proposal.

100.To this, a brainstorming session from GON, donors, civil society organizations, and the private sector was held in Kathmandu on Nov.25, 2016. A prioritizing exercise was held to identify the main areas and components of the GAFSP proposal. Feedbacks on the draft proposal were received from a workshop organized at Bardibas in Dec 23 2016 and chaired by Joint Secretary of MoAD. 35 participants, representing the private sector NGOs, farmer organizations and related sectored ministries and departments attended the workshop. A national validation workshop was conducted on Dec 26, 2016, chaired by Secretary of MoAD in presence of Hon. Agriculture Minister and consensus on draft proposal build with National Peasant's Coalition. The outcomes were discussed in a steering committee chaired by the Vice Chairman of the NPC and with the donor.

101.This document has been endorsed by the donor Food Security Technical Working Group on January 5, 2017.

Declaration by the Government and Donor Food Security Technical Working Group

Suroj Pokhrel
Secretary
Ministry of Agricultural Development

Government of Nepal
Ministry of Agricultural Development
Singhadarbar

Andreas Roettger
Head of Cooperation
European Union Delegation to Nepal

Krishna Bahadur Mahara
Minister
Ministry of Finance
Government of Nepal

Government of Nepal
Ministry of Finance