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USAID/NEPAL FLOOD RECOVERY PROGRAM

QUARTERLY PERFORMANCE REPORT #11
OCTOBER 2011 – DECEMBER 2011





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COVER PHOTO: USAID-NFRP is working to improve incomes, food security, and health and nutrition for rural farmers by introducing good agricultural practices that increase yields of high-quality crops.

Photo by Fintrac Inc.

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QUARTERLY REPORT

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SECTION 1: EXECUTIVE SUMMARY

This is the eleventh quarterly report of the USAID/Nepal Flood Recovery Program (USAID-NFRP) covering implementation and results for program components per Task Order No. EDHI-04-05-00007-00. The report summarizes activities from October 1, 2011 to December 31, 2011.

USAID-NFRP works with food insecure communities throughout the Terai and Hills regions to increase farmer productivity and income, rehabilitate and develop small-scale community infrastructure, and improve awareness of sanitation, nutrition, gender, and protection issues. Under Phase III, which began in March 2011, USAID-NFRP is currently focused on improving the food security of communities in the Far Western region through targeted assistance in commercial agriculture, nutrition, and productive infrastructure. Project achievements in these new areas include:

- **Coverage Area:** Providing technical assistance and improved technologies on 749 hectares for food security and high value crop initiatives, and on 75 hectares for home gardening in 132 wards of 29 program village development communities (VDCs). Formed 364 irrigation clusters from 3,101 commercial agriculture farmers and 110 home garden groups from 2,259 households selected for nutrition and hygiene assistance.
- **Training of Farmers and Home Gardeners:** All 3,101 commercial agriculture farmers, including 1,070 women, have been trained in nursery preparation, production techniques, integrated pest management, pre and postharvest handling, and marketing management. The full syllabus for nutrition awareness, home gardening, and postharvest management was also completed for the 2,259 home gardeners and all 75 hectares have initiated the second crop cycle.
- **Irrigation:** Completed installation of 99 shallow tube wells with motorized pumps. Initiated construction of five surface irrigation systems in Dadeldhura.

The program's updated performance monitoring plan (PMP) is attached in Annex II. This document and all other project publications are available to USAID through the password-protected USAID-NFRP intranet site: www.fintrac.com/nfrp. A public access site is accessible at www.usaid-nfrp.org.

SECTION 2: IMPLEMENTATION

2.1 PROGRAM DESCRIPTION

USAID-NFRP works with flood-affected communities throughout the Terai region to increase farmer productivity and income, rehabilitate and develop small-scale community infrastructure, and improve awareness of sanitation, nutrition, and gender issues.

Initially a 24-month activity designed to respond to the 2007 floods, USAID-NFRP received a 10-month extension from USAID/Nepal on October 21, 2009, to expand program operations to regions affected by the 2008 floods. Activities implemented in the 2007 and 2008 flood-affected districts are referred to as Phase I and Phase II, respectively.

On March 9, 2011, recognizing USAID-NFRP's level of accomplishments over a three year timeframe with a team that can effectively leverage local organizations and individuals to carry out program activities, USAID extended the program for an additional 18 months. The extension focuses on improving food security by expanding training to farmers in new food production technologies, linking producers to markets and input suppliers, and addressing infrastructure constraints including roads, bridges, and irrigation access. The second extension period is referred to as Phase III.

USAID-NFRP is implemented by Fintrac Inc. in partnership with Nepal-based METCON Consultants, FORWARD, and a diverse group of local and national-level nongovernmental organizations (NGOs) and private contractors.

2.1.1 Geographic Focus

Phase III – USAID is refocusing its economic development programming to meet the objectives of its Feed the Future initiative, which is designed to increase the availability, access, use, and sustainability of food for families in developing countries like Nepal. USAID/Nepal's Feed the Future initiative will address food deficits that affect 43 out of Nepal's 75 districts, childhood stunting and wasting that are some of the worst cases in the world, and a per capita income that is the lowest in all of Asia. USAID-NFRP will continue its work in the Feed the Future target districts of Kailali and Kanchanpur and extend to Dadeldhura to increase agriculture productivity and incomes, expand market linkages and trade, and improve the nutritional status of households.

Figure I: USAID-NFRP Coverage

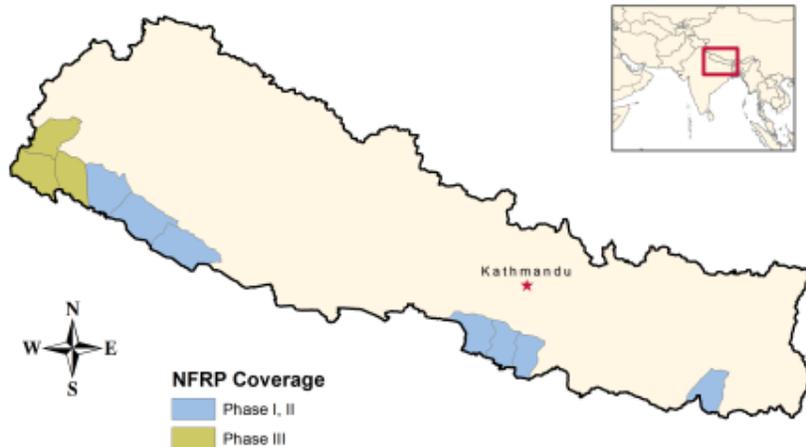
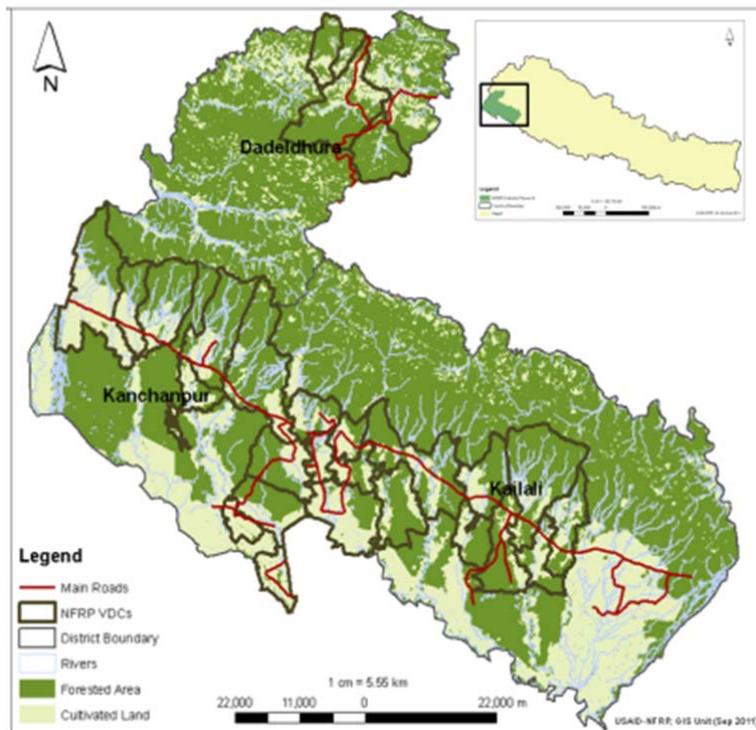


Figure 2: USAID-NFRP VDCs and Municipalities in Phase III

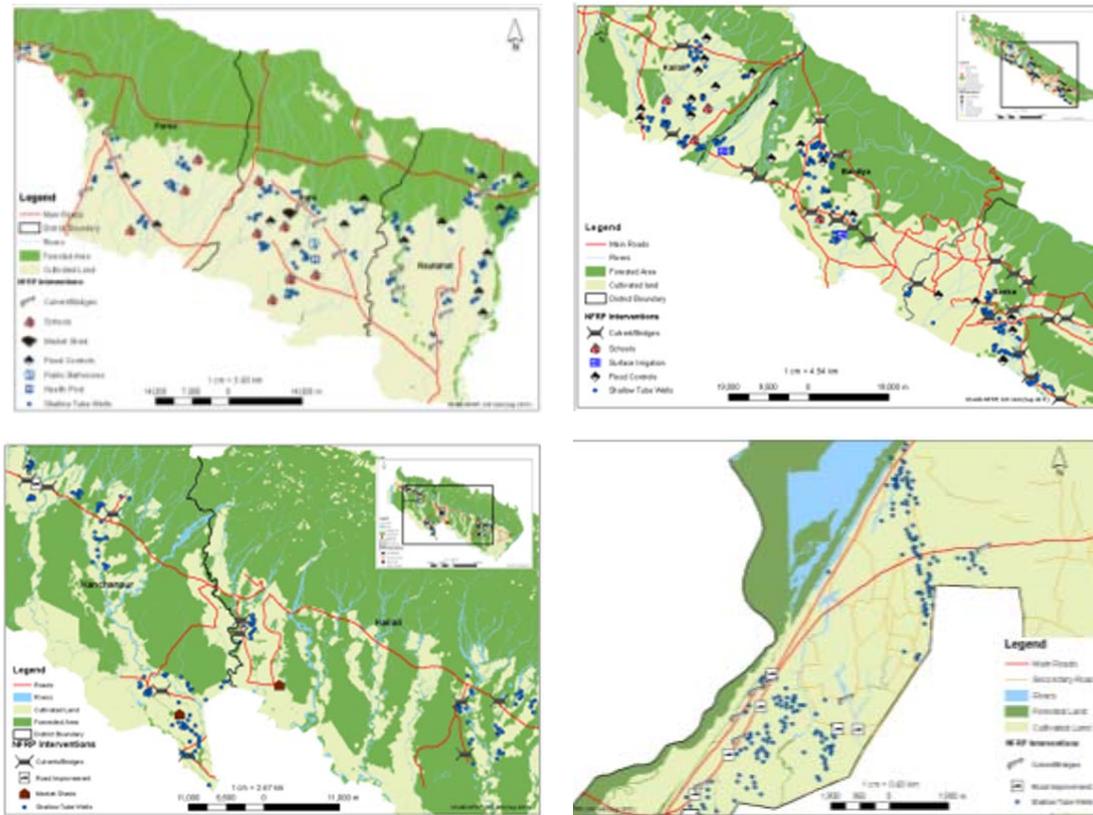
Within each VDC, clusters of communities were prioritized for intervention based on selection criteria that analyzed population, social composition, vulnerability, availability of viable farmland, farmers' willingness to participate in the demonstration farming program, and farmers' commitment to sharing the cost of key productive inputs.

USAID-NFRP has now been operational in nine districts throughout the Terai: Sunsari in the Eastern region; Parsa, Bara and Rautahat in the Central region; and Kanchanpur, Kailali, Bardiya and Banke in the Mid/Far Western regions, as well as one Hills district, Dadeldhura.

| Table I: USAID-NFRP VDCs and Municipalities in Phase III | | |
|---|----------------|-----------------|
| Far Western Region | | |
| Kailali | | |
| Beladevipur | Chaumala | Darakh |
| Dhangadhi municipality | Geta | Malakheti |
| Masuriya | Pahalmanpur | Ramshikharjhala |
| Sandepani | Shreepur | Udasipur |
| Urma | | |
| Kanchanpur | | |
| Baisebichawa | Bhimdutta | Daijee |
| Jhalari | Kalika | Krishnapur |
| Parasan | Pipladi | Raikwarbichawa |
| Suda | Tribhuvanbasti | |
| Dadeldhura | | |
| Samaiji | Amargadhi | Asigram |
| Ajaymeru | | |

Under Phases I and II, USAID-NFRP operated in eight districts throughout the Eastern region, Central region and Mid/Far Western regions. Through a comprehensive process of field assessment, 76 VDCs were selected for program support based on the severity of flood damage and levels of vulnerability. Within each VDC, clusters of communities considered most affected (varying in size, population, ethnic and social composition) were prioritized for intervention.

Figure 3: Concentration by District in Phases I and II



2.1.2 Performance Indicators

Phase III began on April 1, 2011, in the Far Western districts of Kailali, Kanchanpur and Dadeldhura to:

- **Improve agricultural productivity** by supporting the progress of 2,700 farmers and 800 hectares of demonstration plots for an additional three crop cycles. The program will also strengthen the ability of VDC-based producer groups to expand market linkages and trade in a larger range and quantity of products. **Anticipated results** include a sustainable 300 percent increase in beneficiary farmers' annual incomes, \$3.2 million in increased net sales, and more than 125,000 days of surplus on-farm employment.
- **Improve nutrition** in targeted communities by introducing home gardens and providing training on the importance of incorporating a variety of products into the diet that address caloric, vitamin, and mineral deficiencies. **Anticipated results** include 2,200 home gardens covering 75 hectares, and 4,900 households (30,000 people) with improved access, availability, and utilization of a more diversified daily diet.
- **Improve productive infrastructure** that directly supports USAID-NFRP's agriculture beneficiaries in targeted districts. Projects include construction of market sheds for product consolidation, grading, and marketing – which will increase market efficiencies, as well as

surface irrigation systems in the Hills that will open up more than one hundred hectares to water access, enabling year round cultivation.

2.2 APPROACH AND METHODOLOGY

USAID-NFRP's approach to flood recovery and food security, and the methodologies applied to each of the program's five components, have evolved periodically under the three, partially overlapping programmatic phases (Phase I: May 2008 to June 2010; Phase II: October 2009 to July 2011; Phase III: March 2011 to August 2012).

USAID-NFRP's top priority is to deliver an integrated package of quality services, inputs, and training opportunities that directly responds to the immediate needs of flood-affected clients (beneficiaries) and also strengthen client capacity to manage future physical, economic, or social threats. USAID-NFRP uses a participatory approach to program implementation, working directly to build community capacity to coordinate and mobilize interventions. The program staff is responsible for identifying, competitively hiring, and managing local organizations and companies to implement technical assistance, training, and construction activities. By implementing program activities in partnership with these grassroots Nepali organizations, many of which are based in or near the targeted VDCs, USAID-NFRP ensures there is a constant local presence at each program worksite. This achieves more effective interventions from a broader range of community members, provides more opportunities for direct feedback regarding program impact, and builds local capacity.

USAID-NFRP's initial strategy for the infrastructure component was to rehabilitate existing small-scale infrastructure or develop new projects (river protections, flood controls, culverts, schools, bathrooms, roads, and irrigation systems) that have been identified by a targeted community as the highest priority for their overall well-being. In Phase II, the component was modified to focus exclusively on rehabilitating or constructing infrastructure that directly supports and complements the economic development efforts of the program's agricultural beneficiaries. A similar approach is being applied to Phase III worksites, but the limited funding requires that the focus be on agricultural infrastructure such as surface irrigation, collection centers, and markets that are more cost-effective and provide immediate benefits to emerging commercial farmers.

USAID-NFRP's approach to commercial agriculture under Phase III, previously termed Livelihoods and Income Generation (LIG), is to provide intensive, hands-on food production, marketing training, and financial assistance to selected small farmers in targeted VDCs for three off-season cropping periods. The program introduces these farmers to new technologies and approaches in crop production and postharvest handling, as well as market price information and linkages. At the end of the 18-month program intervention, each farmer is able to sustain a farm using this new technology and replicate the model within their communities by using their farms as demonstration sites.

Components 3, 4, and 5 are sanitation, hygiene, and nutrition; strengthening of local organizations; and protection of women and children. These components are implemented by local NGOs that carry out capacity-building and awareness training activities while USAID-NFRP serves as the technical leader and manager.

Gender Mainstreaming – USAID-NFRP has emphasized the importance of women's participation in all program activities by focusing on empowering women with equitable access to training, production, markets, and income opportunities. Throughout the three phases, the program has ensured that at

least 35 percent of all LIG/commercial agriculture participants are women with demonstrated leadership roles in their families and communities. In addition, 76 percent of all participants in the three social inclusion components were women.

2.3 REPORTING PERIOD ACTIVITIES

Under the terms of the Phase III extension, USAID/Nepal has requested the Fintrac/USAID-NFRP team to:

- Continue its ongoing program with participating commercial agriculture farmers in the 12 VDCs of Kailali and Kanchanpur districts.
- Expand program support to neighboring communities within the same districts.
- Test Fintrac's land-based model for agricultural development in the adjacent Hills district of Dadeldhura.

Program implementation under Phase III began officially on April 1, 2011. The following details the progress in mobilizing program activities in the Phase III worksites through December 31, 2011.

Commercial Agriculture

Program worksites and land coverage

USAID-NFRP currently operates in 29 worksite VDCs across the three districts (13 in Kailali, 12 in Kanchanpur, and four in Dadeldhura), supporting 749 hectares of demonstration farms, including 649 hectares in Kailali and Kanchanpur, and 100 hectares in Dadeldhura.

Participant farmers

A total of 3,101 farmers (35 percent women) are organized in 363 irrigation clusters, with each cluster ranging from five to 15 farmers. Irrigation clusters were organized into production groups with a range of three to 11 clusters per group.

Thirty-one percent of all participating farmers are between the ages of 18 to 29 years and 36 percent are 30 to 40 years of age. Seventy-seven percent are from indigenous groups, 19 percent from other castes, and 4 percent Dalit.

Training program

By the end of December, all 3,101 commercial agriculture farmers, including 1,070 women, completed the full training program for the first crop cycle (nursery preparation and use, production techniques, integrated pest management, pre and postharvest management, and marketing management).

In early October, USAID-NFRP conducted the second training-of-trainers event for the 33 field technicians that work and live in current Phase III worksites. The training focused on identifying viable crop varieties for the second crop cycle, troubleshooting common programmatic challenges, and improving farmer groups' access to reliable inputs via local suppliers (agro-vets). Trainings for the second crop cycle began in late November and by the end of the quarter, 232 farmers had already completed all six courses, with the remaining farmer trainings scheduled for completion by March.

Groundwater Irrigation systems

USAID-NFRP continues to promote groundwater irrigation in the Terai through shallow tube wells and motorized pumps in order to allow for counter-seasonal production during the dry season. USAID-NFRP has changed the brand and model of the motorized pump (increasing capacity from 5 HP to 8 HP), thus maximizing its effectiveness and sustainability. Although this has more than doubled the cost of previous installations, USAID-NFRP has also increased the cost-sharing requirement for farmers from 25 to 40 percent, effectively testing the threshold at which poor farmers are able to participate in the program.

Co-investment from farmers to pay for the cost of irrigation, improved technologies, and agricultural inputs has increased significantly in Phase III. To date, \$33,794 has been collected from farmers to pay for the cost of the groundwater irrigation installations, and a remaining \$11,947 will be paid by the end of February. Farmers also contributed \$30,247 for agricultural inputs in the first crop cycle and will pay more than double that amount in the second cycle.

USAID-NFRP promotes irrigation clusters with a maximum of 2.5 hectares of demonstration plots per shallow tube well. This ensures participant farmers are able to produce and sell surplus irrigation water to their non-participant neighbors, up to an additional four hectares. In some cases, participant farmers do not require a full groundwater installation (well and pump) because they already have access to either a well or a pump, or alternatively can access year round water supply from nearby streams. Each case is treated differently and USAID-NFRP only supplies the equipment or infrastructure necessary for farmers to irrigate their crops year round. This approach will ultimately save up to 20 percent from original budget estimates.

By the end of December, 99 groundwater irrigation installations were completed and the remaining 35 installations will be finished in February. In addition, 30 of the planned 74 sheds were constructed to provide permanent protection to the pumps and wells.

Surface Irrigation systems

As always, USAID-NFRP's approach is to support low cost/high output technologies that can offer farmers reliable year round access to irrigation water. In analyzing the options in the Hills, from traditional gravity-fed systems on one extreme to rainwater water catchments and drip irrigations on the other, the infrastructure team determined that neither would be cost-effective to adequately promote irrigated, high-value crop production. Consequently, the team selected and designed hybrid systems that utilize the infrastructure of preexisting gravity-fed systems while also applying low-cost alternative technologies, such as submersible pumps and inlaid piping, that expand the area under irrigation, dramatically reduce water seepage and evaporation, and are easy to maintain and repair.

Four piped irrigation systems and one lift/piped system were selected for USAID-NFRP support in the Hills area of Dadeldhura. Construction of all five systems began in December and will be completed within six months.

An irrigation user's manual for both field technicians and irrigation groups was developed by USAID-NFRP in September, providing easy-to-read guides on surface and groundwater systems maintenance, operations, and organizational management.

Inputs provision – Voucher system with agro-vets

Accessing inputs from reliable suppliers is a common challenge in rural Nepali communities. Where agro-vets exist, they often lack the necessary supplies required by farmers to sustain high-value vegetable production, not to mention deficiencies in availability or technical support. Despite these challenges, many small agro-vets do operate as serious businesses and are eager to expand their clientele. USAID-NFRP conducted a survey of 85 local agro-vets operating within the three districts to determine which were qualified to collaborate more directly with the program. The objective is to strengthen the relationship between agro-vets and USAID-NFRP's farmers and improve agro-vets' knowledge and understanding of the transition farmers are going through as they scale up productivity and convert to high value vegetable production. This will allow agro-vets to adapt their provisions to a new and growing market opportunity in the form of program-supported farmers that are achieving significantly higher levels of production than in previous years.

Based on the survey's finding, a total of 15 agro-vets were selected to participate in the inputs distribution program. A series of meetings was held with the selected agro-vets in November to determine how to implement the program most effectively, while maintaining high standards and ensuring sufficient supply of inputs throughout the second crop cycle. Ultimately a voucher system was selected, where coupons are provided to farmer groups in order to purchase the required seeds and supplies from their designated agro-vets. Each coupon, however, will only pay for the co-investment amount that USAID-NFRP has committed (50 percent in the second crop cycle). The remaining amount will be paid directly by farmers, and supplies will not be distributed until agro-vets receive full payment. Through this process, the agro-vets and farmers both learn of each other's situation. Agro-vets immediately learn of farmers' current demands (second cycle) and are able to work with them to determine the inputs they will require for future production (third cycle and on). Farmers, at the same time, develop a sense of trust and familiarity with their local suppliers, which provides the foundation for a long-term business relationship that will go well beyond the duration of USAID-NFRP.

Market development

From December 8-17, USAID-NFRP assisted the Federation of Nepalese Chamber of Commerce and Industries and the District Agriculture Development Office of Kailali in organizing a regional trade festival titled "Economic Development for Sustainable Peace" in Dhangadhi municipality of the Far Western Region. The event was an opportunity to showcase and promote the products and services available from and in the region, with the agriculture sector prominently highlighted. The week-long festival greatly facilitated interaction and agreements between potential producers, traders, and buyers. USAID-NFRP's farmers set up several stalls displaying their produce and the program's integrated efforts to increase agriculture production and improve nutrition for the most vulnerable populations. The agriculture exhibition ended with a competition that identified the best vegetable products and producers of the Far West. Out of the 12 categories on which the farmers were evaluated, USAID-supported farmers received the first prize for 11 categories, including productivity, quality, taste, and size.

Inaugurated by the President of Nepal, Dr. Ram Baran Yadav, the festival received thousands of visitors each day and was a great opportunity to highlight the contributions of USAID's Nepal Flood Recovery Program.

Project specialists are currently working with 14 local markets to improve their coordination with program farmers, as well as identify technical and infrastructural constraints that can be addressed by USAID-NFRP. Eight sites have been selected where cost-effective marketing infrastructure can significantly enhance farmers' commercialization efforts. Construction on these sites will begin in January.

USAID-NFRP is working with the District Agricultural Development Office of Kailali, Helvetas and CCI to broadcast daily wholesale prices on Dinseh FM, a Dhangadhi radio station.

Impacts on import substitution

Officials from the Dhangadhi wholesale market in Kailali, as well as representatives from the local DADO and Federation of Nepalese Chambers of Commerce and Industry (FNCCI) offices, reported recently that vegetable imports from India have dropped 60 percent in the past year (from NPR 60 million to NPR 16 million). Much of this NPR 24 million reduction in imports has been attributed USAID-NFRP's impact in promoting high value vegetable production with immediate market opportunities, including substituting imports, in the Phase II communities of Kailali and Kanchanpur.

Further research would be required to draw direct links between program farmers' output and the substitution of Indian imports, but some basic analysis at least indicates a strong correlation. Of the more than 1,100 farmers on 220 hectares of demonstration plots in Phase II in Kailali and Kanchanpur, USAID-NFRP estimates that more than 40 percent of the farmers market their produce through Dhangadhi. The time period during which imports dropped by 60 percent, as reported by market officials, corresponds roughly to the second and third crop cycles of Phase II. During these two cycles, the gross sales value achieved in vegetable production by all program-supported farmers in the two districts was NPR 66 million. If 40 percent of this went through the Dhangadhi market, the total would come to NPR 26 million which is actually NPR 2 million more than the amount reported by officials. This is not direct evidence, but it is a clear indication that USAID-NFRP's farmers are largely behind the substitution of vegetable imports from India in this region.

Coordination with key stakeholders

Three field monitoring visits to USAID-NFRP worksites were conducted this quarter with representatives from the local CDO and DADO offices, Ministry of Agriculture and Cooperatives (MOAC), Department of Agriculture, the FNCCI, Seed Entrepreneur Association of Nepal, and private agricultural inputs companies. The purposes ranged from observing the field realities that affect the capacities of farmers, local input service providers and traders, to analyzing "how the successes of USAID-NFRP can be safeguarded and replicated by the concerned governmental agencies in order to maintain the momentum", as expressed by Dr. Probhakar Pathak, Joint Secretary of MOAC, during his recent visit in December.

Monitoring & Evaluation

Methods, tools, and templates for monitoring, outreach, baseline recording, reporting and dissemination of experience and results have been developed and all field technicians have been oriented in their use. M&E staff conduct monthly review meetings with agronomists and field technicians to review progress, troubleshoot issues, and plan for the next month's activities. All results data, as well as management information and training records, is uploaded weekly to Fintrac's internet-based monitoring system, CIRIS.

Nutrition and Hygiene

Program worksites, clusters and households

The Phase III nutrition and hygiene program is implemented in 15 VDCs, including 10 in Kailali and five in Kanchanpur. The program's primary qualification is that all households must have pregnant women or children less than two years of age. In total 2,259 households were selected to participate in the training program which includes the provision of a 333 square-meter (one kattha) home garden and two crop cycles of technical assistance for every family. The program now operates in 38 wards within the 15 VDCs, and covers an area of 75 hectares with demonstration home gardens.

Training methodology

USAID-NFRP developed its training syllabus, manual, and educational materials for the nutrition and hygiene component in coordination with Hellen Keller International (HKI). Since April, three training-of-trainers events have also been conducted by specialists from HKI for USAID-NFRP's 16 community trainers, covering the subjects of essential nutrition actions and behavior change communication.

In December, a second manual accompanied with new educational materials was developed for the commercial agriculture participants (a new target group). This training package focuses on more general household-level nutrition and hygiene issues and includes an additional component termed "household economics" that will serve to bridge the gap between increased family incomes and greater awareness of nutritional priorities, helping to ensure greater sustainability of both. Household-level trainings under this activity will begin in January.

Training nutrition action groups

A total of 112 nutrition action groups were formed from the 2,259 participant households, each sharing common nurseries and working together to establish home gardens. All participants have received the three-day training package on the seven essential nutrition actions, including breastfeeding, complementary feeding, feeding during illness, women's nutrition, controlling anemia, vitamin A, and iodine deficiency disorders. Community trainers provide regular follow up visits and on-site trainings to ensure group members are properly applying the skills they learned.

Home gardening

All 2,259 home gardens completed harvests of the first crop cycle by September and the second cycle is scheduled to begin in January.

Accessing input services (agro-vets)

USAID-NFRP is working with 15 local agro-vets in the worksites to increase the provision of their services to program-supported home gardeners and women's groups.

2.4 CHALLENGES

The extreme cold, continuous fog and rainfall that occurred during the past three months created favorable conditions for the development of blight. In some areas, more than 10 percent of tomato production was affected. Dadeldhura experienced less precipitation than normal, putting pressure on farmers to access sufficient water while their irrigation systems are still under repair or are being enhanced by USAID-NFRP's engineers.

SECTION 3: RESULTS

3.1 PROGRESS TO DATE

By September 2011, 858,827 people had directly benefitted from project-funded activities. A total of 837,726 benefitted from infrastructure projects; 7,536 benefitted from livelihood and income generation activities; 5,960 benefitted from sanitation, hygiene and nutrition trainings and home gardening; 3,275 participated in trainings to strengthen local organizations; and 4,267 were trained under the protection of women and children component. A total of 119 community infrastructure projects were also completed, and 165,106 days of temporary employment were generated by infrastructure component activities. Total beneficiary investment (cost sharing) in project activities by individuals, communities, local governments, and other donors was \$370,394.

| Activity | Target | Achieved to Date | Balance | Completion Rate |
|--|-----------|------------------|-----------|-----------------|
| Number of direct beneficiaries of USG-funded interventions | 955,867 | 858,827 | 97,040 | 90% |
| Number of community infrastructure projects constructed and/or rehabilitated | 144 | 119 | 25 | 83% |
| Number of individuals who have received USG supported training (all components) | 20,578 | 21,038 | (544) | 102% |
| Number of person-days of temporary employment generated by infrastructure activities | 178,736 | 165,106 | 13,630 | 92% |
| Cost sharing leveraged by individuals, communities, local governments and other donors | \$480,843 | \$370,394 | \$110,449 | 77% |

3.2 PROGRESS PER PROGRAM OBJECTIVE

3.2.1 Livelihoods and Income Generation / Commercial Agriculture

Phase III – Commercial Agriculture

USAID-NFRP is providing technical assistance and appropriate technologies to a total of 3,101 farmers on 749 hectares of demonstration plots in 29 VDCs. Nurseries were established for the entire coverage area by July, and transplanting was completed by September. Early harvests began in December although the production period will extend as late as January for some farmers.

| No. | Crop | Ha under Production - Kailali/ Kanchanpur | Ha under Production - Dadeldhura | TOTAL Hectares |
|-----|-------------|---|----------------------------------|----------------|
| 1 | Bean | 0.0 | 12.3 | 12.3 |
| 2 | Capsicum | 0.0 | 1.4 | 1.4 |
| 3 | Cucumber | 0.0 | 0.1 | 0.1 |
| 4 | Potato | 0.0 | 0.1 | 0.1 |
| 5 | Cauliflower | 125.3 | 28.3 | 153.6 |
| 6 | Cabbage | 73.9 | 20.8 | 94.7 |
| 7 | Tomato | 101.0 | 12.0 | 113.0 |

| No. | Crop | Ha under Production - Kailali/ Kanchanpur | Ha under Production - Dadeldhura | TOTAL Hectares |
|------------------------|----------|---|----------------------------------|----------------|
| 8 | Chili | 131.7 | 8.7 | 140.4 |
| 9 | Eggplant | 28.5 | 0.90 | 29.4 |
| 10 | Radish | 26.4 | 9.4 | 35.8 |
| 11 | Cowpea | 3.5 | 0.3 | 3.8 |
| HVC Subtotal | | 490.3 | 94.1 | 584.4 |
| 12 | Maize | 0.0 | 5.6 | 5.6 |
| 13 | Rice | 153.3 | 5.5 | 158.8 |
| Cereal Subtotal | | 153.3 | 11.1 | 164.4 |
| TOTAL | | 643.7 | 105.1 | 748.8 |

In addition, all 99 shallow tube wells with improved motorized pumps were installed and operational by the end of December. Farmers' contribution for the cost of the wells and pumps, which includes 40 percent of the installation costs, plus tools and construction of a protective shed, has been impressive. To date, \$33,794 has been collected from farmers and a remaining \$11,947 will be paid by the end of February.

Preliminary yields and sales data are now available for 367 hectares, or 49 percent of all participants. Of the commodities promoted by USAID-NFRP, tomato yielded the highest net sales per hectare (\$3,191), followed by cauliflower (\$2,813), cabbage (\$2,517), cowpea (\$2,239), eggplant (\$1,987), and bean (\$1,817). The average net sales per hectare to date is \$2,238 (NPR 172,541).

| No. | Crops | Area (Ha) | Production (kg) | Yield (kg/Ha) | Net Sales (NPR) | Net Sales/ Hectare (NPR) |
|--------------|-------------|--------------|------------------|---------------|-------------------|--------------------------|
| 1 | Cauliflower | 112.2 | 1,391,478 | 12,405 | 26,829,178 | 239,175 |
| 2 | Cabbage | 45.4 | 590,561 | 12,999 | 9,175,441 | 201,966 |
| 3 | Tomato | 69.6 | 825,567 | 11,856 | 15,608,650 | 224,163 |
| 4 | Chili | 57.1 | 198,055 | 3,468 | 6,280,253 | 109,956 |
| 5 | Eggplant | 13.5 | 148,338 | 10,988 | 2,114,814 | 156,654 |
| 6 | Radish | 18.2 | 196,951 | 10,847 | 1,688,956 | 93,017 |
| 7 | Cowpea | 1.9 | 13,011 | 6,824 | 298,537 | 156,576 |
| 8 | Capsicum | 1.2 | 2,303 | 1,843 | 52,435 | 41,970 |
| 9 | Bean | 2.9 | 20,421 | 6,926 | 427,187 | 144,883 |
| 10 | Maize | 1.5 | 3,305 | 2,133 | 39,924 | 25,771 |
| 11 | Rice | 43.6 | 99,049 | 2,274 | 846,869 | 19,438 |
| Total | | 367.2 | 3,489,039 | 9,501 | 63,362,245 | 172,541 |

This represents new income levels that farmers have never seen from agriculture before working with USAID-NFRP. It also demonstrates the economic impact achieved in just the first crop cycle of Phase III; if this average is maintained for all 749 hectares (and field estimates already indicate that the average will actually increase in the remaining harvests), the total net sales achieved for 3,101 farmers will be \$1,676,262, more than \$600,000 above the first crop cycle's target.

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----|---|-------------|--------------------|--------------------|
| 1 | Long-term participants over 3 crop cycles (18-months) | 2,700 | 3,101 | 115% |
| 2 | Hectares of productive land directly assisted by LIG | 800 | 749 | 94% |
| 3 | Shallow tube wells and motorized pumps installed | 157 | 99 | 63% |
| 4 | Net sales for participants in first crop cycle | \$1,066,667 | <i>in progress</i> | <i>in progress</i> |
| 5 | Net sales for participants in second crop cycle | \$1,066,667 | TBD | TBD |
| 6 | Net sales for participants in third crop cycle | \$1,066,667 | TBD | TBD |
| 7 | Total net sales over three crop cycles (i.e. income) | \$3,200,000 | TBD | TBD |
| 8 | Percentage increase in net sales per hectare of land | 300% | TBD | TBD |

Phases I and II

USAID-NFRP completed the full set of training and assistance activities for the 2,164 participants of Phase I by June 2010. Final results show that farmers generated a value of **\$2.4 million in net sales** (income) over the three crop cycles. This translates into a nearly sevenfold increase in the economic productivity of their land, represented by a 686 percent increase in net sales per hectare. Farmers contributed an average of 0.22 hectares to the demonstration program and their average earned income during the 18 months was \$1,111.

Phase II program assistance and field monitoring activities for the 2,271 participant farmers on 490 hectares of demonstration plots concluded in June 2011. Final data collected over the three crop cycles indicates that farmers generated a total value of **\$2.2 million in net sales** (income). Economic productivity increased by 645 percent (on average), however, the trend continues to show an increase in productivity over each progressive crop cycle.

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----------|---|------------------|--------------------|-----------------|
| 1 | Long-term participants over 3 crop cycles (18-months) | 1,200 | 2,164 | 180% |
| 2 | Hectares of productive land directly assisted by LIG | 480 | 479 | 100% |
| 3 | Shallow tube wells and motorized pumps installed | 300 | 362 | 121% |
| 4 | Treadle pumps installed | 300 | 240 | 80% |
| 5 | Drip irrigation sets installed | 0 | 25 | n/a |
| 6 | Net sales for participants in first crop cycle | \$273,333 | \$581,756 | 213% |
| 7 | Net sales for participants in second crop cycle | \$273,333 | \$438,744 | 161% |
| 8 | Net sales for participants in third crop cycle | \$273,333 | \$1,383,238 | 506% |
| 9 | Total net sales over three crop cycles (i.e. income) | \$820,000 | \$2,403,738 | 293% |
| 10 | Percentage increase in net sales per hectare of land (3 crop cycles) | 300% | 686% | 229% |

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----|---|-----------|-----------------|-----------------|
| 1 | Long-term participants over 3 crop cycles (18-months) | 2,200 | 2,271 | 103% |
| 2 | Hectares of productive land directly assisted by LIG | 490 | 487 | 99% |
| 3 | Shallow tube wells and motorized pumps installed | 348 | 324 | 93% |
| 4 | Net sales for participants in first crop cycle | \$273,333 | \$519,562 | 190% |
| 5 | Net sales for participants in second crop cycle | \$273,333 | \$733,944 | 269% |
| 6 | Net sales for participants in third crop cycle | \$273,333 | \$950,375 | 348% |
| 7 | Total net sales over three crop cycles (i.e. income) | \$820,000 | \$2,203,881 | 269% |
| 8 | Percentage increase in net sales per hectare of land | 300% | 645% | 215% |

In both phases, the significant gains made in the first and second crop cycles were overshadowed by the outstanding results of the third as farmers continued to scale up productivity despite not receiving any cost-shared inputs from USAID-NFRP. This was a built-in requirement to test the sustainability of the intervention by demonstrating that farmers have earned enough capital in the first two cycles to not require further financial assistance in order to sustain their productivity. The impressive results can be attributed to three key factors:

- **Reliable, year round irrigation** – shallow tube wells with motorized pumps.
- **Consolidation of commodities** to achieve the highest net returns on commodities with the greatest potential in local markets.
- **Effective crop planning** – After two cycles of trial and error, farmers adjusted production accordingly and achieved profits in the third cycle that were substantially higher than before.

Increased incomes and debt repayment: On average, household incomes in Phases I and II increased by 320 percent. One hundred percent of all farmers reported paying off all past debts by the third crop cycle.

Improved food security: The improvements in farmers' incomes and increased productivity of high-value (and nutritious) food have had a dramatic impact on improving the food security of beneficiary households. A study conducted in October 2010 on household food consumption confirmed that family-level nutrition was improving as a result of the extra income earned by farmers to pay for food, rather than the types of production on their land. The indirect benefits to the general public were also measured. In many cases, it was demonstrated that often the only source of nutritious vegetables in local markets were the LIG farmers of nearby communities.

Diffusion effect: The 2,164 farmers under Phase I increased their land under production by an average of 20 percent without assistance. Another 1,538 unassisted farmers on 183 hectares of land also adopted the practices and technologies of their neighbors and are now producing high-value crops.

Increased demand for local labor: 66 percent of all participating households utilized paid labor for the transplanting, harvesting, and transportation of their products. The program generated an estimated 116,000 person-days of temporary employment (52 percent women), equal to \$255,000 of cash injected into local economies.

3.2.2 Infrastructure

Phase III

USAID-NFRP is continuing to focus exclusively on rehabilitating or building productive infrastructure that directly supports and complements the economic development efforts of the agricultural beneficiaries. All feasibility studies and project designs were completed for the five surface irrigation systems in Dadeldhura during the previous quarter and construction on the four piped irrigation systems and one lift irrigation system began in December.

Feasibility studies were completed for eight potential sites where cost-effective marketing infrastructure can significantly enhance farmers' commercialization efforts and provide the needed facilities for local trade routes to develop. Construction on these sites will begin in January.

Phases I and II

In Phases I and II, USAID-NFRP committed \$2,649,478 for 119 community infrastructure projects, all of which are complete. This has **directly benefitted 837,726 individuals** from flood-affected communities of the Terai and has **generated 165,106 days of paid skilled and unskilled labor**, resulting in a cash injection of more than **\$330,000 into local economies**.

Table 8: Phase I Results of Infrastructure program

| Project Type | No. | No. | Beneficiaries (households) | Employment (person-days) | USAID- NFRP | Counterpart |
|----------------------|-----------|-----------|-------------------------------|-----------------------------|--------------------|------------------|
| | Projects | Complete | | | Assistance | |
| Culverts and Bridges | 35 | 35 | 44,159 | 35,468 | \$668,896 | \$34,077 |
| Flood Controls | 28 | 28 | 4,822 | 52,138 | \$584,462 | \$50,045 |
| Schools | 14 | 14 | 3,564 | 30,385 | \$448,149 | \$46,100 |
| Public Bathrooms | 2 | 2 | 0 | 490 | \$5,807 | \$133 |
| Irrigation Rehab | 4 | 4 | 209 | 4,233 | \$65,951 | \$2,882 |
| Road Improvements | 2 | 2 | 3,369 | 3,795 | \$41,255 | \$2,503 |
| Health Post | 1 | 1 | 1,418 | 710 | \$8,256 | \$2,023 |
| TOTAL | 86 | 86 | 57,541 | 127,219 | \$1,822,777 | \$137,763 |

Table 9: Phase II Results of Infrastructure program

| Project Type | No. | No. | Beneficiaries (households) | Employment (person-days) | USAID- NFRP | Counterpart | |
|----------------------------|----------|-----------|-------------------------------|-----------------------------|----------------|------------------|-----------------|
| | Projects | Completed | | | Assistance | | Contribution |
| Bridges and Culverts | 18 | 18 | 36,641 | 25,606 | \$499,423 | \$6,403 | |
| Road improvements | 8 | 8 | 10,668 | 10,575 | \$252,954 | \$5,231 | |
| School desks and equipment | 1 | 1 | 3,564 | 0 | \$28,499 | \$0 | |
| Phase I improvements | | 3 | 3 | N/A | 516 | \$13,847 | \$0 |
| Markets | | 3 | 3 | 28,758 | 1,190 | \$31,977 | \$1,409 |
| TOTAL | | 33 | 33 | 71,340 | 37,887 | \$826,701 | \$13,043 |

The infrastructure component has benefited 128,881 households – 178 percent more than the target proposed in the approved PMP. This is largely because of the program's emphasis on cost-effective, high-impact projects that addressed common needs of communities and required considerable amounts of unskilled labor.

3.2.3 Sanitation, Hygiene and Nutrition

Phase III

The activities conducted under Phase III represent a modified version of the original nutrition and hygiene program of Phases I and II. There is now much greater emphasis given to measurably improving the nutritional indicators within beneficiary households. Program assistance is extended exclusively to households with pregnant women or children less than 24 months of age.

By December, 2,259 households (1,620 women-led) in 15 VDCs in Kailali and Kanchanpur were trained in the nutrition awareness program and had established, managed and harvested their 333 square-meter home gardens that covered a collective total of 72 hectares. The following table details the total output achieved by the home gardeners to date, as well as the estimated monetized and caloric values of that production.

| No. | Crop | Area (sq.m.) | Total Production (kg) | Estimated Monetized Value (NPR) | Caloric Value (kcal/kg) | Total Caloric Value (kcal) |
|--------------|--------------|--------------|-----------------------|---------------------------------|-------------------------|----------------------------|
| 1 | Okra | 9.1 | 122,140 | 1,129,500 | 310 | 37,863,400 |
| 2 | Cowpea | 9.1 | 112,145 | 1,355,400 | 1,170 | 131,209,650 |
| 3 | Cucumber | 9.1 | 129,365 | 1,694,250 | 130 | 16,817,450 |
| 4 | Bottle Gourd | 9.1 | 148,504 | 1,694,250 | 120 | 17,820,480 |
| 5 | Bitter Gourd | 9.1 | 83,032 | 2,710,800 | 250 | 20,758,000 |
| 6 | Sponge Gourd | 9.1 | 129,660 | 1,694,250 | 180 | 23,338,800 |
| 7 | Pumpkin | 9.1 | 81,747 | 1,129,500 | 250 | 20,436,750 |
| 8 | Amaranth | 9.1 | 77,081 | 1,355,400 | 450 | 34,686,450 |
| Total | | 72.6 | 883,674 | 12,763,350 | 2,860 | 302,930,980 |

Twenty-two percent of the total production (in kilograms) was not consumed by the beneficiary household and was sold in local markets, providing modest contributions to household incomes.

The second crop cycle, which began in December, has an additional 3 hectares included in the coverage area, bringing the total to 75 hectares. Participants will complete harvests in May and June.

The following table details USAID-NFRP's projections on the total output achieved by the home gardeners to date, as well as the estimated monetized and caloric values of that production.

| No. | Crop | Area (sq.m.) | Estimated Production (kg) | Estimated Monetized Value (NPR) | Caloric Value (kcal/kg) | Total Caloric Value (kcal) |
|--------------|---------------|--------------|---------------------------|---------------------------------|-------------------------|----------------------------|
| 1 | Radish | 6.8 | 135,540 | 1,355,400 | 170 | 23,041,800 |
| 2 | Carrot | 6.8 | 90,360 | 1,807,200 | 480 | 43,372,800 |
| 3 | Pea | 6.8 | 56,475 | 1,129,500 | 930 | 52,521,750 |
| 4 | Rayo | 4.5 | 135,540 | 1,355,400 | 260 | 35,240,400 |
| 5 | Cabbage | 11.3 | 451,800 | 4,518,000 | 270 | 121,986,000 |
| 6 | Eggplant | 11.3 | 180,720 | 2,710,800 | 240 | 43,372,800 |
| 7 | Tomato | 11.3 | 225,900 | 3,388,500 | 240 | 54,216,000 |
| 8 | Swiss chard | 4.5 | 112,950 | 2,259,000 | 350 | 39,532,500 |
| 9 | Chili (green) | 11.3 | 90,360 | 1,807,200 | 750 | 67,770,000 |
| Total | | 74.6 | 1,479,645 | 20,331,000 | 3,690 | 481,054,050 |

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----|--|--------|-----------------|-----------------|
| 1 | Number of people trained in improved sanitation, hygiene and nutrition | 2,200 | 2,259 | 101% |
| 2 | Number of households with improved nutrition due to demonstration home gardens | 2,200 | 2,259 | 101% |

Phases I and II

Activities under Phase I ended in late 2009, with 3,061 beneficiaries trained, including 1,078 women and 1,521 children. Phase II training began in March 2010 for 640 beneficiaries and concluded in September 2010.

| Indicator | Adult | | | Children | | |
|--|-------|-------|--------------|----------|-------|--------------|
| | Men | Women | Total | Boys | Girls | Total |
| Trained participants | 462 | 1,078 | 1,540 | 678 | 843 | 1,521 |
| Progress in 1st round of training (3 days) | 100% | | | 100% | | |
| Progress in 2nd round of training (3 days) | 100% | | | 100% | | |

| Indicator | Adult | | | Children | | |
|---------------------------------|-------|-------|-------------|----------|--------|-------------|
| | Men | Women | Total | Male | Female | Total |
| Target for Trained Participants | 120 | 180 | 300 | 120 | 180 | 300 |
| Results To Date | 116 | 212 | 328 | 117 | 195 | 312 |
| Percent Progress | 97% | 118% | 109% | 98% | 108% | 104% |

Under Phase I, USAID-NFRP installed 1,229 improved cooking stoves (ICS) and trained each household how to use and maintain the stoves. In Phase II, 12 community-level promoters and 649 individuals were trained in ICS construction, operation and maintenance and 486 ICSs were installed.

| No. | Activity | Target | Results To-Date | Completion Rate |
|-----|---|--------|-----------------|-----------------|
| 1 | Community-level promoters trained | 60 | 60 | 100% |
| 2 | Households trained and assisted with ICSs | 600 | 1,229 | 205% |

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----|--|--------|-----------------|-----------------|
| 1 | Community-level promoters trained | 12 | 12 | 100% |
| 2 | Households trained in ICS construction and maintenance | 240 | 649 | 270% |
| 3 | Households assisted with ICSs | 240 | 486 | 203% |
| 4 | Households assisted with Private Latrines | 240 | 240 | 100% |

A total of 2,258 home gardens were installed in Phases I and II. Surveys conducted by the social inclusion team indicate that 65 percent of home garden beneficiaries used their entire harvests for

household consumption. The remaining 35 percent used the majority of their harvests for consumption and sold the surplus for additional income.

Table 17: Phase I Results of Home Gardening

| No. | Activity | Target | Results To Date | Completion Rate |
|-----|--|--------|-----------------|-----------------|
| 1 | Households assisted and trained during 2 crop cycles | 600 | 1,290 | 215% |
| 2 | Hectares of productive land directly assisted by the home garden program | 20 | 41 | 205% |
| 3 | Percent of home garden beneficiaries that continue to eat a minimum of five meals per week with green/leafy vegetables | 80% | TBD | TBD |

Table 18: Phase II Results of Home Gardening

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----|--|--------|-----------------|-----------------|
| 1 | Households assisted and trained in home gardening | 480 | 968 | 202% |
| 2 | Community vegetable nurseries established | 24 | 24 | 100% |
| 3 | Hectares of productive land directly assisted by home garden program | 16 | 32.3 | 202% |
| 4 | Fruit saplings planted (lemon, litchi, guava, papaya, pomegranate) | 6,000 | 6,000 | 100% |
| 5 | Percent of home garden beneficiaries that continue to eat a minimum of five meals per week with green/leafy vegetables | 80% | TBD | TBD |

3.2.4 Strengthening Local Organizations

The Phases I and II training programs in community development, youth leadership, and disaster preparedness and management for 60 community-based organizations and 60 youth clubs concluded as of March 2011. 1,466 adults and 1,767 youths were trained in organizational planning, leadership development, conflict resolution, community planning and assistance leveraging, networking and teamwork skills development, and development of community-based change agents.

Disaster preparedness and management training was provided to all members of the targeted CBOs. Each group received an in-kind donation of critical first aid and early response supplies to effectively respond to local crises caused by flooding. The trainings in youth leadership and community development included the completion of community service projects by each youth club. USAID-NFRP also initiated a young women's football program in the 12 VDCs of Kailali and Kanchanpur. 264 young women participated in the four-month program that culminated in an inter-VDC tournament in January 2011 with teams from each of the 12 VDCs.

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----|--|--------|-----------------|-----------------|
| 1 | Participants trained in community development program | 1,200 | 1,218 | 102% |
| 2 | Community-based organizations trained and assisted | 60 | 60 | 100% |
| 3 | Participants trained in youth leadership program | 1,200 | 1,218 | 102% |
| 4 | Youth clubs trained and assisted | 60 | 60 | 100% |
| 5 | Community service projects implemented | 60 | 60 | 100% |
| 6 | Participants trained in disaster management and prevention | 1,200 | 1,227 | 102% |
| 7 | Disaster preparedness committees organized | 60 | 60 | 100% |
| 8 | Basic disaster response and first aid supplies distributed | 60 | 60 | 100% |

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----|--|--------|-----------------|-----------------|
| 1 | Participants trainees in community development program | 240 | 254 | 106% |
| 2 | Community-based organizations trained and assisted | 12 | 12 | 100% |
| 3 | Participants trainees in youth leadership program | 240 | 249 | 104% |
| 4 | Youth clubs trained and assisted | 12 | 12 | 100% |
| 5 | Community service projects implemented | 12 | 12 | 100% |
| 6 | Participants trained in disaster mgmt/prevention program | 240 | 326 | 136% |
| 7 | Disaster preparedness/mgmt committees organized | 12 | 12 | 100% |
| 8 | Basic disaster response and first aid supplies distributed | 12 | 12 | 100% |
| 9 | Formation of Young Women's Football Teams | 12 | 12 | 100% |
| 10 | Training/coaching of Young Women's Football Teams | 192 | 264 | 138% |

3.2.5 Protection of Women and Children

Activities under Phase I ended in February 2010. Trainings emphasized the promotion of gender rights and equality, and the prevention and control of human trafficking and discriminatory practices toward youth, women, and vulnerable castes and ethnic groups. Phase II training activities started in March 2010 for 604 young women from the 12 target VDCs in Kailali and Kanchanpur and concluded in December 2010. 602 parents were also oriented on the objectives and modalities of the program.

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----|---|--------|-----------------|-----------------|
| 1 | Young women trained in Basic Life Options methodology | 1,200 | 1,333 | 111% |
| 2 | BLOP sessions completed per VDC (average) | 60 | 60 | 100% |
| 3 | Adults trained in REFLECT methodology | 1,800 | 1,728 | 96% |
| 4 | REFLECT sessions completed per VDC (average) | 60 | 60 | 100% |

| No. | Indicator/Activity | Target | Results To-Date | Completion Rate |
|-----|---|--------|-----------------|-----------------|
| 1 | Young women participating in Basic Life Options methodology | 480 | 604 | 126% |
| 2 | Adults oriented on BLOP contents and objectives | 240 | 602 | 251% |

SECTION 4: PRIORITIES FOR NEXT QUARTER

Program activities follow USAID-NFRP's FY11 annual work plan. Highlighted activities include:

Infrastructure Component

- Complete construction of protection sheds for groundwater installations.
- Initiate construction of markets and collection centers.
- Continue construction of five surface irrigation systems in Dadeldhura.

Commercial Agriculture Component

- Continue second crop cycle training program.
- Continue to carry out voucher program with 15 local agro-vets for the sale and distribution of key inputs for USAID-NFRP farmers.
- Finalize production and income results of the first crop cycle.

Nutrition and Hygiene Component

- Continue to conduct trainings for commercial farmers based on the new home economics training syllabus, manual, and flipchart developed in coordination with Helen Keller International.

SECTION 5: MANAGEMENT REPORT

5.1 PROJECT STAFFING

No changes in personnel or other staffing issues.

5.2 EXPENDITURES TO DATE

5.3 MANAGEMENT ISSUES

Nothing to report.

ANNEX I: SPOTLIGHT ANALYSIS

Spotlight Analysis: Young Farmers

In many developing countries like Nepal, young workers must travel far from their homes and families in search of employment opportunities. To many, Nepal's main industry, agriculture, is not seen as a viable economic option. Many young Nepalis from rural communities cross the border to India to work as day laborers in difficult conditions for little pay; others will try their chances in the Gulf countries or Malaysia.

This trend could be changing thanks to programs like the United States Agency for International Development's Nepal Flood Recovery Program (USAID-NFRP), which is working with rural farmers to move them away from subsistence farming to more profitable and sustainable commercial agriculture.

Under the commercial agriculture component of USAID-NFRP, farmers are organized into irrigation clusters based on geographic location. Each group consists of five to 15 members. Participating farmers receive training in crop selection, nursery management, and transplanting, as well as in production techniques. Last quarter 3,143 farmers received training and an additional 141 neighboring farmers, inspired by the program's initial success, enrolled as trainees.

In many areas where USAID-NFRP works, young people are getting involved in the commercial agriculture component. Of the 7,578 farmers supported since the beginning of the program, more than 25 percent are under the age of 30. In some areas, such as near Dhangadhi municipality in Kailali district, nearly half of the participating farmers fall within this range. These young farmers represent the future of the agriculture sector in Nepal.



Photo by Fintrac Inc.
USAID-NFRP client, Ramdin Rana, right, took first prize for his vegetable crop at the recent "Economic Development for Sustainable Peace" festival in Dhangadhi. His winning crop was judged on productivity, quality, taste, and size.

In the small Tharu community of Shantipur in Kanchanpur district, USAID-NFRP is working with 50 farmers, 40 percent of whom are under the age of 30. They are planting cauliflower, cabbage, chili, tomato, and other greens for sale to local buyers. After the initial harvest of the first crop cycle, which represented one-third of total production, the group reported \$14,085 in net sales. For farmers who had previously been planting low-grade crops on a subsistence level, this kind of income is truly transformational.

Last year, Pani Ram Chaudhary returned to his family farm from India, where he worked as a day laborer and porter. In the year before USAID-NFRP intervention, he earned about \$330 from his small plot of basic crops. After working with program technicians, he tripled his production area and introduced new crop varieties. These changes are paying off – Ram Chaudhary reported more than \$1,100 in income after early sales of his cauliflower crop. In just one crop cycle, he earned nearly four times what he did all of last year.

These opportunities are ensuring that, in communities like Shantipur, younger generations remain in Nepal as productive members of society contributing to a growing economy. In recent years, only one person from the entire village has emigrated.

In Birsana, another farming community in Kailali district, USAID-NFRP is working with a group of 11 farmers, helping them develop irrigation systems and providing ongoing technical support. Nearly half of these farmers are under the age of 30. The group recently harvested its first crop of high-value vegetables with impressive results.

Muliya Rana primarily grew low-value cereals and potatoes prior to working with USAID-NFRP. Now she produces high-value vegetables such as chili, cabbage, cauliflower, eggplant, and tomato on 0.73 hectares of land. After the first crop cycle, Rana has already earned more than \$3,000 in income. She hopes to earn an additional \$3,000 in the next crop cycle. Rana's plot is one of the best in the area and she is now serving as a model for other farmers. Seven farmer groups from surrounding VDCs, and various district government officials, have visited to observe her nursery and farm.



Photo by Fintrac Inc.

Muliya Rana, second from left, is one of the leading farmers in her village. Thanks to USAID-NFRP support, she is earning significantly more by planting high-value crops like cabbage using good agricultural practices.

“Vegetable farming is a better source of income than other food grain crops. I am satisfied to see the healthy vegetable crops in my field,” Rana said. “I have already started harvesting the vegetable crops from my field and I am confident in getting good returns in total.”

The Birsana farmers, inspired by their early success, are ready to invest even more into their farms. The group approached USAID-NFRP for additional seed varieties and expressed interest in further extending their growing plots.

Their success is not going unrecognized. At a recent FNCCI-sponsored regional agricultural fair in Dhangadhi, USAID-NFRP took first prize in 11 out of 12 categories of a vegetable competition.

In these communities, young farmers are learning to view farming as a viable business, investing both their time and money into its growth. USAID-NFRP is able to provide technical advice and introduce best practices from the first stage of planting, ensuring that these groups have the most productive and profitable crops possible.

The transformational increase in incomes experienced by these farmers is not only life-changing, but is also inspiring, empowering them with the knowledge and skills they need to cultivate sustainable commercial farms and contribute to the overall food security of their country.

Spotlight Analysis: Nutrition and Agriculture

Nutrition is an important component of economic development as a whole and food security in particular. Evidence shows that malnutrition in the first two years of life permanently reduces cognitive function and physical capacity, making individuals more vulnerable to disease. This, in turn, reduces productivity, slows economic growth and perpetuates poverty.

The United States Agency for International Development's Nepal Flood Recovery Program (USAID-NFRP) recognizes the critical importance of the first 1,000 days of childhood nutrition and is working with women and children in rural communities to raise awareness and education around nutrition and hygiene. As part of USAID-NFRP's most recent extension, the nutrition component now focuses on improving access to a more diversified daily diet through increased nutritional awareness and productive gains made by home gardening or commercial farming.

USAID-NFRP is working in 15 village development committees (VDCs) of the Terai, including 10 in Kailali and five in Kanchanpur. The primary qualification for beneficiary selection was that all households had pregnant women or children less than two years of age. In total, 2,259 households were selected to participate in the one-year nutrition and hygiene training program, which also includes the provision of a 333 square-meter home garden for each beneficiary family.

The nutrition and hygiene component of the program focuses on three main areas: training of trainers, nutrition action groups and home gardens. USAID-NFRP is also piloting a program that addresses nutrition topics with commercial farming groups. Nutrition and hygiene training typically given to home garden beneficiaries are now provided to more than 3,100 commercial farmers, with an additional component to address internal household financial and resource management issues. This initiative will bridge a gap between increased incomes and greater awareness of the nutritional values of crops.

TRAINING OF TRAINERS



Photo by Fintrac Inc.

In coordination with HKI, USAID-NFRP has developed and field tested separate training manuals suited to the needs and conditions of both home gardeners and commercial farmers.

worksites and each is providing training and education to an average of 400 households.



Photo by Fintrac Inc.

As part of USAID-NFRP's nutrition and hygiene component, babies' weight and height are regularly monitored to ensure optimal childhood nutrition.

NUTRITION ACTION GROUPS

The community trainers help beneficiary households form nutrition action groups. To date, 112 nutrition action groups have formed from the 2,259 participant households, all of which have pregnant women or lactating mothers. The groups are comprised of an average of 20 members and they receive a three-day training course from their local trainer.

Through these trainings, young mothers and children are learning life-altering behavioral changes. Pabitra Mahata has three young daughters. She and her husband scrape by on a small income from their tiny store. Mahata used to feed her children rice and junk food and said they were frequently sick. After participating in the USAID-NFRP training she learned the importance of providing a balanced diet for her children.

“I was touched and highly motivated by the training given...I immediately started the feeding of nutritional foods...Our children are growing healthy now,” Mahata said.

The program is also teaching families like Mahata’s to sell the surplus vegetables at local markets, creating additional income for these rural farmers. Bolstered by the success of her experience, Mahata is committed to sharing her newfound knowledge with her neighbors.

“I have started conveying my knowledge and skills to my neighbors and visitors in our grocery shop,” she said. “We are very grateful to [USAID-NFRP] for implementing such a good program, without which we would have to survive under malnutrition.”

HOME GARDENS

Each household is establishing a 333 square-meter garden as part of the nutrition and hygiene component. Families are growing a variety of crops, including bean, amaranth, pumpkin, gourds, papaya, guava, citrus and Indian cherry. During the last quarter, 22 percent of the total production was not consumed by the household and was sold in local markets, earning modest incomes for the farmers. While the main focus of this component is nutrition, program staff is also working with households to link them to local markets or other service providers to sell this surplus food. Under Phase III, the program is covering 75 hectares of home gardens that provide families with the fruits and vegetables needed to address caloric, vitamin and mineral deficiencies common to people in rural communities of the Terai.



Photo by Fintrac Inc.
Women are learning to grow nutritional and marketable crops in their own gardens, allowing them to provide their families with the healthy foods they need and boost their incomes by selling extra crops.

EARLIER ACTIVITIES

All Phase I and II activities are complete, including 120 awareness trainings and 120 refresher trainings for 3,697 adults and children. Major achievements included the independent construction of private toilets by most participants, 1,715 improved cooking stoves installed and trainings on the repair, maintenance and correct operation of the stoves. To ensure sustainability, one person per worksite was trained as a resource person to troubleshoot issues within their communities. 2,258 demonstration home gardens were established on a total of 74 hectares. By strengthening communities and stimulating growth across sectors, USAID-NFRP will have a lasting impact by lifting nearly one million Nepali people out of poverty.

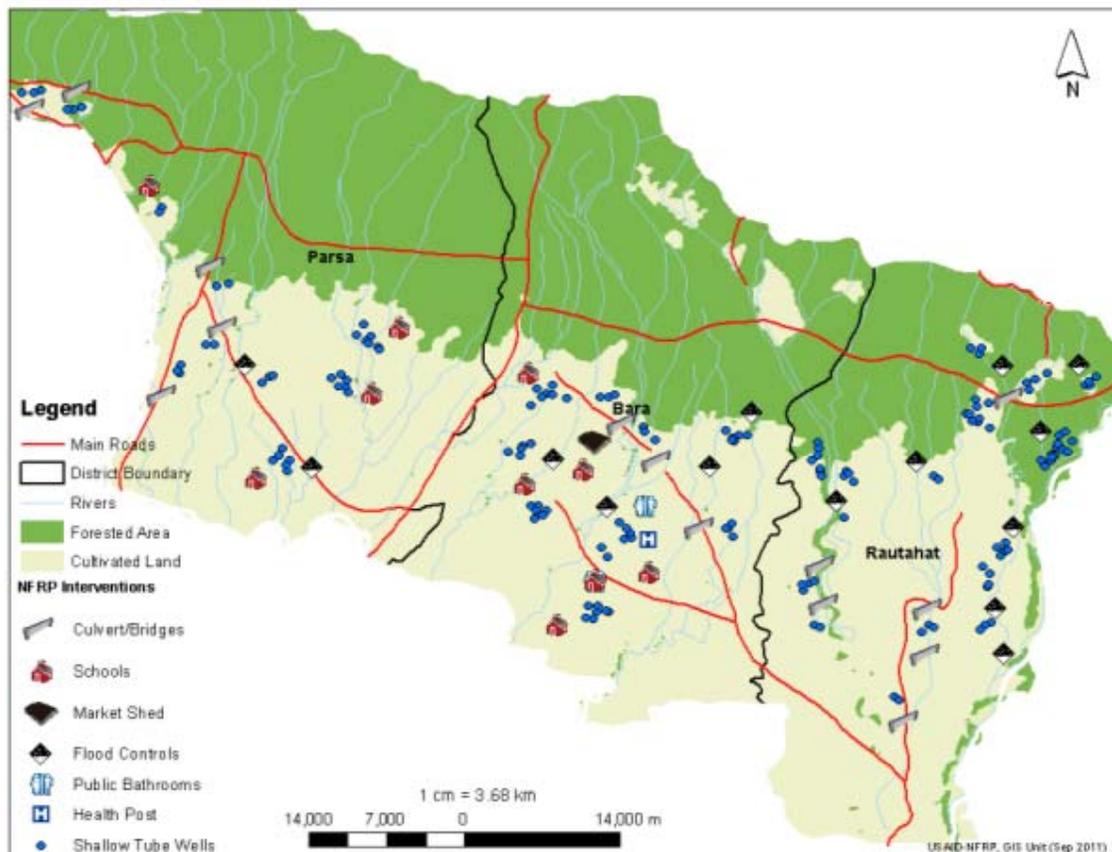
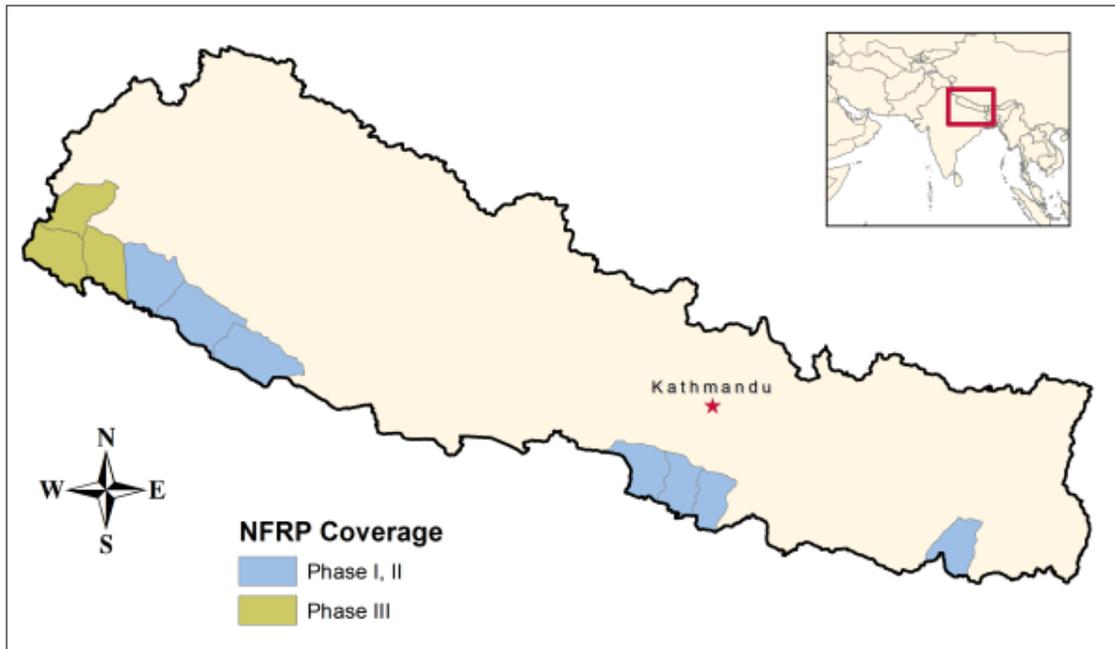
ANNEX II: PERFORMANCE MONITORING PLAN

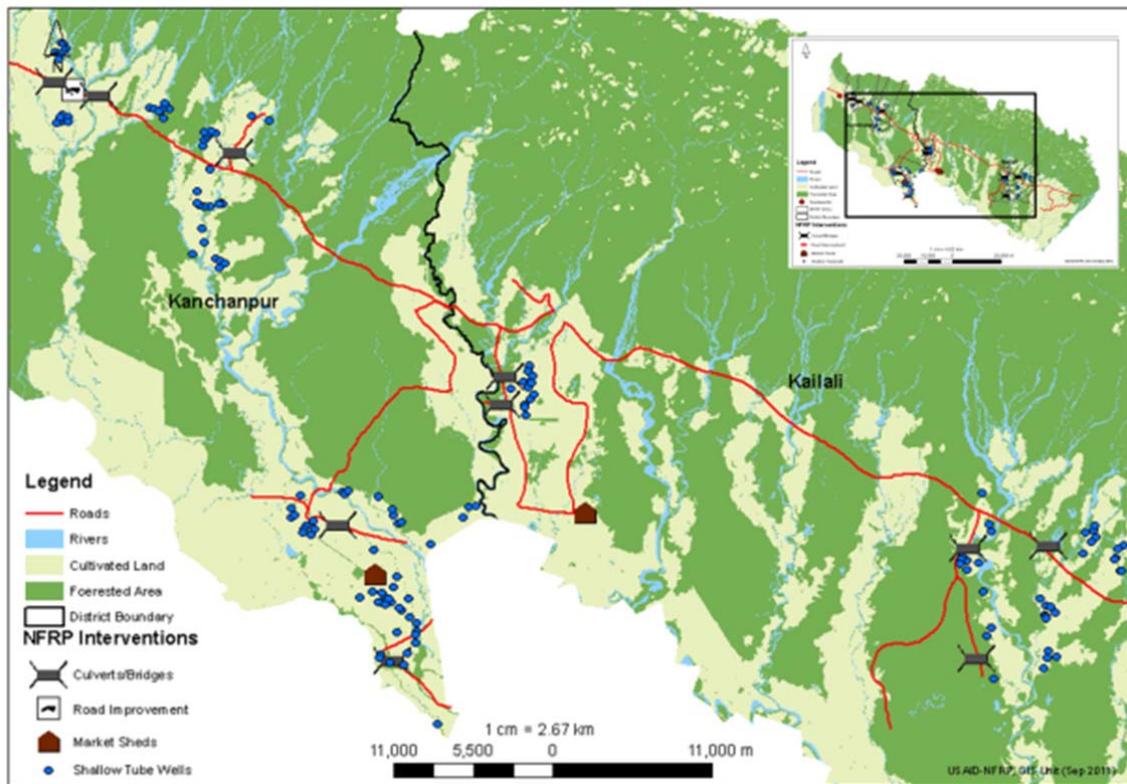
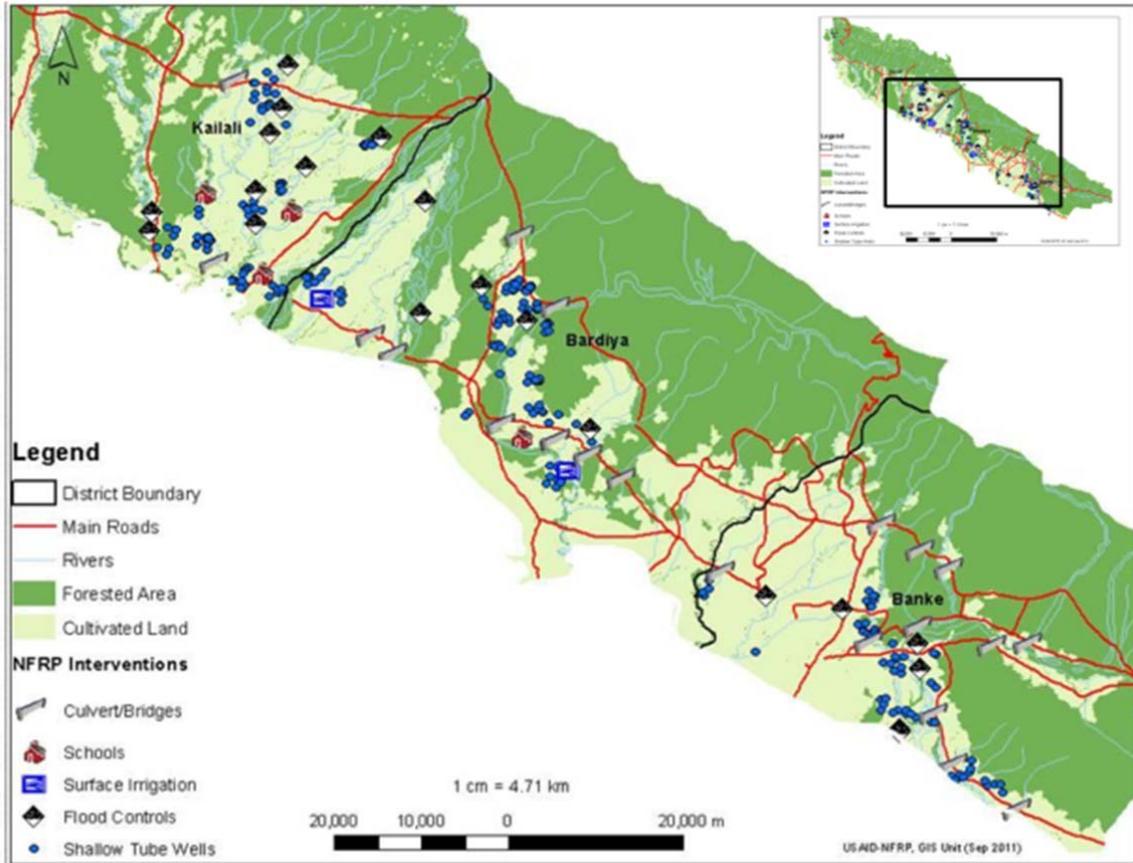
| No. | Activity | Phase I & II Results | Phase III Targets | Total Targets | Phase III Results | Results To Date | Completion Rate |
|---|--|----------------------|-------------------|---------------|-------------------|-----------------|-----------------|
| 1. Program Level Objective | | | | | | | |
| 1.1 | Number of beneficiaries assisted by USG-supported protection and solutions activities | 853,467 | 102,400 | 955,867 | 5,360 | 858,827 | 90% |
| 2. Objective 1: Rehabilitation and Rebuilding of Productive Infrastructure | | | | | | | |
| 2.1 | Number of community infrastructures constructed a/o rehabilitated | 119 | 25 | 144 | 0 | 119 | 83% |
| 2.1.1 | Number of classrooms constructed with USG assistance (Program Element IIP – 2.1 Basic Education) | 52 | 0 | 52 | 0 | 52 | 100% |
| 2.1.2 | Number of classrooms repaired with USG assistance (Program Element IIP – 2.1 Basic Education) | 4 | 0 | 4 | 0 | 4 | 100% |
| 2.1.3 | Number of model latrines in community schools | 2 | 0 | 2 | 0 | 2 | 100% |
| 2.1.4 | Number of drinking water sources installed or improved | 0 | 0 | 0 | 0 | 0 | N/A |
| 2.1.5 | Number of community irrigation systems rehabilitated | 5 | 0 | 5 | 0 | 5 | 100% |
| 2.1.6 | Number of river protection projects (e.g. embankment protections, gabions, spurs, check dams) | 30 | 0 | 30 | 0 | 30 | 100% |
| 2.1.7 | Kilometers of transportation infrastructure constructed or repaired through USG assistance (Program Element EG 4.3 Transport Services) | 17 | 0 | 17 | 0 | 17 | 100% |
| 2.1.8 | Number of transportation infrastructure projects such as culverts and small bridges constructed or repaired | 53 | 0 | 53 | 0 | 53 | 100% |
| 2.2 | Number of people in target areas with access to improved drinking water supply as a result of USG assistance (Program Element IIP – 1.8 Clean Water and Sanitation Services) | 0 | 0 | 0 | 0 | 0 | N/A |
| 2.3 | Number of people benefiting from USG sponsored transportation infrastructure projects (Program Element EG 4.3 Transport Services) | 562,549 | 0 | 562,549 | 0 | 562,549 | 100% |
| 2.4 | Number of households benefited by community infrastructure projects (assumes an average of 150 benefiting HHs per VDC) | 128,881 | 15,000 | 143,881 | 0 | 128,881 | 90% |
| 2.5 | Number of person-days of temporary employment generated by infrastructure activities (estimated at 15% of construction costs) | 165,106 | 13,630 | 178,736 | 0 | 165,106 | 92% |
| 2.6 | Subcontract funds disbursed (in USD) | \$2,665,027 | \$220,000 | \$2,885,027 | \$0 | \$2,665,027 | 92% |
| 2.7 | Cost sharing leveraged from communities, local governments a/o other donor programs (in USD) | \$150,806 | \$12,449 | \$163,255 | \$0 | \$150,806 | 92% |

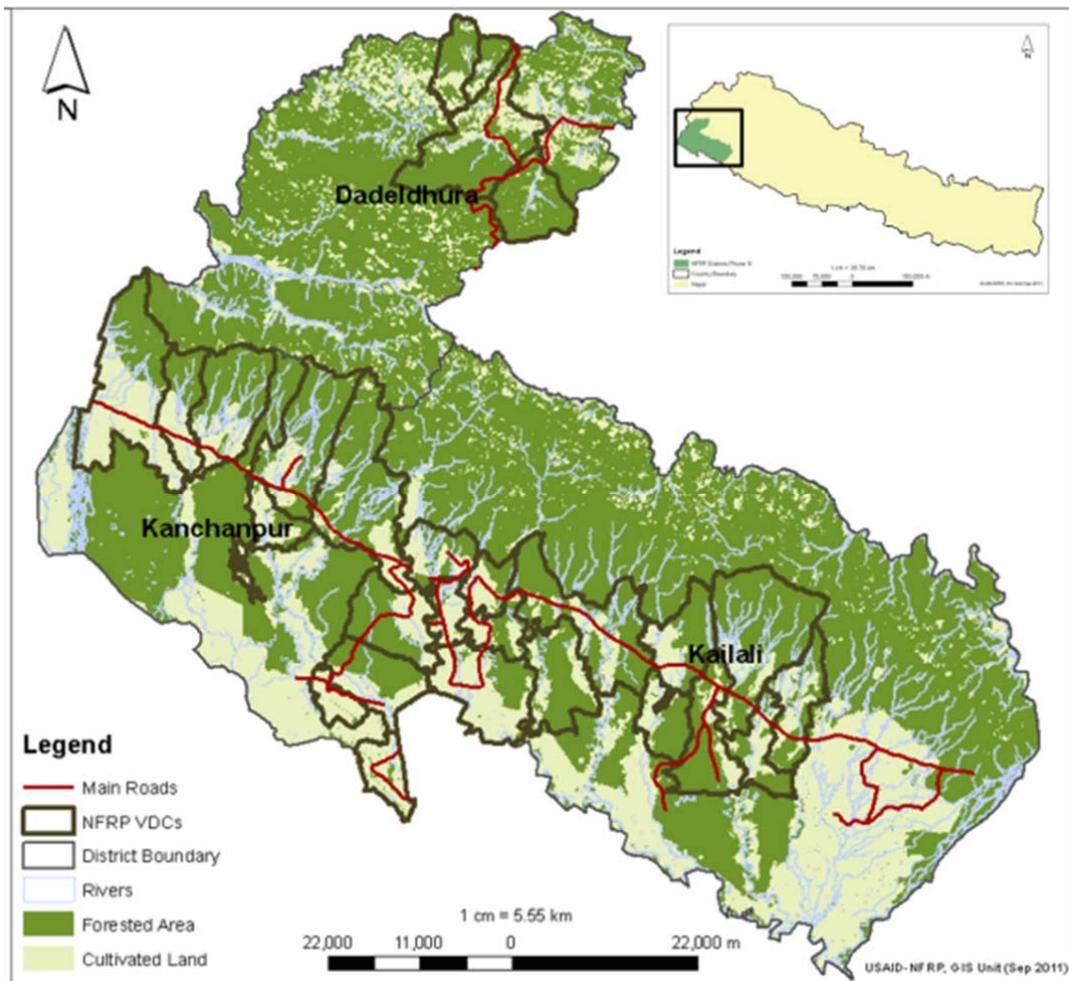
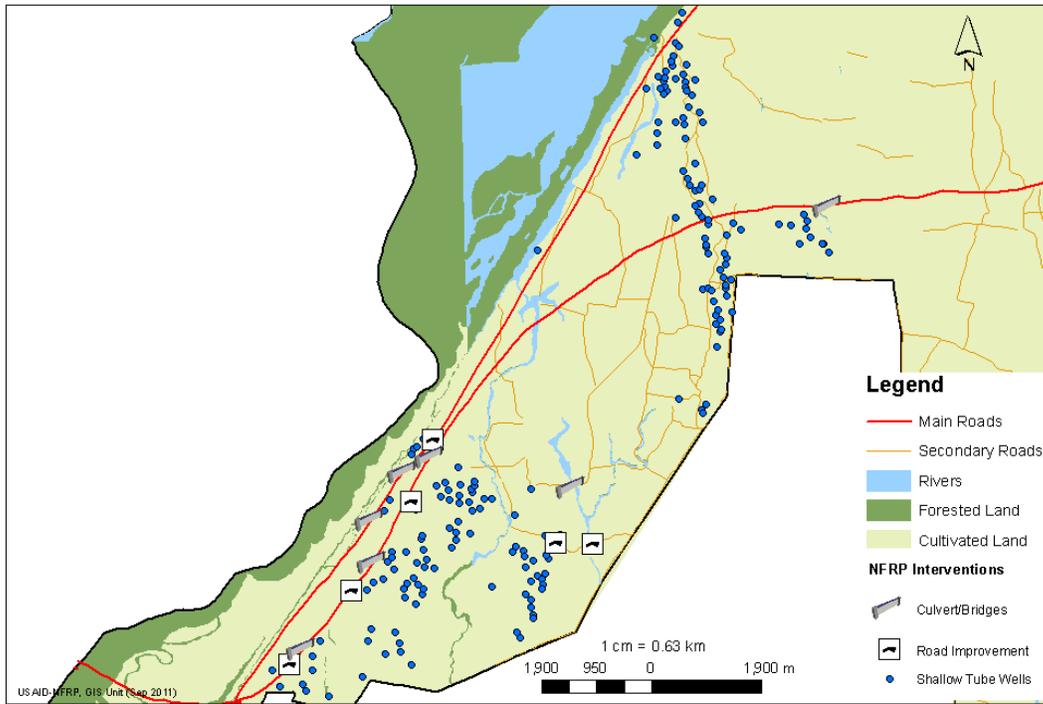
| 3. Objective 2: Provision of Income Generation Activities | | | | | | | |
|---|--|-----------|-----------|-------------|-------|-----------|------|
| 3.1 | Number of individuals who have received USG supported long term agricultural sector productivity training (EG 5.2 Agricultural Sector Productivity) | 4,435 | 2,700 | 7,135 | 3,101 | 7,536 | 106% |
| | Number of women trained | 1,330 | 945 | 2,275 | 1,070 | 2,400 | 105% |
| 3.2 | Number of rural households benefiting directly from USG interventions (EG 5.2 Agricultural Sector Productivity) | 4,435 | 2,700 | 7,135 | 3,101 | 7,536 | 106% |
| 3.3 | Number of vulnerable households benefiting directly from USG interventions (EG 5.2 Agricultural Sector Productivity) | 2,335 | 540 | 2,875 | 1,070 | 3,405 | 118% |
| 3.4 | Number of producers organizations, water users associations, trade and business associations receiving USG assistance (EG 5.2 Agricultural Sector Productivity) | 92 | 30 | 122 | 0 | 92 | 75% |
| 3.5 | Number of new technologies or management practices made available for transfer as a result of USG assistance (EG 5.2 Agricultural Sector Productivity) | 4,435 | 2,700 | 7,135 | 3,101 | 7,536 | 106% |
| 3.6 | Implementation funds disbursed (in USD) | \$739,027 | \$490,000 | \$1,229,027 | \$0 | \$739,027 | 60% |
| 3.7 | Cost sharing leveraged by beneficiary farmers (25% of in-kind investment) | \$182,848 | \$98,000 | \$280,848 | \$0 | \$182,848 | 65% |
| 4. Objective 3: Improved Sanitation, Hygiene and Nutrition (SHN) | | | | | | | |
| 4.1 | Number of people in target areas with access to improved sanitation facilities as a result of USG assistance (Program Element IIP – 1.8 Clean Water and Sanitation Services) | 1,648 | 0 | 1,648 | 0 | 1,648 | 100% |
| 4.2 | Number of people trained in improved sanitation, hygiene and nutrition | 3,701 | 2,200 | 5,901 | 2,259 | 5,850 | 101% |
| 4.3 | Number of households with improved nutrition due to demonstration home gardens | 2,258 | 2,200 | 4,458 | 2,259 | 4,407 | 101% |
| 4.4 | Number of households with improved sanitation due to improved cooking stoves | 1,715 | 0 | 1,715 | 0 | 1,715 | 100% |
| 4.6 | % increase in the incidence of hand-washing of SHN trainees | 80% | 80% | 85% | 0% | 1 | 94% |
| 4.7 | % of home garden beneficiaries that continue to eat a minimum of five meals per week with green/leafy vegetables | 80% | 80% | 80% | 0% | 1 | 100% |
| 4.8 | Subcontract funds disbursed (in USD) | \$258,695 | \$80,000 | \$338,695 | \$0 | \$258,695 | 76% |
| 4.9 | Cost sharing leveraged (15% minimum, in USD) | \$36,740 | \$0 | \$36,740 | \$0 | \$36,740 | 100% |
| 5. Objective 4: Strengthening of Local Peace Committees or Other Local Groups | | | | | | | |
| 5.1 | Number of groups receiving institutional strengthening and organizational development technical assistance and training | 144 | 0 | 144 | 0 | 144 | 100% |
| 5.2 | Number of community members trained | 3,275 | 0 | 3,275 | 0 | 3,275 | 100% |
| | Number of women trained | 1,773 | 0 | 1,773 | 0 | 1,773 | 100% |
| | Number of youth trained | 1,767 | 0 | 1,767 | 0 | 1,767 | 100% |
| 5.3 | Subcontract funds disbursed (in USD) | \$147,002 | \$0 | \$147,002 | \$0 | \$147,002 | 100% |
| 5.4 | Cost sharing leveraged (10% minimum, in USD) | \$0 | \$0 | \$0 | \$0 | \$0 | N/A |

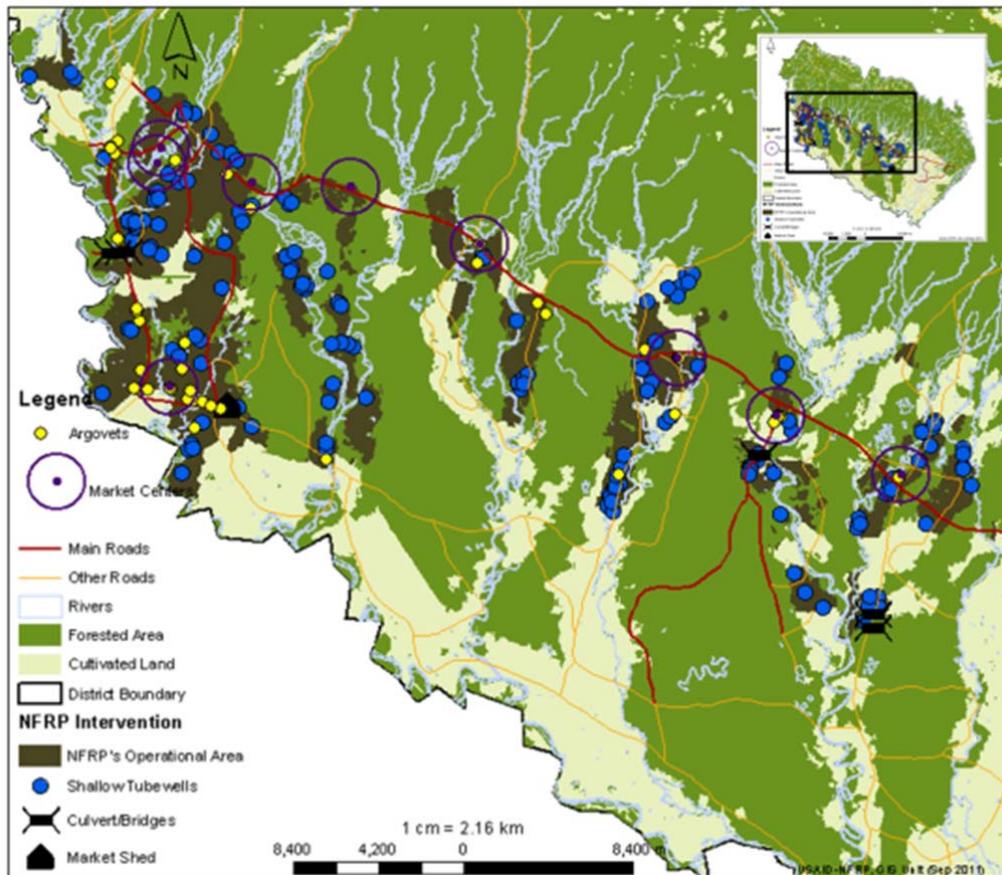
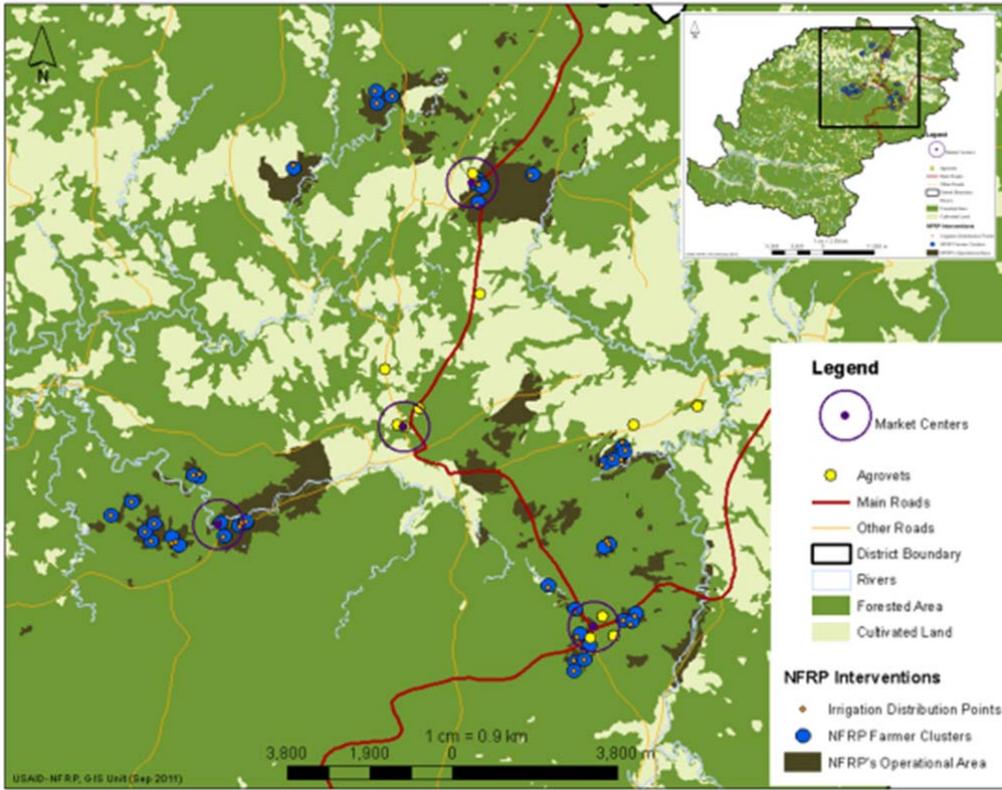
| 6. Objective 5: Protection of Women and Children | | | | | | | |
|---|---|----------|-----|----------|-----|----------|------|
| 6.1 | Number of people trained | 4,267 | 0 | 4,267 | 0 | 4,267 | 100% |
| | Number of women trained | 3,641 | 0 | 3,641 | 0 | 3,641 | 100% |
| | Number of youth trained | 1,937 | 0 | 1,937 | 0 | 1,937 | 100% |
| 6.2 | Number of women and youth organizations strengthened (assumes one group per VDC) | 72 | 0 | 72 | 0 | 72 | 100% |
| 6.3 | Number of people trained in Trafficking-in-person related issues with USG assistance (Program Element PS5.3 – Trafficking-in-Persons and Migrant Smuggling) | 4,329 | 0 | 4,329 | 0 | 4,329 | 100% |
| 6.4 | Subcontract funds disbursed (in USD) | \$26,746 | \$0 | \$26,746 | \$0 | \$26,746 | 100% |
| 6.5 | Cost sharing leveraged (10% minimum, in USD) | \$0 | \$0 | \$0 | \$0 | \$0 | N/A |
| 7. Objective 6: Windows of Opportunities | | | | | | | |
| 7.1 | Number of special studies (Program Design and Learning Element) | 0 | 0 | 0 | 0 | 0 | N/A |
| 7.2 | Number of Baseline or Feasibility Studies (Program Design and Learning Element) | 0 | 0 | 0 | 0 | 0 | N/A |
| 7.3 | Subcontract funds disbursed | \$0 | \$0 | \$0 | \$0 | \$0 | N/A |
| 7.4 | 10% cost sharing target (in USD) | \$0 | \$0 | \$0 | \$0 | \$0 | N/A |

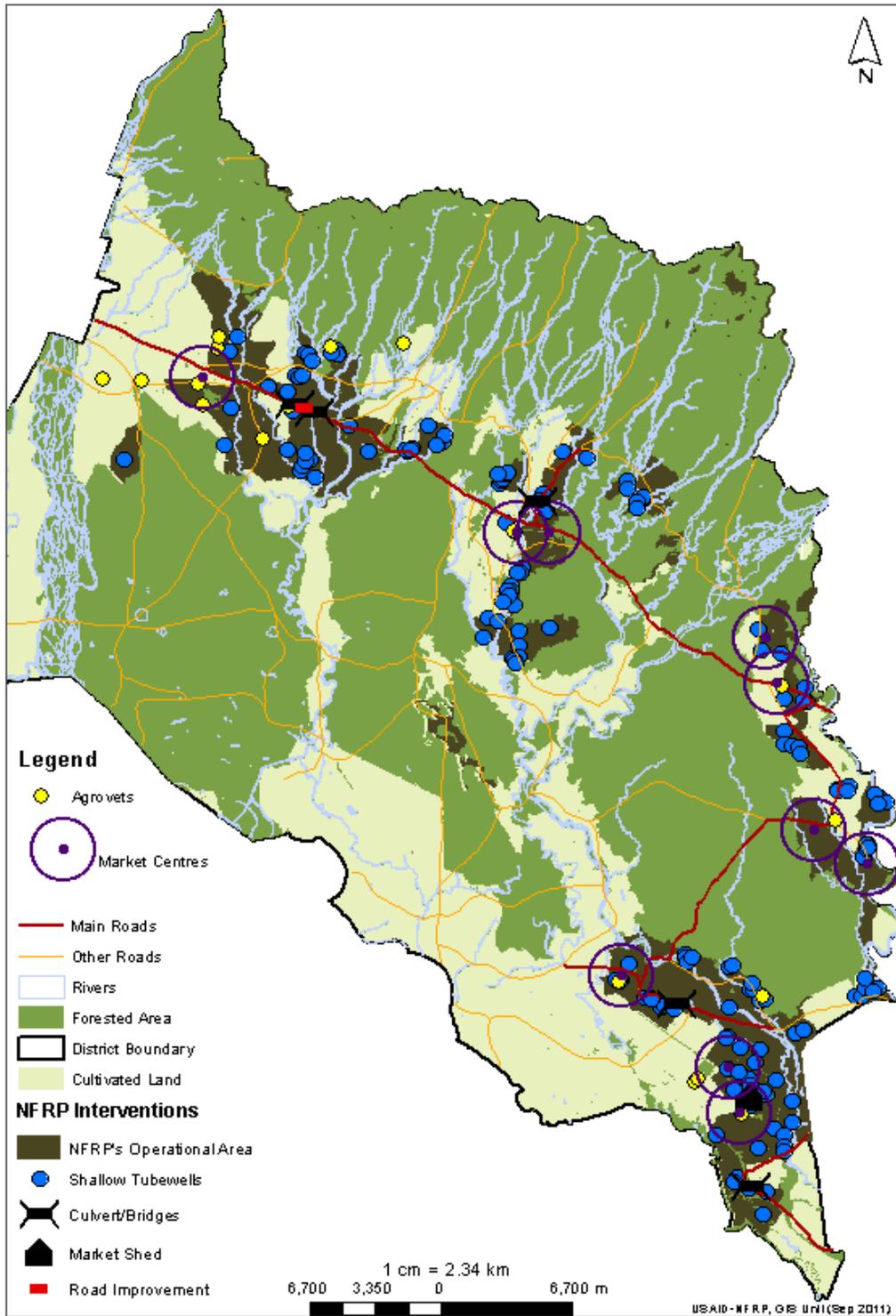
ANNEX III: USAID-NFRP CLIENT DISTRIBUTION MAPS BY REGION













USAID/NEPAL FLOOD RECOVERY PROGRAM

QUARTERLY PERFORMANCE REPORT
OCTOBER 2011 – DECEMBER 2011

PHOTO: Nepalese farmers are seeing significant, life-changing income increases thanks to support from USAID-NFRP in improving commercial agriculture practices and providing access to small-scale infrastructure such as irrigation systems.

Photo by Fintrac Inc.