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USAID/NEPAL FLOOD RECOVERY PROGRAM

QUARTERLY PERFORMANCE REPORT #2
OCTOBER – DECEMBER 2008





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Cover Photo: *Villagers participate in a stone laying ceremony at a school in Dewapur, Bara District, where USAID-NFRP is conducting program activities. Photo taken by USAID-NFRP Central Regional Coordinator Ram Gupta.*

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QUARTERLY REPORT

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SECTION 1: EXECUTIVE SUMMARY

This is the second quarterly report for the USAID/Nepal Flood Recovery Program (USAID-NFRP) covering implementation and results for the program's six components per Task Order No. EDHI-04-05-00007-00. The report provides a summary of program activities during the period of Oct. 1, 2008 to Dec. 31, 2008. USAID-NFRP works with flood-affected communities and NGOs throughout the Terai region to increase farmer productivity and income, rehabilitate and develop small-scale community infrastructure, improve awareness of sanitation, nutrition, gender and protection issues and strengthen local organizations by expanding participation among youth and vulnerable populations.

Project achievements this reporting period include:

- 93 prioritized community infrastructure projects are underway: 59 in the design phase, 32 in construction and 2 completed.
- Five-day training-of-trainers event for subcontractors' (FORWARD and MADE) newly hired 24 field staff members on USAID-NFRP's approach to demonstration farming and post-disaster rural agricultural development.
- 70 field-based training interventions covering topics such as variety selection, nursery management, composting, mulching, field preparation and irrigation installation and management were delivered to more than 2,000 selected producers.
- 2,112 farmers from 141 communities throughout the 60 village development committees (VDCs) started nursery production of late-winter crops. Main crops planted are cauliflower, chili, onion, brinjal, tomato and menthe.
- 260 production and marketing farmer groups were formed based on their commonalities in crop promotion, market access, water sources and irrigation distribution.
- Subcontract agreements signed with five local NGOs – RRAFDC, ECDC, BASE/Banke, UNYC and BASE/Kailali – for the implementation of Sanitation, Hygiene and Nutrition (SHN) component activities.
- Twenty NGO staff and 60 community health volunteers (65 women, 15 men) were trained in extension techniques for the promotion of improved hand-washing and food preparation, disease prevention, drinking water treatment, wastewater management, solid waste management, kitchen gardening and improved cooking stoves.
- \$4,464 in cash invested (cost-shared) by communities, local governments and other donors into project infrastructure and income generation activities.

Updated Performance Monitoring Plan is attached as an annex to this report. This document and all other project publications are available to USAID through the password-protected USAID-NFRP intranet site: www.fintrac.com/nfrp. A public access Web site is accessible at www.usaid-nfrp.org

SECTION 2: IMPLEMENTATION

2.1 PROGRAM DESCRIPTION

USAID-NFRP works with flood-affected communities and NGOs throughout the Terai region to increase farmer productivity and income, rehabilitate and develop small-scale community infrastructure, improve awareness of sanitation, nutrition, gender and protection issues and strengthen local organizations by expanding participation among youth and vulnerable populations.

This 24-month activity started in June 2008 and is implemented by Fintrac Inc. in partnership with METCON Consultants and a vast group of local NGOs and subcontractors.

2.1.1 GEOGRAPHIC FOCUS

USAID-NFRP is currently operating in the districts of Parsa, Bara and Rautahat in the Central region and in Kailali, Bardiya and Banke districts in the Mid/Far Western regions of the Terai. Through a comprehensive ground-truthing process, 10 Village Development Committees (VDCs) were selected in each district based on the severity of damage from the 2007 floods and current levels of vulnerability. Within each VDC (detailed in the following table), clusters of communities considered ‘most affected’ were prioritized for intervention. These clusters are referred to as ‘VDC work sites’ and vary in size, population, ethnic and social composition.

Table 1: USAID-NFRP Program Districts and VDCs

Central Region		
Bara	Parsa	Rautahat
Barainiya	Amarpatti	Masedawa
Basatpur (Basantapur)	Bagahi	Bishrampur
Bhaluyee Arwaliya	Birwaguthi	Dumariya
Dewapur	Hariharpur	Fatawa Harsaha
Dharmanagar	Jaimangalapur	Kakanpur (Kanakpur)
Hariharpur	Lahawarthakari	Katahariya
Kachorwa	Mirjapur	Karkach Karmaiya
Matiarwa	Pancharukhi	Laxminiya
Uchidiha	Sabaithawa	Maryadpur
Piparati Jabadi	Samjhauta	Paurai
Western Region		
Banke	Bardiya	Kailali
Bankatti	Baganaha	Bhajani
Basudevpur	Baniyabhar	Chauha
Betahani	Dhadhawar	Dansinhapur
Gangapur	Magaragadi	Dododhara
Holiya	Neulapur	Joshiapur
Kamdi	Padanaha	Lalbojhi
Matahiya	Rajapur	Munuwa
Manikapur	Sivapur	Narayanpur
Phatepur	Suryapatawa	Pathariya
Udarapur	Thakurdwara	Thapapur

The total population within the 60 VDC work sites targeted for support is 81,054 people that inhabit 141 individual communities.

Table 2 : Population in Program Work Sites

Item	Western Region			Central Region			Total
	Banke	Bardiya	Kailali	Bara	Parsa	Rautahat	
Men	6,364	4,789	4,367	10,142	9,089	6,096	40,847
Women	5,985	4,819	4,478	9,421	9,977	5,527	40,207
Total Population	12,349	9,608	8,845	19,563	19,066	11,623	81,054
USAID-NFRP Communities	26	26	17	31	25	16	141

2.1.2 PERFORMANCE INDICATORS

Higher level, overall program indicators are to:

- Assist 27,600 beneficiaries
- Build or rehabilitate 150 community infrastructures
- Train 8,100 under all program components
- Generate \$820,000 in net sales for beneficiary farmers
- Create 135,000 person-days of temporary employment
- Generate \$367,000 in cost-share investments by communities, local governments and other donors

The program has 49 detailed indicators, of which, 47 have specific established targets. The detailed Performance Monitoring Plan is found in Annex I.

2.2 APPROACH AND METHODOLOGY

USAID-NFRP's top priority is delivering an integrated package of high quality services, inputs and training opportunities that directly respond to the real needs of clients (beneficiaries) and have lasting affects that strengthen client capacity to effectively manage threats, be they physical, economic or social. USAID-NFRP takes a participatory approach to program implementation requiring direct access to communities and the capacity to motivate, mobilize and coordinate interventions. By implementing program activities in partnership with local NGOs, through regionally based subcontractors and with district-based local staff, USAID-NFRP maintains a constant presence in the 60 VDC work sites. This ensures substantial participation from a broader range of community members and provides more opportunities to monitor and evaluate the program's effectiveness.

At the component level, USAID-NFRP's strategy for infrastructure is to rehabilitate or develop small-scale community infrastructures (river protection and flood control structures, culverts, schools and bathrooms, road and irrigation system repairs) that have been identified by communities as their highest priority for flood recovery and improving overall well-being. The target for this component is 150 individual community projects. Through a rapid participatory appraisal (PRA) exercise conducted earlier in the program, 141 communities were prioritized for intervention. Projects are designed and built through locally based subcontractor organizations that also manage the mobilization of counterpart contributions from beneficiary communities in the form of cash, labor, inputs and supplies.

Components 3, 4, and 5, Sanitation, Hygiene and Nutrition, Strengthening of Local Organizations, and Protection of Women and Children respectively, were also designed based on the findings of the PRAs and the issues identified by communities. District-based NGOs will carry out the capacity

building and awareness training activities with a diverse group of community members while program staff serve as technical leaders and local partner managers.

USAID-NFRP's approach to the second component, Livelihoods and Income Generation, is to provide long-term, hands-on production and marketing training and targeted financial assistance to selected producers for three off season (optimal price) periods. Project clients are introduced to new low-cost technologies and new ideas such as crop diversification, demand-driven production, high value crops, and market price information. After completion of the 18-month program, farmers will be capable of sustaining their new businesses and replicating within their communities the knowledge and skills that have developed. As non-beneficiaries learn of our farmers' successes, some will seek their assistance in becoming high value crop (HVC) producers themselves. To effectively respond to this demand, LIG farmer beneficiaries are also being trained to serve as local HVC extension workers within their communities. The program's overall objective is to demonstrate the increased output of quality products and sales for a minimum of 1,200 families on 480 hectares of land with an aggregate value of \$820,000 in net sales.

2.3 REPORTING PERIOD ACTIVITIES

Progress in Infrastructure

The rapid implementation of the infrastructure component has been an effective "rallying point" for engendering community enthusiasm and mobilizing support for the broader objectives of the program. The 11 local firms and NGOs selected for implementation have mobilized community-based user groups at each work site to determine matching contributions from beneficiaries (cash or in-kind) and identify locally available sources of labor, equipment and material.

The program has gained recognition for its promotion of cost-effective infrastructure projects that substantially improve the conditions of flood-affected communities. After the successful completion of the first bio-engineering project that applied bamboo netting and sandbag walls to build river protection barriers in Kantipur Village of Barainiya VDC, Bara district, the team transferred the use of the technology to other program areas. An on-site training for six partner subcontractors of the Western region took place in early December in Kailali district. The participants were introduced to and trained in bio-engineering river protection techniques that are popular and highly effective in the Central region. The training-of-trainers was a hands-on exercise that also completed the first 20 meters of the river protection structure in Thapapur VDC using the voluntary labor of subcontractor staff.

Given the realities on the ground where some VDCs were much more affected by the 2007 floods than others and have greater needs (especially in Kailali, Rautahat and Bardiya districts), USAID-NFRP is focusing efforts and resources on the highest priority project(s) selected by each VDC. Once these prioritized projects are designed and funds are committed, the remaining resources (estimated at 30 percent of \$1.8M) will be used for larger, higher impact projects in areas with vital flood-related infrastructure needs. This final phase will begin in March and will likely include medium-sized bridges, large culverts, primary irrigation structures and road repairs.

Initiation of Livelihoods & Income Generation

The livelihoods and income generation (LIG) program kicked off in early October after the completion of a rigorous competitive selection process between seven national and regional NGOs shortlisted for bidding. Two Terai-based NGOs were ultimately selected and subcontracts were

negotiated and signed to implement activities in the two program regions: Forum for Rural Welfare and Agricultural Reform for Development (FORWARD) in the Mid/Far West and Multidimensional Agriculture for Development (MADE) in the Central region.

Immediately after award, partner NGOs fully staffed their teams with two senior-level coordinators and 10 mid-level agronomists in each region. This was followed by a joint five-day training-of-trainers event in Bharatpur for both subcontractors on Fintrac's approach to demonstration farming and post-disaster rural agricultural development. Participants included the four mid-level managers and 20 junior agronomists assigned to implement activities across the six program districts. The technicians received thorough training in appropriate applications for rural extension, demonstration farming, group formation, irrigation clustering, nursery and soil management, integrated pest management, postharvest handling, marketing, and micro-credit. Immediately following the training-of-trainers, the teams mobilized to their respective districts where each staff member has taken up residence in one of their assigned VDCs.

USAID-NFRP and partner NGO staff also developed coordinated work plans to ensure programmatic congruence across both regions. The identification and selection of beneficiary farmers was completed in November and by the end of the quarter, the LIG program was a full-blown field operation working with Terai farmers in 141 communities throughout the 60 VDCs.

Irrigation sources have been identified and the appropriate technologies for small to medium irrigation systems have been developed for each program site. Farmers requested shallow tube wells with motorized pumps and all agreed to share 25 percent of the total cost. Well drilling started in early December and 76 of the 260 farmer groups have already completed installation.

The main late-winter crops that USAID-NFRP is promoting are cauliflower, chili, onion, *brinjal*, tomato and menthe, while the most popular early summer crops are bottle gourd, butter gourd and asparagus bean. Based on the preliminary information gathered by project staff, this "package" of HVCs is anticipated to generate net returns **768 percent higher** on average than the rice and wheat varieties traditionally cultivated by farmers, as demonstrated in the following table.

Table 3: Projected Increases in Incomes for LIG Beneficiaries

Productive Season	Unit	Income (Staple Crop)	Income (HVC)	Increase (per Ha)	Increase (%)
First (Wheat)					
Productivity	MT/Ha	2.5	41.5	39.0	1660%
Farm Gate Price	NPR/MT	15,000	8,000	-7,000	53%
Gross Sales	NPR/Ha	37,500	332,000	294,500	885%
Cost of Production	NPR/Ha	18,750	199,200	180,450	1062%
Net Return (Income)	NPR/Ha	18,750	132,800	114,050	708%
Second (Rice)					
Productivity	MT/Ha	3.0	41.5	38.5	1383%
Farm Gate Price	NPR/MT	12,000	8,000	-4,000	67%
Gross Sales	NPR/Ha	36,000	332,000	296,000	922%
Cost of Production	NPR/Ha	21,600	199,200	177,600	922%
Net Return (Income)	NPR/Ha	14,400	132,800	118,400	922%
Third (Wheat)					
Productivity	MT/Ha	2.5	41.5	39.0	1660%
Farm Gate Price	NPR/MT	15,000	8,000	-7,000	53%
Gross Sales	NPR/Ha	37,500	332,000	294,500	885%
Cost of Production	NPR/Ha	18,750	199,200	180,450	1062%
Net Return (Income)	NPR/Ha	18,750	132,800	114,050	708%
TOTAL NET INCOME	USD/Ha	692	5,312	4,620	768%

Although the above analysis is generic and does not take into account specific livelihood strategies employed by each program beneficiary, it does provide useful insight to the level of impact USAID-NFRP will have. Again, based on the preliminary information provided in Table 3, if the average income over three seasons for one hectare under HVC production is \$5,312, then the projected final result for the program would be \$2,549,760 or 311 percent higher than the targeted \$820,000 in net sales.

Considering that LIG farmers are contributing an average of 0.23 hectares of productive land to the program, the projected net increase in income for the “average” beneficiary over three productive seasons is **\$1,063**, as detailed in the following table.

Table 4: Average Increase in Incomes for Beneficiary Farmers

Impact per Beneficiary	Land (Ha)	Income (Staple Crop)	Income (HVC)	Increase (per farmer)	% Increase
Average USAID-NFRP Beneficiary Farmer	0.23	159	1,222	1,063	768%

Initiation of Sanitation, Hygiene and Nutrition

USAID-NFRP’s third component, Sanitation, Hygiene and Nutrition (SHN), was also initiated in this quarter. Fourteen local NGOs from the six program districts were shortlisted and the program’s terms of reference were vetted with local communities and government health workers to ensure responsiveness to real local SHN demands. Competitive bidding was completed in November resulting in the award of one subcontract per district to five distinct local NGOs, as detailed in the following table.

Table 5: USAID-NFRP Partner NGOs for SHN Implementation

Region	District	Partner NGO
Central	Parsa	RRAFDC
	Bara	RRAFDC
	Rautahat	ECDC
Western	Banke	BASE/Banke
	Bardiya	UNYC
	Kailali	BASE/Kailali

By the end of November, partner NGOs per district completed the recruitment of three professional SHN specialists and 10 currently active community health volunteers from the program VDCs. In early December, two separate training-of-trainers events were conducted in Nepalgunj and Birgunj. The SHN component will be implemented during the course of 15 months targeting technical and training assistance to two unique groups: school children (between 8 to 14 years) and prequalified adults (60 percent women).

Organizational Strengthening / Protection of Women and Children

In response to the government of Nepal’s announcement that it will re-invigorate Local Peace Committees (LPCs) throughout the country’s 75 districts, USAID-NFRP held a number of coordination and information-gathering meetings with key stakeholders at national and local levels. The team has assessed that there will be substantial delays in the effective implementation of LPCs throughout Nepal and especially in our program districts. As a result, USAID-NFRP has developed a strategy and terms of reference for this component that enables it to effectively address institutional and organizational needs at the community level while still maintaining a position to adapt to new changes in the case that LPCs eventually become active. In addition, a strategy for local-level flood

preparedness and mitigation has been developed to enhance the component's responsiveness to beneficiary communities' highest priorities.

The terms of reference for the Protection of Women and Children component was also finalized this quarter after extensive coordination with local and international NGOs that are active in advocacy and awareness programs for gender equity and human trafficking issues in Nepal.

Fifteen local NGOs from the six program districts have been shortlisted for potential implementation of these two components. Because their terms of reference require similar qualifications from shortlisted local NGOs, awards for both components will go to the same organization within each district. Competitive selection will take place in January and field activities will begin in February.

2.4 CHALLENGES

Security in the Terai continues to be a concern, particularly in the Central region with Rautahat being the most problematic district. Despite recent disruptions in municipal centers and large towns, USAID-NFRP staff movements have been largely uninterrupted. Occasionally, travel to communities is slower as team members have to avoid main roads and maintain a low profile. USAID-NFRP regional coordinators regularly inform the COP of situations that could affect travel and program activities in their districts.

The seasonal increases in electrical load-shedding are likely to cause an increase in the price of construction materials as the supply is reduced by low levels of productivity. This could potentially affect the cost of infrastructure projects that have already been designed and budgeted. The USAID-NFRP engineering specialist will continue to monitor price trends and will adjust projects accordingly.

The LIG program faced some initial difficulties in identifying potential program beneficiaries in certain work sites mainly due to farmers' limited landholdings within those VDCs. In other cases, most farmers already had their available land under production of typical winter cereals and oilseed crops. To ensure that the program reaches its target of 480 hectares under cultivation of HVCs within the first season, USAID-NFRP has allowed partner NGOs to select farmers from neighboring (flood-affected) communities of the designated VDC work sites, when necessary.

SECTION 3: RESULTS

3.1 PROGRESS TO DATE AT-A-GLANCE

Table 6: Progress to date: Higher level, Overall Program Indicators				
Activity	Target	Achieved to date	Balance	Completion rate
Number of beneficiaries assisted or received direct benefits from USG-funded interventions	27,600	5,819	21,781	21%
Number of community infrastructure projects constructed and/or rehabilitated	150	2	148	1%
Number of individuals who have received USG supported training (all components)	8,100	2,412	5,688	30%
Number of person-days of temporary employment generated by infrastructure activities	135,000	2,770	132,230	%
Cost sharing leveraged by individuals, communities, local governments and/or other donors	\$367,000	\$4,464	\$362,536	1%

During the reporting period, 3,731 new beneficiaries were assisted or received direct benefits from project-funded protection and solution activities. This brings the current number of beneficiaries to 5,819, of which, 1,619 are under the infrastructure component and 2,112 are under the livelihoods and income generation component.

Two community infrastructure projects have been completed and 2,770 days of temporary employment were generated by infrastructure component activities.

During the second quarter (Oct.-Dec. 08), 2,112 received training. Of the 2,112 trained, 30 percent were women and 50 percent were from vulnerable households. Program wide, 2,412 have now been trained with USAID-NFRP program funds.

Total investment (cost-shared) into project activities by individuals, communities, local governments and/or other donors amounted to \$4,464 during the quarter.

3.2 PROGRESS TO DATE PER PROGRAM OBJECTIVE

3.2.1 INFRASTRUCTURE

By the end of December, 93 prioritized projects were underway in all 60 program VDCs and 76 percent of the component's \$1.8 million was committed. Fifty-nine of the 93 prioritized projects were in the design phase at the end of the quarter and are anticipated to begin in February. Thirty-two projects were in the construction phase and two projects were completed.

In December, USAID-NFRP completed its second flood control project in Bhaluyee Arwaliya VDC in Bara district. The project consisted of the construction of a 272-meter river channel and 137 meters of embankment repairs and bio-engineering structures to divert water away from community land and protect 250 households from future damage caused by flooding.

Table 7 further details the Infrastructure component's activities.

Table 7: Current USAID-NFRP Commitments in Infrastructure

Project Type	No. Projects	Beneficiaries (Households)	Current Prog. Commitment	Community Contribution	Status		
					Design	Construction	Completed
Culverts	36	10,605	\$326,125	\$14,081	20	16	
Flood Controls	25	5,079	\$471,121	\$13,256	15	8	2
Schools	19	4,013	\$375,711	\$39,080	16	3	
School Bathrooms	5	463	\$2,667	TBD	5		
Irrigation Rehab	3	179	\$52,880	\$1,999		3	
Road Improvements/ Bridges	4	2,777	\$127,262	\$10,717	2	2	
Health Post	1	1,352	\$10,703	\$1,200	1		
TOTAL	93	24,468	\$1,366,468	\$80,333	59	32	2

Based on current commitments, USAID-NFRP's projections for infrastructure beneficiaries are more than **272 percent higher** than the number of households proposed in the approved PMP. This is largely due to the program's emphasis on cost-effective, high impact projects that serve the common interests of the community and require significant amounts of unskilled labor.

3.2.2 LIVELIHOODS AND INCOME GENERATION

By the end of the quarter, the partner NGOs completed more than 70 field-based trainings covering topics such as variety selection, nursery management, composting, mulching, field preparation and irrigation installation and management. Of the 2,200 traditional staple crop farmers selected for program support, 2,112 have already started nursery production of late-winter crops that will be transplanted in January and February to cover 462 hectares of productive farmland. Farmers across the 60 VDCs were clustered into more than 260 production and marketing groups based on commonalities in crop promotion, market access, water sources and irrigation distribution.

Water sources and appropriate technologies for small to medium irrigation systems were developed for 162 participant farmers to date.

Further details of results to date are shown in the table below, which is an excerpt from USAID-NFRP's Performance Monitoring Plan.

Table 8: Income Generation Activities

3 Objective 2: Provision of Income Generation Activities					
No.	Activity	Target	Achieved to date	Balance	Completion rate
3.2	Number of rural households benefiting directly from USG interventions (EG 5.2 Agricultural Sector Productivity)	1,200	2,112	-912	175%
3.4	Number of producers organizations, water users associations, trade and business associations, and community based organizations (CBOs) receiving USG assistance (EG 5.2 Agricultural Sector Productivity)	60	60	0	100%
3.5	Number of new technologies or management practices made available for transfer as a result of USG assistance (EG 5.2 Agricultural Sector Productivity)	1,200	162	1,038	13%
3.6	Implementation funds disbursed (in USD)	\$450,000	\$76,634	\$373,366	17%
3.7	Cost sharing leveraged by beneficiary farmers (25% of in-kind investment)	\$49,500	\$3,808	\$45,692	8%

3.2.3 SANITATION, HYGIENE AND NUTRITION

The SHN component kicked off with two training-of-trainers events organized in Birgunj and Nepalgunj for the five partner NGOs selected for implementation. Twenty NGO staff and 60 community health volunteers (65 women, 15 men) were trained in extension techniques for the promotion of improved hand washing and food preparation, disease prevention, drinking water treatment, wastewater management, solid waste management, kitchen gardening and improved cooking stoves. Immediately after the trainings, NGO staff and volunteers mobilized to their assigned communities and initiated recruitment of the targeted beneficiaries per program VDC: 25 adults and 25 schoolchildren. Before the community-based trainings start in January, partner NGOs are conducting thorough baseline surveys to assess current conditions and hygiene practices of targeted beneficiaries and measure their progress throughout the life of the 15-month program.

3.3 PUBLIC/PRIVATE PARTNERSHIPS

USAID-NFRP continues to actively seek opportunities to collaborate with local and international organizations interested in supporting flood recovery in the Terai. In early October, USAID-NFRP's COP and engineering specialist participated in the field-inspection of the recently completed Room to Read school construction projects throughout the Kathmandu valley. Possible coordination of program activities in Banke and Bardiya districts is currently being considered.

SECTION 4: PRIORITY ACTIVITIES FOR NEXT QUARTER

Program activities will follow the outline in the annual work plan. Highlighted activities include:

Infrastructure Component

Selection of larger, higher impact projects in areas with vital flood-related infrastructure needs. This final phase of the component implementation of community infrastructure will begin in March and will likely include medium-sized bridges, large culverts, primary irrigation structures, and road repairs.

Concerted efforts will be mobilized to train community members to maintain local infrastructure to prevent deterioration and unanticipated failure.

Livelihood and Income Generation Component

Baseline surveys completed by subcontractors FORWARD and MADE for all beneficiaries clients.

Roll-out of the training-of-trainers events for improved practices for high-value summer crop production, which will include training in soil preparation, nursery development, good agriculture practices, integrated pest management and postharvest handling.

Sanitation, Hygiene and Nutrition

Baseline survey and field-level training programs will be initiated under this component. Implementation of kitchen gardens and improved cooking stoves will start in March.

Organizational Strengthening / Protection of Women and Children

All subcontracts with the selected NGOs will be finalized and signed during the next quarter and component activities will start in February.

Capacity building and awareness training program will continue to engage women as key stakeholders in the community development process to increase their role in reducing the risks and needs of women subjected to violence and children vulnerable to trafficking

Windows of Opportunity

Activities under the sixth program component can support new opportunities that contribute to flood recovery needs in the Terai. In January, USAID-NFRP will propose to USAID/Nepal to use a small amount of funds to investigate the situation in the 2008 flood-affected areas of Sunsari and Kanchanpur districts. Two separate reports will be submitted to USAID that assess the degree of flood damage and determine the most effective use of additional USAID resources for flood recovery in these areas.

Coordination with other USAID and donor funded activities

In January, USAID-NFRP (Fintrac) will sign a memorandum of understanding with USAID/Nepal's EIG program (Winrock) to enhance programmatic collaboration in Banke and Bardiya districts. A

number of opportunities will exist under this arrangement, particularly in Livelihoods where USAID-NFRP could provide subsidized support for productive inputs to successful trainees of EIG's income generation component. USAID-NFRP's infrastructure projects can also hire EIG carpentry and masonry trainees through direct agreements with our subcontractors offering them a "kick-start" in employing the new skills and expertise they have developed through the EIG vocational training program.

Agreements will also be signed with local and international NGOs that implement World Food Program's (WFP) food security activities in USAID-NFRP districts. In Kailali and Bardiya districts, USAID-NFRP will coordinate directly with Backwards Society Education (BASE) and Adventist Development & Relief Agency (ADRA) to share the cost of infrastructure projects by using WFP food resources to pay for the cost of unskilled labor. Discussions with WFP regarding the possible coordination of flood recovery activities in 2008 flood-affected areas such as Sunsari and Kanchanpur will also continue in January.

SECTION 5: MANAGEMENT REPORT

5.1 PROJECT STAFFING

During the reporting period Fintrac requested and received approval from USAID to promote the Livelihood and Income Generation (LIG) Specialist, Dr. Mathema, to Deputy Chief of Party. He will also continue to fulfill his responsibilities as LIG Component Leader, but will take a more direct roll on overall project technical and management activities.

Shiv Narayan Tharu, Regional Coordinator/Mid & Far West Region, replaced Laxmi Narayan Shah as of November 25, 2008.

Fintrac Technical Support

Fintrac maintains its commitment to providing timely and effective home office support to field operations. In early October, Fintrac facilitated technical assistance assignments by a home office's Information Technology specialist and the Chief Financial Officer to work with program staff to develop technical, administrative and reporting systems specific to the program's requirements. Both assignments were paid for independently by Fintrac and entailed no cost to USAID-NFRP. In January, Fintrac will facilitate an additional *pro bono* assignment by providing an experienced Monitoring and Evaluation (M&E) specialist to train USAID-NFRP staff in the company's methodology and systems for M&E, data collection, interpretation and reporting.

5.2 EXPENDITURES TO DATE

ANNEX I: PERFORMANCE MONITORING PLAN

No.	Activity	Target	Result To-Date	Balance	Completion Rate
1	Program Level Objective				
1.1	Number of beneficiaries assisted by USG-supported protection and solutions activities	27,600	5,819	21,781	21%
2	Objective 1: Rehabilitation and Rebuilding of Productive Infrastructure				
2.1	Number of community infrastructures constructed a/o rehabilitated	150	2	148	1%
2.1.1	Number of classrooms constructed with USG assistance (Program Element IIP – 2.1 Basic Education)	20	0	20	0%
2.1.2	Number of classrooms repaired with USG assistance (Program Element IIP – 2.1 Basic Education)	15	0	15	0%
2.1.3	Number of model latrines in community schools	30	0	30	0%
2.1.4	Number of drinking water sources installed or improved	20	0	20	0%
2.1.5	Number of community irrigation systems rehabilitated	4	0	4	0%
2.1.6	Number of river protection projects (e.g. embankment protections, gabions, spurs, check dams)	32	2	30	6%
2.1.7	Kilometers of transportation infrastructure constructed or repaired through USG assistance (Program Element EG 4.3 Transport Services)	4	0	4	0%
2.1.8	Number of transportation infrastructure projects such as culverts and small bridges constructed or repaired	25	0	25	0%
2.2	Number of people in target areas with access to improved drinking water supply as a result of USG assistance (Program Element IIP – 1.8 Clean Water and Sanitation Services)	3,900	0	3,900	0%
2.3	Number of people benefiting from USG sponsored transportation infrastructure projects (Program Element EG 4.3 Transport Services)	24,375	0	24,375	0%
2.4	Number of households benefited by community infrastructure projects (assumes an average of 150 benefiting HHs per VDC)	9,000	524	8,476	6%
2.5	Number of person-days of temporary employment generated by infrastructure activities (estimated at 15% of construction costs)	135,000	2,770	132,230	2%
2.6	Subcontract funds disbursed (in USD)	\$1,800,000	\$11,166	\$1,788,834	1%
2.7	Cost sharing leveraged from communities, local governments a/o other donor programs (in USD)	\$270,000	\$656	\$269,344	0.24%
3	Objective 2: Provision of Income Generation Activities				
3.1	Number of individuals who have received USG supported long term agricultural sector productivity training (EG 5.2 Agricultural Sector Productivity)	1,200	2,112	-912	176%
	Number of women trained	360	630	-270	175%
3.2	Number of rural households benefiting directly from USG interventions (EG 5.2 Agricultural Sector Productivity)	1,200	2,112	-912	176%

No.	Activity	Target	Result To-Date	Balance	Completion Rate
3.3	Number of vulnerable households benefiting directly from USG interventions (EG 5.2 Agricultural Sector Productivity)	600	1,050	-450	175%
3.4	Number of producers organizations, water users associations, trade and business associations, and community based organizations (CBOs) receiving USG assistance (EG 5.2 Agricultural Sector Productivity)	60	60	0	100%
3.5	Number of new technologies or management practices made available for transfer as a result of USG assistance (EG 5.2 Agricultural Sector Productivity)	1,200	162	1,038	13%
3.6	Implementation funds disbursed (in USD)	\$450,000	\$76,634	\$373,366	17%
3.7	Cost sharing leveraged by beneficiary farmers (25% of in-kind investment)	\$49,500	\$3,808	\$45,692	8%
4	Objective 3: Improved Sanitation, Hygiene and Nutrition (SHN)				
4.1	Number of people in target areas with access to improved sanitation facilities as a result of USG assistance (Program Element IIP – 1.8 Clean Water and Sanitation Services)	1,500	0	1,500	0%
4.2	Number of people trained in improved sanitation, hygiene and nutrition	3,000	0	3,000	0%
4.3	Number of households with improved nutrition due to demonstration kitchen gardens	600	0	600	0%
4.4	Number of households with improved sanitation due to improved cooking stoves	600	0	600	0%
4.6	% increase in the incidence of hand-washing of SHN trainees	1	0	1	0%
4.7	% of kitchen garden beneficiaries that continue to eat a minimum of five meals per week with green/leafy vegetables	1	0	1	0%
4.8	Subcontract funds disbursed (in USD)	\$150,000	\$3,418	\$146,582	2%
4.9	Cost sharing leveraged (15% minimum, in USD)	\$22,500	\$0	\$22,500	0%
5	Objective 4: Strengthening of Local Peace Committees or Other Local Groups				
5.2	Number of groups receiving institutional strengthening and organizational development technical assistance and training	60	60	0	100%
5.3	Number of community members trained	1,500	300	1,200	20%
	Number of women trained	900	180	720	20%
	Number of youth trained	750	300	450	40%
5.4	Subcontract funds disbursed (in USD)	\$150,000	\$21,868	\$128,132	15%
5.5	Cost sharing leveraged (10% minimum, in USD)	\$15,000	\$0	\$15,000	0%
6	Objective 5: Protection of Women and Children				
6.1	Number of people trained	2,400	0	2,400	0%
	Number of women trained	1,200	0	1,200	0%
	Number of youth trained	600	0	600	0%
6.2	Number of women and youth organizations strengthened (assumes one group per VDC)	60	0	60	0%
6.3	Number of people trained in Trafficking-in-person related issues with USG assistance (Program Element PS5.3 – Trafficking-in-Persons and Migrant Smuggling)	2,400	0	2,400	0%
6.4	Subcontract funds disbursed (in USD)	\$50,000	\$0	\$50,000	0%
6.5	Cost sharing leveraged (10% minimum, in USD)	\$5,000	\$0	\$5,000	0%

No.	Activity	Target	Result To-Date	Balance	Completion Rate
7	Objective 6: Windows of Opportunities				
7.1	Number of special studies (Program Design and Learning Element)	0	0	0	N/A
7.2	Number of Baseline or Feasibility Studies (Program Design and Learning Element)	0	0	0	N/A
7.3	Subcontract funds disbursed	\$50,000	\$0	\$50,000	0%
7.4	10% cost sharing target (in USD)	\$5,000	\$0	\$5,000	0%

ANNEX II: MONTHLY REPORTS



Monthly update – October 2008

USAID/Nepal Flood Recovery Program (USAID-NFRP) “Build Back Better”

NOTE FROM THE PROJECT DIRECTOR

USAID-NFRP initiated the Livelihoods and Income Generation component of the program in October. We completed the design of a Training-of-Trainers course on improved agricultural practices, inclusive of material for vegetables and other crops (e.g. IPM, irrigation, post-harvest handling, and marketing logistics). We also introduced the bioengineering technology, applied to flood protection barriers Barainiya, to the western region. If determined feasible by our construction partners and adapted we will realize significant cost savings for our flood control activities in both regions.

Joe Sanders, Chief of Party,
Nepal Flood Recovery Program

INFRASTRUCTURE

USAID-NFRP's infrastructure component continues to progress ahead of schedule. In October, 44 projects and sites were identified for implementation and 30 preliminary designs and cost estimates were completed. Partner firms and NGOs are now working to organize community user groups and determine the matching contributions that will be made by beneficiaries and other sources, such as local government agencies. To the greatest extent possible, USAID-NFRP, through its partner subcontractors, will work to procure human and physical resources directly from beneficiary communities. This not only ensures maximum financial investment in those communities, but it also helps to reduce the cost of infrastructure activities as resources provided locally are almost always cheaper than standard market prices. During November and December, USAID-NFRP will complete its remaining project designs and all 60 VDCs will have projects underway or completed by early January 2009.

AGRICULTURE

USAID-NFRP's livelihoods and income generation (LIG) component was initiated in October after the completion of a rigorous competitive selection process. Seven NGOs were preselected for bidding which involved the standard submission of technical and cost proposals, as well as interactive oral presentations that allowed the USAID-NFRP team to assess the organizations' leadership better and make direct inquiries regarding



Photos by Fintrac Inc.

A USAID-NFRP staff member collects information from villagers.

USAID/Nepal Flood Recovery Program

This project is implemented by Fintrac Inc., a US agribusiness firm, in partnership with METCON Consultants. USAID-NFRP collaborates with village development committees and local NGOs in the Terai to increase incomes from agriculture, support small-scale infrastructure and health/nutrition activities and strengthen organizational capacity, especially among vulnerable populations.

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their proposed activities and methodologies. Two Terai-based NGOs were selected for subcontracting to implement in the two program regions: the Forum for Rural Welfare and Agricultural Reform for Development (FORWARD) in the Mid/Far West and Multidimensional Agriculture for Development (MADE) in the Central region. The total financial commitment made through these subcontracts is approximately \$399,000. The remaining funding available under the LIG component will be programmed during the next four months as additional livelihoods activities are identified for support in flood-affected communities (fish ponds, animal husbandry and agricultural processing).

During the month of October, both NGOs have fully staffed their teams with two senior-level coordinators and 10 mid-level agronomist/extension workers for each region. Both teams have already started the process of identifying farmers and landholdings that meet USAID-NFRP's criteria for demonstration plots and HVC promotion. A joint training-of-trainers that will officially kick-off the LIG program is being organized for early November. Through the program, flood-affected and other vulnerable families of the target districts will gain medium-term support by receiving quality seeds, nursery management kits, IPM kits, irrigation kits, on-farm trainings in improved production practices of high value crops (HVC), pre- and postharvest handling management training and marketing management training for growing nutritious and commercial crops with linkages to micro-credit and local development organizations. LIG activities will demonstrate increased output of quality products and sales. By the end of this project, at least 1,200 families will have new or improved skills to manage the production and marketing of HVCs from 480 hectares of land for increased incomes with an aggregate value of at least USD \$820,000 in net sales.

SANITATION, HYGIENE & NUTRITION

Fourteen local NGOs from the six program districts have been shortlisted for potential implementation of this component. The terms of reference were completed in October and the document was vetted with local communities and government health workers to ensure responsiveness to real local demands in terms of improved sanitation, hygiene and nutrition. Competitive bidding will be conducted in early November. USAID-NFRP anticipates selecting one partner NGO (subcontractor) per program district. Implementation will kick off in late November with a training-of-trainers event held in each region.

LOCAL ORGANIZATIONS

In response to the government of Nepal's recent announcement that it will reinvigorate Local Peace Committees (LPCs) throughout the country's 75 districts, USAID-NFRP has held a number of coordination and information-gathering meetings with key stakeholders at the national and local levels. As a result, the program is working to develop a strategy for this component that will enable it to effectively address institutional and organizational needs at the community level while still being in a position to adapt to new changes in the case that LPCs become functional and more active in program districts. Competitive bidding with the 15 preselected local NGOs for this component will be conducted in December.

WOMEN AND CHILDREN

Fifteen local NGOs from the six program districts have been shortlisted for potential implementation of this component. Competitive bidding will be held in January 2009.

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Monthly Update – November 2008

USAID/Nepal Flood Recovery Program

Build Back Better

NOTE FROM THE PROJECT DIRECTOR

November signifies USAID-NFRP's transition from assessment and program development to full-scale implementation of our key components in Infrastructure, Livelihoods and Sanitation. The program is now an established *ground operation* improving the lives and living conditions of Terai households seriously affected by the floods of 2007 and, in many cases, the floods of 2008.

Joe Sanders, Chief of Party
USAID/Nepal Flood Recovery Program

INFRASTRUCTURE

The rapid implementation of our infrastructure component is an effective "rallying point" for engendering community enthusiasm and mobilizing support for the program's broader objectives. Projects in river protection, flood control, culverts, irrigation repairs, schools and road protection are in highest demand. Final designs for the prioritized projects in 20 VDCs were completed in November and construction is underway. An additional 30 preliminary designs were prepared for projects slated for December and January. USAID-NFRP has identified 66 project sites that have been inspected and designed by our 12 partner subcontractors. The local firms and NGOs selected for implementation are working to organize community-based user groups at each work site and identify locally available sources of skilled and unskilled labor, equipment and materials.

It was originally envisioned that \$30,000 would be allocated to each of the program's 60 VDCs (totaling \$1.8 million) for priority infrastructure projects. As the team grows more and more aware of the situation on the ground, however, it is apparent that some VDCs are more affected than others. The hardest hit tend to be in Kailali, Rautahat and Bardiya districts. USAID-NFRP is therefore adapting to address this situation and focus on the highest priorities selected by each VDC. Most projects will cost less than \$30,000, leaving a balance estimated at about 30 percent of the \$1.8 million that will be used for larger, higher impact projects in more affected current program VDCs or in new ones with vital flood-related infrastructure needs. Projects from this final phase scheduled to begin in March will likely include bridges, culverts, primary irrigation structures and road repairs.

AGRICULTURE

The two organizations selected to implement the Livelihoods & Income Generation (LIG) program, FORWARD and MADE, have fully scaled up field operations. The LIG program kicked off with a five-day training-of-trainers (ToT) event in Bharatpur designed to bring the NGOs' technical teams up-to-speed with Fintrac's methodology for high value crop production and demonstration farming. Participants included the four mid-level managers and 20



Photos by Fintrac Inc.

USAID-NFRP improved a river embankment in Bhaluhi VDC, Bara district.

USAID/Nepal Flood Recovery Program

This project is implemented by Fintrac Inc., a US agribusiness firm, in partnership with METCON Consultants. USAID-NFRP works with flood-affected communities and NGOs throughout the Terai to increase farmer productivity and incomes, rehabilitate and develop small-scale community infrastructure, improve awareness of sanitation, nutrition, gender and protection issues, and strengthen local organizational capacities through enhanced participation of youth and vulnerable populations.

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junior agronomists that have been assigned to implement activities across the six program districts. These technicians were thoroughly trained in appropriate applications for rural extension, demonstration farming, group formation, irrigation clustering, nursery and soil management, integrated pest management (IPM), postharvest handling, marketing and micro-credit. Immediately following the ToT, teams started mobilizing in the program districts and staff members have taken residence in their assigned VDC.

More than 2,000 farmers have been selected to participate in the program and their land will reach the 480 hectares targeted for technical assistance for the next three cropping seasons. Farmers across the 60 VDCs have been clustered into more than 260 production and marketing groups based on their commonalities in crop promotion, market access, water sources and irrigation distribution. More than 85 percent of these groups have already started training and established nurseries for the selected high value crops and non-forest timber products that are being promoted. The remaining 15 percent of farmers will begin training in December and all crops will be transplanted to the demonstration plots by the end of January. Irrigation sources for most sites have also been identified and the appropriate technologies for supplying water are currently being developed. The most common will be portable motorized diesel pumps that can effectively serve group needs and also be rented out to other communities members.



Program staff learn integrated pest management techniques during a training-of-trainers event.

SANITATION, HYGIENE & NUTRITION

The competitive selection of partner NGOs for this component was completed in mid-November. Of the 13 proposals received from our shortlisted organizations, five were awarded subcontracts to cover the six program districts. By the end of November, subcontractors had completed their staff recruitment and were preparing for the training-of-trainers events scheduled for early December in Nepalgunj and Birgunj. The SHN component will be implemented over 15 months and will target its technical and training assistance to two unique groups: school children between ages 8 and 14 and prequalified adults, 60 percent of whom must be women. The principle objectives are to: 1) provide an integrated training program that will improve the sanitation, hygiene and nutrition practices of 3,000 flood-affected Terai families, 2) establish 1,200 demonstration kitchen gardens for improved nutrition and incomes, and 3) install 1,200 improved cooking stoves that will enhance fuel efficiency and reduce smoke inhalation.

LOCAL ORGANIZATIONS / WOMEN & CHILDREN

The final two components are scheduled for competitive selection and initiation of field activities in January. Because their terms of reference require similar qualifications from our shortlisted local NGOs, awards for both components will go to the same organization within each district.

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Monthly Update – December 2008

USAID/Nepal Flood Recovery Program

Build Back Better

USAID-NFRP works with flood-affected communities and NGOs throughout the Terai to increase farmer productivity and income, rehabilitate and develop small-scale community infrastructure, improve awareness of sanitation, nutrition, gender and protection issues and strengthen local organizational capacities through enhanced participation of youth and vulnerable populations. This 24-month activity started in June 2008 and is implemented by Fintrac Inc., a US agribusiness firm in partnership with METCOM Consultants and a vast group of local NGOs and subcontractors.

Visit www.usaid-nfrp.org for more information.

INFRASTRUCTURE

In September USAID-NFRP successfully applied bamboo netting and sandbag walls to build cost-effective river protection barriers in the Barainiya Village Development Committee (VDC) of Bara district. After verifying the quality of the end product there, USAID-NFRP facilitated an on site training in Thapapur VDC (Kailali) where 12 staff from our six partner subcontractors in Banke, Bardiya and Kailali (Western region) were introduced to this bio-engineering technology so they could take the concept and apply them at their designated VDCs. The training was done while implementing an actual community river protection activity, which will protect more than 100 homes and a school of 500 students. The first 20 meters of the project were built using voluntary labor and equipment from the subcontractor trainees.

The Infrastructure component is now fully committed with 93 prioritized projects selected and underway across the 60 program VDCs.

AGRICULTURE

Of the 2,100 traditional staple crop farmers selected for program support, 1,899 have started nursery production of late-winter crops that will enhance the productivity of 403 hectares of land. The remaining participants will start production of early-summer crops by late January to fully establish the program's targeted 480 hectares of demonstration farms. During the course of this program, farmers will be supported with long-term training and inputs for three off-season (optimal price) production periods.

Appropriate technologies for small-to-medium scale irrigation have been developed for each program



Photos by Fintrac Inc.

The community pitches in during a bio-engineering demonstration and training at Thapapur VDC.

INFRASTRUCTURE PROJECTS AT A GLANCE

Project Type	Phase I	Phase II	Phase III
Culverts	33	8	0
Flood Controls	20	1	2
Schools	17	2	0
School Bathrooms	4	0	0
Irrigation Rehab	0	3	0
Road Improvements	2	0	0
Health Post	1	0	0
TOTAL	77	14	2

Phase I: Engineering design & community mobilization in process (construction initiated by Jan/Feb); Phase II: Construction underway; Phase III: Project completed

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site. Shallow-tube wells with motorized pumps or manual treadle pumps are most requested by farmers, all of whom have agreed to share 25 percent of the total cost. Well drilling started in early December and 20 of the program's 260 production/marketing groups have already completed installation. In addition, one drip irrigation system will be established in each VDC to demonstrate the appropriateness of this highly efficient technology and engender interest among Terai farmers.

In December, our Livelihoods & Income Generation implementing partners completed 37 field-based trainings for farmers covering topics such as variety selection, nursery management, composting, mulching, field preparation and irrigation management. The main crops promoted are cauliflower, chili, onion, *brinjal*, tomato and mentha, which will generate net returns that are **768 percent higher** on average than the wheat varieties traditionally cultivated during this season.



Photos by Fintrac Inc.
Participants in an USAID-NFRP-sponsored Sanitation, Health and Nutrition training-of-trainers course.

SANITATION, HYGIENE & NUTRITION

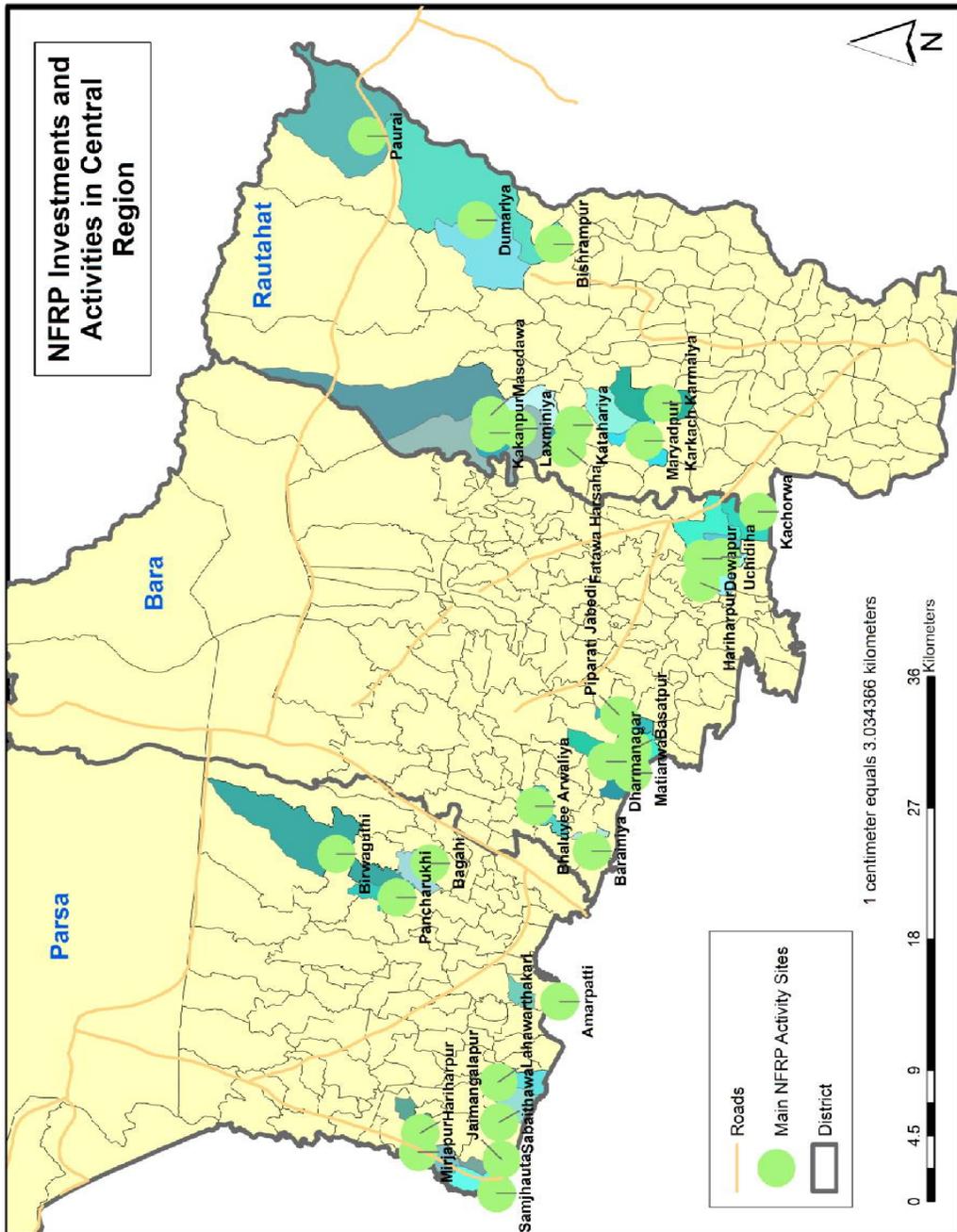
The SHN component kicked off with two training-of-trainers events organized in Birgunj and Nepalgunj for the five partner NGOs selected for implementation. Twenty NGO staff and 60 community health volunteers (65 women, 15 men) were trained in extension techniques for the promotion of improved hand-washing and food preparation, disease prevention, drinking water treatment, wastewater management, solid waste management, kitchen gardening and improved cooking stoves. Immediately following the trainings, NGO staff and volunteers mobilized to their assigned communities and initiated recruitment of the targeted beneficiaries per program VDC: 25 adults and 25 schoolchildren. Before the community-based trainings begin in January, partner NGOs are conducting thorough baseline surveys to assess current conditions and hygiene practices of the targeted beneficiaries and measure their progress throughout the life of the 12-month program.

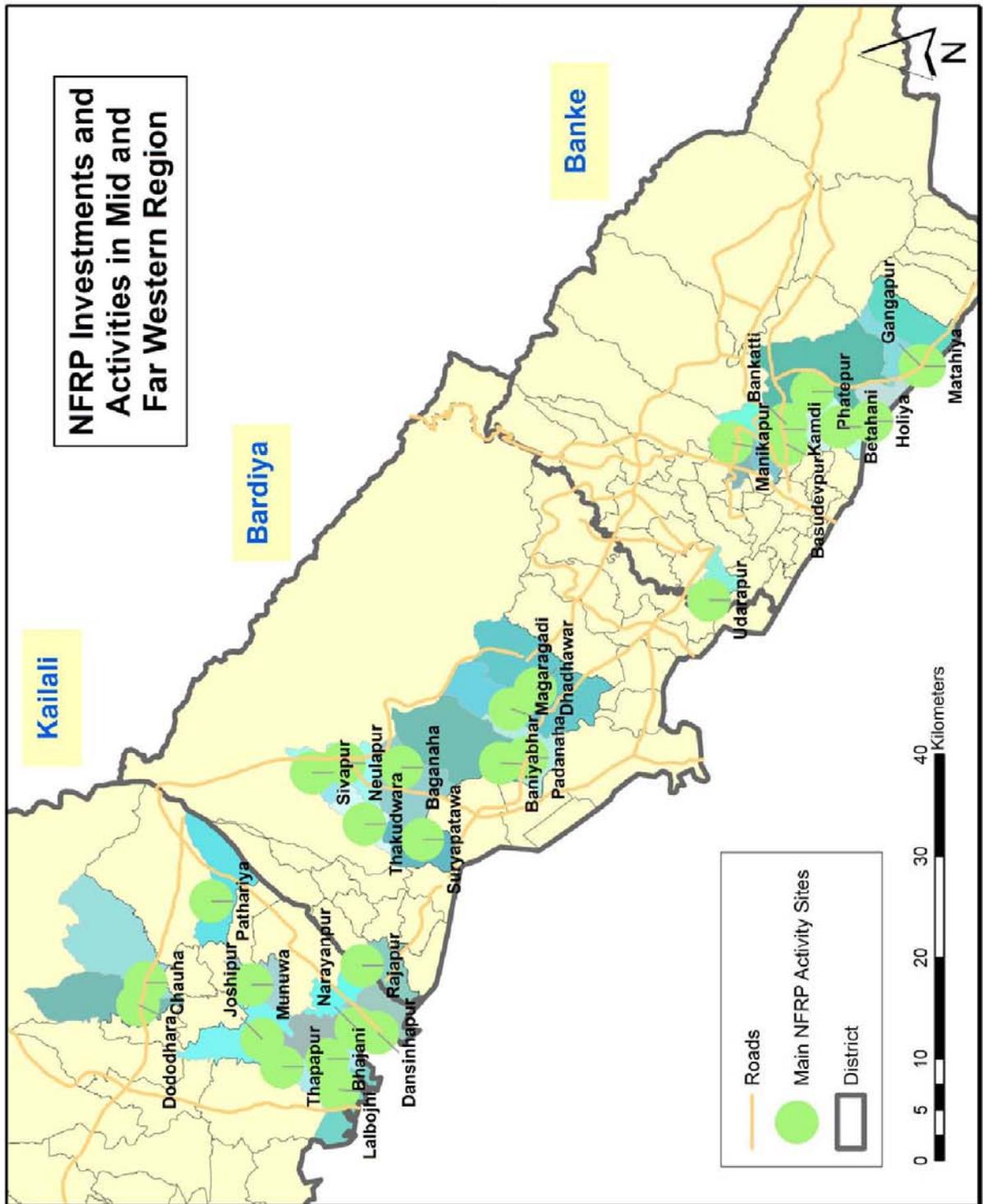
LOCAL ORGANIZATIONS / WOMEN & CHILDREN

The terms of reference for the final two components were completed in December. Competitive selection of partner subcontractors will be completed in January and field operations will be initiated by early February.

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ANNEX III: USAID-NFRP CLIENT DISTRIBUTION MAPS BY REGION







USAID/NEPAL FLOOD RECOVERY
PROGRAM
QUARTERLY PERFORMANCE REPORT #1
JULY – SEPTEMBER 2008



USAID/Nepal Flood Recovery Program

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