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USAID/NEPAL FLOOD RECOVERY PROGRAM

QUARTERLY PERFORMANCE REPORT #5
OCTOBER 2009 – DECEMBER 2009





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USAID/Nepal Flood Recovery Program

P.O. Box 4412
SMR House, 43/15 Dandibaba Marg, Tangal
Kathmandu-2, Nepal
Tel: +977 1 4414162
Western Regional Office (Nepalgunj): +977 81 525577
Central Regional Office (Birgunj): +977 51 523688

Fintrac Inc.

www.fintrac.com
info@fintrac.com

US Virgin Islands
3077 Kronprindsens Gade #72
St. Thomas, USVI 00802
Tel: (340) 776-7600
Fax: (340) 776-7601

Washington, D.C.
1436 U Street NW, Suite 303
Washington, D.C. 20009 USA
Tel: (202) 462-8475
Fax: (202) 462-8478

COVER PHOTO: USAID-NFRP field technicians, accompanied by local flood victims, investigate damage levels in the most-affected areas of Sunsari district, designated as the "Red Zone." The original ground level, constituting thousands of hectares of productive farmland, is two to three meters below the sand in this photo.

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QUARTERLY REPORT

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SECTION 1: EXECUTIVE SUMMARY

This is the fifth 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 from October 1, 2009 to December 31, 2009.

USAID-NFRP works with flood-affected communities 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:

- Twelve community infrastructure projects were completed during the quarter, leaving only one left to complete.
- 26,004 days of temporary employment were generated by infrastructure component activities.
- 10,784 beneficiaries received training across USAID-NFRP's five program components.
- Individuals, communities, local governments and other donors invested \$37,086 in project activities during the quarter.
- Current number of beneficiaries is 384,801, of which 374,017 have been assisted through the infrastructure component, 2,164 through the livelihoods and income generation (LIG) component, 3,061 through the sanitation, health and nutrition (SHN) component, 2,436 through the organizational strengthening component, and 3,123 through the protecting women and children (PWC) component.

Other activities implemented by the team include soil testing of nearly all demonstration sites in the original target zone, and the establishment of a market information system that reports wholesale and retail prices from key Terai markets over radio station Kohalpur FM.

The program's 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, and gender and protection issues, and strengthen local organizations by expanding participation among youth and vulnerable populations.

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

USAID-NFRP is implemented by Fintrac Inc. in partnership with Nepal-based METCON Consultants as well as a diverse group of local and national-level NGOs and private contractors.

2.1.1 GEOGRAPHIC FOCUS

As a result of the October extension, USAID-NFRP now operates in eight districts throughout the Terai: Sunsari in the Eastern region; Parsa, Bara and Rautahat in the Central region; and Kanchanpur, Kailali, Bardiya and Banke in the Mid/Far Western regions. Through a comprehensive process of field assessments and data analyses developed in conjunction with USAID, 76 village development committees (VDCs) have been selected for program support based on the severity of flood damage and current levels of vulnerability. Within each VDC, clusters of communities considered most affected (varying in size, population, ethnic and social composition) were prioritized for intervention.

Table 1: Original USAID-NFRP Program VDCs (Phase I)

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

Table 2: New USAID-NFRP Program VDCs (Phase II)

Eastern Region	
Sunsari	
Paschim Kasuha	Laukahi
Sripurjabdi	Haripur
Far Western Region	
Kanchanpur	Kailali
Suda	Sadepani
Daijee	Darakh
Jhalari	Pahalmanpur
Pipaladi	Geta
Baisi Bichawa	
Kalika	
Tribhuvanbast	
Parasan	

2.1.2 PERFORMANCE INDICATORS

Phase I – The program has 49 detailed indicators, of which 47 have specifically established targets. Higher level program indicators require that the Program will:

- Assist 66,600 beneficiaries
- Build or rehabilitate 150 community structures and/or road infrastructure
- Train 8,100 clients 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

Phase II – Program indicators for the second phase, which began in November 2009, are under development and will be submitted for USAID approval in the following quarter.

2.2 APPROACH AND METHODOLOGY

Overall Program

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

USAID-NFRP's strategy for the infrastructure component is to rehabilitate or develop improvements for existing small-scale infrastructure (river protections, flood controls, culverts, schools, bathrooms, roads and irrigation systems) that have been identified by a targeted community as the highest priority for their overall well-being. The Phase I target for this component was 150 individual community projects that were to be built through local subcontractors. These subcontractors were given the scope and responsibility to mobilize and manage each community's counterpart contributions.

USAID-NFRP's approach to livelihoods and income generation (LIG) is to provide intensive, hands-on food production, marketing training and financial assistance to selected small farmers in targeted VDCs for three off-season cropping periods. These small farmers are introduced to new technologies and approaches in crop production and postharvest handling, and as well as market price information. After the completion of the 18-month program intervention, each farmer will be capable of sustaining her/his farm using this new technology and replicating the model within their communities by using their farms as demonstration sites. The program's Phase I objectives are to sustainably increase the production and sales of agriculture crops for a minimum of 1,200 families on 480 hectares of land, resulting in an aggregate increase value of \$820,000 in net sales (\$680/family).

Components 3, 4, and 5 are as follows: sanitation, hygiene and nutrition (SHN); strengthening of local organizations (SLO); and protection of women and children (PWC). These components are implemented by district-based NGOs that carry out capacity-building and awareness training activities in target communities, while the USAID-NFRP personnel serve as technical leaders and managers of these partner subcontractors.

Phase II Adjustments

USAID-NFRP is expanding its delivery of high quality services, inputs and training opportunities that directly respond to the needs of flood-affected communities in Sunsari, Kailali and Kanchanpur districts. This will have a lasting impact on local capacities to effectively manage future physical, economic or social threats.

USAID-NFRP completed detailed field assessments in the districts and found that the flooding and damage levels within each district were very different and required unique responses. The differences require USAID-NFRP to adapt its support more suitably to the specific needs of each region.

The well-known Koshi flood (August 2008) in Sunsari was a man-made disaster that destroyed the land and homes of thousands of people and displaced many more for several months. It was one of Nepal's largest humanitarian crises in years, and the recovery process requires committed support and coordination on multiple levels from the Government of Nepal (GoN) and the donor community. So far such support has been significant, albeit poorly coordinated, with noticeable gaps in development assistance. Since many organizations are already providing broad assistance in sanitation, hygiene, youth, protection and gender issues, USAID-NFRP will not implement its social inclusion component in Sunsari. Instead, all resources will be focused on specific economic development activities (infrastructure creation and livelihood/income generation) that will result in long-term recovery and development for the people and communities most affected.

Conversely, while Kanchanpur and Kailali also suffered heavy flooding that displaced hundreds of families for weeks and significantly damaged land and infrastructure, this was not a disaster entirely uncommon to the region. In fact it is more comparable to the types of floods seen in USAID-NFRP's 2007 flood-affected areas. Since the damage and need for assistance is less severe in Kailali/Kanchanpur, USAID-NFRP will allocate only one-third of the program's assistance for that

region. However, USAID-NFRP will continue to implement an integrated program of infrastructure, livelihoods and social inclusion activities (all six components) in targeted worksites of 12 VDCs.

The infrastructure component in the new areas will focus exclusively on rehabilitating or constructing productive infrastructures that directly support and complement the economic development efforts of LIG beneficiaries. LIG will continue to provide long-term, hands-on agricultural production, postharvest and marketing training by targeting technical and financial assistance to selected producers for three off-season periods. Components 3, 4, and 5 will implement capacity building and awareness training activities in targeted communities of Kailali/Kanchanpur.

2.3 REPORTING PERIOD ACTIVITIES

Update on Program Expansion

On October 21, 2009, USAID/Nepal authorized a 10 month extension and increased funding for USAID-NFRP in order to expand operations in the Terai regions most-affected by 2008 floods. A total of \$1,095,735 in new direct funding has been allocated across the five main components to carry out implementation activities in the new worksites of Sunsari, Kanchanpur and Kailali districts:

- Infrastructure (\$720,735)
- Livelihoods and Income Generation (\$290,000)
- Sanitation, Hygiene, Nutrition (\$50,000)
- Strengthening Local Organizations (\$25,000)
- Protection of Women and Children (\$10,000)

Fintrac responded immediately, hiring 10 new technical support staff and 32 field technicians within the first two weeks of the extension. Offices in Inaruwa and Dhangadhi municipalities were made operational in November and are capable of fully supporting field teams as they completed preliminary assessments to determine target worksites.

Four VDCs in Sunsari and 12 in Kailali/Kanchanpur were selected for support. Because the devastation caused by the Koshi flood is unprecedented in Nepal, two-thirds of the extension funding will be allocated for Sunsari alone. Both regions, however, will receive greater concentrations of integrated technical and financial assistance than previously achievable by USAID-NFRP. The LIG team has led the way to date, completing the selection of 2,250 participant farmers by the end of November. Field trainings were under way in December, and inputs such as seeds and nursery supplies have already been distributed for more than 120 hectares of demonstration plots. USAID-NFRP will have the full 490 hectares of targeted land producing high value crops by mid-February.



Villagers in Sunsari discuss recovery priorities with USAID-NFRP personnel.

LIG participants are now grouped into 348 irrigation clusters, and the program will provide each with a shallow-tube well and motorized pump to ensure year-round water supply. The team in Sunsari has also been successful in collaborating with the government's Ground Water Irrigation Board, who pledged to pay for 192 of the chosen Sunsari farmers' irrigation sets (approx. \$110,000 in cost-sharing). Leveraging funds will allow for savings to be reprogrammed into new activities that will deepen USAID-NFRP's overall impact.

Infrastructure

After the monsoon season, USAID-NFRP conducted a complete assessment of all infrastructure projects to evaluate possible damage to projects and the potential cost of repairs. USAID-NFRP's team of engineers found that all culverts, bridges and schools successfully held up against the heavy rains. However, four flood control projects and one irrigation canal were found to be partially damaged. USAID-NFRP authorized an additional \$4,000 to restore these projects to their original condition and make technical enhancements that will prevent future damage. Reconstruction and repairs began in December and will be completed in March.

During the reporting period, a total of 12 infrastructure projects were concluded, all of them school buildings. These projects generated 26,004 person-days of temporary employment to local communities and will support the permanent education of 2,976 schoolchildren. The local community contributions to these projects amounted to \$37,086. All of the 86 infrastructure projects in the original six program districts are now complete. The final project, a small bridge in Kailali, was finished in mid January. All future infrastructure activities will be focused exclusively on the program extension areas of Sunsari and Kailali/Kanchanpur.

While activities wind down in the original worksites, the infrastructure component is rapidly scaling up in the new areas. After the LIG team completed the selection of its beneficiary farmers and worksites in November, engineering staff immediately began to assess the situation to determine which productive infrastructure projects could have the greatest impacts on local economic development. Our initial findings indicate that small-to-medium sized bridges and culverts are in highest demand, and their rapid construction would have complimentary effects on government-



USAID-NFRP Engineering Specialist Mohan Shrestha works with villagers to identify infrastructure priorities in Sunsari.



This school in Hariharpur VDC (Bara) was built by USAID-NFRP.

planned road reconstruction projects. All prioritized projects are now in the design stage and USAID-NFRP is set to begin construction in the new program areas by February 1st.

Livelihoods and Income Generation

LIG partners FORWARD and MADE concluded their training programs for the second crop cycle in December and farmers have finalized all harvests and sales for the season. Training and technical assistance activities for the third crop cycle will begin in January following the same syllabus for the previous two cycles:

- Nursery preparation and management
- High-value crop production
- Integrated pest management (IPM)
- Pre-harvest management
- Postharvest handling
- Marketing/commercialization

Contingencies: Heavy rains on October 6-8 caused serious floods in the western districts of Banke, Bardiya and Kailali, damaging 37 hectares of program-supported demonstration plots. In early December, USAID-NFRP met with its partner FORWARD to develop an appropriate contingency plan for the flood-affected farmers. Both parties agreed to provide a minor increase in funding and compensate farmers by distributing additional hybrid seeds such as watermelon, bottlegourd, bittergourd, cucumber and onion, all of which are more tolerant of sandy, flood-affected soils,

Irrigation: During the initial months of the program, groundwater irrigation sets were installed for all 479 hectares of demonstration plots, including fitting 340 shallow-tube wells with motorized pumps and installing 258 treadle pumps and 25 drip irrigation sets. Two local surface irrigation canals were also renovated in Udharapur and Suryapatawa, VDCs of the Western region. Participatory irrigation management plans were developed for all 330 production associations, outlining the sustainable use and delivery of the improved irrigation sets. Mid-program field evaluations conducted in September determined that at least 436 neighboring farmers are now purchasing irrigation services from beneficiary farmers. This increases their collective income by an additional Rs. 168,754 (\$2,312) by extending their growing season. In this manner the irrigation sets are serving two purposes, simultaneously being used by program farmers as an income-generating opportunity and increasing access to irrigation resources within targeted communities.

Seed and Nursery Management: Crop variety selection and planting for the second crop cycle were complete by September. The LIG component's prioritized commodities included cowpea, okra,



LIG personnel prepare beds for an onion nursery in Kailali.

cauliflower, tomato, cabbage, chili, onion, brinjal (eggplant), menthe, radish, and staple food commodities such as maize and rice. In total, 1,365 kilograms of seeds were distributed to cover 480 hectares of demonstration plots and an additional 44 kg of seeds and 41 nursery sets were distributed to support 12 of the 37 hectares damaged by the October floods. The remaining 25 hectares will be supported with seeds and nursery supplies by early January.

Soil Testing: 290 targeted soil samples were completed this quarter, covering all demonstration plots in the Central region and 85% of the demonstration plots in the West. Considerable deficiencies in soil nutrients were identified in some areas and recommendations for organic and inorganic fertilizers to improve soil fertility were made to each farmer. As samples were collected and analyzed, farmers were informed of the status of their fields and given recommendations for treatments to improve soil fertility. Farmers were also trained in soil conservation, fertilizer application, composting and incorporating organic materials into soils. Field staff provided regular follow-up visits to reinforce farmers' skills in soil preparation, transplanting, application of manure and fertilizers, staking, hoeing and weeding.

Integrated Pest Management: Field staff continue to provide regular support to farmers on the identification, treatment and prevention of plant pests and diseases. Training topics include plant protection, pest population monitoring, installation and use of IPM kits, and identifying and establishing linkages with local agro-vet service providers. IPM training will reduce the dependence of Terai farmers on chemical pesticides, thus lowering production costs and reducing exposure of farmers and their families to hazardous farm chemicals.



LIG train new farmers in Sunsari district.

Marketing: LIG participants completed the second cycle of marketing training in November and December. USAID-NFRP reached an agreement with representatives of the Agriculture Production and Market Center in Kohalpur (Western region) to manage daily price collections and broadcast updates on local market trends via the local radio station "Kohalpur FM". Wholesale prices, which are disseminated daily, and retailer prices, released three times a week, will now be broadcast every morning from 7:15 to 7:30. The LIG team has also developed a comprehensive system for market surveillance, data collection and dissemination. This system will improve access for farmers and communities to timely information on the prices, trends and potential risks of local markets.

Sanitation, Hygiene and Nutrition

SHN trainees completed their second round of three-day awareness trainings in improved sanitation and hygiene in September. Trainings have had a noticeable impact on the quality of participants' lives and on village life in general. Although the final impact assessment is not yet complete, participants have demonstrated a greater awareness in subjects such as sanitation and the fact that latrine usage and construction has a direct effect on reducing contamination from fecal-borne diseases. Many families have even taken the initiative to build their own latrines following the advice of USAID-

NFRP technicians who visit the villages regularly. Hand-washing has also been an important and popular topic, and its implementation is expected to reduce the incidence of water and fecal-borne diseases in restaurants, schools and families.

Strengthening Local Organizational Protection of Women and Children

At the completion of the SLO program, the 60 targeted community-based organizations (CBOs) and youth clubs (YCs) will have the required skills, and financial and material resources to effectively (and independently) operate in their communities. USAID-NFRP has provided basic promotional materials, furniture and supplies to each group to get them started. Many plan to become formally registered with their district governments. Empowered by their achievements, CBOs are now working to present small-scale development initiatives to their VDC governments. Similarly, YCs began to implement community service projects in November with nominal financial assistance from USAID-NFRP. Many clubs, on their own initiative, have already started cleaning streets, organizing sporting activities, and promoting progressive social issues within their communities.



USAID-NFRP clients are trained in disaster management by CBO and YC Members in Rautahat.

In December, six three-day district-level workshops were conducted for selected YC and CBO members in each of the program districts. The purpose of these workshops was to allow lead members of each organization to meet with their peers from other programs of the same district. Participants had the opportunity to share their experiences and discuss issues of common interest such as leadership, coordination with local government, constraints to economic and social development, community cooperation, the peace process, and conflict resolution.

2.4 CHALLENGES

Few security concerns and bandhas have occurred this quarter in Terai, and as a result USAID-NFRP staff movements have been largely uninterrupted. However, load-shedding of electrical supply has steadily increased since November and will likely worsen in early 2010 (up to 20 hours per day). This could cause a hike in the prices for construction materials due to the low productivity levels of local and national industries.

SECTION 3: RESULTS

3.1 PROGRESS DURING THE REPORTING PERIOD

Table 3: 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	66,600	384,801	-318,201	578%
Number of community infrastructure projects constructed and/or rehabilitated	150	85	65	57%
Number of individuals who have received USG supported training (all components)	8,100	10,784	-2,684	135%
Number of person-days of temporary employment generated by infrastructure activities	135,000	127,219	7,781	94%
Cost sharing leveraged by individuals, communities, local governments and/or other donors	\$367,000	\$227,777	\$139,223	62%

By December 2009, 384,801 beneficiaries were assisted or received direct benefits from project-funded activities, of which 374,017 benefitted from infrastructure projects, 2,164 benefitted from LIG activities, 3,061 benefitted from the SHN trainings, 2,436 have participated in the trainings to strengthen local organizations, and 3,123 were trained under the protection of women and children (PWC) component. In addition, 86 community infrastructure projects were completed and 127,219 days of temporary employment were generated by infrastructure component activities. Also, during the first year, total beneficiary investment (cost-share) in project activities by individuals, communities, local governments and/or other donors amounted to \$227,777.

3.2 PROGRESS PER PROGRAM OBJECTIVE

3.2.1 INFRASTRUCTURE

USAID-NFRP has committed \$1,822,777 for 86 community infrastructure projects, all of which are completed. This has **directly benefitted 374,017 individuals from flood-affected communities of Terai and has generated 127,219 days of paid skilled and unskilled labor, resulting in a cash injection of more than \$300,000 into local economies.**

Table 4: Status of Infrastructure program

Project Type	No. Projects	No. Complete	Beneficiaries (households)	Employment (person-days)	USAID-NFRP Assistance	Counterpart Contribution
Culverts and Bridges	35	34	44,159	35,468	\$668,896	\$34,077
Flood Controls	28	28	4,822	52,138	\$584,462	\$50,045
Schools	14	14	3,564	30,385	\$448,149	\$46,100
Public Bathrooms	2	2	0	490	\$5,807	\$133
Irrigation Rehab	4	4	209	4233	\$65,951	\$2,882
Road Improvements	2	2	3,369	3,795	\$41,255	\$2,503
Health Post	1	1	1,418	710	\$8,256	\$2,023
TOTAL	86	85	57,541	127,219	\$1,822,777	\$137,763

By the time it is finished, the infrastructure component will have supported a total of 57,541 beneficiary households--603 percent higher than the target proposed in the approved PMP. This is

largely due to the program's emphasis on cost-effective, high impact projects that addressed common needs of communities and required considerable amounts of unskilled labor. This includes the building of bridges, large culverts, irrigation structures and schools.

Initially, the program assumed an allocation of \$1.8 million evenly in \$30,000 disbursements to the 60 program VDCs. While developing the performance monitoring plan, an average of 2.5 projects per VDC was assumed, hence an estimated total of 150 projects for the life of NFRP. Later, as projects were developed and program staff was able to better assess the real infrastructural needs of affected communities, it was decided that all 60 VDCs would receive a minimum of one project and the remaining funds would be used to implement larger, projects that would have a higher economic impact, linking VDCs with markets or with neighboring VDCs. The majority of these infrastructure projects were transportation-related, such as bridges and large culvert crossings that are critical to local economies.

In addition to the five projects needing repairs after the heavy rains, field engineers will continue to evaluate the effectiveness and structural integrity of completed projects. If any are assessed to have suffered unforeseen damages, USAID-NFRP will attempt to provide additional resources to restore projects to their originally designed state. Field engineers will also provide technical assistance to beneficiary community user groups to ensure that the necessary skills have been transferred to carry out routine maintenance and repairs.

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

Table 5: Infrastructure Activities

2 Objective 1: Rehabilitation and Rebuilding of Productive Infrastructure					
No.	Activity	Target	Achieved to Date	Balance	Completion Rate
2.1	Number of community infrastructures constructed a/o rehabilitated	150	85	65	57%
2.1.1	Number of classrooms constructed with USG assistance (Program Element IIP – 2.1 Basic Education)	20	52	-32	260%
2.1.5	Number of community irrigation systems rehabilitated	4	4	0	100%
2.1.6	Number of river protection projects (e.g. embankment protections, gabions, spurs, check dams)	32	28	4	88%
2.1.8	Number of transportation infrastructure projects such as culverts and small bridges constructed or repaired	25	34	-9	136%
2.3	Number of people benefiting from USG sponsored transportation infrastructure projects (Program Element EG 4.3 Transport Services)	24,375	308,932	-284,557	1267%
2.4	Number of households benefited by community infrastructure projects (assumes an average of 150 benefiting HHs per VDC)	9,000	57,541	-48,541	639%
2.5	Number of person-days of temporary employment generated by infrastructure activities (estimated at 15% of construction costs)	135,000	127,219	7,781	94%
2.6	Subcontract funds disbursed (in USD)	\$1,800,000	1,628,331	\$171,669	90%
2.7	Cost sharing leveraged from communities, local governments a/o other donor programs (in USD)	\$270,000	137,763	\$132,237	51%

3.2.2 LIVELIHOODS AND INCOME GENERATION

By the end of December, partner subcontractors MADE and FORWARD completed the full set of activities programmed for the second crop cycle including distribution of seeds, nursery materials and IMP kits, the entire LIG training syllabus, and all field monitoring. USAID-NFRP is currently working with 2,164 farmers clustered into 330 producer groups that cover 480 hectares of demonstration plots. During the second crop cycle, farmers from each of the 60 program VDCs completed a syllabus of six field trainings, one “field day” and approximately 20 monitoring visits from LIG technicians. Collectively for the LIG program, this equates to 720 field trainings, 120 field days and 2,400 monitoring visits completed during the first 12 months.

Incomes: In December 192 hectares of program-supported demonstration plots were harvested and produced 1,060 tons of high value crops for a net sales value Rs. 15,326,465 (\$207,114), resulting in approximately \$275 of increased incomes for each household during the second crop cycle. Final results for the entire second crop cycle will be reported in the next quarterly report.

Activities for the third crop cycle will begin in January 2010 and conclude in April. The following table details the overall accomplishments of the LIG program after completion of the assistance programmed for the first, and partial data for the completion of the second crop cycle.

Table 6: Progress in LIG program

No.	Indicator/Activity	Target	Results To-Date	Completion Rate
1	Long-term participants over 3 crop cycles (18-months)	1,200	2,164	180%
2	Hectares of productive land directly assisted by LIG	480	478	100%
3	Shallow tube wells and motorized pumps installed	300	340	113%
4	Treadle pumps installed	300	258	86%
5	Drip irrigation sets installed	0	25	n/a
6	Net sales for participants in the first crop cycle	\$273,333	\$581,756	213%
7	Net sales for participants in the second crop cycle	\$273,333	\$207,114 (partial)	76%
8	Percentage increase in net sales per hectare of land	300%	473%	158%

The ultimate measure of the program’s success will be the increase in incomes for assisted rural households. The **net sales figures attained during the first two crop cycles** are significant and beyond original expectations (**average household increase of \$365** based on full results for first cycle, partial results for second), but USAID-NFRP is confident that these figures serve only as a benchmark for what promises to be a **significant and sustained increase in small farmer income as a direct result of this program**. As commodities are further consolidated and farming and marketing skills improve, net sales figured will be significantly higher than what has been reported to date.

3.2.3 SANITATION, HYGIENE AND NUTRITION

All five partner subcontractors have completed the first and second cycles of the three-day awareness trainings for 3,061 community beneficiaries, including 1,078 women and 1,521 children. Community health volunteers are coordinating with USAID-NFRP to monitor trainees and assess this component’s impact on engendering positive behavior changes that improve family hygiene and nutrition. USAID-NFRP is encouraged by initial reports from SHN partners on how **student and women trainees are positively influencing improved hygiene practices of their families at home**. In January 2010, a final survey will be conducted in all trainee households to evaluate the overall impact of the program on family sanitation, hygiene and nutrition.

Table 7: Progress in SHN awareness trainings

Indicator	Adult			Children		
	Men	Women	Total	Boys	Girls	Total
Trained Participants	462	1,078	1,540	678	843	1,521
Progress in 1st cycle of training	100%			100%		
Progress in 2nd cycle of training	100%			100%		

The ICSs have proven highly useful for women that cook for their families. Three positive findings among those interviewed are (1) **the stoves keep the house clean and smoke-free;** (2) **their design results in less time for cooking than traditional stoves;** (3) **many women recognize that the stoves use less firewood/fuel, saving household income for other purposes and reducing demand for wood and charcoal.** In certain villages, households not involved in the program have replicated the ICSs in their homes.

Table 8: Progress in Improved Cooking Stoves

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

All 1,237 kitchen gardens were established in the first quarter of 2009. A second round of training was conducted during August and September, and second season harvests were completed by November. Beneficiaries will continue to receive assistance in food selection, preparation, storage and handling through February 2010. Surveys conducted by the Social Inclusion team indicate **that 65 percent of kitchen garden beneficiaries used their entire harvests for household consumption. The remaining 35 percent used the majority of their harvests for consumption, with surplus production sold for additional household income.**

Table 9: Progress in Kitchen Gardens

No.	Indicator/Activity	Target	Results To-Date	Completion Rate
1	Households assisted and trained during 2 crop cycles	600	1,290	215%
2	Hectares of productive land directly assisted by KC program	20	41	206%
3	% of kitchen garden beneficiaries that continue to eat a minimum of five meals per week with green/leafy vegetables	80%	TBD	TBD

3.2.4 STRENGTHENING LOCAL ORGANIZATIONS

The Community Development and Youth Leadership training programs began in June continued through January 2010. By December the 60 CBOs and 60 YCs participating in the program had completed an average of 13 of their 14 days of formal training. In November all groups initiated community service projects that have served to reinforce the knowledge and skills developed during training. The SLO program emphasizes organizational planning, leadership development, conflict resolution, community planning and assistance leveraging, networking and collaboration skills development, and development of community-based change agents.

Table 10: Progress in Strengthening Local Organizations

No.	Indicator/Activity	Target	Results To-Date	Completion Rate
1	Participants trained in community development program	1,200	1,218	102%
2	Community-based organizations trained and assisted	60	60	100%
3	Participants trained in youth leadership program	1,200	1,218	102%
4	Youth clubs trained and assisted	60	60	100%
5	Community service projects implemented	60	30	50%
6	Participants trained in disaster preparedness/mgmt program	1,200	1,227	102%

7	Disaster preparedness/mgmt committees organized	60	60	100%
8	Basic disaster response and first aid supplies distributed	60	60	100%

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

Table 11: Strengthening Local Organizations

5 Objective 4: Strengthening Local Organizations					
No.	Activity	Target	Achieved to Date	Balance	Completion Rate
5.2	Number of groups receiving institutional strengthening and organizational development technical assistance and training	60	120	-60	200%
5.3	Number of community members trained	1,500	2,436	-936	162%
	Number of women trained	900	2,051	-1,151	228%
	Number of youth trained	750	1,518	-768	202%
5.4	Subcontract funds disbursed (in USD)	\$150,000	\$84,521	\$65,479	56%
5.5	Cost sharing leveraged (10% minimum, in USD)	\$15,000	\$0	\$15,000	0%

3.2.5 PROTECTION OF WOMEN OF CHILDREN

The PWC component was initiated in May and will continue through February 2010. Trainings have emphasized the promotion of gender rights and equality, and the prevention and control of human trafficking and socially discriminatory practices towards youth, women and vulnerable castes and ethnic groups. The following table highlights the high levels of participation the program has been able to achieve.

Table 12: Progress in Protection of Women and Children

No.	Indicator/Activity	Target	Results To-Date	Completion Rate
1	Young women trained in Basic Life Options methodology	1,200	1,395	116%
2	BLOP sessions completed per VDC (average)	72	33	46%
3	Adults trained in REFLECT methodology	1,800	1,728	96%
4	REFLECT sessions completed per VDC (average)	60	28	46%

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

Table 13: Protection of Women and Children Activities

6 Objective 5: Improved Sanitation, Hygiene and Nutrition					
No.	Activity	Target	Achieved to Date	Balance	Completion Rate
6.2	Number of women and youth organizations strengthened (assumes one group per VDC)	60	60	0	100%
6.3	Number of people trained in trafficking-in-person related issues with USG assistance (Program Element PS5.3 – Trafficking-in-Persons and Migrant Smuggling)	2,400	3,123	-723	130%
6.4	Subcontract funds disbursed (in USD)	\$50,000	\$15,256	\$34,744	31%
6.5	Cost sharing leveraged (10% minimum, in USD)	\$5,000	\$0	\$5,000	0%

SECTION 4: PRIORITIES FOR NEXT QUARTER

Program activities will follow USAID-NFRP's FY10 annual work plan schedule to be presented for USAID approval in the following quarter. Highlighted activities include:

Program Expansion

- Continue expanding program operations in Sunsari, Kanchanpur and Kailali districts.
- Select, design and initiate implementation of all infrastructure projects by February.
- Finalize design of Social Inclusion program, select partner NGO, and initiate program in Kailali/Kanchanpur by February.

Infrastructure Component

- Complete minor repairs of five damaged Phase I projects by March
- Begin new Phase II infrastructure projects.

Livelihood and Income Generation Component

- Finalize details of a comprehensive market data collection and dissemination plan for participating farmers
- Continue to support and monitor impact of Phase I farmers
- Implement Phase II production program in new district VDCs.

Sanitation, Hygiene and Nutrition

- Complete field survey to evaluate the effectiveness of SHN program on sustainable behavior changes in sanitation, hygiene and nutrition; produce lessons-learned report

Organizational Strengthening / Protection of Women and Children

- Finalize training programs in March.

SECTION 5: MANAGEMENT REPORT

5.1 PROJECT STAFFING

In December, Fintrac provided additional *pro bono* support to USAID-NFRP by sending Program Specialist Carla Fernandez de Castro to Nepal to conduct a two-week field monitoring assignment and document results for program success stories. Ten success stories on the Phase I Program will be submitted to USAID in the following quarter.

5.2 EXPENDITURES TO DATE

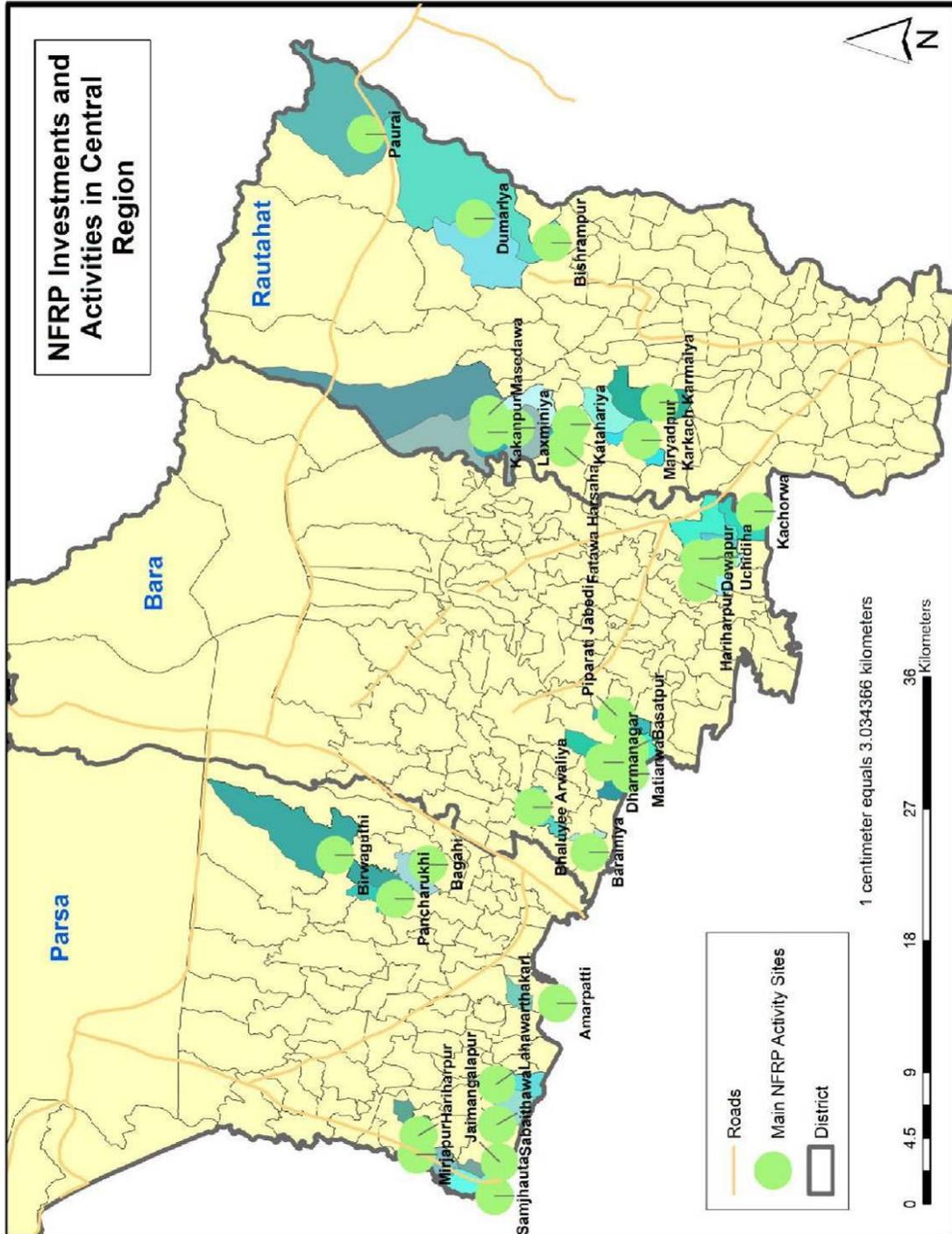
5.3 MANAGEMENT ISSUES

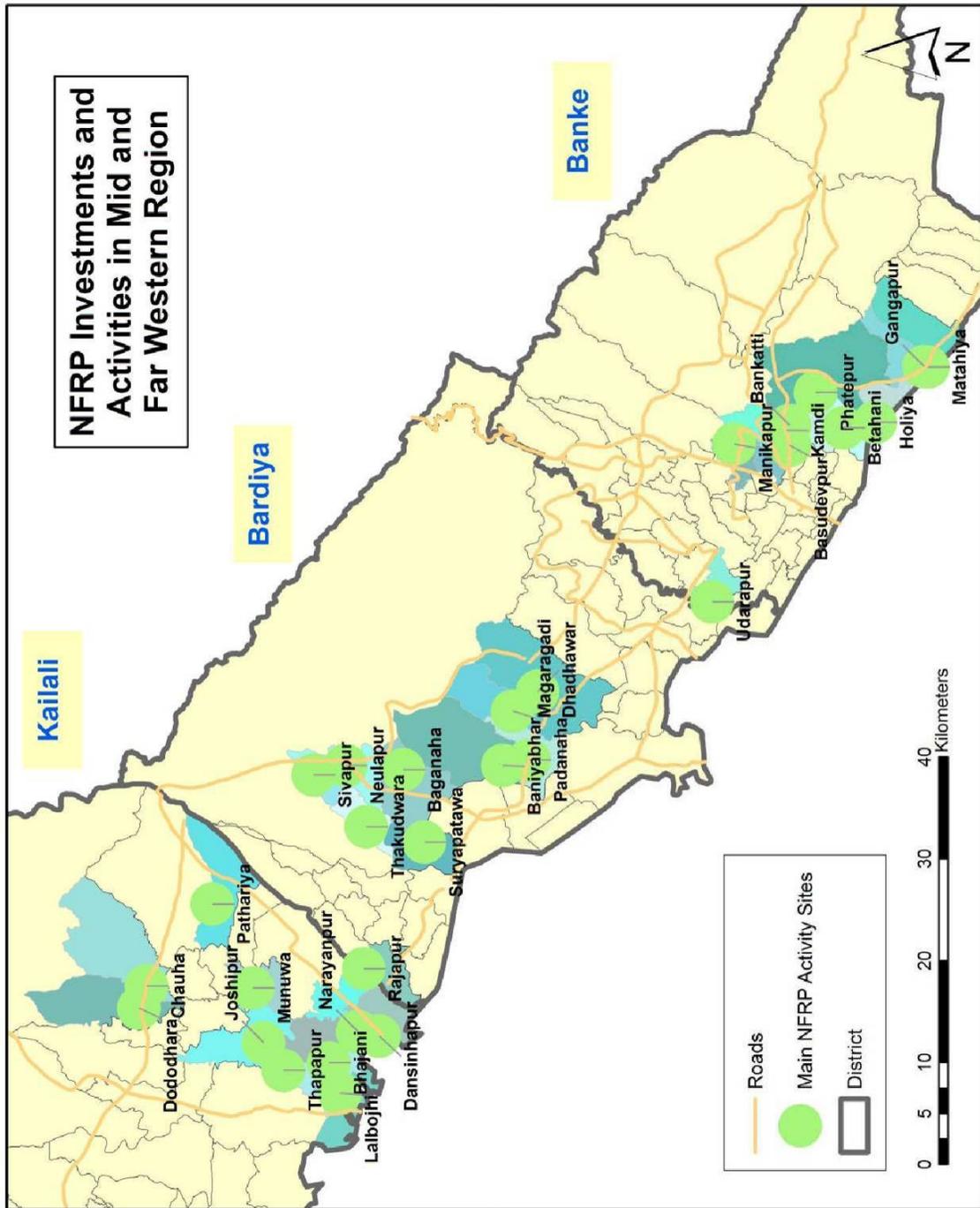
ANNEX I: PERFORMANCE MONITORING PLAN

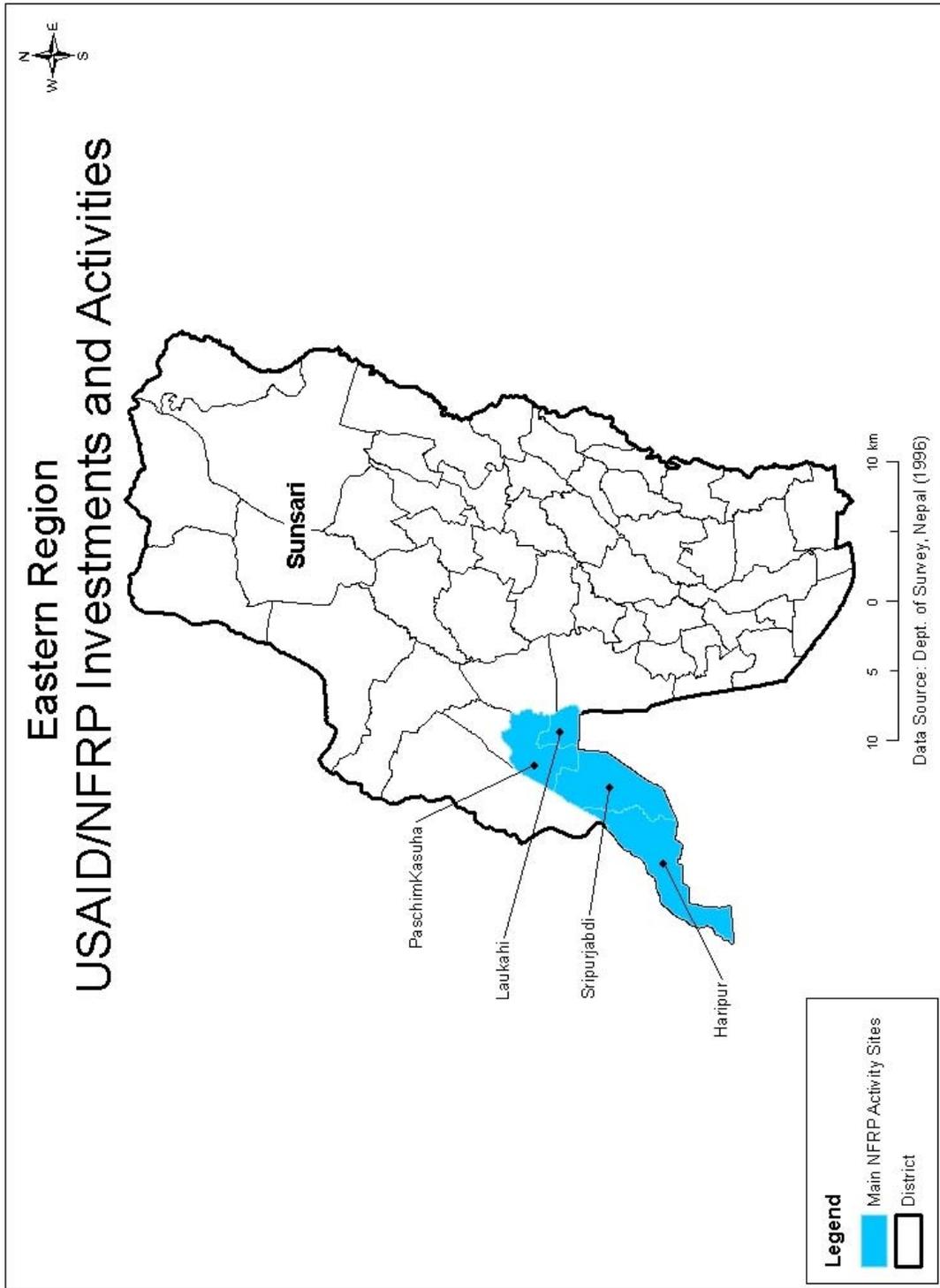
No.	Activity	Target	Result To-Date	Balance	Completion Rate
1	Program Level Objective				
1.1	Number of beneficiaries assisted by USG-supported protection and solutions activities	66,600	384,801	-318,201	578%
2	Objective 1: Rehabilitation and Rebuilding of Productive Infrastructure				
2.1	Number of community infrastructures constructed a/o rehabilitated	150	85	65	57%
2.1.1	Number of classrooms constructed with USG assistance (Program Element IIP – 2.1 Basic Education)	20	52	-32	260%
2.1.2	Number of classrooms repaired with USG assistance (Program Element IIP – 2.1 Basic Education)	15	4	11	27%
2.1.3	Number of model latrines in community schools	30	2	28	7%
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	4	0	100%
2.1.6	Number of river protection projects (e.g. embankment protections, gabions, spurs, check dams)	32	28	4	88%
2.1.7	Kilometers of transportation infrastructure constructed or repaired through USG assistance (Program Element EG 4.3 Transport Services)	4	3	0.6	84%
2.1.8	Number of transportation infrastructure projects such as culverts and small bridges constructed or repaired	25	34	-9	136%
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	308,932	-284,557	1267%
2.4	Number of households benefited by community infrastructure projects (assumes an average of 150 benefiting HHs per VDC)	9,000	57,541	-48,541	639%
2.5	Number of person-days of temporary employment generated by infrastructure activities (estimated at 15% of construction costs)	135,000	127,219	7,781	94%
2.6	Subcontract funds disbursed (in USD)	\$1,800,000	1,628,331	\$171,669	90%
2.7	Cost-sharing leveraged from communities, local governments a/o other donor programs (in USD)	\$270,000	137,763	\$132,237	51%
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	2,164	-964	180%
	Number of women trained	360	574	-214	159%
3.2	Number of rural households benefiting directly from USG interventions (EG 5.2 Agricultural Sector Productivity)	1,200	2,164	-964	180%

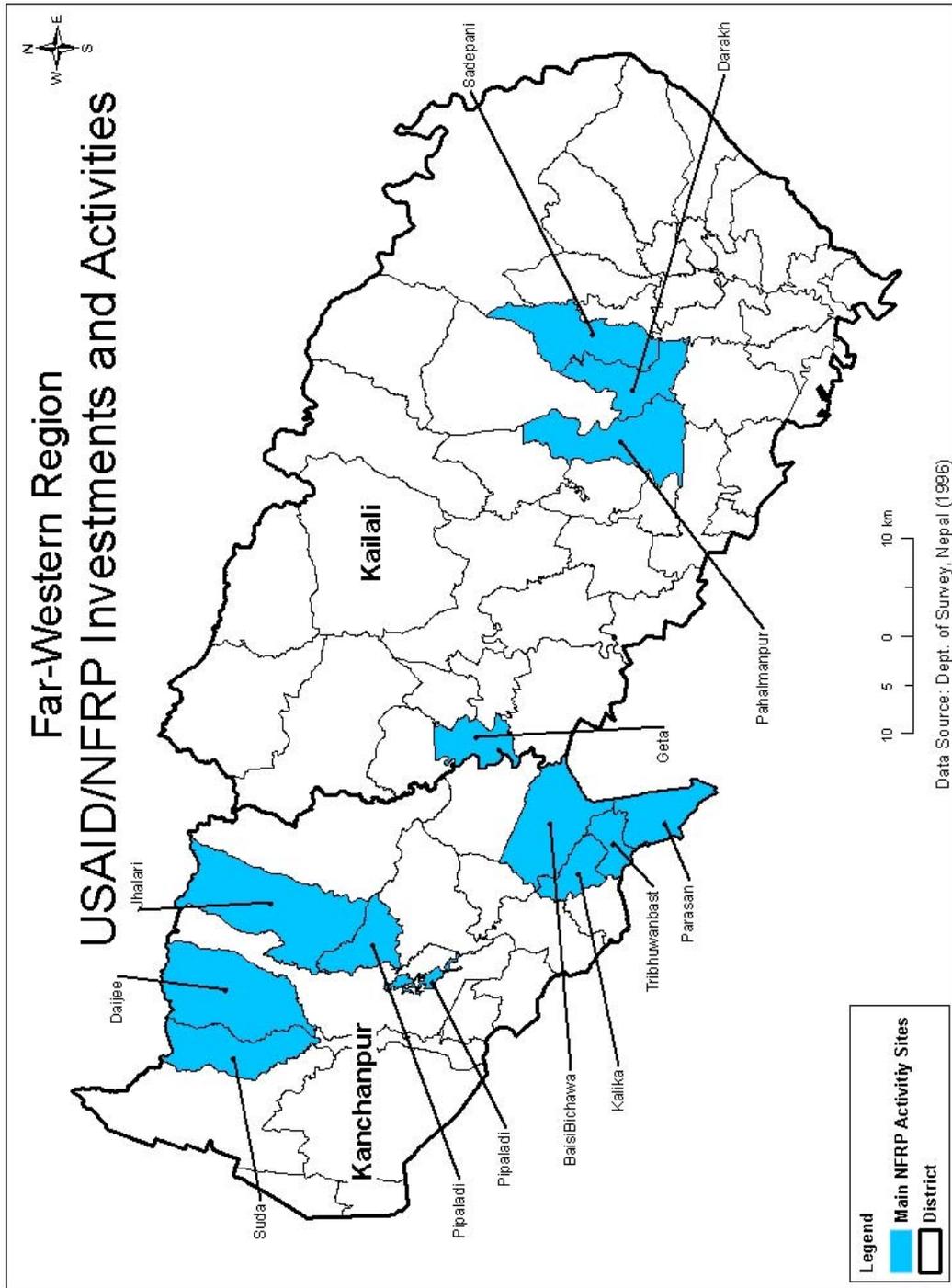
No.	Activity	Target	Result	Balance	Completion
3.3	Number of vulnerable households benefiting directly from USG interventions (EG 5.2 Agricultural Sector Productivity)	600	1,086	-486	181%
3.4	Number of producers, organizations, water users associations, trade and business associations, and community based 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	2,164	-964	180%
3.6	Implementation funds disbursed (in USD)	\$450,000	\$261,439	\$188,561	58%
3.7	Cost sharing leveraged by beneficiary farmers (25% of in-kind investment)	\$49,500	\$49,500	\$0	100%
4	Objective 3: Improved Sanitation, Hygiene and Nutrition				
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	1,648	-148	110%
4.2	Number of people trained in improved sanitation, hygiene and nutrition	3,000	3,061	-61	102%
4.3	Number of households with improved nutrition due to demonstration kitchen gardens	600	1,290	-690	215%
4.4	Number of households with improved sanitation due to improved cooking stoves	600	1,229	-629	205%
4.6	% increase in the incidence of hand-washing of SHN trainees	85%	0%	85%	0%
4.7	% of kitchen garden beneficiaries that continue to eat a minimum of five meals per week with green/leafy vegetables	80%	0%	80%	0%
4.8	Subcontract funds disbursed (in USD)	\$150,000	\$99,569	\$50,431	66%
4.9	Cost sharing leveraged (15% minimum, in USD)	\$22,500	\$36,740	-\$14,240	163%
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	120	-60	200%
5.3	Number of community members trained	1,500	2,436	-936	162%
	Number of women trained	900	2,051	-1,151	228%
	Number of youth trained	750	1,518	-768	202%
5.4	Subcontract funds disbursed (in USD)	\$150,000	\$84,521	\$65,479	56%
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	3,123	-723	130%
	Number of women trained	1,200	2,736	-1,536	228%
	Number of youth trained	600	1,395	-795	233%
6.2	Number of women and youth organizations strengthened (assumes one group per VDC)	60	60	0	100%
6.3	Number of people trained in trafficking-in-person related issues with USG assistance (Program Element PS5.3 – Trafficking-in-Persons and Migrant Smuggling)	2,400	3,123	-723	130%
6.4	Subcontract funds disbursed (in USD)	\$50,000	\$15,256	\$34,744	31%
6.5	Cost sharing leveraged (10% minimum, in USD)	\$5,000	\$0	\$5,000	0%
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: USAID-NFRP CLIENT DISTRIBUTION MAPS BY REGION









USAID/NEPAL FLOOD RECOVERY PROGRAM

**QUARTERLY PERFORMANCE REPORT
OCTOBER 2009 – DECEMBER 2009**



USAID/NEPAL FLOOD RECOVERY PROGRAM

QUARTERLY PERFORMANCE REPORT
OCTOBER 2009 – DECEMBER 2009

BACK COVER PHOTO: New participants of the Livelihoods and Income Generation (LIG) program complete their initial orientation training in Kanchanpur district.