



**USAID**  
FROM THE AMERICAN PEOPLE



## **Promoting Agriculture, Health and Alternative Livelihoods (PAHAL) Program**



**Cooperative Agreement No.:**

**AID-OAA-15-00001**

**Quarterly Report III (Q3, FY15)**

**1 April – 30 June, 2015**

**Submitted to: USAID Nepal**

**Submitted by: Mercy Corps**

## ACRONYMS

**COP – Chief of Party**

**DCOP – Deputy Chief of Party**

**GESI – Gender and Social Inclusion**

**GoN – Government of Nepal**

**iDE – International Development Enterprises**

**innovATE – Innovation for Agricultural training and Education**

**IPTT – Indicator Performance Tracking Table**

**KISAN – Knowledge-based Integrated Sustainable Agriculture and Nutrition**

**MC – Mercy Corps**

**MoAD – Ministry of Agricultural Development**

**MoFALD – Ministry of Federal Affairs and Local Development**

**MoHA – Ministry of Home Affairs**

**MoHP – Ministry of Health and Population**

**NGO – Non-Governmental Organization**

**NNFSS – National Nutrition and Food Security Secretariat**

**NPAC – National Advisory Committee Meeting**

**NPC – National Planning Council**

**PAHAL – Promoting Agriculture, Health and Alternative Livelihoods**

**SABAL – Sustainable action for Resilience and Food Security**

**STRESS – Strategic Resilience Assessment**

**SUAAHARA – ‘Good Nutrition’**

**TSU – Technical Support Unit (Mercy Corps)**

**VDC – Village Development Committee**

## **PAHAL Program Overview**

The PAHAL Program, funded by the U.S. Agency for International Development's Bureau for Democracy, Conflict and Humanitarian Assistance (DCHA)/Office of Food for Peace (FFP), is a five-year program that commenced in October, 2014. It seeks to strengthen livelihoods, improve nutritional status and increase the capacity of vulnerable households to mitigate, adapt to and recover from shocks and stresses in communities with deep poverty and high rates of malnutrition in critical zones of the Far-Western and Mid-Western Regions of Nepal.

In recent years Nepal has made substantial strides toward reducing its overall poverty rate. However, many people in the Middle Hill and Mountain zones of western Nepal continue to struggle with the root causes of food insecurity. In these remote and rural areas a quarter of households are unable to afford a basic, nutritious diet, nearly half the children under five are stunted, and rates of acute malnutrition are as high as 15 percent. Poverty remains entrenched in these remote and rural areas where agricultural production is stagnating and few alternative income opportunities exist, poor nutritional and sanitation practices undermine human health and nutritional status and productivity, and limited public investment constrains the reach of infrastructure, health services, extension, and disaster management. Further, the private and public sectors perceive little incentive or ability to extend their reach beyond population centers. Underlying this complex interplay of factors, strict expectations regarding behavior, along with discrimination based on gender and caste/ethnic identification, have also limited people's ability to address food insecurity issues – as well as effectively respond to more recent pressures such as those brought on by climate change.

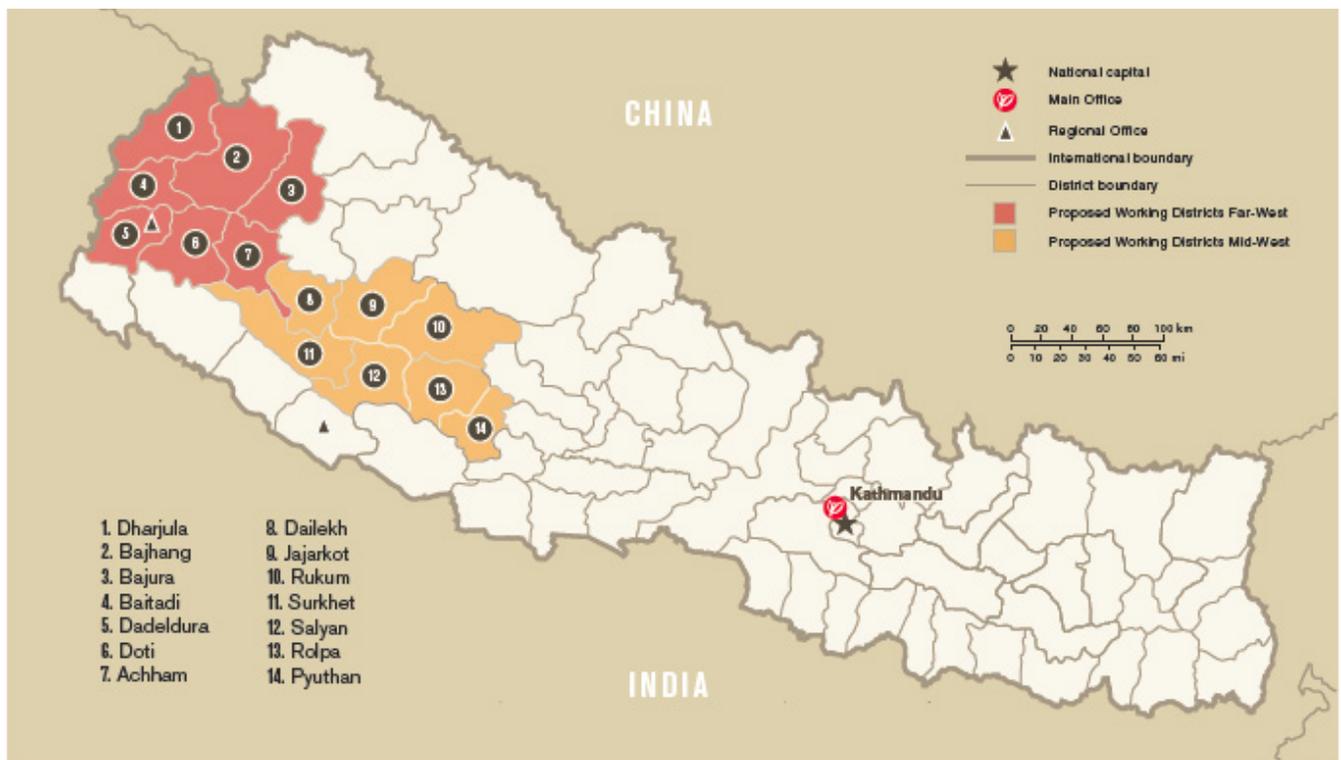
To confront these challenges, Mercy Corps has formed a dynamic consortium of international and local partners that combine extensive experience and knowledge of the communities in Nepal with evidence and learning from global contexts, while all also maintaining strong relationships with local organizations and government structures. Together, the PAHAL Consortium (i.e. Mercy Corps, Plan International USA (Plan), International Development Enterprises (iDE), Tufts University's Feinstein International Center (FIC) and Nepalese partners Rupantaran, RIMS-Nepal, NTAG and SAPPROS), is working at a systemic level to build community resilience and address both the symptoms and root causes of food insecurity.

The **Goal** of the PAHAL Program is: ***Vulnerable populations that are resilient to the stressors and shocks that impede food security.***

The PAHAL Consortium is also working to build the absorptive, adaptive and transformative potential of households across its program areas. This will be attained through a systems-based approach to market development, financial services, disaster risk reduction, climate change adaptation, women and youth engagement, as well as the development of strong relationships with local partners and the Government of Nepal at all levels.

To follow, the PAHAL Program is targeting individuals, households, communities and systems to help build resilience and improve food security for a stronger future for 200,000 households, (approximately 1,000,000 individuals), in 14 food-insecure districts in Nepal. The interventions will focus on Middle Hill and Mountain Zones of the Far-Western and Mid-Western Regions of Nepal, specifically the districts of Achham, Baitadi, Bajhang, Bajura, Dadeldhura, Darchula, Dailekh, Doti, Jajarkot, Pyuthan, Rolpa, Rukum, Salyan and Surkhet.

**Figure 1. PAHAL Program Target Districts**



### ***Natural Disaster: Ghorka Earthquake***

On Saturday, 25<sup>th</sup> April, central Nepal was hit by a 7.8 Magnitude earthquake, and on 12<sup>th</sup> May another earthquake of 7.3M hit the same region. These two sizeable earthquakes were accompanied by more than 300 aftershocks of a 4.0 Magnitude or greater during the latter part of April, May and June. With more than 9,000 dead, hundreds of thousands of people displaced, and thousands of homes lost, this natural disaster necessitated that all able-bodied people and experienced INGOs direct their attention to emergency response and related relief activities during the last week of April and the first weeks of May. To follow, the entire PAHAL Team, including partners, engaged in field assessments, distribution of tarps and building supplies, distribution of Non-Food Items, etc., during the weeks immediately after the first earthquake. The PAHAL Team continued to support relief activities through 15<sup>th</sup> May, when it recommenced with PAHAL program activities.

NB: All emergency response and relief activities were funded by private donors or through funds awarded specifically for said emergency/relief activities. PAHAL contributed only staff time to support emergency response and relief activities.

## **QUARTER III – PAHAL Program Progress**

### **PROGRAM SUPPORT**

#### ***Start-Up***

The focus of the PAHAL team during Quarter III continued to be on activities supporting the 'start-up' of the program, specifically around recruitment, procurement and set-up for the regional field offices in Dadeldhura and Nepalgunj.

#### ***Recruitment***

Recruitment of PAHAL Program and Operations staff continued apace, with a specific focus on engaging senior technical staff to be based in Kathmandu.

The positions of Deputy Chief of Party (DCOP) and Governance & Coordination Advisor were successfully recruited for in Quarter II, and they joined the PAHAL team on 1<sup>st</sup> April.

Recruitment was also successful for the position of Monitoring & Evaluation Manager, and after obtaining USAID approval for the Key Personnel position the new staff member joined PAHAL during the third week of April.

The Senior Procurement Officer started work on 20<sup>th</sup> April.

The Sub-Awards and Compliance Manager started working with PAHAL on 5<sup>th</sup> May.

Tufts and iDE completed the recruitment for all of their senior positions and will finalize the recruitment of field staff in Quarter IV, once the monsoon rains subside and field work can commence. Plan-USA also successfully recruited for the positions of Nutrition Specialist and M&E Coordinator in Quarter III, and are looking to complete the recruitment for their PAHAL Project Manager in Quarter IV.

### ***Procurement***

Mercy Corps completed the majority of the procurement for computer equipment, office supplies, furniture, and support services in Quarter III. The PAHAL team also solicited bids for both 4x4 vehicles and motorcycles during Quarter III, and a purchase approval request for the vehicles was submitted to USAID on 23<sup>rd</sup> June. The review of motorcycle options is ongoing and Mercy Corps anticipates submitting a purchase approval request to USAID in QIV.

Plan has now begun procurement under this award, including the purchase of laptops for all staff. Plan also posted a bid notice for procuring a vehicle and motorcycles, and the bid documents from the suppliers were received. Once finalized, Plan will send the bid analysis to Mercy Corps to request approval for purchase from USAID in the upcoming quarter. iDE has also begun procurement of computers and office equipment for staff, and has also initiated the vehicle and motorcycle procurement process. Mercy Corps anticipates requesting USAID for approval of these vehicle and motorcycle purchases in Quarter IV.

The Nepali NGOs (national- and local-level partners) have not yet been formally engaged and so they have not yet begun their own procurement.

### ***Finance and Compliance Training***

Mercy Corps HQ provided Finance and Compliance Training for all consortium members from 8-19 June. This support included the review of sub-award templates and the strengthening of the sub-award monitoring and management processes to be put in place.

### ***National Partners***

The PAHAL Program's coordination and planning with the proposed national partners, (i.e. RIMS, Rupantaran, SAPPROS and NTAG) continued, although plans to finalize their sub-awards were put on hold due to the delays associated with the Ghorka Earthquake.

### ***Regional Offices***

PAHAL finalized the recruitment of senior staff, (e.g. Finance managers, administration & logistics, M&E) for both the Nepalgunj and Dadeldhura regional offices. All computers and required equipment were also procured and both field offices were fully operational mid-way through Quarter III.

Due to plans to accommodate all partners in one PAHAL office in each region, it was ultimately determined that a larger office would be required in Dadeldhura. As a result, a search was undertaken for a new office in Dadeldhura and the team was successful in identifying a new space. Program staff will move into the new premises by the end of September.

During the first week of June, the COP visited both regional offices to confirm that set-up was complete, meet with new team members and partners, and to approve the selection of the new office in Dadeldhura.

## **PROGRAM**

### ***Theory of Change, LogFrame and IPTT***

The PAHAL Team submitted their revised program documents, i.e. Theory of Change, LogFrame and IPTT to USAID on 9<sup>th</sup> April.

As a result of the additional information collected and analyzed during PAHAL's STRESS Process, (detailed below), the PAHAL team decided to revisit its program documents and revise them in order to reflect this enhanced learning. This review and analysis exercise was undertaken in stages during Quarter III and it is anticipated that a revised set of documents, (i.e., ToC, LogFrame, IPTT), will be re-submitted to USAID by the end of July.

The TOPS Workshop where the Community Resilience Programs, (i.e. PAHAL and SABAL), were to be introduced to the remaining components that would constitute the new 'M&E Plan' prescribed by FFP was cancelled due to the Ghorka Earthquake. PAHAL is waiting for USAID to confirm the dates for the workshop or clarify the way forward in order to complete the overall PAHAL M&E Plan.

### ***Baseline Survey***

#### *Resilience Indicator Contextualization Exercise (RICE)*

During the Baseline Survey Design workshop held in late March, it was noted that the conventional FFP Baseline Survey focused primarily on Nutrition and Maternal Child Health and Nutrition (MCHN) questions and indicators – program areas where PAHAL was not actually implementing activities. Furthermore, PAHAL also highlighted the fact that as a 'Community Resilience Programs' both PAHAL and SABAL would benefit from having 'resilience' indicators and questions included in the baseline survey, and PAHAL advocated strongly for this. After considerable discussion, FANTA and FFP agreed to include 'resilience indicators' in the Baseline Survey. However, it was also recognized that experience with resilience programming in other parts of the world wouldn't be entirely relevant to Nepal, and as a result it was agreed that PAHAL would collaborate with FFP and TANGO to refine resilience indicators to the Nepal context.

Planning for the Resilience Indicator Contextualization Exercise was conducted with TANGO and partners on 20-21 April, and the field work commenced on 22 April and continued for three days. Unfortunately the RICE was cut short by the Ghorka Earthquake of 25 April, and the field teams returned to Kathmandu shortly thereafter. On the plus side, coupled with the other primary and secondary research, TANGO and the PAHAL Team were ultimately able to develop an initial set of resilience indicators and now plan to include them in the CRP baseline survey.

## *Baseline Survey*

The Baseline Surveys for PAHAL and SABAL, the two Community Resilience Programs, were scheduled to start in July, 2015. However, the Baseline Surveys have been postponed to November, 2015 due to the Ghoroka Earthquake. Pre-testing for the survey along with enumerator training is scheduled to take place in September and early October.

## **STRESS**

The PAHAL Program is endeavoring to build the resilience of target communities and to improve their food security by strengthening their absorptive, adaptive and transformative capacities. The PAHAL team have been engaged in the various steps that constitute a Strategic Resilience Assessment (STRESS) since Quarter II, with the aim of developing and refining a Theory of Change that integrates a resilience framework into the program's overall goal of 'food security'.

### **Mercy Corps Resilience Approach**

For Mercy Corps, resilience is a process, a way of thinking and acting, not just an end state. We work to build diverse connections and relationships between people, communities and the systems that support them to plan, prepare and manage for change in times of increasingly complex and dynamic crises.

Our approach is a direct response to our definition of resilience: The capacity of communities in complex socio-ecological systems to learn, cope, adapt, and transform in the face of shocks and stresses. We recognize that addressing recurrent crises and building resilience requires an integrated systems approach to humanitarian response and development programming. By understanding the root causes of vulnerability, our work can support a community's capacity to cope with disturbances, adapt to changing conditions, and enable learning, innovation and transformation.

Resilience requires short-term absorptive and medium-term adaptive capacities, supported by the long-term capacity to transform the underlying cultural, institutional and learning dynamics within the broader system. Efforts are required to strengthen all three in order to equip households, communities and systems to manage shocks and stresses, and so become more resilient.

Mercy Corps' role is to look across inter-connected social, ecological and economic systems to help determine how they influence the communities we serve. We work in partnership with multiple actors to identify which vulnerabilities and capacities are the most critical to address. Working through local champions, we strengthen existing opportunities for positive change. Together, we learn how to ensure long-term development gains and build resilience.

## *STRESS Process*

The STRESS Process began in Quarter II with the PAHAL consortium's Kick-Off Event in January, and continued with an extended review of secondary data that continued throughout the Quarter. However, the main steps of the STRESS process were undertaken in Quarter III:

### 1. STRESS Secondary Data Review

An extensive review of secondary literature and data was conducted during Quarter II, and this work informed the subsequent steps in the STRESS Process.

### 2. STRESS Scoping Workshop: 13-18 April

Members of Mercy Corps' Technical Support Unit (TSU), including resilience specialists, led a workshop for PAHAL Consortium Members to better understand the overall context, as well as specific constraints, to improving resilience in the program area.

### 3. STRESS Test – Design & Planning Workshop: 19-20 April

The PAHAL Team, along with TSU specialists, developed a research design and timeline for the Strategic Resilience Assessment.

### 4. STRESS Field Research: 17 May – 6 June

The PAHAL team fielded a team of more than twenty to launch the STRESS field research over the course of three weeks during the latter part of May and early June. The research was conducted in four VDCs in two districts of the Mid-Western Region and 6 VDCs across three districts in the Far-Western Region. During the field research, more than 100 Key Informant Interviews were conducted and more than 60 Focus Group Discussions were undertaken, (including separate discussions with women and marginalized groups). Additional Key Informant Interviews were also conducted with Ministries and government officials in Kathmandu.

### 5. STRESS Analysis Workshop: 15-19 June

During the third week of June the PAHAL Team gathered for one week to collate, review and analysis the data collected during the STRESS field research. The findings and insights gleaned from this exercise provided the basis for the review of PAHAL's Theory of Change. Based on

the STRESS Process, the PAHAL Team anticipates submitting the following revised program documents by the end of July, (Quarter IV): Theory of Change, LogFrame and IPTT.

#### 6. STRESS Write-Shop: 3-7 August (Proposed)

The PAHAL Team will participate in a 'write-shop' the first week of August to develop a framework for a final report, and begin to contribute or write sections to the report. It is estimated that an initial draft report will be ready by the end of August.

#### ***Gender Analysis***

Work planning for PAHAL's Gender and Social Inclusion (GESI) Analysis took place from 22-24 April. One of the main activities to come out of this planning exercise is the PAHAL Gender Analysis, which is scheduled to be conducted in August and September. The Gender Analysis will be complemented by additional research into governance capacities at the community, VDC and district levels. Together, the gender analysis and governance research will help refine related program activities and also help identify the best entry points to build transformative capacities in the program areas. Both the gender analysis and governance research will be supported by experienced Nepali consultants and experts from Mercy Corps TSU.

#### ***Resilience Field Research***

In Quarter III, the Tufts University/Feinstein International Center partners undertook field work in the PAHAL program areas in order to select VDCs for research focused on how to better understand resilience, as well as the reasons for differences among households in a given community. In terms of VDC selection criteria, Tufts prioritized: Number of households (neither too large nor too small), caste and ethnic diversity, a high female: male ratio (implying out-migration of males), severity of food insecurity, and the extent of perceived gender discrimination. After field confirmation, the VDCs of Gaguda (Doti District) and Maulali (Bahjang District) were selected for field research, and the PAHAL team will ensure that program activities are directed to these VDCs in Year 2.

#### ***Other Program Activities***

The PAHAL team submitted the revised IEE to USAID in early March, and subsequently met with Erika Clesceri (DCHA Bureau Environmental Officer) in June to discuss the way forward,

as well as PAHAL's plans for climate change adaptation activities. PAHAL is awaiting any additional feedback on the IEE, and final approval.

### ***Coordination with USAID Programs***

The PAHAL COP met on a monthly basis with the COP of SABAL, (fellow USAID Nepal 'Community Resilience Program' (CRP) led by Save The Children), and the COP of KISAN (Feed the Future program led by Winrock).

Plan, who is leading health-related activities for PAHAL, continued to meet with SUAAHARA to better understand their program activities and ensure complementarity between the two wherever possible.

### ***Coordination with the Government of Nepal***

#### ***Kathmandu Level GoN Coordination Meetings:***

1. NPAC – PAHAL participated in the fourth USAID-MoAD 'National Advisory Committee Meeting' (NPAC), which was also attended by KISAN and SABAL. PAHAL provided a presentation updating USAID, MOAD and partners on its progress to date.
2. SWC – Follow-up meetings were held with SWC to clarify requirements to finalize the application process with the GoN's Social Welfare Council (SWC).

### ***Key Program Workshops, Meetings and Events (Quarter III)***

PAHAL consortium members participated in the following workshops, meetings and events:

1. Mercy Corps' USAID Compliance Workshop, Kathmandu (1 April)
2. Linking Transformative Teaching with Sustainable Workforce Development Workshop, (innovATE), Hetauda (9-12 April)
3. STRESS Scoping Workshop (13-20 April)
4. STRESS Test: Design & Planning Workshop (20 April)
5. GESI Planning Workshop (21-23 April)
6. RICE Design & Planning (21 April)
7. Gender Analysis Design & Planning Workshop (24 April)

8. STRESS Analysis Workshop (June)
9. PAHAL Presentation to Bureau for Food Security Team from USAID, Washington, DC (6 June)
10. Introduction to USAID/FFP's Pipeline and Resource Estimate Proposal (PREP) Process Meeting (24 June)

## **QUARTER IV**

### **Quarter IV (FY15) – July, August & September**

In Quarter IV, the PAHAL Program anticipates undertaking the following key activities and participating in the major events outlined here:

#### ***Key Activities Planned***

1. Finalize set-up of new Dadheldura field office.
2. Finalize responses and re-submit PAHAL application to the GoN's Social Welfare Council (SWC).
3. Participate in coordination meetings with the GoN at Ministry, Regional and District levels.
4. Continue vetting of potential local partners at the VDC-level for all 14 districts.
5. Submit final iterations of PAHAL's Theory of Change, Logical Framework and Indicator Performance Tracking Table for review and final approval (July).
1. Provide Logistics/Field support for FFP's Baseline Survey.
2. Participate in USAID and FFP planning and coordination events.
3. Launch field-based Gender Analysis exercise (August & September).
4. Finalize Year Two Work Plan and PREP.

#### ***Key Workshops, Meetings and Events Planned***

1. MoHP Coordination Meeting with SABAL (July)
2. NPC/NNFSS Coordination Meetings (July & August)
3. PAHAL Team Building and Work Planning Workshop (July)
4. STRESS Write-Shop (August)

5. PAHAL PREP (August)
6. GESI Workshop (September)
7. Local Governance Capacity-Building Workshop (September)
8. USAID's Official Launch of the Community Resilience Program (CRP), (Tentative)
9. PAHAL and SABAL formal launch with MoAD (Tentative)
10. TOPS Nepal M&E Planning Workshop (Tentative)

### **Financial Report**

The PAHAL financial report for Quarter III (Q3, FY15) will be submitted to USAID separately.