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KNOWLEDGE-BASED INTEGRATED SUSTAINABLE AGRICULTURE AND NUTRITION (KISAN) PROJECT

QUARTERLY REPORT — DECEMBER 2013
CONTRACT NUMBER AID-367-C-13-00004

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KISAN PROJECT

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ACRONYMS

ADB	Asian Development Bank
AEC	Agro Enterprise Center
AFN	Antenna Foundation Nepal
AFSP	Agriculture Food Security Project
AFU	Agriculture and Forestry University
AMS	Agriculture Marketing Supervisor
ANEP	Agriculture Nutrition Extension Project
AT	Agriculture Technician
AWP	Annual Work Plan
BCD	Business Contract Director
BDSO	Business Development Services Officer
CBO	Community-Based Organization
CC	Collection Center
CDO	Chief District Officers
CEAPRED	Center for Environmental and Agricultural Policy Research, Extension and Development
CFUG	Community Forest User Group
COP	KISAN Chief of Party
COR	USAID/Nepal/Contracting Officer's Representative
CSISA	Cereal Systems Initiative for South Asia
CYMMIT	International Maize and Wheat Improvement Center
DADC	District Agriculture Development Committee
DADO	District Agriculture Development Offices
DC	District Coordinators
DCOP	Deputy Chief of Party
DDC	District Development Committee
DEPROSC	Development Project Service Center

DFTQC	Department of Food Technology and Quality Control
DG	Director General
DIP	Detailed Implementation Plans
DLS	District Livestock Services
DOA	Department of Agriculture (Nepal)
DPHO	District Public Health Officer
FINGO	Financial Intermediary Non-Governmental Organization
FTF	Feed the Future
GATE	Global Agri-Tech Nepal
GIS	Geographic Information System
GMO	Genetically Modified Organisms
GON	Government of Nepal
GUC	Grants under Contract
HKI	Helen Keller International
HMRP	Hill Maize Research Program
IDE	Integrated Development Environment
IEE	Initial Environmental Examination
IFC	International Finance Corporation
INGO	International non-governmental Organization
IPM	Integrated Pest Management
IPM-IL	Integrated Pest Management – Innovate Laboratory
IT	Irrigation Technician
KISAN	Knowledge-based Integrated Sustainable Agriculture and Nutrition Project
LDO	Local Development Officers
LOP	Life of Project
LSP	Local Service Provider
MEDP	Micro Enterprise Development Project
MFI	Micro Finance Institution

MIT	Micro Irrigation Technology
MOAD	Ministry of Agriculture Development
MOF	Ministry of Finance
MOFALD	Ministry of Federal Affairs and Local Development
MOHP	Ministry of Health and Population
MOU	Memorandum of Understanding
MPC	Market Planning Committees
MPC/CC	Market Planning Committees/Collection Centers
MSNFSSC	Multi-sector Nutrition and Food Security Steering Committee
MUS	Multiple Use of Water Systems
NARC	Nepal Agriculture Research Council
NEWAH	Nepal Water for Health
NPAC	National Project Advisory Committee
NPCS	Nutrition Promotion and Consultancy Services
OCAT	Organizational Capacity Assessment Tool
PACT	Project for Agriculture Commercialization and Trade
PAF	Poverty Alleviation Fund
PCV	Peace Corps Volunteer
PERP	Project Emergency Response Plan
PERSUAP	Pesticide Evaluation Report and Safe Use Action Plan
PO	Program Officer
RISMFP	Raising Income of Smallholder Farmers Project
SEAN	Seed Entrepreneurs Association of Nepal
SWOT	Strength, Weakness, Opportunity, and Threat
TLS	Truthfully Labeled Seeds
TOT	Training of Trainers
USAID/Nepal	United States Agency for International Development in Nepal
USG	United States Government

VDC	Village Development Committee
WASH	Water and Sanitation Health
WB	World Bank
WI	Winrock International

INTRODUCTION

The United States Agency for International Development in Nepal (USAID/Nepal) awarded Winrock International a contract on February 14, 2013 for the Knowledge-based Integrated Sustainable Agriculture and Nutrition (KISAN) Project. This project is a part of the Global Presidential Initiative, Feed the Future (FTF), and is the flagship food security project of USAID/Nepal. The Project's overall goal is to sustainably reduce poverty and hunger in Nepal by achieving inclusive growth in the agriculture sector, increasing the incomes of farm families, and improving nutritional status¹, especially of women and children. The project is implemented in collaboration with five Nepali organizations: Antenna Foundation Nepal (AFN); Center for Environmental and Agricultural Policy, Research, Extension and Development (CEAPRED); Development Project Service Center (DEPROSC); Nepal Water for Health (NEWAH); and Nutrition Promotion and Consultancy Services (NPCS). Changes have been made as discussed in Section 4 where we discuss the recent modification. During Year Two, the project will work in ten districts in the Bheri and Rapti Zones of the Mid-Western Development Region; six districts in the Mahakali and Seti Zones in the Far-Western Development Region; and in four districts in the Lumbini Zone in the Western Development Region. This multifaceted project will integrate agriculture and nutrition in order to increase agricultural production and incomes, and improve the nutritional status of women and children under the age of five.

As per the contract (Section C.4.8.8 and F.4), Winrock must submit a quarterly progress report up to 30 days following each quarter. The quarterly report describes the accomplishments as compared to the targets and work plan. The Year Two, Quarter Two report covers the period between October 1 and December 31, 2013.

QUARTERLY HIGHLIGHTS

Major KISAN activities this past quarter are as follow:

- KISAN established a National Project Advisory Committee (NPAC) and held its first meeting October 3, 2013. The Committee is comprised of senior Government of Nepal (GON) personnel from the Ministry of Agriculture Development (MOAD), Ministry of Health and Population (MOHP), Department of Agriculture (DOA, Nepal), District Livestock Services (DLS), Nepal Agriculture Research Center (NARC), and private sector personnel. During the first meeting, the GON committed to help KISAN integrate with GON's various offices at regional and district levels. Attendees at the meeting also recommended adding representatives from the National Planning Commission (NPC) and the Agro Enterprise Center (AEC) into the KISAN NPAC.

¹ Two weeks before the end of the reporting period Winrock was informed that this project would receive a modification that would remove the nutrition component from the project. By the time this report was submitted, no modification had been awarded so this report reflects the original contract's intent.

- The KISAN team developed district detailed implementation plans (DIPs) in all ten Mid-Western districts and developed a provisional DIPs for the six Far-Western and four Western KISAN districts. These plans are blueprints that guide the staff on Year Two (Y2) activities for the districts.
- KISAN staff identified Village Development Committees (VDCs) for the remaining ten districts in the Western and Far-Western Regions in December 2013. As of December 2013, KISAN has formalized VDC selection in eight districts through District Agriculture Development Committee (DADC) meetings, and will complete the remaining three districts by January 7, 2014.
- Senior KISAN staff conducted a four-day training of trainers (TOT) and orientation on agriculture-related outcomes and activities for more than 80 central, regional, and district-level KISAN staff. The training covered a diverse range of topics, including beneficiary selection criteria; improved production and post-harvest technologies; seed production and certification; administration and finance; monitoring and evaluation; communications; and leveraging.
- KISAN helped beneficiary farmers and cooperatives establish linkages and formal agreements with a major seed sector private company, Global Agri-Tech (GATE) Nepal. As part of this agreement, farmers will be able to purchase foundation seeds from the company, and have the option to sell the retail seeds that they produce back to GATE, provided they meet the pre-agreed minimum conditions.
- KISAN formed 841 farmer groups covering 17,917 beneficiaries.
- KISAN conducted a total of 266 trainings for 5826 farmers in the ten Mid-Western districts. Farmers were trained in how to raise sub-sector crops such as vegetables and lentils.
- KISAN conducted a total of 46 trainings at demonstration plots. The demonstrations include plastic house with drip irrigation for off-season vegetable promotion; lentil crop/seed production; and seasonal vegetable production.
- Post-harvest expert Dr. Kerstin Hell assessed ways that KISAN can improve post-harvest handling of cereals and high value vegetables. She met with KISAN staff and partners, and key institutions to understand the issues. She interviewed farmers, collectors, traders, millers, and retailers from six major wholesale markets in central, west, and mid-west Nepal. Most crop loss is due to fungus and rodents at household level.
- Marketing consultant Tom Green assessed strengths and weaknesses of existing market chains, and recommended KISAN help key collection centers and wholesale markets along the Kathmandu, Butwal, Nepalgunj, and Surkhet corridor improve their strategic plans. He noted that communication between buyers and sellers is an important factor in successful value chains. Farmers and collection center staff need to understand the market needs such as size, volume,

variety, and timing, in order to increase the price. The government should develop uniform standard grades for sub-sectors so that farmers and traders have a common understanding of quality. The study also noted that losses could be reduced by improved packaging and improved transportation (for instance, avoid using the bus) which could help increase the price for farmers.

- KISAN staff trained field staff in the ten Mid-Western districts on how to leverage funds from GON, private sector, and other projects. The training oriented the field staff on GON’s decentralized fund approach through the GON 14-Step process. This training will help staff train beneficiaries to leverage funds for collection center infrastructure needs, water system, and other investments that will support KISAN’s outcomes.
- In follow-up to the leverage training, all Mid-Western districts have developed district-specific stakeholder lists to identify all public and private entities active in KISAN working areas, and to list potential organizations and areas for collaboration. The mapping exercise will help speed up opportunities for synergy.
- Winrock has continued discussions to finalize Memorandums of Understanding (MOUs) for collaboration with national stakeholders including the Poverty Alleviation Fund (PAF), Helvetas, and the Micro Enterprise Development Project (MEDP) to leverage KISAN efforts at community level.

I. COLLABORATION AND COORDINATION EFFORTS

KISAN continues to build relations and collaborate with the Government of Nepal (GON), other donors, Peace Corps, and other USAID/Feed the Future projects in Nepal as outlined in the following section. Table I presents some public and private sector collaborations that KISAN has initiated this quarter. Details are presented under respective sub-headings.

Table I. Coordination and collaboration with GON and other stakeholders

Name of organization	Organization type	Purpose
District Agriculture Development Offices (DADO)	GON	DADOs provided space, seeds, and technical assistance for training on agriculture production.
Peace Corps Volunteers (PCV)	USG	Volunteers will help KISAN staff carry out agriculture-related trainings, field demonstrations, etc. in Surkhet, Dang, and Pyuthan.

Table I. Coordination and collaboration with GON and other stakeholders

Name of organization	Organization type	Purpose
Global Agritech (GATE) Nepal	Private	GATE will provide farmers access to quality seeds, and buy-back assurance on seeds farmers produce.
Icchuk Smiriti Cooperative	Private	The cooperative will provide farmers access to credit and to liaise with seed company for seed production
Gaule Agriculture Cooperative	Private	The cooperative will provide farmers access to credit and establish linkages with agriculture markets.
Daha Pargatishil Agriculture Cooperative	Private	The cooperative will provide farmers access to credit, link with agriculture markets, and increase production.

A. GOVERNMENT OF NEPAL

As part of KISAN's USAID Forward commitment, the project actively seeks close cooperation and coordination with the GON. The project works with and through concerned Ministries and Departments at the national, regional, district, and VDC levels. KISAN senior staff continues to share project progress and to include GON staff in project activities at all levels. These events have been pivotal in introducing the project to and establishing rapport with regional and district GON authorities, including the DADOs. At the regional and district levels, KISAN field staff have regularly attended DADC meetings to both finalize VDCs, and to establish a presence in project districts. The DADC meetings are also anticipated to help build an atmosphere conducive for collaborative efforts in each district.

I. NATIONAL PROJECT ADVISORY COMMITTEE MEETING

As part of the FTF/KISAN's GON coordination efforts the project has successfully established a National Project Advisory Committee (NPAC) comprised of senior GON personnel from the MOAD, MOHP, DOA, DLS, NARC, and private sector personnel. On October 3, 2013, KISAN hosted the first NPAC meeting. The MOAD Joint Secretary; Under Secretaries from MOHP, Ministry of Federal Affairs and Local Development (MOFALD); and Director Generals (DGs) of DLS and Department of Food Technology and Quality Control (DFTQC) attended. Representatives from NARC, CEAPRED, AEC, Seed Entrepreneurs Association of Nepal (SEAN), MOAD, and MOHP, and senior representatives from

USAID also took part in the meeting. During the first NPAC meeting, members decided on four major points, to: 1) instruct DADOs to dedicate an agenda item to discuss KISAN updates and related issues in all relevant DADC and Multi-Sector Nutrition and Food Security Steering Committee (MSNFSSC) meetings; 2) ensure the District Public Health Officer (DPHO) and Drinking Water Supply Officer are present in District Agriculture Development Committee (DADC) meetings when KISAN activities are to be discussed; 3) include KISAN activities and status in the annual planning and reporting of DADOs/DPHOs; and 4) nominate NPC and AEC representatives as KISAN NPAC members. Moreover Department of AG staff directed the DADOs and DPHOs about the agreed upon actions. Details are presented in Annex I. The second NPAC meeting is scheduled to be held next quarter.

2. DISTRICT AGRICULTURE DEVELOPMENT COMMITTEE MEETINGS

At the district level, KISAN is working with the DADC as the KISAN district-based coordinating body. During the past quarter KISAN conducted or joined eight DADC meetings. During these meetings, the District Coordinator (DC) provided briefings on the project. One of the key items on the agenda for each meeting was to identify which VDCs KISAN should work in, and which VDCs the World Bank-supervised Agriculture Food Security Project (AFSP) should work in. During the meetings, KISAN staff also presented the DIPs. KISAN finalized the VDCs for all but three districts, as well as the Mid-Western District DIPs, following concurrence by each DADC.

Activities for Next Quarter

For the new Far-Western and Western KISAN districts, KISAN staff will hold DADC meetings to introduce the project, discuss VDCs and plans for Y2. We expect DADCs to approve the VDCs by January 7, 2013. Staff continues to meet and liaise closely with the DADCs for DIP approval and other areas of cooperation.

3. KEY GON MEETINGS AT CENTRAL LEVEL

In addition to the formal NPAC meeting, KISAN staff participated in several meetings with GON to foster collaboration for activity implementation during the quarter.

- KISAN staff held an introductory meeting with the Under Secretary of Ministry of Finance, Kailash Pokhrel, on October 1, 2013 to formally introduce the KISAN Project to the Ministry.
- KISAN staff met with the Ministry of Federal Affairs and Local Development (MOFALD) Under Secretary, Ramesh Kumar KC, on October 1, 2013 to seek his support for the project, to request him to send official letters of introduction about the KISAN Project to Local District Officers (LDOs) in the KISAN working districts, and to facilitate GON coordination with KISAN efforts.

- KISAN senior staff also met with staff from NARC, including the Executive Director of NARC, Dr. Dil Bahadur Gurung, and Planning Director, Dr. H.K. Manandhar, on a number of occasions during the quarter. As a result, NARC has nominated three Regional Directors from the Regional Agriculture Research Stations (RARS) in Doti, Kaski, and Banke as the focal points for KISAN to facilitate coordination and for necessary technology support.
- In the last week of December 2013 there was unprecedented reporting in local newspapers alleging that the Feed the Future Implementation Plan 2011-2015, its multiyear strategy, and the 2011 Assessment Report all promote genetically-modified organisms (GMO), not only in maize, but also in rice crops. KISAN, at the request of USAID, arranged meetings between USAID and MOAD to clarify that USAID will not be promoting GMOs through the FTF program. Senior staff met the Secretary MOAD, Joint Secretary Agribusiness MOAD, and the senior officer of the Seed Quality Control Center to clarify FTF/KISAN's stance on GMOs, and to reassure that no KISAN FTF documents or plans mention promotion of GMOs or any related companies in any way. MOAD issued an official clarification/statement of the situation in the following day's newspaper. See Annex II for additional information.

4. COLLABORATING WITH GON'S NEPAL AGRICULTURE FOOD SECURITY PROJECTS

KISAN is working closely with the GON's AFSP which is to be implemented in the Mid-Western and Far-Western development regions. KISAN and ASFP are both working in ten mid-hill districts. KISAN continues to meet and communicate frequently with the GON/AFSP and USAID/Nepal to discuss technical approaches, potential areas for cooperation, and VDC selection. The two projects shared their respective approaches and VDC selection criteria with each other to facilitate coordination at all levels. KISAN also participated in the AFSP Central Orientation Program held in the MOAD on October 31, 2013.

B. FEED THE FUTURE PROJECTS IN NEPAL

KISAN continues to cooperate and coordinate with other USAID/FTF partners in Nepal to identify best practices and lessons learned for implementation in the KISAN project. Among other activities, KISAN's senior field staff met with the Integrated Pest Management-Innovate Laboratory (IPM-IL) team in Nepalgunj on December 16, 2013 to coordinate training and staff visits between programs. KISAN conducted exposure visits to the International Maize and Wheat Improvement Center's (CYMMIT) Cereal Systems Initiative for South Asia (CSISA) and Agriculture Nutrition Extension Project (ANEP) in Rupandehi and Nawalparasi. The visits resulted in recommendations for farmers about use of appropriate bio pesticides and bio fertilizer. The IPM-IL team has introduced KISAN staff to the agrovets supplying bio pesticides and other IPM products. These agrovets can serve as potential service providers for KISAN beneficiaries. KISAN shared and discussed findings from the draft Pesticide Evaluation Report

and Safe Use Action Plan (PERSUAP) with the IPM-IL and CIMMYT (CSISA/Hill Maize Research Program) teams.

On December 12, 2013, KISAN hosted a meeting with USAID and FTF Projects to orient the newly appointed Food Security Team Leader of USAID Danielle Knueppel on the working areas and objectives of the Feed the Future projects in Nepal. Representatives from the Integrated Development Environment (IDE) and CIMMYT participated in the meeting to share the activities, outcomes, and status of the IPM-IL and Hill Maze Research Project (HMRP) project. See Annex III for the events calendar.

C. PEACE CORPS

The KISAN Project continues to collaborate with the Peace Corps and looks forward to working with the newly sworn-in volunteers. KISAN's Agriculture Expert, Dr. Purushottam Mainali, and Winrock's Home Office Coordinator, Erin Hughes, attended the Peace Corps Volunteer Swearing-In Ceremony on November 25, 2013. Twenty-one Peace Corps Volunteers (PCVs) will be posted in KISAN districts. These volunteers will be posted in three districts – Surkhet, Dang, and Pyuthan. Each district will have seven volunteers, four of which will work in agriculture and three in health. The KISAN District Coordinators from Surkhet, Dang, and Pyuthan along with Rabindra Patel, the Cluster Manager for the Rapti Zone, attended a two-day meeting with PCVs in Nepalgunj on December 3-4, 2013. The KISAN COP also attended and led a discussion on how volunteers can work with KISAN. KISAN will continue to encourage PCVs in KISAN districts to engage in agriculture-related tasks including trainings, demonstrations, micro irrigation technology promotions, micro-credit promotion, development of market planning committees/collection centers (MPC/CC).

D. LEVERAGING RESOURCES

The KISAN team is fostering multi-stakeholder collaboration with VDC officials. Staff has introduced government and non-government stakeholders to the objectives of KISAN, the program activities and the working modalities at the VDC level. Staff will focus on identifying and establishing collaboration opportunities with non-government initiatives, and on leveraging government funding at local level.

I. LEVERAGE TRAINING AND MAPPING

The Public Private Partnership (PPP) Manager conducted seven one-day trainings for staff in the ten Mid-Western districts. The trainings highlighted the annual VDC block grant cycle and timeline, and GON's 14-Step Fund Allocation Process. Following the trainings, staff in all districts mapped existing initiatives, the organizations, and their work to identify potential ways to collaborate. See Annex IV for further details. KISAN will approach active organizations in project areas to explore opportunities to collaborate. Currently, MOUs are being finalized with PAF, Helvetas, Micro Enterprise Development Project (MEDP), and the Alternative Energy Promotion Center (AEPC) with formalization in early January 2014.

2. GON

During the quarter, KISAN collaborated with two different branches of the GON. In Surkhet, working with the DADO and Community Forest User Groups (CFUG), KISAN facilitated farmer groups to establish four plastic houses and 79 plastic tunnels as demonstration sites for KISAN beneficiary households. In Bardiya, KISAN collaborated with the Regional Agriculture Research Center who donated lentil seeds and fertilizer to farmers groups. See Table II.

KISAN trained staff on GON's decentralized district development committee (DDC) and VDC grant mechanism process, which spans mid-October to mid-February. The process is bottom-up, and begins with interested communities/groups submitting proposals for VDC grants at the ward level; the proposals are then screened in various stages; the process culminates in approval from VDC and DDC council meetings. KISAN hopes to organize beneficiaries and stakeholder to access these funds to contribute to key infrastructure such as collection centers, water systems, storage systems, and other communal infrastructure. The training prepared staff to start thinking about how to leverage local government funds. We expect that work in this quarter will result in leveraged resources in the next quarter.

Table II. Coordination and leverage with GON and other stakeholders

District	Collaborating Agency	Activity
Surkhet	DADO, Community Forest Group, and farmers' participation	Established 4 vegetable plastic houses and 79 plastic tunnels
Bardiya	Regional Agriculture Research Station, Khajura	Provided lentil seeds and fertilizers to KISAN farmer group in Mohamadpur VDC

3. OTHER STAKEHOLDERS

The KISAN team is facilitating beneficiary groups to take advantage of other funding opportunities that will improve their food security by establishing infrastructure, etc. This includes cost-share grants from the Asian Development Bank's (ADB) Raising Incomes of Smallholder Farmers Project (RISMFP), and the World Bank's (WB) Project for Agriculture Commercialization and Trade (PACT). KISAN facilitated a total of eight beneficiary groups in Dailekh and Dang to develop project proposals to strengthen group agriculture practices, details will be available by mid-January for the RISMFP competitive grant process.

4. PRIVATE SECTOR

KISAN has linked farmer groups and cooperatives in Banke, Bardiya, and Dang to seed companies like GATE Nepal, Khajura, National Seed Company, Nepalgunj. This past quarter, groups have established three separate contracts to purchase and sell back quality rice seeds to GATE Nepal. Through this approach, farmers are able to purchase quality foundation seed from GATE. They have the option to sell their product, the certified seeds, back to GATE. We expect this assured seed market to encourage

more farmers to invest in and raise more quality seeds. Both farmers and cooperatives have entered into such contracts with seed companies – some have assured volume of sales, while others are open to sale to the highest bidder. Details of this activity are in Activity A.1.1 Increase the Quantity and Improve the Quality of Seed Inputs.

KISAN also continues dialogue with the International Finance Corporation (IFC)-supported Supporting Agribusiness Project and Dugar Group’s Bikash Rice and Flour Mill to facilitate beneficiary farmers establish links to maize and rice markets respectively.

Activities for Next Quarter

The second NPAC meeting is scheduled for later in the coming quarter once the new government has been appointed. Winrock will also continue to collaborate with national stakeholders, such as the Poverty Alleviation Fund, Helvetas, and the Micro Enterprise Development Project, to leverage KISAN efforts at the community level. KISAN will sign formal Memorandums of Understanding (MOU) with these agencies to institutionalize collaboration at the VDC level. KISAN will continue to engage with and integrate Peace Corps Volunteers in agriculture-related assignments in KISAN beneficiary groups.

In the Mid-Western districts, staff will continue to conduct VDC level orientation/inception meetings; participate in district level interactions to strengthen linkages with DADOs; and will participate in VDC meetings for leverage planning and budget allocation.

II. ACCOMPLISHMENTS COMPARED TO TARGETS

During this quarter, KISAN staff finalized key start up activities (see section on Management and Administration, page 30) and began working on activities to support agriculture production. This section describes the activities conducted in this quarter as per the work plan. Only Component activities of the work plan have been approved, and no activities to promote nutrition have been conducted. Some specific activities have been highlighted in Annex III in the events calendar.

A. COMPONENT A, IRI: IMPROVED AGRICULTURAL PRODUCTIVITY

Component A addresses food insecurity in Nepal by increasing rural people’s productivity of rice, lentils, and maize, and will increase smallholder incomes through the promotion of high-value agricultural production linked to markets and functional supply chains. The agriculture component has five outcomes.

I. OUTCOME 1, SUB-IR 1.1: FARMERS RECEIVED IMPROVED AND INCREASED AGRICULTURAL INPUTS

KISAN addresses poor access to quality inputs (particularly seeds) by improving the distribution inefficiencies, and works to improve currently limited access to credit. KISAN will improve seed production and availability by introducing and scaling-up community-based seed production, and through the use of well adapted seed varieties (e.g. flood and drought tolerant, and short duration rice seeds).

Activity A.1.1 Increase the Quantity and Improve the Quality of Seed Inputs

Following the seed sector assessment in the Mid-Western region in August 2013, the KISAN team designed three seed training programs in Dang, Banke, and Bardiya this quarter focusing on rice seed production. Seed farmers expect to produce 30 MT of lentil in early 2014, and have already produced 240 MT of rice seed. KISAN trained seed farmers with standing rice in improved cultivation practices. KISAN trains seed farmers on identification and use of quality seeds, seed production, and quality control, and initiates links to markets. KISAN is working only with NARC-approved varieties and KISAN will only promote approved and certified Truthfully Labeled Seeds (TLS).

A.1.1.1 Strengthen value chain.

To strengthen the seed value chain KISAN has coordinated with three major seed companies, GATE Nepal, Khajura, and National Seed Company of Nepalgunj, and with key seed farmer cooperatives who have contracted with farmers to purchase the rice seed. As part of the arrangement, the seed companies, together with regional seed quality control centers, carried out crop inspections on the farmers' plots. The companies agreed to accept seeds with 13% moisture content from farmers. Seed prices are based on current market rate, with additional premium (15- 25%) based on quality of seed. Farmers are storing the rice which is ready to be dispatched to respective companies and cooperatives. The seed is sold mainly to seed companies like GATE, National Seed Company, and Upakar Seed Production Cooperative, who sell seeds through their networks. Farmers also sell some seeds to cooperatives, who might sell it to other farmers and neighbors.

The cooperatives involved in rice seed production are: Ichyuk Smriti Bahaudeshya Krishi Sahakari in Dang; Krishak Upakar Bahaudeshya Sahakari in Banke; and Hare Krishna Sahakari in Bardiya.

A.1.1.2 Increase quality seed production.

KISAN is working with seed companies, DADOs, and the NARC office to link farmers to foundation seed. KISAN is also providing training for farmers.

In Banke and Bardiya, KISAN is working with 30 lentil seed farmers who expect to produce more than 30 MT of lentil seeds. Farmers are raising lentil seed varieties that are in high market demand such as Kahjura-1, Khajura-2, and Maheshwar Bharati. Seed farmers buy high quality foundation seed from the NARC Khajura Station. Farmers accessed 1770 kg of foundation seed from their cooperatives, DADO, and from NARC directly (1752 kg in Banke and 18 kg in Bardiya). Seed farmers have dedicated approximately 37.52 ha towards lentil seed production – 37.22 ha in Banke and 0.3 ha in Bardiya.

KISAN also supported rice seed production in Banke, Bardiya, and Dang. During this quarter, KISAN conducted three rice seed production and quality-control trainings in the three districts by working through four seed production cooperatives. A total of 111 farmers participated and planted 96 hectares for rice seed production (27 ha in Banke, 65 ha in Bardiya, and 19 ha in Dang). NARC supplied popular varieties of foundation seed like Radha-4, Bindeshwari, Sukkha-3, Makwanpur, and Sabitri to companies, cooperatives, and DADO, who in turn sold the foundation seed to the seed producing farmers. Seed

farmers bought and planted 4581.3 kg of foundation seeds. This has yielded 240 MT of certified rice seed. The seed farmers worked in close coordination with the DADO and seed company staff who oversaw the process and provided technical advice.

Activity A.1.2 Increase Availability of Inputs

KISAN works through agrovets and local service providers (LSPs) to increase availability of inputs. During the past quarter, KISAN conducted interactions and exposure visits that have established linkages between farmer groups and major agrovets in each of the Mid-Western districts. Staff has developed an assessment questionnaire that will be used to assess the agrovets in the coming quarter. KISAN staff trained more than 40 agrovets about agriculture input supplies that they should consider carrying in their stores, since KISAN farmers will need these products to produce high value vegetables and grains.

Activity A.1.3 Increase Credit Availability in KISAN Districts

On the supply side, DEPROSC is gathering information to learn about the type of credit currently available in the KISAN districts. Staff are in the process of conducting an assessment of microfinance services in the KISAN working area, identifying KISAN group members that are affiliated with saving and credit groups and cooperatives in all ten Mid-Western districts. Once stakeholders have been identified, KISAN will assess the existing financial intermediaries and services available in KISAN areas. Farmer groups had to be formed before activities could proceed, so this activity has been delayed. The assessment will be completed within the coming quarter. So far, staff has identified 266 Savings and Credit Cooperatives, five Financial Intermediary Non-Governmental Organizations (FINGO), and six Micro Finance Development Banks that are currently providing financial services in KISAN areas. See Table III. DEPROSC will explore potential linkages in the coming quarter.

Table III. Access to Savings and Credit Services

District	Saving and Credit Cooperative	FINGO	Microfinance Development Bank
Banke	22	1	2
Bardiya	33	1	2
Dailekh	19	0	0
Surkhet	20	1	1
Dang	92	2	1
Salyan	21	0	0

Table III. Access to Savings and Credit Services

District	Saving and Credit Cooperative	FINGO	Microfinance Development Bank
Jajarkot	9	0	0
Rukum	9	0	0
Rolpa	14	0	0
Pyuthan	27	1	0
Total	266	6	6

On the demand side, DEPROSC is training staff who will train farmers on how to access credit. A detailed training of trainers (TOT) for those staff working with farmers has been developed and trainings are being planned. A three-day training for LSPs, agriculture technicians (ATs), VDC coordinators, irrigation technicians (ITs), agriculture marketing supervisor (AM), and BDSOs. The training will cover various kinds of credit available, vendor-financing opportunities, and how to help beneficiaries to access credit. The training manual and materials have been developed, and the training is scheduled for early in the coming quarter. The TOT relates to promotion of Savings and Credit and Vendor-based financing.

Prior to the more formal training on credit, staff are providing a basic overview on how to access credit through a one-hour Savings and Credit Orientation program. The orientation packages have been developed and circulated to district and regional teams. Field staff will provide this basic orientation during the one day and mobile trainings. This quarter, 87 groups received this orientation: 70 groups in Bardiya and 17 groups in Dailekh.

Activities for Next Quarter

In the next quarter, a six-day training will also be given to DC, program officers (PO), and BDSO on how to access credit. This training will establish guidelines for staff to facilitate farmers' access to financial services through cooperatives, micro-finance development banks, and FINGOs.

Staff will assess the services of micro-finance institutions (MFIs) in KISAN areas, and continue to establish linkages between LSP/Change Agents and MFIs (saving credit groups and cooperatives) with DADOs. This has facilitated linkages with agriculture cooperatives.

2. OUTCOME 2, SUB-IR 1.2: IMPROVED CAPACITY OF AGRICULTURE EXTENSION WORKERS, SERVICE PROVIDERS, AND FARMERS

Under Outcome 2, KISAN will train change agents in the target districts and track all individuals trained under the other outcomes. Change agents include staff, extension agents, farmers, agrovet, service providers, and farmers. The curricula for training change agents and for training farmers is complete; 5,826 farmers have been trained under KISAN this quarter.

Table IV shows the number of agriculture extension workers, service providers, and farmers trained this quarter as compared to the Y2 targets and life of project (LOP) targets. These trained change agents will support outcomes 1, 2, 3, and 4.

Table IV. Outcome 2: Improved capacity of agriculture extension workers, service providers and farmers

Q2	Performance Indicator	Target Y2	Achievement Y2	Achievement (Y2Q2)	Target LOP	Achievement LOP
2.1	Number of individuals who have received USG supported short-term agricultural sector productivity or food security training.	32,800	6,117	5,826	200,000	0
2.2	Number of agriculture extension workers, service providers and farmers who successfully complete exam at end of training.	300	0		960	0

Activity A.2.1 Train Change Agents

KISAN will train junior technician/junior technician assistants (JT/JTA), LSPs, MPC/CCs, commercial agribusinesses, agrovet/local companies, and small agrovet licensing members of cooperatives as change agents in beneficiary communities. This is presented in Table V.

Table V. Change Agent Training Summary

Type of CA and Org	Train Change Agent LOP Target	DIP Line	Strengthen CBO and Small Org LOP Target	DIP Line	Attribute to Outcome
JT/JTA	120	2.1			2 & 5
LSP	640	2.2			2
MPC/CC	200	2.3	155	2.3	2 & 4, 5
Commercial Agribusiness	60	2.4	60	2.4	2 & 5
Agrovet/ Local Company	180	2.5	180	2.5	2 & 5
Small Agrovet Licensing	60	2.6	60	2.6	2 & 5
Members of coops/Coops	140	2.7	140	5&6 of DEPROSC	1, 2 & 5
WUG			158	12 & 13 of DEPROSC	5
CFUG			Yes	Not in DIP	5
Business Association			Yes	Not in DIP	5
Total	1400		753		

A.2.1.1 Develop curriculum and materials for TOT for Local Service Providers to use in their trainings. Continuing on efforts started during the previous quarter, the Outcome 2 Manager worked with other Outcome Managers to finalize technical curricula and design the TOTs. All training materials are ready. The four-day trainings for change agents will be conducted once groups are in place and the change agents have been identified. The trainings will build change agent capacities in varied technical activities as presented in Table VI, and orient them to other related issues such as gender sensitivity, environmental impact, how to train others, and communications skills.

Table VI. LSP TOT Curriculum

Day	Activities
Day 1	Nursery management (Veg and Rice)
	Vegetable crop production (fruit crop)
	Vegetable crop production (cucurbits)
	Vegetable crop production (cole crop)
	Rice, maize crop production
	lentil crop production
Day 2	Integrated Pest Management (IPM) technology and <i>Jholmol</i>
	Off-seasonal vegetable production (tools and techniques)
	Crop Calendar
	Quality seed production, seed certification, field inspection, etc.
	KISAN Marketing approach
	Post-harvest handling
Day 3	Soil solarization
	Improved technologies (raise bed, plastic tunnel/house etc.)
	MUS and drip irrigation
	KISAN crops and its recommended varieties
	Role of a good LSP/facilitator
	Training tips
Day 4	Gender
	Social mobilization

Table VI. LSP TOT Curriculum

Day	Activities
	Motivation
	Communication
	Entrepreneurial capacity building
	Group, group meeting and minutes writing

A.2.1.2 Identify Change Agents and Conduct Training Sessions.

The KISAN team is working to identify individuals who can serve as potential change agents in the KISAN production areas. During the quarter, staff identified 61 farmers, agrovets, and cooperative leaders to serve as change agents. These individuals will be trained to serve as change agents early in the coming quarter. Trainings will build change agents' capacities in agricultural and entrepreneurial skills.

Activity A.2.2 Organize Farmers into Groups and Cooperatives

KISAN staff began forming farmer groups in October 2013 and will continue doing so through the coming quarter. As of December 2013, a total of 841 farmers groups consisting of 17,917 people have been identified. Women account for over 70 percent of group members. Table VII below shows the gender makeup of the groups by district for the ten Mid-Western districts.

Table VII. Number of Group Formation in Districts

District	Group formation	Male	Female	Total members
Banke	119	891	1,733	2,624
Bardiya	192	969	3,225	4,194
Dailekh	78	357	1,373	1,730
Dang	150	904	2,294	3,198
Jajarkot	45	328	587	915
Pyuthan	75	296	1,198	1,494

Table VII. Number of Group Formation in Districts

District	Group formation	Male	Female	Total members
Rolpa	34	191	528	719
Rukum	42	179	683	862
Salyan	42	264	514	778
Surkhet	64	225	1,178	1,403
Total	841	4,604	13,313	17,917

Activity A.2.3 Train Farmers on Improved Production and Post-Harvest on Rice, Maize, Lentil, and Vegetables

In order to improve accessibility and availability of nutritious foods, KISAN trains farmers to grow vegetables that have market demand to increase their income, and promotes improved varieties of rice, maize, and lentils to increase food security. KISAN is introducing new technologies and techniques such as growing vegetables in raised beds; sowing seeds in lines in nursery beds; timely and proper land preparation; and plastic houses/tunnels to cultivate off-season vegetables. Because of the need to sow crops according to particular cropping seasons, KISAN has not started any training on improved rice, lentil, or maize production.

During the quarter, staff conducted trainings in all ten Mid-Western KISAN districts as scheduled.

Farmers will receive a series of six trainings per year in total over two crop cycles.

I. One-day trainings

- Formal trainings that span six hours or more
- Focuses both on theoretical and practical aspects
- Can cover a range of training topics
- Lead by KISAN staff and trained JT/JTA

2. Mobile trainings

- Both formal and in-formal
- Sometimes conducted during field visits/inspections
- Short and skills-based, spanning 2-3 hours
- Hands-on and specific problem solving
- Specific trainings (such as, transplanting, disease and pest control, harvesting techniques)
- Lead by KISAN staff and trained JT/JTA
- Lead by LSPs, Leader Farmers

Through December 31, 2013, KISAN conducted 266 trainings on a range of topics. Trainings provided to farmers vary based on the agro ecosystem. KISAN staff conducted 214 one-day Nursery Management and Crop Production Management trainings;

41 one-day Crop Production Management and Marketing trainings; and 11 mobile Crop Plantation/ Plant Protection, Post-harvest and Marketing trainings. Trainings will continue throughout Y2 in all project districts. The majority of farmers trained have been women. Table VIII shows the number of producer and farmers groups receiving trainings by district. Table IX shows the number of individuals (disaggregated by gender) trained in each district. As indicated, group formation has been a major focus of this reporting quarter. As presented in the table, a total of 13 groups had been formed in the Mid-Western districts at the end of the previous quarter. Since then, staff have formed 266 new groups between October and December 2013.

Table VIII. Number of Producer/ Farmer Group Receiving Trainings

District	Number of groups receiving training (Y2 Q2)	Total cumulative number of groups receiving training
Banke	8	41
Bardiya	95	97
Dailekh	12	12
Dang	25	27
Jajarkot	9	9
Pyuthan	16	19
Rolpa	15	15
Rukum	35	35
Salyan	6	6
Surkhet	15	18
Total	266	279

The total number of trainings conducted includes trainings in vegetable production, as well as lentil, maize, and rice. Of the cereal crops, KISAN will train farmers how to produce lentil, maize, and rice as seed crops, as well as food-crops. This quarter, 217 trainings focused on vegetable production, and 49 on cereal crops. All the cereal crop trainings this quarter focused on seed production (see Outcome I).

Cereal crop production as a food crop will begin in the coming quarter in accordance with appropriate cropping seasons.

Some of the trainings were conducted at the demonstration sites (see Outcome 3). KISAN staff used these sites to train farmers on a range of techniques such as the benefits of rhizobium inoculation; vegetable production; plastic house with drip irrigation for off-season vegetable promotion; lentil seed and crop production; improved vegetable cultivation packages, including practices in cauliflower, tomato, and onion production; and nursery establishment.

Table IX. Number of individuals who have received USG supported short-term agricultural sector productivity or food security training

District	Number of farmers trained (Y2)	Male	Female	Total farmers trained cumulative	Male	Female
Banke	834	259	575	912	307	605
Bardiya	2541	569	1972	2606	619	1987
Dailekh	230	54	176	230	54	176
Dang	541	141	400	581	157	424
Jajarkot	55	15	40	55	15	40
Pyuthan	335	30	305	403	30	373
Rolpa	275	61	214	275	61	214
Rukum	668	138	530	668	138	530
Salyan	119	49	70	119	49	70
Surkhet	228	17	211	268	19	249
Total	5826	1333	4493	6117	1449	4668

Activities for Next Quarter

KISAN will recruit and mobilize more than 300LSPs and conduct at least 1000 one-day trainings, and at least 700 mobile trainings. KISAN will train households in sub-sector crops such as vegetables and lentil production as per the DIPs.

KISAN will carry out capacity building and enhancement trainings and workshops for skills development in book keeping, record keeping for sales and income generation, preparation of business plan, and

collection and dissemination of market price information to farmers, traders, input suppliers, and MPC members.

Staff will conduct a variety of one-day and mobile trainings for the first crop production cycle of off-season vegetables at the beginning of the quarter. Topics will include crop production management, post-harvest handling and marketing, crop planting, and plant protection. Later in the quarter, staff will conduct trainings in the second crop production cycle on topics such as nursery management, crop production management, crop planting, and plant protection. KISAN will also conduct a micro irrigation technology (MIT) dealers' linkage strengthening workshop in which change agents will also participate.

3. OUTCOME 3, SUB-IR 1.3: IMPROVED AND SUSTAINABLE AGRICULTURE PRODUCTION AND POST-HARVEST TECHNOLOGIES AND PRACTICES ADOPTED AT THE FARM LEVEL

To improve productivity, and better prepare farmers for climate change, KISAN will introduce new technologies to farmers through the trainings described in Outcome 2. For example, KISAN may improve water management through innovative capture technologies and efficient water usage methodologies such as multi-purpose ponds or micro-dams that incorporate irrigation and off-season crop production. Additionally, KISAN will show farmers how to improve their soil via conservation tillage practices, composting to increase soil organic matter, and improved irrigation practices. This activity is yet to begin so we have no results for this past quarter, but have presented the table to show how we will report results in the future.

Table X. Improved and sustainable agriculture production & post-harvest technologies and practices adopted at the farm level

Performance Indicator	Target Y2	Achievement Y2	Target LOP	Achievement LOP
Number of farmers and others who have applied new technologies and management practices as a result of USG assistance			150,000	
Number of hectares under improved technologies or management practices as a result of USG assistance			45,000	
Number of hectares with irrigation and drainage services				

Number of stakeholders using climate information in their decision making as a result of USG assistance				
% increase in farmers using improved seed varieties			70%	
% reduction in loss due to spoilage				

Overall, farmers lack access to improved technologies and cultivation practices of commercially viable crops. Farmers have also displayed limited awareness about the potential commercial value of certain crops such as vegetables. Onions are currently imported in large quantities from India and so have high potential to be grown in KISAN areas as a high value crop if the current challenges of limited irrigation and timely availability of recommended seeds are addressed.

Likewise, farmers are unaware of the new cultivation practices and the new varieties for lentils, rice, and maize. KISAN is promoting new methods and improved technology through its trainings to increase farmers' production. Details of activities conducted by district are listed below.

Activity 3.1 Design Technical and Field-based Interventions to Improve Production

A major thrust of the KISAN Project is to help Nepali farmers to increase food security by adopting technical and field-based interventions to improve production. As part of this process, KISAN is working with other FTF projects in Nepal, CSISA and IPM-IL in particular, to help identify best practices and bring them to scale by introducing them into KISAN's training curriculum in order to train beneficiary farmers. So far KISAN has met with other USAID projects (CSISA, HMRP, IPM-IL, Suaahara, etc.) to integrate proven technologies and practices from agronomy into training packets for change agents. KISAN staff will develop demonstration plots to showcase environmentally-friendly agriculture technologies and practices that increase sustainable production of high-value crops, improve yields of traditional crops, and grow nutrient-rich foods for household consumption.

During this quarter, KISAN identified and developed training packages for 43 separate technologies and practices as presented in Table XI. These training technologies have been incorporated into the change agent training curricula and the farmer training curricula described in Outcome 2.

Table XI: Technical and Field-based Interventions to Improve Production

Technology Category	KISAN Improved Technology
Land improvement/preparation practices	Soil solarization Terrace improvement

Table XI: Technical and Field-based Interventions to Improve Production

Technology Category	KISAN Improved Technology
	Soil testing Type of soil for suitability for different crops Use of improved land preparing tools/machines
Crop genetics	Adopting improved and quality seed variety Use of draught tolerance seed variety Use of submerge/flood tolerance seed variety
Nursery management	Raised/low bed nursery Polypot/polybag, tray nursery High bed nursery (tand) Mulching
Management practices	Use of plastic house/tunnel Use of MIT (drip/sprinkler/MUS/Treadle pump/plastic pond) Agronomy management (complementary mix, inter cropping, mixed cropping, relay cropping, crop rotation) Off season cultivation Use of nutrients and lime Solar water lifting Line sowing, adequate spacing (both plant-to-plant and row-to-row). DS (direct seeding) in case of rice, maize and lentil Use of seeder, planter, etc.
Cultural practices	Soil solarization Adequate use of manure Raise bed farming Timely sowing Timely irrigation Timely weeding Staking, mulching

Table XI: Technical and Field-based Interventions to Improve Production

Technology Category	KISAN Improved Technology
	Use of lure and traps Use of bio fertilizer Balance use of fertilizer Adoption of IPM practices Judicial use of pesticides; use of Class III and IV pesticides Use of <i>jholmol</i> (liquid manure) Use of hormones for female flower induction (e.g. miraculan) Proper handling of sprayer Use of bio pesticide
Harvest and post-harvest	Harvesting time (based on crop type) and time of harvest Harvesting procedure (based on crop type) Use of harvester (e.g. reaper) Use of thresher Sorting, grading Packaging materials (super-bag, hermetic plastic bag for grain storage) and packaging Transportation and modes of transportation (avoid use of tractor especially for vegetable transportation);also time of transportation (e.g. avoid vegetables transport in day time)

Activity 3.2 Identify Improved Post-Harvest Processes

As part of this activity, the KISAN team will identify specific technologies and practices that reduce post-harvest losses of seed, grains, and vegetables. Post-harvest and Value Chain Expert Dr. Kerstin Hell traveled to Nepal to assess the post-harvest system in Nepal based on the observed losses, identify causes, and key problems, and provide recommendations and suggested best practices to the KISAN Project staff from November 25, 2013 to December 16, 2013. Dr. Hell conducted an assessment of post-harvest losses in maize, lentils, rice, and vegetables in Nepal. Dr. Hell travelled to farmers’ houses, collection centers, and markets in Western and Mid-Western districts in the course of her assignment.

Dr. Hell interacted with key government institutions working in agriculture value chain; the Plant Quarantine Officer at the Nepal/India border; Agriculture and Forestry University; farmers; collectors; traders; and millers from six wholesale markets in Central, Western, and Mid-Western districts. She also met with DFTQC and the CIMMYT/HMRP to understand their research concerning post-harvest quality and quality control. Dr Hell's findings are as follows:

- Infestation in rice starts in the field or on the threshing ground as farmers leave the paddy piled up in the threshing ground for between seven days to two months;
- The metal bins which are thought to be the best option also have risk of condensation due to climatic changes – so it needs to be tested in varying climatic conditions;
- Farmers' estimation of losses is around 10% in rice which can be around 10-20% in actual losses; 15%-20% in maize which can be around 40-50% in actual losses. Farmers also estimate a 10% loss in lentil production;
- There are low yields in maize – 200 kg/ropani (2.5 t/ha) on improved varieties and 100kg/ropani local varieties. According to the farmers, hybrid varieties seem to be more susceptible to pests;
- Lentil has 30% price differential after six months storage, so farmers prefer to store but storage in hermetic bags, plastic containers, and drums also lead to caking in lentils. Since there is high percentage of impurity, there is a need to establish sorting practices at the farm level to capture price differential; and
- Lack of grading, packaging, mishandling during transportation, and improper storage and stacking leads to a higher incidence of degradation in the quality of vegetables.

Details are presented in Annex VII.

Activity A.3.3 Establish demonstration plots

KISAN has established a total of 46 demonstration plots to orient farmer groups to improved and sustainable agriculture production and post-harvest technologies and practices. Table XII shows the demonstration plots by district and crop.

Activity A.3.4 Organize exposure visits

KISAN staff organized a number of exposure visits for change agents, including LSPs, agrovets, seed cooperatives/entrepreneurs from Banke, Bardia, and Dang to CIMMYT's CSISA research sites. The change agents were able to see first-hand the differences in yields due to different seed varieties, spacing, water treatments (number of times irrigated), and weeding regimes. By actually seeing the differences in yield, the change agents will be better able to promote best practices to farmers. At CIMMYT, the change agents learned about direct-seeded rice, zero tillage, transplanting rice techniques such as puddled and unpuddled transplanting. Finally, change agents learned about managing fields for commercial production where farmers use machinery for planting, weeding, and harvesting rice.

The observation visits have reinforced to change agents the importance of selecting proper seeds, techniques, and technologies to optimize production. Observation visit groups from all three districts are convinced about improved transplanting rice techniques and some plan to work with large farmers in their respective areas to purchase the rice seeding machines and to adopt these techniques. Since the visits, farmers are also more aware about the different seed varieties, and are actively seeking quality source seeds.

Table XII. Demonstration Plots by District

District	Demonstration of plastic house with drip irrigation for off-season vegetable promotion	Demonstration lentil crop/seed production	Demonstration seasonal vegetable production	Total
Banke	2	9	6	17
Bardiya	0	9	0	9
Dang	0	9	0	9
Rolpa	0	0	2	2
Surkhet	4	3	2	9
Total	6	30	10	46

Activities for Next Quarter

KISAN staff will conduct trainings to change agents, including farmers, on the improved techniques and promote improved seed and reinforce the messages through demonstration plots.

B. COMPONENT A, IR 2: INCREASED AGRICULTURE VALUE CHAIN PRODUCTIVITY LEADING TO GREATER ON- AND OFF-FARM JOBS

KISAN will coordinate with Component C, the Livelihoods Component staff, to teach farmers and rural residents how to increase their revenue and profit when they invest in productive assets that improve product quality. Outcome 4 will focus on establishing market linkages for farmers and creating demand for both inputs and farm outcomes.

4. OUTCOME 4, SUB-IR 2.1: IMPROVED MARKET EFFICIENCY

Under Outcome 4, KISAN will develop collection centers, strengthen wholesale markets, and improve the availability of market information to ensure farmers can continue to sell their high-value agriculture products.

Table XIII. Outcome 4:Improved market efficiency

	Performance Indicator	Target Y2	Achievement Y2	Target LOP	Achievement LOP
	Number of collection centers/MPC established and functioning via facilitation of USG (either through funding or leveraging)	30	4	50	4

Activity B.4.1 Conduct assessment of collection centers and markets

During the first quarter of Y2, KISAN conducted an initial assessment of MPCs. During this past quarter, KISAN staff mapped collection centers and major markets throughout the ten districts. Staff conducted informal meetings with MPC members, conducted a Strength, Weakness, Opportunity, and Threat (SWOT) analysis of MPCs to inform KISAN staff target ways to strengthen MPCs during the remainder of the year. Table XIV summarizes some of the findings from the assessments.

Table XIV: Capacity Assessment of Collection Centers

District	Findings
Rukum	6 MPCs identified; of which 2 are functional and 4 non-functional. 3 collection centers identified; only one was functional.
Surkhet	7 MPCs identified; 5 are functional and 2 non-functional. Potential to establish 3 new MPCs identified.
Salyan	6 MPCs identified; 2 are functional, and 4 non-functional.
Dailekh	12 MPCs identified; 9 are seasonally functional and 4 non-functional.
Banke	11 MPCs identified; 7 are functional and 4 non-functional. Potential to establish 2 new MPCs identified for capacity building of the haat bazaar.
Bardiya	17 MPCs identified; 15 are functional and 2 non-functional. Potential to strengthen 1 MPC identified.

Table XIV: Capacity Assessment of Collection Centers

District	Findings
Jajarkot	Potential to strengthen 2 MPCs identified.
Dang	8 MPCs identified; 3 are functional and 5 non-functional.
Rolpa	9 MPCs identified; 7 are functional and 2 are non-functional.
Pyuthan	8 MPCs identified; 5 are functional and 3 are non-functional.

A more comprehensive assessment of four MPCs was initiated in Salyan district. Staff met with MPC/CC committee members, local traders, agrovets, and farmer groups to understand the current status of the MPC, and to explore ways to revive and strengthen them. Overall findings of these four MPCs are summarized as follows:

- **Strengths:** Farmers are actively vegetables; MPCs are operating; there are functional linkages and relationships with producers and wholesalers; there is sound infrastructure; and there are local market and consumers.
- **Weaknesses:** MPC leaders are influenced by political affiliations; mistrust between MPCs and producer farmers; lack of coordination between producers and wholesales; weak management; unsustainable administrative practices; inactive executive committee members and advisory board; limited volume of produce (due to lack of irrigation facilities); farmers lack of market price information; lack of timely seed and fertilizer inputs; and lack of grading and packaging, lack of cold storage; inactive collection centers.
- **Opportunities:** Proactive projects and supporting organizations, including DADOs and KISAN; possibilities to revive CCs; strong markets, so there is the potential of introducing contract farming and differentiated vegetable farming; farmers could increase their productivity with improved access to micro irrigation and micro finance services; road expansion; and there are expanding road and transportation networks.
- **Threats:** Road expansion means farmers have options for selling or trading their produce and they are no longer bringing their products to this CC; lack of trust between producer groups, MPC, and wholesalers; MPCs are not accountable; inadequate budget to pursue CC rehabilitation efforts; and high volume of vegetable import from regional and district markets.

Activity B.4.2 Identify Priorities and Plans for Agricultural Collection Centers and Wholesale Markets

KISAN regional and district staff have coordinated closely with GON counterparts to discuss and identify priorities and plans for agricultural collection centers and wholesale markets in all of the ten Mid-Western districts. In addition to discussions at regional directorate interactions and DADC meetings, staff continues to interact closely with each DADO to establish a common understanding of priorities in the KISAN working areas. KISAN has shared all KISAN assessments and documentation with DADOs to update them on the status of CCs and wholesale markets. This has facilitated DADOs development of prioritization lists of coverage areas, where new CCs and wholesale markets are needed, and identify non-functional CCs for rehabilitation. As a result of the collaborative efforts, VDCs in the Mid-Western have verbally committed to allocating VDC funds to establish new CCs and wholesale markets, and to rehabilitate others within KISAN coverage areas.

Activity B.4.3 Conduct Exposure Visits

As part of this activity, KISAN will create learning opportunities along the agriculture value chain between beneficiary farmers, local service providers, and local stakeholder counterparts. Based on consultant Tom Green's findings, Madan Pokhara, and Bulbule markets will be excellent destinations for exposure visits.

Activities for Next Quarter

This activity is to be carried out in the coming quarter. MPCs, LSPs, and GON staff will visit well-developed and functional production pockets to show everyone the potential of income generation when the various stakeholders work together.

Activity B.4.4 Strengthen Market Linkages

KISAN organized three (Bardiya, Rolpa, and Salyan) meetings in the ten Mid-Western districts to orient KISAN Project MPCs and output traders, and to discuss key markets, marketing strategies, and to foster linkages between actors in the value chain. In the course of the meetings, staff discussed the following:

- MPC status update and data collection;
- Interaction with MPC members for MPC strengthening and planning;
- Trader mapping and data collection;
- Agrovet data collection; and
- Support and coordination for linkage development.

Activity B.4.5 Identify and Strengthen Existing MPCs

The Marketing Supervisor (MS) along with the marketing consultant, DC, PO, and BDSO identified capacity building needs to strengthen MPCs (see Activity A.4.1) so they can better serve the farmers and markets. KISAN is analyzing the assessment data to prioritize the MPC's needs. KISAN will develop a

training plan for MPCs that will begin next quarter. Major trends from the assessment suggest trainings will focus on:

- Organizational capacity building;
- Strategic planning;
- Customer and buyer relationships;
- Collecting and sharing specific market demand data to farmers; and
- How to conduct economic analysis.

The topics will be finalized after the assessments are conducted.

Activity B.4.6 Strengthen Wholesale Markets

Wholesale markets expert Mr. Tom Green traveled to Nepal for his assignment from November 18, 2013 to December 8, 2013. Mr. Green conducted an assessment of wholesale markets in KISAN's Mid-Western districts. Originally expected to be done the first quarter, it was postponed due to scheduling conflicts, election, and holidays.

The objective of the assessment was to evaluate the strengths and weaknesses of existing wholesale markets, their ability to absorb increased production, and to make recommendations on where KISAN interventions would be best targeted to strengthen the value-chain weaknesses. The assignment involved individual assessments of key collection centers and wholesale markets in and along the Kathmandu, Butwal, Nepalgunj, and Surkhet corridor. In Surkhet, the consultant met with farmers and CC members, learned about the current situation of the CCs, their management approach, and plans for the future. The consultant noted that properly functioning markets can benefit all stakeholders along the value chain from the producers to retailers. However, for markets to function there needs to be trust between the value chain actors. The best way to build up trust is to increase everyone's knowledge and communication. The key recommendations include:

- Create grading standards. Ideally the government should do this, but in the absence of the government defined standards, traders could develop them. Grading standards would define different grades (premium, standard, poor) so that products could be graded on the farm or at the collection center, and premium prices could reward farmers with the highest quality. This would reduce loss.
- Have traders explain their marketing costs (transportation, loss, poor quality product, etc.) to the farmers so farmers understand the margin between what traders pay and what the final and retail market pays. If farmers understand the costs, they may be able to reduce the market cost. They are also to trust the trader and his price. For example, if traders lose 40% of their product, then farmers could improve harvest and post-harvest handling that could reduce loss. If

the trader can sell more of the product, the increased revenue could be passed on to the farmer.

- MPCs are weak and KISAN could help build their capacity by providing training on organizational management, record keeping, income generation, and other areas. Ideally the MPC should earn enough money to hire staff to keep the operation running professionally. If managed professionally, farmers will be more interested in selling product to them, ensuring their sustainability.
- The government plays an important role directly and indirectly supporting the value chain. Things the government could do include better coordination regarding where collection centers are established, defining the rules for wholesale markets that are publically and privately owned and developing nation-wide standard for sub-sectors.
- Business and operational planning for larger wholesale markets will ensure absorption of increased supply and may lower marketing costs.
- Projects such as KISAN should promote the passage of the Marketing Act pending with the GON.
- Once thriving MPCs are now defunct but could be revived with support of KISAN.
- MPCs would benefit from strategic plans.
- Two successful MPCs, the Madan Pokhara Cooperative and MPC in Palpa with a satellite station at Butwal, and Bulbule Agrimarket Wholesaler in Surkhet should be used as destinations for exposure visits under the KISAN Project.
- KISAN should develop crop and market calendars for each agro-ecological area.

Activities for Next Quarter

Staff will review the report and identify key steps that will contribute to other parts of the project.

Activity B.4.7 Form and Strengthen New MPCs and Establish Collection Centers

During the last two quarters, KISAN focused on the ten Mid-Western districts where there are established MPCs and CCs. In some cases we may need to revive former MPCs – that will happen later Y2. New MPCs will be developed once we expand to new areas where MPCs don't already exist.

Activities for Next Quarter

KISAN will strengthen and revive existing but non-functional MPC/CCs by identifying weaknesses, and building capacities as required. KISAN will build capacities of MPCs to address perceived weaknesses and to revive businesses. The team will also work to establish new MPC/CCs in most potential

locations. Selected MPCs will visit very successful MPCs in the region and elsewhere in the country for exposure on proper operation and management practices.

Staff will conduct timely, follow up interactions meeting with MPC members, farmers, local traders, agrovets, input suppliers, and other actors in value chain to establish and promote effective coordination and business linkages.

5. OUTCOME 5, SUB-IR 2.2: INCREASED CAPACITY OF GON AND LOCAL ORGANIZATIONS

KISAN will build the organizational and technical capacity of local organizations, to access and implement USG funding in future activities. Initiatives in this regards can include, but not limited to, institutional ability conduct rigorous and large scale monitoring and evaluation, and perform sound financial management, internal auditing, and reporting. With respect to the GON, capacity building will be undertaken in agriculture research and extension.

Activity B.5.1 Increase Capacity Building of Local Organizations

During December, Winrock designed and presented a plan to USAID on how to identify organizations interested in having their capacity built, conducting assessments using structured organizational capacity assessment tools (OCAT), and then conducting training courses so that they could bid for USAID projects and assume the management of KISAN districts within two years of the their training. USAID has requested time to revisit how KISAN should build organizations' capacity and how and when they will to transition the KISAN districts to local partners.

Activity B.5.2 Strengthen Partnership with NARC and Universities for Innovation Dissemination

KISAN plans to work closely with NARC for technical and technological backstopping. KISAN will adopt the NARC research outcomes (e.g. improved varieties of seeds) and also use their expertise on trainings and knowledge sharing. The personnel of NARC Regional Agriculture Research Stations will participate on joint monitoring of the KISAN outcomes.

In this quarter, NARC has appointed regional focal persons for KISAN. KISAN has also conducted consultation meetings with NARC for further collaboration and signed an MOU. KISAN has successfully linked seed producer groups to NARC to access quality foundation and source seeds. Likewise, KISAN collaborated with NARC through the IPM-IL project to carry out a Tomato Grafting training in NARC Regional Agriculture Research Station, Khahjura, Banke.

KISAN will also work with Agriculture and Forestry University (AFU), Rampur for improved technology dissemination. In this quarter, the Post-Harvest Consultant met with researchers from AFU to get better insight on current status of post-harvest practices and some improved practices identified by AFU. Post-harvest processes that AFU has identified are a need to prioritize (vegetable sorting and

storage). AFU has developed an extension leaflet in Nepali language; these can be the basis of farmer training.

Activity B.5.3 Strengthen Entrepreneurial and Organizational Skills of Small Enterprises and Community-Based Organizations.

KISAN will build the capacity of private enterprises, producer organizations, water user associations, women's groups, trade and business associations, and community-based organizations (CBOs) to promote sustained commercialization of promising technologies. During the last quarter, no organizations were trained.

Activities for Next Quarter

KISAN will begin training small enterprises and CBOs to strengthen organizational skills.

III. MANAGEMENT AND ADMINISTRATION

In addition to implementing project activities, and expanding activities to the Far-Western and Western regions, KISAN staff focused on training staff and preparing modifications for USAID.

A. CONTINUED START UP AND EXPANSION

The lack of clarity of how we are to proceed with Component B has had direct impacts on activity planning and administrative set up in the project districts, particularly in terms of beneficiary selection criteria and annual budgeting per district. However, KISAN has continued to roll-out and implement agriculture-related tasks through the past quarter.

I. VDC SELECTION

As with the ten Mid-Western districts, KISAN staff has coordinated closely with DADOs to identify KISAN VDCs in the Far-Western and Western districts. Table XV shows the number of VDCs in each of the 20 districts. We expect to hit our targets based on the populations of the VDCs. Though planned to be conducted only in Quarter 3, the VDC selection for the additional ten districts has already been completed for the Far-Western Districts, and proposed VDCs have been identified for the Western districts. To finalize the VDCs, KISAN staff met with DADOs and DADC members to ensure that the AFSP will not work in the same VDCs. As of December 31, 2013 DADC approval has been received for three districts in the Far-Western region (Doti, Dadeldhura, and Achham). All DADC meetings are scheduled to be completed and VDCs finalized by January 7, 2014. The list of proposed and DADC approved VDCs for the KISAN Project is presented in Table XVI below. There are a total of 14 municipalities in the 20 KISAN districts; KISAN will work at VDC level in all districts, and only have activities in one municipality (Amargadh) in the Far-Western district of Dadeldhura. This is as per the DADC's request.

Table XV. KISAN Working District and VDC (Far Western, Mid-Western and Western region)

District	No of VDCs	KISAN working VDCs
<i>Far-Western region</i>		
Achham	75	10
Baitadi	62	19
Dadeldhura	20	10
Doti	50	10
Kailali	42	19
Kanchanpur	19	18
<i>Mid-Western region</i>		
Banke	46	25
Bardiya	31	18
Dailekh	55	20
Dang	39	26
Jajarkot	30	10
Pyuthan	49	13
Rolpa	51	14
Rukum	43	13
Salyan	47	15
Surkhet	50	15
<i>Western region</i>		

Table XV. KISAN Working District and VDC (Far Western, Mid-Western and Western region)

District	No of VDCs	KISAN working VDCs
Arghakhanchi	42	18
Gulmi	79	15
Kapilvastu	77	27
Palpa	65	21
Total	972	336

Table XVI. DADC Approved Western, Mid-Western, and Far-Western VDCs

District	No of VDC	VDCs
<i>Far western region</i>		
Achham	10	Mastamada, Nawathana, Baijanath, Kalika, Janalikot, Bardadevi, Birpath, Kukia, Chalsa, Bhuli,
Doti	10	Barpata, Kaphalleki, Sanagaon, Mubara, Barchhen, Mannakapadi, Tijali, Gaihragau, Kalikasthan, Mahadevsthan
Dadeldhura	12	Rupal, Koteli, Jogbudha, Bagarkot, Ashigram, Ganeshpur, Mastamandu, Amargadhi M, Ajayameru, Samejee, Kailaalamandu, Manilekh
Kanchanpur	14	BaisiBichawa, Beldandi, Chandani, Dekhatbhuli, Dodhara, Kalika, Krishnapur, Laxmipur, Parasan, RaikawarBichawa, Rampur Bilaspur, Sankarpur, Sreepur, Tribhuwanbasti
<i>Mid-Western region</i>		
Banke	25	Bageswari, Bankatawa, Bankatti, Betahani, Chisapani, Gangapur, Hirminiya, Holiya, Kalaphanta, Kamdi, Katkuiya, Khajurakhurda, Kohalpur, Laxmanpur, Matehiya, Narainapur, Naubasta, Puraina, Puraini, Radhapur, Rajhena, Raniyapur, Samsorganj, Sitapur, Udayapur

Table XVI. DADC Approved Western, Mid-Western, and Far-Western VDCs

District	No of VDC	VDCs
<i>Western region</i>		
Argakhanchi	18	Khandaha, Bagi, Khan, Argha, Dharampani, Bhagawati, Chhatraganj, Thulopokhari, Sandhikharka, Wangla, Dhikura, Khanchikot, Narpani, Jukena, Sitapur, Thada, Dhatibang, Khidim
Palpa	21	Rampur, Chirbungdhara, Khasauli, Khaliban, Pokharathok, Deurali, Galdha, Chidipani, Bauthapokharathok, Dargha, Pipalgada, Argali, Gadakot, Chappani, Masyang, Gegha, Nayarnamtles, Telgha, Gundi, Timure, PalungMainali
Kapilvastu	27	Shivapur, Birpur, Bahadurganj, Dhankauli, Mahuwa, Maharajganj, Kajahawa, Hardauna, Tilaurakot, Niglihawa, Kopawa, BaiduliGorihawa, Basantapur, Somdiha, Singhokhor, Labani, Bijuwa, Pipara, Abhiraw, Pakadi, Dharmapaniya, Nandnagar, Patariya, Fulika (Phulika), Gauri, Dohani

2. MOBILIZING STAFF

KISAN continues to recruit staff. During Quarter 2, the project focused on recruiting staff for the Western and Far-Western KISAN offices. This past quarter, USAID has approved a total of 150 staff that KISAN has hire das shown in Table XVII.

Table XVII: KISAN Staff List

Staff by category	Organization	Kathmandu Staff	Nepalgunj Staff	District Staff	Total
Professional (Full Time)	WI	1		24	25
Support staff	WI				
Total WINROCK Staff		1		24	25
Professional (Full Time)	CEAPRED			30	30
Professional (Part Time)	CEAPRED	1			1

Table XVII: KISAN Staff List

Staff by category	Organization	Kathmandu Staff	Nepalgunj Staff	District Staff	Total
Support staff	CEAPRED				
Pending Approval	CEAPRED				
Total CEAPRED Staff		1		30	31
Professional (Full Time)	DEPROSC			8	8
Professional (Part time)	DEPROSC	1			1
Support staff	DEPROSC				
Total DEPROSC Staff		1		8	9
Professional (Full Time)	NEWAH	1			1
Professional (Part time)	NEWAH				
Support staff	NEWAH				
Total NEWAH Staff		1			1
Professional (Full Time)	NPCS	1	1	2	4
Professional (Part time)	NPCS	1			1
Support staff	NPCS				
Total NPCS Staff					
Grand Total		3	0	62	66

There have been some changes in staffing. The Rolpa DC has been reassigned to Arghakhachi in the west. The Rukum DC has resigned and has since been replaced. Three Winrock staff (the GIS Expert, a District Coordinator, and a Business Development Service Officer) also resigned from their positions during this reporting period. The GIS Expert and District Coordinator positions have been filled. Screenings are ongoing for the BDSO.

3. PARTNER SUBCONTRACTS

Based on the most recent conversations with USAID, the KISAN Project will not work in Component B. The COR confirmed that we would no longer need the services water and sanitation health (WASH) partner NEWAH and Nutrition partner NPCS. Winrock terminated its contracts with NPCS and NEWAH on December 31, 2013 and January 31, 2014, respectively. Related WASH and Nutrition staff was informed of this situation.

4. TRAINING OF TRAINERS AND STAFF ORIENTATION

KISAN conducted a Training of Trainers and staff orientation for over 80 central, regional, and district-level key staff in the ten Mid-Western districts October 28-31, 2013 in Nepalgunj. The four-day training oriented project staff to all five agriculture-related outcomes and activities in a diverse range of topics. These ranged from beneficiary selection criteria and group formation, improved production technologies and crop production, seed production and certification, post-harvest, IPM, micro-irrigation technology, and multi-use water system. The program also oriented district staff on essential cross-cutting aspects of effective project management, including administration and finance, monitoring and evaluation, coordination with GON, branding and reporting, and leveraging. See Annex V for details.

5. OFFICE LEASE AND PROCUREMENT

During the past quarter, KISAN staff has focused on expanding the project to the Far-Western and Western regions. Lease agreements for the Arghakhanchi and Kapilbastu offices in the West have been finalized and submitted to USAID for approval. Regional staff has been mobilized to explore office buildings for other district offices of Far-Western and Western Development Regions. We anticipate all lease documents will be approved by end of January 2014.

6. KISAN PARTNER COORDINATION

Partners' Meetings have not been held this past quarter due to public holidays, elections, and staff travel, but interactions have continued between partners at the central, regional, and district levels. Staff members are working as one team. Winrock and its partners coordinated to plan and implement field activities; developed and finalized partners' Y2 specific scopes of work; clarified responsibilities in district-specific DIPs; planned for project rollout in the six Far-Western and four Western districts; and conducted the first NPAC meeting in early December.

Winrock kept Component B partners NPCS and NEWAH informed of discussions about proposed contract modification affecting Component B approaches as it continued to evolve between October and December 2013. Winrock informed partners of USAID's decision to discontinue nutrition and WASH activities from the project in a timely manner.

7. WI-KISAN MONITORING SYSTEM

WI-KISAN (Web Interactive Knowledge-based Integrated Sustainable Agriculture and Nutrition) is a web-based interactive monitoring and evaluation database designed to track activities and target

beneficiaries, groups, organizations, partners, performance indicators, and results. The system is a single-entry online data entry and reporting system to be used to track, analyze, document, and evaluate multi-tier project data of targeted beneficiaries with data disaggregated by districts, organization, sex, etc. WI-KISAN is developed in PHP and MySQL server.

In this quarter, M&E tools and data collection questionnaires such as the Recipient Household Form, Group Form, the Organization Form and the Training Forms have been developed and shared with USAID. These forms have field guides that describe how to complete them to ensure staff completes the forms correctly and consistently. These have been translated into Nepali and circulated in district offices. Each district has been holding the completed hardcopies of these forms. After WI-KISAN is operational, the data will be entered. WI-KISAN is expected to be operational by the end of January 2014. Similarly, project training data have also been entered in Trainet. The Western and Far-Western region maps have also been developed in this quarter. See Annex VI.

B. KISAN PROJECT AMENDMENT AND MODIFICATION

Since June, USAID has suggested that they would like to modify the KISAN Contract with respect to Component B Activities. During this time, Winrock has sought clarification about which indicators are tied to “completing” the contract.

On October 7, 2013, Winrock received a draft modification requesting that Winrock international would no longer be responsible for Component B related outcomes, and that they would like tasks in Outcomes six and seven (Component B) to be subcontracted out to an international non-government organization with substantial expertise in child and maternal nutrition and sanitation in Nepal. KISAN senior managers and U.S. based staff engaged Helen Keller International (HKI) as a prospective sub awardee for the KISAN Project. Winrock worked closely with them to develop a revised budget (that followed the Suahara model) and to provide comments to USAID’s proposed changes to Sections C and F. The budget and comments were submitted to USAID on October 18, 2013. The Winrock team continued to hold a series of coordination meetings with HKI to orient them about KISAN and the value chain approach. Several meetings were conducted to further define the details of HKI’s role in anticipation of the Modification.

Home Office Coordinator, Erin Hughes, traveled to Nepal the second half of November (see trip report on Annex VIII) in anticipation that the Modification would be finalized and there would be additional work to bring on HKI and other subs.

On December 6, 2013 Winrock staff was informed by the Contracts Officer that USAID would be eliminating Component B from the KISAN Project and that a modification stating this change would be forthcoming. On December 14, 2013 the COR reiterated that Component B would be dropped from the contract and that Winrock should give notice to NPCS and NEWAH that we would be terminating their contract. This development has direct impacts on beneficiary selection and activity planning in the project districts. For example, as per Winrock’s project design, we were seeking beneficiaries that met

both component A and component B criteria. Our staff targeted households with 1000 day mothers for agriculture interventions. Staff held up on selecting pocket areas due to the unclear criteria and understanding of the project's target group. In addition, the Grants under Contract are greatly delayed as are trainings to train local organizations to carry on the work of KISAN, both tied to the modification. Additionally, Winrock learned that USAID's Suahaara Project will be working in four KISAN districts (Baitadi, Doti, Accham, and Dadheldhura) to improve nutrition and sanitation practices. The KISAN and Suahaara COPs are coordinating closely for smooth rollout of Suahaara's nutrition and sanitation interventions in KISAN beneficiary communities.

C. CONTRACT DELIVERABLES

As of December 2013, Winrock has finalized and submitted all the deliverable documentation for project implementation as required by the contract. During the past quarter, KISAN re-submitted the Annual Report, PERSUAP, EMMP, and Outreach and Communications Manual. USAID has asked Winrock to modify most of the deliverables after the anticipated modification is approved. Table XVIII shows the current status of deliverables.

Table XVIII. Contract Deliverables

Deliverable Documentation	Date Submitted	Status	Resubmission dates after Modification
Management Plan	March 31, 2013 Revised and resubmitted April 7, 2013	Component A approved April 18, 2013	30 days
Life of Project Implementation Plan	May 17, 2013 Revised and resubmitted December 3, 2013	Awaiting Approval on response to comments and changes to Component A	15 days
Procurement Plan	April 29, 2013 Revised and resubmitted May 30, 2013	Approved July 8, 2013	
Monitoring and Evaluation Plan	June 5, 2013 USAID comments received July 9, 2013 Revised and resubmitted October 22, 2013	Awaiting Approval for Component A	30 days

Table XVIII. Contract Deliverables

Deliverable Documentation	Date Submitted	Status	Resubmission dates after Modification
Year One Annual Work Plan	Year One portions submitted on August 15, 2013	Approved August 26, 2013	
Year Two Annual Work Plan	Component A portion submitted August 26, 2013.	Component A approved on September 23, 2013	30 days
Outreach and Communications Plan	Submitted June 27	Awaiting Approval	15 days
Environment Mitigation and Management Plan	Submitted May 22, 2013 USAID comments received August 26, 2013 Resubmitted December 3, 2013	Awaiting Approval	
PERSUAP	Informal sharing of the report on third week of July. Submitted October 17, 2013. USAID comments received October 30, 2013 PERSUAP submitted November 25, 2013	Awaiting Approval	
Monthly Reports	March 31, April 30, May 31, June 30, July 31	Approved	
Quarterly Progress Reports	Submitted April 30 for Year 1 First Quarter Submitted October 31 for Year 2 First Quarter	Received acknowledgement of receipt from USAID/Nepal Awaiting Approval	

Table XVIII. Contract Deliverables

Deliverable Documentation	Date Submitted	Status	Resubmission dates after Modification
Annual Performance Report	Annual Report submitted Report on August 10, 2010 USAID comments received on August 13, 2013 Resubmitted October 11, 2013	Awaiting Approval	
Grants Under Contracts	August 14, 2013 Re-submitted the Grant Flow Cycle Chart (was part of original document) October 16, 2013	Awaiting Approval	
Security Report	August 14, 2013	No Issues	

D. WINDOWS OF OPPORTUNITY GRANTS UNDER CONTRACT PLANNING

Discussions were held with the USAID SEED and Contracts teams in December regarding the GUC/Windows of Opportunity Grants. Discussions included a number of possible options for the KISAN grants program but USAID suggested KISAN review Hairyo Ban’s grant manual and wait for the release of the upcoming modification. The contractually-required GUC Manual was submitted in August.

Activities for Next Quarter

Following the finalization of the KISAN Contract Modification, staff will amend and resubmit key deliverables as required by USAID. KISAN will establish offices in the Far-Western and Western districts by the first week of January 2014. Component A staff will identify, seek approval, and hire staff for the Far-Western and Western districts by February 2014.

Winrock will work with partners to finalize DIPs in the remaining ten districts in the Western and Far-Western districts. Staff will conduct a Training of Trainers and staff orientation for key KISAN staff from the six Far-Western and four Western districts in respective hub offices by March 2014.

IV. ANTICIPATED FUTURE PROBLEMS, DELAYS, CONDITIONS, AND CONSTRAINTS THAT MAY ADVERSLEY AFFECT THE IMPACT OF THE PROGRAM

A. MODIFICATIONS

Since May 2013, Winrock has received three different draft modifications and requests for proposals, or comments or budgets, from USAID. Most of the requests were regarding clarifying and modifying section B of the project, which has required significant staff time

Moreover, we were hesitant to move forward– to create district based coordination bodies, select VDCs, or select beneficiaries – because the extent of integration between Component A and B was unclear. In the past quarter, the KISAN team has moved forward implementing Component A without worrying about possible integration with nutrition. The combination of responding to requests from USAID and clarity about the direction during the last three quarters has resulted in project delays, greater home office coordinator time and travel, and an overall slower burn rate of the budget.

B. ELECTION IMPACTS

The disruptions leading up to the national elections, held November 19, impacted staff movement and some activities in the ten Mid-Western districts. A total of 12 nationally and locally declared strikes occurred between October and November 2013, but not in all the project districts. This, combined with annual vacations for Dashain and Tihar, limited the number of work days during this period. Winrock delayed forming farmer groups, which in turn delayed TOT to staff, farmer trainings, consultants' trips, and other planned activities. In spite of this delay in start-up activities, as of the end of December 2013 we do not expect this to impact reaching our overall targets.

C. STAFF RECRUITMENT

The recruitment of lower staff (Agriculture Technicians, VDC Coordinators, and Market Supervisors) is going slower than anticipated. KISAN had hoped to complete all recruitment before the end of December. While almost all staff has been identified, the extra step of preparing and receiving approval by USAID slows the process.

We are finding that staff members are receiving offers from other agriculture projects starting up in in the region. Winrock is adjusting staff salaries to be competitive with the market rates.

D. MISINFORMATION IN THE NEPAL NATIONAL PRESS

In the last week of December 2013, an article appeared in Nepali daily Nagarik, and English daily The Republica reporting that the U.S. Government (USG), through its Feed the Future Programs, is promoting GMOs in Nepal.

Since then, KISAN, in collaboration with USAID have reinforced to GON authorities at MOAD that that KISAN and CSISA will only promote NARC/GON-approved varieties. KISAN, at the request of

USAID, arranged meetings between USAID and the MOAD to clarify that USAID will not be promoting GMOs through the FTF program. The main outcome of the meeting was a press release from the MOAD that the USG will not promote GMOs through its agriculture programs. See Annex II.

V. SECURITY ISSUES

There has been a great deal of political activity in this reporting quarter; apart from interfering with field schedules, there have been no direct long-term adverse impacts on the project. The month leading up to the national elections on November 19, 2013 was politically unstable with numerous strikes called by opposing parties. There were a total of 12 days of nationally and locally declared strikes between October and November 2013, but not all affected project districts. GON declared a public holiday on Election Day with no vehicular movement from 7 am to 7 pm. See Annex VII for details.

VI. ENVIRONMENTAL IMPACT

As part of KISAN's Initial Environmental Examination (IEE), the project developed a Pesticide Evaluation Report and Safe Use Action Plan (PERSUAP) that outlines currently used agrochemicals, or those that may be used in the future. Winrock resubmitted final draft on December 3, 2013 and is awaiting approval.

In this quarter, KISAN conducted a TOT to orient staff to the KISAN EMMP. In addition KISAN, as discussed in Outcome 2 and 3, conducted crop and seed production training to farmers and established demonstration sites. In all these activities, environmental impact compliance measures were taken as below. The major activity was training KISAN staff to train farmers on IPM using bio pesticides as an alternative to pesticide use and other measures as defined by PERSUAP. In addition staff is beginning to work with agrovet and input dealers for improved supply and availability of organic pesticides/IPM materials. Some of the key messages are:

- Avoid chemicals, particularly pesticides. If needed, use of only Category III and IV (blue and green level) pesticides as mentioned in the PERSUAP;
- Wear protective clothing during pesticide application, spray along the wind direction, and apply sanitation measures after application;
- Promote compost fertilizer;
- Use of locally made bio-pesticides– leaf extract with cow urine, fresh cow dung, and selective spices (*jhol-mol*) in demonstration sites as well as making farmers aware of the use of this kind of bio-pesticide;
- Ensure proper collection and disposal of waste materials; and
- Avoid pregnant women participate in pest management.

VII. PLANS FOR NEXT QUARTER

During the course of the Y2 Quarter 3, Winrock will have established presence and begun field level interventions in all 20 KISAN districts. Staffing and project rollout of agriculture-related activities have already begun in all 20 districts. Major activities in the next quarter include:

- KISAN will identify all offices in the Far-Western and Western districts by the first week of January 2014.
- Component A staff will identify, seek approval, and hire staff of for the Far-Western and Western districts by February 2014.
- Winrock will conduct Training of Trainers and staff orientation for key KISAN staff from the six Far-Western and four Western districts in respective hub offices.
- The second NPAC meeting is scheduled for later in the coming quarter once the new government has been appointed. All MOAD, MOHP representatives, and USAID are scheduled to attend.
- Winrock will continue collaborate with national stakeholders, such as the Poverty Alleviation Fund, Helvetas, and the Alternative Energy Promotion Center to leverage KISAN efforts at community level.
- KISAN will recruit and mobilize more than 300 LSPs to conduct at least 1000 one-day trainings and at least 700 mobile trainings.
- KISAN will train the households in sub-sector crops such as vegetables and lentil production as per DIPs.
- Component 4 staff will prioritize MPC trainings, and develop a training plan.
- Selected MPCs will visit very successful MPCs in the region and elsewhere in the country for exposure on proper operation and management practices.
- Winrock will work with partners to finalize DIPs in the remaining ten districts in the Western and Far-Western districts.
- KISAN will begin training small enterprises and CBOs to strengthen their entrepreneurial and organizational skills.
- KISAN will work with district agriculture systems to explore and establish information and communication technology (ICT) market information system needs.
- KISAN will continue to engage with and integrate Peace Corps Volunteers in agriculture-related assignments in KISAN beneficiary groups.

ANNEXES

ANNEX I: NPAC MEETING MINUTES

The first NPAC meeting of KISAN project was held under the Chairmanship of Mr. Rajendra Prasad Adhikari, Joint Secretary, and Ministry of Agricultural Development (MOAD) on October 3, 2013 at the KISAN Sanepa office. The list of participants is annexed.

The meeting started with the presentation by KISAN COP William J. Collis on the current status and achievements to date and future plan of KISAN Project together with the alignment with Government of Nepal. The meeting then moved onto the discussion on the main agendas. The agendas and decisions are as follows:

Agenda 1: DADO & DPHO include agenda/status of KISAN in DADC/MSNFSSC twice a year. KISAN to provide miscellaneous expenses.

Decision: The committee decided that DADO and DPHO will include agenda/status of KISAN in DADC/MSNFSSC meetings.

Agenda 2: Where MSNFSSC does not exist, DADO to ensure the presence of DPHO & the Drinking Water supply Officer in the DADC when KISAN agenda is discussed.

Decision: The committee decided that DADO will ensure the presence of DPHO & the Drinking Water supply Officer in the DADC when KISAN agenda is discussed.

Agenda 3: DADOs/DPHOs to include the KISAN activities and status in their annual plan and reporting.

Decision: The committee decided that they will work on development of a collaborative platform so that KISAN and other projects are taken on board and report their activities. Accordingly DADO/DPHO will include KISAN activities and report the status through their system. KISAN was also suggested to synchronize the planning, monitoring and reporting system with the GON.

Agenda 4: NPC, AEC nominated as KISAN NPAC members.

Decision: The committee agreed to add the Director of Child Health Division under Department of Health, representative of FNCCI/ AEC and representative of National Planning Commission in the NPAC, and suggested KISAN to send the request to Ministry of Agriculture for its formal decision.

The committee decided that NPAC members, with the support of KISAN, will take care of the decisions made and communicate to their relevant district, regional and national level institutions to implement the decision.

List of Participants

SN	Name	Organization	Position
NPAC member			
1	Mr. Rajendra Prasad Adhikari	MOAD	Joint Secretary, Chair, KISAN NPAC
2	Mr. Ram Prasad Pulami	MOAD	Joint Secretary
3	Dr. Nar Bahadur Rajwar	DLS	Director General
4	Ms. Jiwan Prava Lama	DFTQC	Director General
5	Mr. Shyam Prasad Poudyal	MOAD	Joint Secretary, Project Director, AFSP
6	Mr. Hari Krishna Shrestha	NARC	Senior Scientist, S4
7	Mr. Prajwol Sharma Aryal	MOHP	Under Secretary
8	Mr. Ramesh Kumar K. C.	MOFALD	Under Secretary
9	Mr. Kailash Raj Pokharel	MOF	Under Secretary
10	Mr. John Stamm	USAID Nepal	Director, SEED
11	Mr. Durga Prasad Adhikari	SEAN	General Secretary
12	William J. Collis	KISAN	Chief of Party (COP), Member Secretary, KISAN NPAC
13	Dr. Purushottam Mainali	KISAN	DCOP, Agriculture Specialist
Invitee			
1	Mr. Debendra Adhikari	USAID Nepal	AID Project Development Specialist
2	Mr. Navin Hada	USAID Nepal	AID Project Development Specialist, COR for KISAN
3	Mr. Daniel Sinclair	USAID Nepal	Acting Director
4	Mr. Lal Kumar Shrestha	MOAD	Agriculture Economist

5	Mr, Bharat Upadhyay	CEAPRED	Executive Director
6	Mr. Birendra Bahadur Hamal	DoA	Deputy Director General
7	Mr. Pradip Maharjan	AED, FNCCI	Chief Executive Officer (CEO)

KISAN staff

1	Mr. Praveen Baidya	KISAN	Business Contracts Director
2	Mr. Uttam Dhakal	KISAN	Capacity Building and Training Manager
3	Ms. Sneha Bhattarai	KISAN	Grants Officer
4	Mr. Ajaya Nanda Bajracharya	KISAN	Senior Regional Manager

ANNEX II: TRANSLATION OF DECEMBER 28, 2013, NAGARIK DAILY

Front page story - **“Nepal is being used as Laboratory”** details over 3 pages the alleged government and USG promotion of GMO and hybrid seeds. Summary of the full page article is as follows:

Since 5 years GMO Seed test is being conducted with the active engagement of Monsanto in Nepal. This information has been cited in a 2009 study report from the Worcester Polytechnic Institute. The article presents a background about GMO, hybrids, and a recap of the outcry in Nepal two years ago against the introduction of hybrids by Monsanto, and goes on to state that:

Under the US Government Feed the Future Initiative (through Feed the future program) USAID and Dept. of Agriculture In 2011, attempted to officially introduce Monsanto hybrid seeds.

The Feed the Future Implementation Plan 2011-2015, its multiyear strategy, and the 2011 Assessment Report all state that the FTF strategy is to go for GMO not only in maize, but also in rice crops.

Accuses GON of allowing entry of GMO/hybrid into Nepal in the name of research.

Senior KISAN staff promptly met the Secretary MOAD, Jt. Sec.

Agribusiness MOAD and senior officers of the Seed Quality Control Center to clarify FTF/KISAN's stance on GMOs, and to clarify to MOAD that FTF does not have the alleged strategy of promoting MONSANTO and GMO. Staff also shared official KISAN documents to reassure that promotion of MONSANTO and GMO does not feature anywhere in any FTF KISAN documents or plans. This meeting resulted in the release of MOAD's official clarification/statement of this issue in the following day's newspaper, December 29, 2013 newspaper.

The MOAD statement/clarification on GMO issues is presented:



ANNEX III: MAJOR EVENTS

District	Event	Purpose	Date/Venue	Participants
Kathmandu	National Project Advisory Committee Meeting	To strengthen coordination with GON and other stakeholders on project implementation	October 3, 2013 at KISAN Office, Sanepa	USAID Seed Director and AID Project Development Specialists; KISAN COP and Staff; MOAD Joint Secretaries; AFSP Project Director; Under Secretaries of MOHP, MOFALD and MOFDG; DGs of DLs and DFTQC; NARC, CEAPRED, AEC Around 25 participants
Banke	KISAN Orientation Workshop	To orient project staffs on activities, expected outcomes, financial and administrative systems, M&E and progress reporting	October 27-29, 2013 at Hotel Taj and Hotel Amrit	KISAN COP and staff from Kathmandu and YI districts Around 80 persons
Banke	IPM-IL NARC Tomato Grafting Training	To participate in the one-day Tomato Grafting training organized by IPM-IL and NARC	October 2013 at RARS Khajura	KISAN district staffs, farmer representatives and LSPs from Dang and Salyan Around 5 participants
Banke	Exposure Visit to CSISA Sites	To interact with the farmers using improved technology and observe plant status and different treatment of rice varieties	October 1, 2013 at CSISA Site, Naubasta VDC	USAID officials, KISAN COP, Component A Staffs, DC, PO, LSPs, agro vets, seed cooperatives/entrepreneur of Banke, Bardia and Dang Around 20 participants

District	Event	Purpose	Date/Venue	Participants
Rupandehi and Nawalparasi	Exposure Visit to CYMMIT ANEP Project	To observe commercial field and mechanized practices of rice production as DSR, zero tillage and TPR (puddled and unpuddled)	October 2-4, 2013 at CYMMIT ANEP Sites	Agriculture Marketing Manager, Input Supply Manager, DC, PO and SPO of Banke, Bardia, Dang Around 8 participants

ANNEXIV: LEVERAGE SUMMARY

Projects	Major Activities	Partners	Districts	VDC
VDC	Agriculture/ Livelihood/ Others	VDC	All	Dailekh, Pyuthan, Surkhet, Rolpa, Jajarkot, Rukum, Salyan , Bardiya, Dang, Banke
SSMP	Sustainable soil management ,composting, urine collection, plastic house , legumes, support to the preparation of periodic /strategic planning of VDCs	HELVETAS/DAD O/BJSK/SEBAK/H RDC	Dailekh	Dada Parajul, Gauri, Mallika, Pagnath, Baraha, Seri, Bindhyabasini
			Jajarkot	Pajaru, Dasera, Bhoor, Khagankot, Laha, Paink
LILI	Local infrastructure for livelihood improvement; small to medium sized farmer managed irrigation systems, for improving food security and income by providing better access to water for irrigation to poor farmers with predominantly marginal landholding in selected food deficit areas	HELVETAS	Jajarkot	Pajaru, Bhoor, Khagankot, Laha
LINK	Small farmer's Local organization and Market access program	HELVETAS	Jajarkot	Pajaru, Bhoor, Khagankot, Laha
			Dailekh	Baraja, Seri
RAP III	Socio economic development program and IGs activities related to agriculture and environment (planning phase)	PA/Helvetas/ WI	Dailekh	Pagnath, Bindyabasini

Projects	Major Activities	Partners	Districts	VDC
LDF	Local Development Fund: Social mobilization, Income generation and physical infrastructure	LDF	Dailekh	Dada Parajul, Mallika, Baraha, Seri
LGCDP	Local Governance and Community Development Program: Community mobilization, social mapping, reflect class ,nagarik badamancha and nagarik sachetanakendra etc.	LGCDP	Dailekh	Pagnath, Bindyabasini
WUPAP	Western Upland Poverty Alleviation Project: Based on the community demand i.e.: Income generation through agriculture , livestock, training and physical Infrastructure program like water supply , small irrigation support , mobilization & cooperative, entrepreneurship etc.	WUPAP	Dailekh	Dada Parajul, Pagnath, Baraha, Seri
			Jajarkot	Khagankot, Laha, Sakla, Nayakwada, Ramidanda
MEDEP	Commercial Vegetable production activities, small entrepreneurship, etc.	UNDP	Dailekh	Dada Parajul, Baraha
			Pyuthan	Maranthana
			Salyan	Rim, Triveni, Tharmare, Kotbara, Kotmoula, Falabang
PAF	Livelihood	PAF	Pyuthan	Belbas, Nayagaon, Sworgadwarikhal, Marnthana, Torbang, Majhkot
	Income generation through COs (Veg production, infrastructure development, collection centers)		Jajarkot	Pajaru, Dasera, Bhoor, Khagankot, Sakla, Nayakwada, Rim, Sinabang,Triveni

Projects	Major Activities	Partners	Districts	VDC
ICDP	Integrated Community Development Project: Demand driven project: income generation specially agriculture based, Community infrastructure development, drinking, irrigation, loan support, social mobilization , Cooperative formation, etc.	PAF/SUDEC/SOSEC	Dailekh	Dada Parajul, Gauri, Baraha, Seri, Bindhyabasini
UBP	Uddam Bikash Pariyojana: Seed Production and marketing	OXFAM/Pabitra Janakalyan Sahakari Sanstha	Surkhet	Dahachaur, Ghumkhare, Sahare, Malarani
SLFS	Sustainable Livelihood and Food Security: ToT, Farmer network formation, livestock , LRP development , improved agriculture and livestock training, seed support, cooperative support, irrigation, training on agriculture, livestock	OXFAM/SUDEC	Dailekh	Bahara, Seri
ECIG	Environment Conservation and Income Generation: small scale of vegetable production and technical support, saving and credit	OXFAM/EDS	Surkhet	Chinchu, Dahdachaur, Ghumkhahare
WLP	Women Leadership Program: ToT training, CDC classes, Farmer network formation, right based awareness program	OXFAM/Women Empowerment Forum	Dailekh	Bahara, Seri
CASP	Common Approach to Sponsorship Funded Program: Livelihood	Save the Children	Pyuthan	Vingri, Sari, Gothibang, Belbas, Sworgadrarikhal, Maranthana

Projects	Major Activities	Partners	Districts	VDC
Livelihood and Nutrition	Livelihood and Nutrition		Rukum	Khara, Muru, Rugha, Jhula, Mugma, Aathbisdadagaun, Befikot, Morang, Mahat, Syalpakha, Rukumkot, Kakri

ANNEXV: KISAN STAFF ORIENTATION SCHEDULE, OCTOBER 28- 31, 2013

Day	Time	Activities	Responsible
Oct. 28, 2013	08:30 - 09:00	Introduction	Self
	09:00 - 09:15	Welcome and objective of the orientation / TOT program	Ajaya Bajracharya
	09:15 - 09:45	Agriculture in Nepal: Issues, Challenges and Opportunities	Dr. Purushottam Mainali
	09:45 - 10:30	Introduction of KISAN	Dr. Purushottam Mainali / Ajaya Bajracharya
	10:30 - 11:00	Tea break. Participants split in to two groups	Prakash Bhatta
	11:00 - 11:30	Beneficiary selection criteria and group formation	Ajaya Bajracharya / Rabindra Patel
	11:30 - 13:00	Value chain and sub-sector analysis	Ajaya Bajracharya / Rajendra Shahu
	13:00 - 14:00	Lunch	Prakash Bhatta
	14:00 - 17:30	Seasonal and off-seasonal vegetable production (Soil solarization, nursery management, crop management)	Rajendra Shahu
	08:30 - 09:30	Improved technologies (raise bed, plastic tunnel / house, improved seed, etc.)	Rajendra Shahu

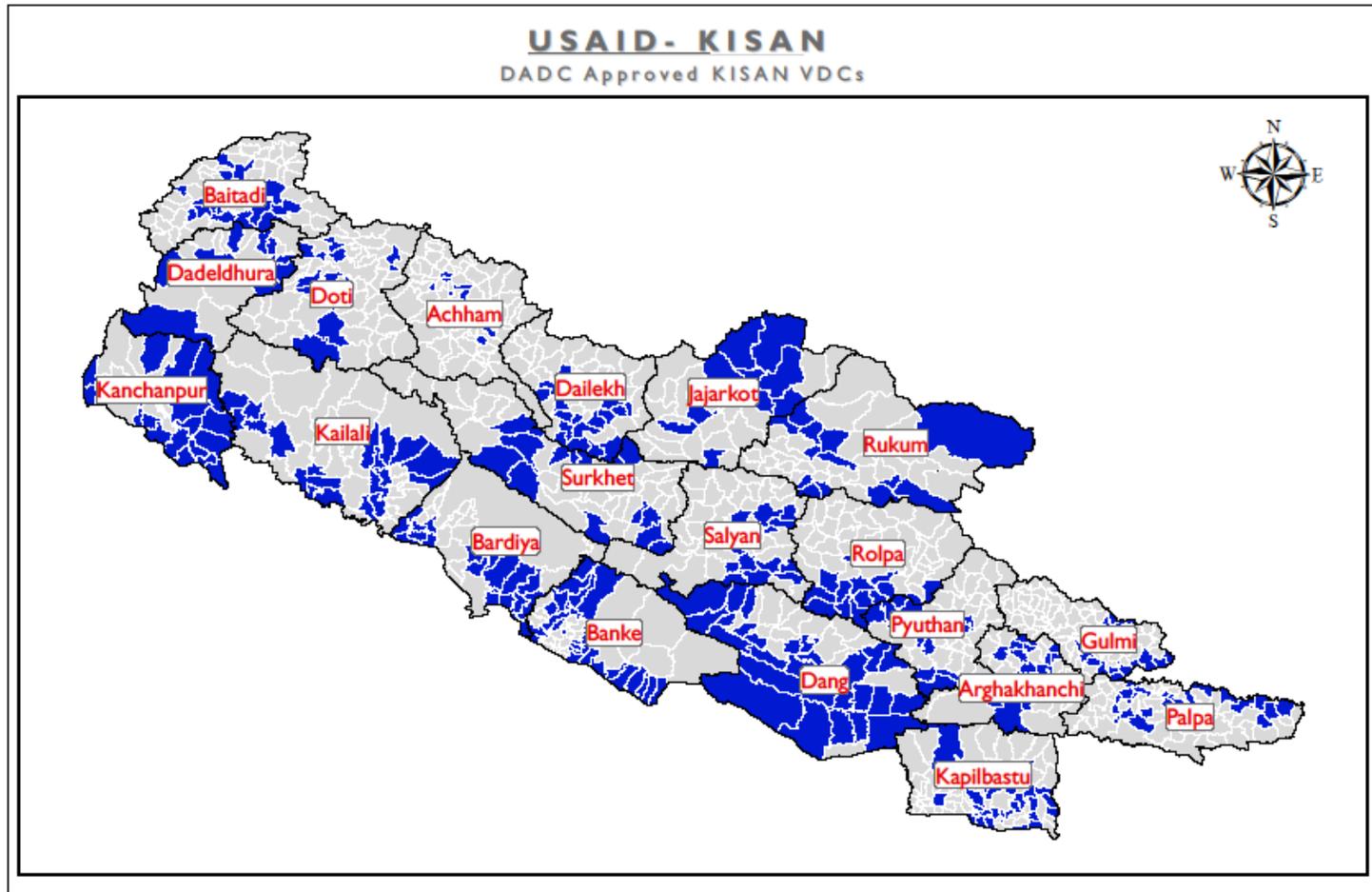
Day	Time	Activities	Responsible
Oct. 29, 2013	09:30 - 11:00	Rice, maize, lentil crop production	Harish Chandra Devkota / Virendra Upraity
	11:00 - 11:30	Tea break	Prakash Bhatta
	11:30 - 13:00	Quality seed production, seed certification, field inspection, etc.	Harish Chandra Devkota / Nisha Rana
	13:00 - 14:00	Lunch	Prakash Bhatta
	14:00 - 15:30	Post-harvest handling	Virendra Upraity
	15:30 - 16:00	Tea break	Prakash Bhatta
	16:00 - 17:30	Integrated Pest Management (IPM) technology	Vijaya Poudel
Oct. 30, 2013	08:30 - 10:15	KISAN marketing programs, outcomes, etc.	Rajendra Shahu / Ajaya Bajracharya
	10:15 - 10:45	Micro Irrigation Technology (MIT) and Multi-use Water System (MUS)	Ain Bahadur Shahi
	10:45 - 11:15	Tea break	Prakash Bhatta
	11:15 - 12:45	Monitoring and Evaluation (M&E) including indicators and GIS	Zarin Pradhan / Praveen Baidya
	12:45 - 13:45	Lunch	Prakash Bhatta

Day	Time	Activities	Responsible
	13:45 - 14:45	Detailed Implementation Plan (DIP)	Ajaya Bajracharya / Rajendra Shahu / Uttam Dhakal
	14:45 - 15:15	Initial Environment Examination / Environment Mitigation and Management Plan (EMMP)	Uttam Dhakal / Rabindra Patel
	15:15 - 15:45	Coordination, Potential areas of KISAN partnership with GON and other	Ajaya Bajracharya / Virendra Upraity
	15:45 - 16:15	Tea break	Prakash Bhatta
	16:15 - 17:00	Leveraging (with GON, private company and donor funded projects), PPP	Mona Sharma
	17:00 - 17:45	Branding, reporting and documentation (including success stories)	Mona Sharma
Oct. 31, 2013	08:30 - 10:30	Cooperative and Microfinance Institution (MFI) and access to credit and DRR	Kailash Rijal / Dr. Vrigu Duwadi
	10:30 - 11:00	Tea break	Prakash Bhatta
	11:00 - 13:00	Admin/Finance	Keshab Gautam / Binita Shrestha / Praveen Baidya

Day	Time	Activities	Responsible
	13:00 - 14:00	Lunch. After lunch two groups will be combined	Prakash Bhatta
	14:00 - 15:00	KISAN Change Agents and Training Tips	Rabindra Patel / Ajaya Bajracharya
	15:00 - 15:45	Professional Code of Conduct	Bill Collis
	15:45 - 16:15	Tea break	Prakash Bhatta
	16:15 - 16:45	Discussion	All
	16:45 - 17:00	Remarks	Bharat P. Upadhyay
	17:00 - 17:30	Remarks and closing of the program	Bill Collis
	17:30 onward	Snacks and dinner	Prakash Bhatta

Note: A parallel session was conducted at Hotel Amrit and Hotel Taj.

ANNEX VI: KISAN PROJECT LOCATIONS



NOTE: KISAN VDCs are marked in blue

ANNEXVII: KISAN SECURITY REPORTING

Date	Region	District	Description	Risk Level
November 1, 2013	Western, Mid-Western and Far-Western		CPN-Maoist called a bandh in the Western, Mid-Western and Far Western Region (Magarat, Abadh, Tharuwan , Bheri-Karnali &Seti-Mahakali states) aiming to obstruct the election campaign visit of UCPN-Maoist top leaders.	Low
November 2	Mid-Western	Surkhet	CPN-Maoist called a bandh in Surkhet aiming to obstruct the Election Campaign visit of UCPN-Maoist Chairman and other leaders.	Low
November 11-20	Nation-wide		The alliance of 33-political parties led by CPN-Maoist announced a general strike (Nepal bandh) from 11 to 20 November to stop the upcoming CA poll. The CPN-M is under pressure from different sectors to withdraw or reschedule the bandh.	Medium
November 13	Central	Kathmandu	Eight people were injured by a petrol bomb blast at a micro bus in Samakhusi. Two more IEDs were found in that area.	Low
November 19	Nation-wide		Election day (national holiday)	Low

ANNEX VIII: CONSULTANTS/ STTA TRIP REPORTS

Traveler: Thomas Green, Agriculture Marketing Specialist

Dates of Trip: November 18- December 8, 2013

Places Visited: Kathmandu, Butwal, Nepalgunj and Surkhet

Purpose of the trip: Thomas Green, agriculture marketing and development specialist, was employed to evaluate the strengths and weaknesses of KISAN project-related vegetable marketing chains, the chains' ability to absorb increased production and make recommendations on where KISAN interventions would be best targeted to add value and strengthen market chains, associated actors and project beneficiaries.

Green held a series of meeting with KISAN staff and partner organizations, representatives from the Ministry of Agriculture Development, wholesale and retail markets, Collection Centers and Market Planning Committees along the Kathmandu, Bhutwal, Nepalgunj and Surkhet corridor over a 12 day period from November 20 through December 1, 2013.

A workshop for KISAN Nepalgunj staff was held on November 30. A Power Point presentation was given to discuss: an overall approach to collect supply and demand-side market information and how it should be integrated into project planning; important components of strategic and business planning; examples of simple economic decision making tools; and, a question and answer period.

Key findings:

- There is a high percent of losses due to harvest, post-harvest, transport and market-level handling practices; and inadequate packing materials.
- Greater emphasis on market-led production linked to supply and demand side market information will create more opportunities for farmers, collection centers and traders to develop buyer/vendor relationships and reduce marketing costs.
- Value addition opportunities and quality premiums are minimized due to little market segmentation and inconsistent grading standards.
- Technical and administrative capacity strengthening for Market Planning Committees and Collection Centers will give farmer groups a greater incentive to sell through collection centers and lend substantially to collection center sustainability.
- Business and operational planning for larger wholesale markets will ensure absorption of increased supply and may lower marketing costs.

Traveler: Dr. Kerstin Hell

Dates of Trip: November 25- December 16, 2013

Places Visited: Kathmandu, Rampur, Surkhet, Butwal, Nepalgunj, Kohalpur

Purpose of the trip: Dr. Kerstin Hell, Postharvest and Value Chain Expert, was employed to assess the post-harvest system in Nepal, based on the observed losses, identify causes, and key problems, and provide recommendations and suggested best practices to the KISAN project staff.

Dr. Hell held a series of meeting with KISAN staff and partners, and key institutions working on value chain like NARC (Head office; Rampur, Maize Research Station; Khajura, Rice Research Station), Directorate of Postharvest Management, Agriculture and Forestry University, the DADO office in Surket and Banke; Plant Quarantine Officer at the Nepal/India border and RAD office (Surket). Furthermore, DFTQC and the CIMMYT/ Hill Maize Program were contacted to get an impression of their research concerning post-harvest quality and quality control. Dr. Hell also interacted with farmers, collectors, traders and millers from Balkhu, Kalimati, Butwal, Birendranagar, Kohalpur and Nepalgunj.

The following findings and recommendations were presented to KISAN staff and representatives from Post-Harvest Directorate and NARC on 12 December; a report was presented to CIMMYT Hill Maize program; and a separate debriefing was conducted for USAID staff on 13 December, 2013.

Key findings:

- Infestation in rice starts in the field or on the threshing ground as farmers leave the paddy piled up in the threshing ground for seven days to two months.
- The metal bins which are thought to be the best option also have risk of condensation due to climatic changes, so it needs to be tested in varying climatic conditions.
- Farmers estimation of losses is around 10 in rice which can be around 10-20% in actual losses; 15%-20% in maize which can be around 40-50% in actual losses; farmers also estimate a 10% loss in lentils.
- There is low yields in maize – 200 kg/ropani (2.5 t/ha) on improved varieties and 100kg/ropani local varieties. According to the farmers, hybrid varieties seem to be more susceptible to pests.
- Lentil has 30% price differential after six months storage so farmers prefer to store but storage in hermetic bags, plastic containers and drums also lead to caking in lentil. Since there is high percentage of impurity, there is a need to establish sorting practices at farmer's level to capture price differential.
- Lack of grading, packaging, mishandling during transportation, and improper storage and stacking leads to a higher incidence of degradation in the quality of vegetables.

Traveler: Erin Hughes
Dates of Trip: November 19 - December 11, 2013
Places Visited: Kathmandu,, Nepal

Purpose of the trip: The purpose of the trip was, in anticipation of Modification 2 being signed prior to arrival, to startup phase of Component B and the new partners. On the Friday before returning to the US, I learned verbally from USAID that Component B would be dropped. However, during my time in Nepal I had multiple meetings with Helen Keller International, who we expected to join KISAN. During these meetings we discussed ways to implement the project.

Outcome of Visit

During the time in Nepal I worked with the staff to accomplish the following:

- Finalized and submitted final PERSUAP.
- Updated deliverables in preparation for the modification.
- Designed report writing procedures for quarterly progress reports.
- Resubmitted revised EMMP.
- Resubmitted the Communications Plan.
- Trained staff on USAID publications guidelines.
- Clarified and redefined the Component B Approach with HKI.
- Reinitiated monthly meetings.
- Designed and presented capacity building approaches for Nepali organizations to bid on USAID projects.
- Met with USAID to discuss the capacity building approach.
- Met with USAID to clarify deliverables and other aspects of the project.
- Represented KISAN and talked to Volunteers and Peace Corps Swear in ceremony.
- Attend USAID/Nepal Mid-Western Implementing partners Meeting; mapped who is working in which VDC.
- Guided consultants on issues, reports and helped set up some meetings for them.