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# USAID/NEPAL FLOOD RECOVERY PROGRAM

QUARTERLY PERFORMANCE REPORT #12  
JANUARY 2012 – MARCH 2012





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## **QUARTERLY REPORT**

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# SECTION 1: EXECUTIVE SUMMARY

This is the twelfth quarterly report of the USAID Nepal Flood Recovery Program (USAID-NFRP) covering implementation and results for program components per Task Order No. EDHI-04-05-00007-00. The report summarizes activities from January 1, 2012 to March 31, 2012.

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

## Commercial Agriculture

- *Coverage area and participants:* Providing technical assistance and improved technologies on 819 hectares for food security and high value crop initiatives, and on 72 hectares for home gardening in 132 wards of 29 program village development communities (VDCs). Formed 362 irrigation clusters from 3,101 commercial agriculture farmers and 110 home garden groups from 2,259 households selected for nutrition and hygiene assistance.
- *Results from the first crop cycle:* The total net sales achieved by 3,101 farmers was \$1,567,461, which is \$500,794 above the first crop cycle's target. This equates to average net sales per farmer of \$505 in just one crop cycle – income levels from agriculture that most farmers could have never imagined before working with USAID-NFRP. The average net sales per hectare is \$1,914.

Compared to the results achieved in the first cycle of Phase II (\$1,066 net sales per hectare), Phase III's efforts have raised productivity by an additional 80 percent. This enhancement in the program's impact demonstrates USAID-NFRP's ability to adapt to new conditions and learn from past experiences in order to strengthen its overall effectiveness.

- *Riverbed farming:* In the second crop cycle, USAID-NFRP began the promotion of riverbed farming for farmers that can access cultivable riverbed areas that would otherwise lay fallow during the dry season. These fields are affected by the constant meandering of waterways during the monsoon season, leaving them susceptible to drought. Riverbed farming, which focuses on crops that thrive in sandy soils, offers a real economic solution to this dilemma. The cost of production on riverbeds is similar to the cost for standard plots. However, when considering gross and net sales per

hectare, riverbed cultivation is significantly more profitable (\$3,713 for riverbed farming versus \$2,333 for standard plots). The reasons for this include lighter, sandy soils that allow for better drainage and deeper, more extensive root systems. This increases the plant's access to nutrients and, ultimately, its productivity.

A total of 36 hectares of riverbed cultivation have been established by farmers in Phase III with no financial assistance from USAID-NFRP. These farmers received program assistance on 18 hectares of standard demonstration plots. By their own initiative, and with encouragement and training from USAID-NFRP, they expanded to an additional 36 hectares of riverbed farming. The total current area is 54 hectares, which equates to a 200 percent increase in productive land for these farmers.

### **Nutrition and Hygiene**

- All 3,101 commercial agriculture farmers and 2,259 home gardeners completed trainings in the full syllabus for enhanced nutrition actions and nutritious food production that was co-developed by USAID-NFRP and Hellen Keller International.

### **Productive Infrastructure**

- *Shallow tube well installations:* A total of 119 shallow tube wells with improved motorized pumps and 74 protective sheds were installed and operational by March. To date, \$45,741 has been collected in farmer contributions for the cost of the wells and pumps.
- *Gravity-flow irrigation systems in the Hills:* In Dadeldhura, four piped irrigation systems and one lift/piped system were completed. USAID-NFRP selected project designs based on a cost-benefit analysis of the three micro-irrigations systems most common in Nepal: shallow tube wells with motorized pumps, gravity flow systems, and water harvesting systems. For the Hills regions, gravity flow systems (\$97 per year) based on the technologies promoted by USAID-NFRP are dramatically more cost-effective than the water harvesting systems (\$148 per year) promoted by other programs. In addition, gravity flow systems are designed to provide year round water supply to farmers, whereas water harvesting only offers the minimum water required for a limited scale of off-season production.

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

## SECTION 2: IMPLEMENTATION

### 2.1 PROGRAM DESCRIPTION

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

Figure I: USAID-NFRP Coverage



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

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

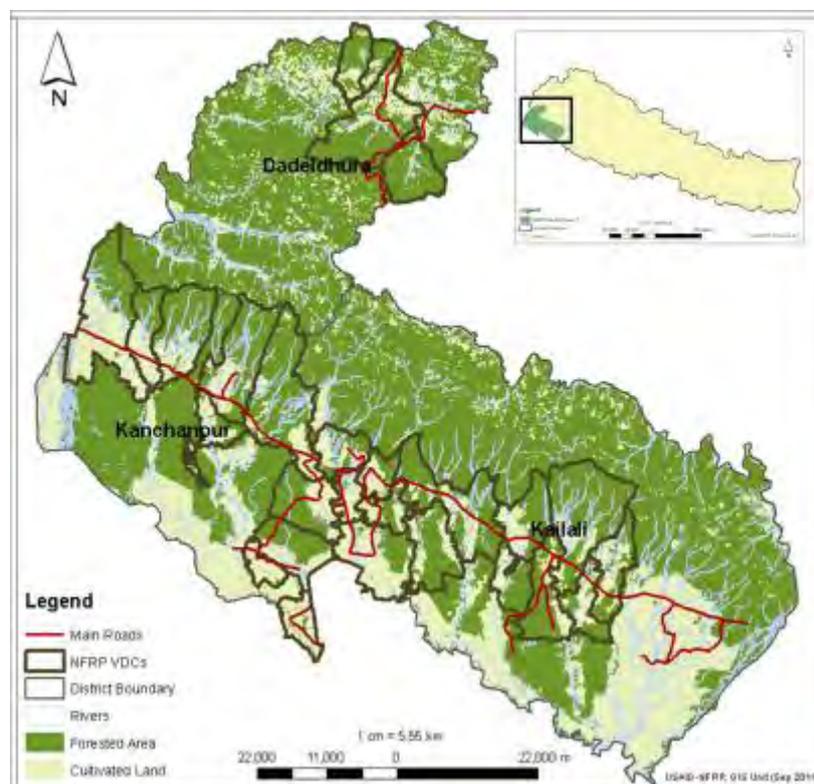
USAID-NFRP is implemented by Fintrac Inc. in partnership with Nepal-based METCON Consultants, FORWARD, and a diverse group of local and national-level nongovernmental organizations (NGOs) and private contractors.

#### 2.1.1 Geographic Focus

*Phase III* – USAID is refocusing its economic development programming to meet the objectives of its Feed the Future initiative, which is designed to increase the availability, access, use, and sustainability of food for families in developing countries like Nepal. USAID/Nepal's Feed the Future initiative will address food deficits that affect 43 out of Nepal's 75 districts, childhood stunting and wasting that are some of the worst cases in the world, and a per capita income that is the lowest in all of Asia. USAID-NFRP will continue its

work in the Feed the Future target districts of Kailali and Kanchanpur and extend to Dadeldhura to increase agriculture productivity and incomes, expand market linkages and trade, and improve the nutritional status of households.

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



Within each VDC, clusters of communities were prioritized for intervention based on selection criteria that analyzed population, social composition, vulnerability, availability of viable farmland, farmers' willingness to participate in the demonstration farming program, and farmers' commitment to sharing the cost of key productive inputs. USAID-NFRP has now been operational in nine districts throughout the Terai: Sunsari in the Eastern

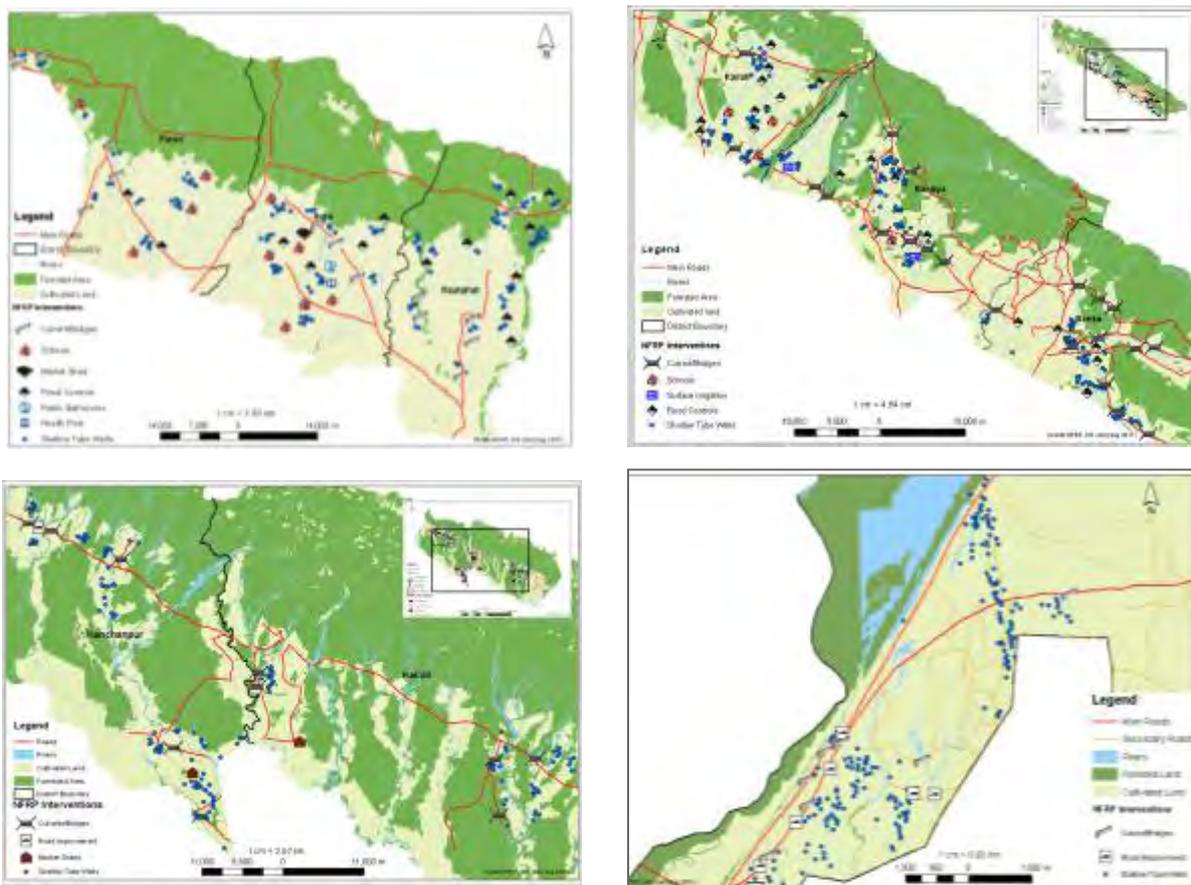
region; Parsa, Bara and Rautahat in the Central region; and Kanchanpur, Kailali, Bardiya and Banke in the Mid/Far Western regions, as well as one Hills district, Dadeldhura.

**Table 1: USAID-NFRP VDCs and Municipalities in Phase III**

Far Western Region		
Kailali		
Beladevipur	Chaumala	Darakh
Dhangadhi municipality	Geta	Malakheti
Masuriya	Pahalmanpur	Ramshikharjhala
Sandepani	Shreepur	Udasipur
Urma		
Kanchanpur		
Baisebichawa	Bhimdutta	Daijee
Jhalari	Kalika	Krishnapur
Parasan	Pipladi	Raikwarbichawa
Suda	Tribhuvanbasti	
Dadeldhura		
Samaji	Amargadhi	Asigram
Ajaymeru		

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

Figure 3: Concentration by District in Phases I and II



### 2.1.2 Performance Indicators

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

- **Improve agricultural productivity** by supporting the progress of 2,700 farmers and 800 hectares of demonstration plots for an additional three crop cycles. The program will also strengthen the ability of VDC-based producer groups to expand market linkages and trade in a larger range and quantity of products. **Anticipated results** include a sustainable 300 percent increase in beneficiary farmers' annual incomes,

\$3.2 million in increased net sales, and more than 125,000 days of surplus on-farm employment.

- **Improve nutrition** in targeted communities by introducing home gardens and providing training on the importance of incorporating a variety of products into the diet that address caloric, vitamin, and mineral deficiencies. **Anticipated results** include 2,200 home gardens covering 75 hectares, and 4,900 households (30,000 people) with improved access, availability, and utilization of a more diversified daily diet.
- **Improve productive infrastructure** that directly supports USAID-NFRP's agriculture beneficiaries in targeted districts. Projects include construction of market sheds for product consolidation, grading, and marketing – which will increase market efficiencies, as well as surface irrigation systems in the Hills that will open up more than 100 hectares to water access, enabling year round cultivation.

## 2.2 APPROACH AND METHODOLOGY

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

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

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

collection centers, and markets that are more cost-effective and provide immediate benefits to emerging commercial farmers.

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

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

*Gender Mainstreaming* – USAID-NFRP has emphasized the importance of women's participation in all program activities by focusing on empowering women with equitable access to training, production, markets, and income opportunities. Throughout the three phases, the program has ensured that at least 35 percent of all LIG/commercial agriculture participants are women with demonstrated leadership roles in their families and communities. In addition, 76 percent of all participants in the three social inclusion components were women.

## 2.3 REPORTING PERIOD ACTIVITIES

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

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

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

### **Commercial Agriculture**

#### *Program worksites and land coverage*

USAID-NFRP currently operates in 29 worksites across the three districts (13 in Kailali, 12 in Kanchanpur, and four in Dadeldhura), supporting 819 hectares of demonstration farms, including 721 hectares in Kailali and Kanchanpur, and 98 hectares in Dadeldhura.

### *Participant farmers*

A total of 3,101 farmers (1,070 women) are organized in 362 irrigation clusters, with each cluster ranging from five to 15 farmers. Irrigation clusters were organized into production groups with a range of three to 11 clusters per group.

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

### *Training program*

By the end of March, all 3,101 commercial agriculture farmers completed second crop cycle trainings on good agricultural practices in nursery preparation, composting, production techniques, and integrated pest management. The remaining trainings on pre and postharvest management and marketing will be completed in the following quarter.

### *Groundwater Irrigation systems*

USAID-NFRP promotes groundwater irrigation in the Terai through shallow tube wells and motorized pumps in order to allow for counter-seasonal production during the dry season. Although the current pump model is more than double the cost of previous installations, USAID-NFRP has increased the cost-sharing requirement for farmers from 25 to 40 percent, effectively testing the threshold at which poor farmers are able to participate in the program.

**Co-investment from farmers** to pay for the cost of irrigation, improved technologies, and agricultural inputs has increased significantly in Phase III. A total of \$45,741 has been collected from farmers to pay for the cost of the groundwater irrigation installations. Farmers also contributed more than \$75,000 for agricultural inputs in the first and second crop cycles.

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

By the end of March, 119 groundwater irrigation installations were completed and the remaining 15 installations will be finished in April. In addition, 74 sheds were constructed to provide permanent protection to the pumps and wells.

### *Surface irrigation systems*

In the context of the Hills, neither traditional gravity-fed systems nor rainwater water catchments and drip irrigations were determined to be adequately cost-effective to promote irrigated, high-value crop production. Consequently, the team selected and designed hybrid systems that utilize the infrastructure of preexisting gravity flow systems while also applying low-cost alternative technologies, such as submersible pumps and inlaid piping, that expand the area under irrigation, dramatically reduce water seepage and evaporation, and are easy to maintain and repair.

The technical designs selected by USAID-NFRP are based on a cost-benefit analysis of the three micro-irrigations systems most common in Nepal: shallow tube wells with motorized pumps, gravity flow systems, and water harvesting systems. Treadle pumps were not included in this analysis because, while their cost is one-fourth that of a shallow tube well, they only irrigate up to one kattha (333 square meters) of land whereas a shallow tube well covers up to 180 katthas (6 hectares). The capacities do not compare and treadle pumps have therefore been determined to not be feasible.

Issue	Types of Irrigation System		
	Shallow Tube Well with Motorized Pump	Gravity Flow (open channel or pipe)	Water Harvesting (plastic ponds)
<b>Geographical suitability</b>	Terai	Terai and Hills	Hills
<b>Appropriate for the following crops</b>	Rice, wheat and vegetables	Rice and wheat – if water is sufficient (open channel flow) Vegetables – if water is limited (pipe flow)	Vegetables only
<b>Construction cost per hectare</b>	NPR 120,000 (\$1,422) (based on USAID-NFRP's average cost in the Terai; includes protection shed)	NPR 200,000 (\$2,370) (based on USAID-NFRP's average cost in the Hills)	NPR 50,000 (\$592) (for a plastic pond with 50,000 liters capacity; cost of drip irrigation set not included)
<b>Service period</b>	20 years	30 years	4 years
<b>Catchment area</b>	Not required	Not required	100 square meters (with complementary structures per site conditions)
<b>Potential for commercial vegetable production</b>	High	High	Low – without drip irrigation Low/Med – with drip irrigation
<b>Land irrigating capacity</b>	5-6 hectares	10-50 hectares	1 hectare
<b>Potential for income generation</b>	High	High	Low
<b>Operational cost per hectare</b>	NPR 1,500 per year (\$17)	One time investment	One time investment

Over the long term (20-30 years) shallow tubes wells, at an annualized cost of \$71 per year, are the most financially viable micro-irrigation systems available to smallholder farmers. However, their application is limited to the lowland areas of the Terai that have reliable access to groundwater. For the Hills regions, gravity flow systems (\$97 per year) based on the technologies promoted by USAID-NFRP are dramatically more cost-effective than the water harvesting systems (\$148 per year) promoted by other programs. In addition, gravity flow systems are designed to provide year round water supply to farmers, whereas water harvesting only offers the minimum required for a limited scale of off-season production.

Unless there are no other options available because of unique geophysical conditions of certain farmers' land, irrigation by water harvesting has very low potential. Although the initial cost of installation for water harvesting systems is relatively cheap, its efficiency, in terms of area coverage and year round reliability of water supply, is much lower than gravity flow systems. Water harvesting is therefore much less suitable for the promotion of commercial high value crops. When factoring in the lifespan of the three systems, water harvesting is nearly twice as expensive as gravity flow systems over the long term.

In Dadeldhura, four piped irrigation systems and one lift/piped system were selected for USAID-NFRP support and construction of all five systems was completed this quarter.

An irrigation user's manual for both field technicians and irrigation groups was developed by USAID-NFRP that provides easy-to-read guides on surface and groundwater systems maintenance, operations, and organizational management. The contents of this manual serves as the basis for the irrigation management trainings that are being conducted by USAID-NFRP's engineers for the five water users committees responsible for the new irrigation systems.



Site of gravity flow irrigation intake upstream from community.



Pipeline carries water from intake to storage tank located uphill from local fields.



Water storage tank holds water for downhill distribution via inlaid PVC pipes.



Storage tank with submersible pump lifts water uphill to additional fields.



One of the many irrigation outlets installed throughout the community.



Farmer irrigates her field with a flexible plastic pipe connected to the irrigation outlet.

### *Riverbed farming*

In the second crop cycle, USAID-NFRP began the promotion of riverbed farming for farmers that can access cultivable riverbed areas that would otherwise lay fallow during the dry winter season. Often these same farmers' lands are affected year after year by the constant meandering of waterways during the monsoon season. This damages local infrastructure, erodes fertile lands, and creates a greater burden for already impoverished households. Riverbed farming, which focuses on crops such as cucurbit that thrive in sandy soils, offers a real economic solution to this dilemma.



Rural farmers demonstrate riverbed farming techniques, which allow for year round productive farming.

The cost of production for cucurbits on riverbed farming is similar to the cost for standard plots. However, when considering gross and net sales per hectare, riverbed cultivation is significantly more profitable (\$3,713 for riverbed farming versus \$2,333 for standard plots). The reasons for this include lighter, sandy soils that allow for better drainage and much deeper, more extensive root systems. This increases the plant's water efficiency, access to nutrients, and ultimately its productivity.

A total of 36 hectares of riverbed cultivation have been established by farmers in Phase III, with no financial assistance from USAID-NFRP. These farmers were previously assisted on 18 hectares of standard demonstration plots and, by their own initiative and with encouragement and training from USAID-NFRP, expanded to an additional 36 hectares of riverbed farming. The total current area is 54 hectares, which equates to a 200 percent increase in land under production for these farmers.

### *Inputs provision – Voucher system with agro-vets*

A total of 15 agro-vets from the three program districts were selected to participate in USAID-NFRP's input distribution program through a voucher system that provides coupons to farmer groups in order to purchase the required seeds and supplies from their designated agro-vets. Each coupon only pays for the co-investment amount that USAID-NFRP has committed (50 percent in the second crop cycle). The remaining amount is paid directly by farmers, and supplies are not distributed until agro-vets receive full payment.

Through this process, agro-vets learn about farmers' current demands and are able to work with them to determine the inputs they will require for future production. Farmers, at the same time, develop a sense of trust and familiarity with their local suppliers, which provides the foundation for a long-term business relationship that will go well beyond the duration of

the program. In addition, USAID-NFRP provides technical assistance to the selected agro-vets in market assessment, financial and administrative management, and extension services. More information on this system can be found in Annex I.

The following table lists the 15 agro-vets participating in the voucher system and the impact the program has had on their bottom line. Some agro-vets have experienced nearly a 40 percent increase in annual revenue in just one crop cycle. This additional capital will support their efforts to better adapt their businesses and services to the growing demands of the high-value crop producers promoted by USAID-NFRP.

No.	District	Name of Agro-Vet	Annual Revenue in 2011	Increased Revenue from Voucher System	Percent Increase in Revenue
1	Dadeldhura	Laxmi Agro-Vet Centre	2,500,000	328,510	13.1%
2	Dadeldhura	Soud Agro-Vet Centre	1,500,000	296,337	19.8%
3	Kailali	Kisan Agro-vet	40,000,000	87,664	0.2%
4	Kailali	Krishak Sahayog Kendra	35,000,000	755,863	2.2%
5	Kailali	Basulinga Agro-vet	10,000,000	329,056	3.3%
6	Kailali	New Pashupati Agro	5,000,000	38,113	0.8%
7	Kailali	Tanka Agro-vet Centre	900,000	347,859	38.7%
8	Kailali	Universal Agro Suppliers	1,200,000	255,508	21.3%
9	Kailali	Ghaodaghodi Agro-vet	500,000	15,537	3.1%
10	Kailali	Jiwan Agro Centre	2,160,000	178,384	8.3%
11	Kailali	Jai Kaphali Agro-vet Centre	1,000,000	127,832	12.8%
12	Kailali	Anil Agro-Vet	1,000,000	129,480	12.9%
13	Kanchanpur	Sammi Agro Pharma	1,500,000	146,965	9.8%
14	Kanchanpur	Debid Agro Pharma	2,000,000	177,340	8.9%
15	Kanchanpur	DK Agro-vet	2,000,000	156,488	7.8%
<b>TOTAL</b>			<b>106,260,000</b>	<b>3,370,937</b>	<b>3.2%</b>

### *Market development*

In mid-February, USAID-NFRP, in collaboration with the Kailali chapter of the Federation of Nepalese Chamber of Commerce and Industries (FNCCI), organized a two-day workshop titled "Linking Production and Marketing of High Value Crops between Wholesale Traders and Producers of the Far West." The workshop included 59 participants from local wholesalers, traders, and farmer groups, as well as the District Agriculture Development Office, District Development Committee, Regional Directorate of the Department of Agriculture, and FNCCI. The purpose of the event was to help coordinate production with market demand and to organize farmer and buyer transactions.

Project specialists are currently working with 14 local markets to improve their coordination with program farmers, as well as identify technical and infrastructural constraints that can be addressed by USAID-NFRP. Six sites were selected for program support in cost-effective marketing infrastructure and construction began in January.

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

### *Coordination with key stakeholders*

In early March, USAID-NFRP participated in the three-day National Agro Trade Fair organized by the Agro Enterprise Centre of FNCCI. This event allowed USAID-NFRP to demonstrate its models and approaches (and the positive impacts they have had on agricultural development in Nepal) to a wide audience, including national and regional private sector actors, local and international NGOs, the Government of Nepal, and interested private citizens.



*Photo by Fintrac Inc.*

USAID-NFRP's booth at the National Agro Trade Fair presented the program's models and approach, and demonstrated the positive impact the program has had on agricultural development in Nepal.

### *Monitoring & Evaluation*

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

## Nutrition and Hygiene

### *Program worksites, clusters, and households*

The Phase III nutrition and hygiene program continues in 15 VDCs, including 10 in Kailali and five in Kanchanpur. The program's primary qualification is that all households must have pregnant women or children less than 2 years of age. In total, 2,259 households were selected to participate in the training program, which includes the provision of a 333 square-meter (one kattha) home garden and three crop cycles of technical assistance for every family. The program now operates in 38 wards within the 15 VDCs, and covers an area of 72 hectares with demonstration home gardens.

### *Training methodology*

USAID-NFRP developed its training syllabus, manual, and educational materials for the nutrition and hygiene component in coordination with Hellen Keller International (HKI). Since April 2011, three training-of-trainers events have also been conducted by specialists from HKI for USAID-NFRP's 16 community trainers, covering the subjects of essential nutrition actions and behavior change communication.

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

### *Training nutrition action groups*

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

### *Home gardening*

All 2,259 home gardens completed harvests of the first crop cycle by September 2011 and second cycle harvests were completed in March.

### *Accessing input services*

As described above, USAID-NFRP is working with 15 local agro-vets in vicinity of these worksites to increase service provision to program-supported home gardeners and women's groups.

## 2.4 CHALLENGES

Torrential and unexpected rainfall in Kailali and Kanchanpur during the past quarter caused partial damage to some vegetable crops, mainly cucumber and gourds. However, farmers quickly replanted the seeds at their own cost to compensate for the loss and are optimistic that their final yields will be sufficient to make up for the increased costs of inputs and labor.

## SECTION 3: RESULTS

### 3.1 PROGRESS TO DATE

Cumulatively by March 2012, 859,783 people had directly benefitted from NFRP-funded activities. A total of 838,682 benefitted from infrastructure projects; 7,536 benefitted from livelihood and income generation activities; 5,960 benefitted from sanitation, hygiene and nutrition trainings and home gardening; 3,275 participated in trainings to strengthen local organizations; and 4,267 were trained under the protection of women and children component. A total of 124 community infrastructure projects were also completed, and 168,278 days of temporary employment were generated by infrastructure component activities. Total beneficiary investment (cost sharing) in project activities by individuals, communities, local governments, and other donors was \$491,135.

Indicator/Activity	Target	Achieved to Date	Balance	Completion Rate
Number of direct beneficiaries of USG-funded interventions	955,867	<b>859,783</b>	96,085	90%
Number of community infrastructure projects constructed and/or rehabilitated	144	<b>124</b>	20	86%
Number of individuals who have received USG supported training (all components)	20,578	<b>21,038</b>	(544)	102%
Number of person-days of temporary employment generated by infrastructure activities	178,736	<b>168,278</b>	10,458	94%
Cost sharing leveraged by individuals, communities, local governments and other donors	\$480,843	<b>\$491,135</b>	(\$10,292)	102%

### 3.2 PROGRESS PER PROGRAM OBJECTIVE

#### *3.2.1 Livelihoods and Income Generation / Commercial Agriculture*

##### **Phase III – Commercial Agriculture**

USAID-NFRP is providing technical assistance and appropriate technologies to a total of 3,101 farmers on 819 hectares of demonstration plots in 29 VDCs. The program's original target for demonstration plots was 800 hectares; however farmers have expanded the total area by an additional 19 hectares using their own financial and physical resources. Nurseries for the first crop cycle were established by July 2011, and transplanting was completed by September. Early harvests began in December although the production period extended through early February 2012.

A total of 119 shallow tube wells with improved motorized pumps and 74 protective sheds were installed and operational by March. To date, \$45,741 has been collected in farmers'

contribution for the cost of the wells and pumps, which includes 40 percent of the installation costs, plus tools and construction of the protective shed.

Complete yields and sales data for the first crop cycle are now available for the entire Phase III target area. Of the commodities promoted by USAID-NFRP, tomato yielded the highest net sales per hectare (\$2,619), followed by chili (\$2,502), cowpea (\$2,268), cauliflower (\$2,161), eggplant (\$1,772), and bean (\$1,682).

No.	Crop	Crop Area (Ha)	Production (kg)	Gross Sales Value (NPR)	Total Production Cost (NPR)	Net Sales Value (NPR)	Net Sales Value (USD)
1	Cauliflower	167.69	2,474,704	42,057,870	14,155,307	27,902,564	\$362,371
2	Cabbage	99.26	1,553,336	19,401,664	7,129,812	12,271,851	\$159,375
3	Tomato	135.02	1,973,633	38,535,861	11,308,917	27,226,944	\$353,597
4	Chili	187.57	1,004,554	50,563,862	14,425,390	36,138,473	\$469,331
5	Eggplant	38.75	468,405	8,200,587	2,913,479	5,287,108	\$68,664
6	Radish	30.50	436,569	3,984,272	1,676,425	2,307,847	\$29,972
7	Cowpea	1.91	13,011	362,930	29,925	333,005	\$4,325
8	Capsicum	1.25	2,303	60,726	8,291	52,435	\$681
9	Bean	9.11	77,217	1,357,068	177,599	1,179,469	\$15,318
10	Maize	1.55	3,305	33,050	19,566	13,484	\$175
11	Rice	145.06	605,587	15,139,675	7,273,100	7,866,575	\$102,163
12	Cucumber	0.02	40	2,000	81	1,919	\$25
13	Broad leaf mustard	1.17	5,699	131,077	18,237	112,840	\$1,465
<b>TOTAL</b>		<b>818.85</b>	<b>8,618,363</b>	<b>179,830,643</b>	<b>59,136,128</b>	<b>120,694,515</b>	<b>\$1,567,461</b>

The total net sales achieved for all 3,101 farmers was \$1,567,461, which is \$500,794 above the first crop cycle's target. This equates to an average net sales per farmer of \$505 in just one crop cycle – income levels from agriculture that most farmers could have never imagined before working with USAID-NFRP.

The average net sales per hectare comes to \$1,914. Compared to the already impressive results achieved in the first cycle of Phase II (\$1,066 net sales per hectare), Phase III's efforts have raised productivity by an additional 80 percent. This enhancement in the program's impact (measured in terms of income per farmer and per hectare) demonstrates USAID-NFRP's ability to adapt to new conditions and learn from past experiences in order to strengthen its overall effectiveness.

**Table 6: Progress in Commercial Agriculture program - Phase III**

No.	Indicator/Activity	Target	Results To Date	Completion Rate
1	Long-term participants over 3 crop cycles (18-months)	2,700	3,101	115%
2	Hectares of productive land directly assisted by LIG	800	819	102%
3	Shallow tube wells and motorized pumps installed	157	119	76%
4	Net sales for participants in first crop cycle	\$1,066,667	\$1,567,461	147%
5	Net sales for participants in second crop cycle	\$1,066,667	TBD	TBD
6	Net sales for participants in third crop cycle	\$1,066,667	TBD	TBD
7	Total net sales over three crop cycles (i.e. income)	\$3,200,000	TBD	TBD
8	Percentage increase in net sales per hectare of land	300%	TBD	TBD

## Phases I and II

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

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

**Table 7: Phase I Results of 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	479	100%
3	Shallow tube wells and motorized pumps installed	300	362	121%
4	Treadle pumps installed	300	240	80%
5	Drip irrigation sets installed	0	25	n/a
6	Net sales for participants in first crop cycle	\$273,333	\$581,756	213%
7	Net sales for participants in second crop cycle	\$273,333	\$438,744	161%
8	Net sales for participants in third crop cycle	\$273,333	\$1,383,238	506%
9	<b>Total net sales over three crop cycles (i.e. income)</b>	\$820,000	<b>\$2,403,738</b>	293%
10	<b>Percentage increase in net sales per hectare of land (3 crop cycles)</b>	300%	<b>686%</b>	229%

**Table 8: Phase II Results of LIG program**

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

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

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

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

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

**Diffusion effect:** The 2,164 farmers under Phase I increased their land under production by an average of 20 percent without assistance. Another 1,538 unassisted farmers on 183 hectares

of land also adopted the practices and technologies of their neighbors and are now producing high-value crops.

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

### 3.2.2 Infrastructure

#### Phase III

USAID-NFRP's focus in Phase III is to rehabilitate or build productive infrastructure that directly supports and complements the economic development efforts of the agricultural beneficiaries. In the Hills district of Dadeldhura, USAID-NFRP targeted gravity-fed irrigation systems that support farmers participating in the commercial agriculture program. This includes four piped irrigation systems and one lift system that uses a submersible pump, all of which completed construction in the past quarter. In addition, two agricultural market sheds and collection centers are currently under construction and are scheduled for completion in June.

No.	Project	VDC	Project Cost (USD)			Irrigated Area (Ha)	Progress
			NFRP	Community	GoN		
1	Gravity-fed piped irrigation	Pokhara (Amargadhi #7)	23,187	1,524	0	15	100%
2	Gravity-fed piped irrigation with submersible pump	Finnikot (Amargadhi #11)	29,276	4,917	4,026	14	100%
3	Gravity-fed piped irrigation	Rajauda (Amargadhi #3)	2,532	446	0	4	100%
4	Gravity-fed piped irrigation	Mahar Gaon (Samaji #8)	5,161	634	0	3	100%
5	Gravity-fed piped irrigation	Larada (Amargadhi #3)	8,887	1,283	0	5	100%
6	Agricultural collection center	Finnikot #11	4,543	0	0	N/A	30%
7	Multipurpose market shed	Samaji #8	16,279	1,364	0	N/A	50%
<b>TOTAL</b>			<b>\$89,865</b>	<b>\$10,168</b>	<b>\$4,026</b>	<b>41</b>	<b>83%</b>

In Kailali and Kanchanpur districts, USAID-NFRP is constructing four market centers that will significantly enhance program-supported farmers' commercialization efforts and provide the needed facilities for local trade routes to develop. Construction on these sites will conclude in July.

## Phases I and II

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

**Table 10: Phase I Results of Infrastructure program**

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

**Table 11: Phase II Results of Infrastructure program**

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

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

### *3.2.3 Sanitation, Hygiene and Nutrition*

#### **Phase III – Nutrition and Hygiene**

The activities conducted under Phase III represent a modified version of the original nutrition and hygiene program of Phases I and II. There is now much greater emphasis given to measurably improving the nutritional indicators within beneficiary households such as changes in food consumption, body mass index, prevalence of breastfeeding, and diet diversity. Program assistance is extended exclusively to households with pregnant women or children less than 24 months of age.

A total of 2,259 households (1,620 women-led) in 15 VDCs in Kailali and Kanchanpur have been trained in the nutrition awareness program and have managed two production cycles on their 333 square-meter home gardens, covering a collective total of 72 hectares.

Results from the first cycle demonstrate that farmers are already producing food surpluses and selling an average of 22 percent of their total production in local markets. Therefore, any additional land that beneficiary farmers expand under production (a phenomenon already observed within the short timeframe of the program) should serve entirely commercial purposes. Successful home gardeners have demonstrated their ability to move beyond nutritious food production and incorporate themselves into the high-value vegetable markets that are already developing within their communities, thanks to the assistance of USAID-NFRP's commercial agriculture program.

The following table details USAID-NFRP's results of the total output achieved by the home gardeners in the second crop cycle, including the net sales achieved by farmers with surplus productions (i.e. not consumed by household).

No.	Crop	Total Production (kg)	Percent Consumed	Percent Surplus	Gross Sales of Surplus (NPR)	Cost of Production (NPR)	Net Sales from Surplus (NPR)	Net Sales from Surplus (USD)
1	Radish	204,575	64%	36%	743,620	285,550	458,070	\$5,949
2	Carrot	157,660	67%	33%	1,300,675	270,540	1,030,135	\$13,378
3	Cabbage	672,768	59%	41%	4,184,745	1,280,532	2,904,213	\$37,717
4	Broad leaf mustard	167,043	65%	35%	2,214,563	301,181	1,913,382	\$24,849
5	Pea	161,984	65%	35%	1,735,070	233,955	1,501,115	\$19,495
6	Swiss Chard	176,467	75%	25%	1,525,230	213,532	1,311,698	\$17,035
7	Tomato	320,958	65%	35%	3,622,775	638,723	2,984,052	\$38,754
8	Eggplant	268,619	65%	35%	3,159,246	577,956	2,581,290	\$33,523
9	Chili	163,483	69%	31%	2,015,160	723,442	1,291,718	\$16,776
<b>TOTAL</b>		<b>2,293,557</b>	<b>66%</b>	<b>34%</b>	<b>20,501,084</b>	<b>4,525,411</b>	<b>15,975,672</b>	<b>\$207,476</b>

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

## Phases I and II

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

**Table 14: Phase I Results of SHN awareness trainings**

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

**Table 15: Phase II Results of SHN awareness trainings**

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

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

**Table 16: Phase I Results of Improved Cooking Stoves**

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

**Table 17: Phase II Results of Improved Cooking Stoves and Household Latrines**

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

A total of 2,258 home gardens were installed in Phases I and II. Surveys conducted by the social inclusion team indicate that 65 percent of home garden beneficiaries used their entire harvests for household consumption. The remaining 35 percent used the majority of their harvests for consumption and sold the surplus for additional income.

**Table 18: Phase I Results of Home Gardening**

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

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

### *3.2.4 Strengthening Local Organizations*

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

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

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

**Table 21: Phase II Results of Strengthening Local Organizations**

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

### 3.2.5 Protection of Women and Children

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

**Table 22: Phase I Results of 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	1,333	111%
2	BLOP sessions completed per VDC (average)	60	60	100%
3	Adults trained in REFLECT methodology	1,800	1,728	96%
4	REFLECT sessions completed per VDC (average)	60	60	100%

**Table 23: Phase II Results of Protection of Women and Children**

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

## SECTION 4: PRIORITIES FOR NEXT QUARTER

Program activities follow USAID-NFRP's FY12 annual work plan. Highlighted activities include:

### **Initiation of USAID-NFRP closeout**

- Fintrac will provide USAID with a detailed plan for NFRP closeout for review and approval.

### **Infrastructure Component**

- Complete construction of market sheds and collection centers.
- Monitor operations and efficacy of five surface irrigation systems in Dadeldhura.
- Continue irrigation management training to water user groups.

### **Commercial Agriculture Component**

- Complete second crop cycle training program.
- Assess farmers' requirements for agricultural inputs in the third crop cycle.
- Continue to carry out voucher program with 15 local agro-vets for the sale and distribution of key inputs for USAID-NFRP farmers.
- Continue airing daily price information for farmers in Dadeldhura on local FM radio.
- Finalize production and income results of the second crop cycle.

### **Nutrition and Hygiene Component**

- Complete trainings for commercial farmers based on the new home economics training syllabus, manual, and flipchart developed in coordination with Helen Keller International.
- Initiate final evaluation of nutrition and hygiene program.

## SECTION 5: MANAGEMENT REPORT

### 5.1 PROJECT STAFFING

No changes in personnel or other staffing issues.

### 5.2 EXPENDITURES TO DATE

On March 18, 2011 USAID-NFRP received an 18 month extension, until August 31, 2012, and a budget increase from \$6,506,377 to \$8,506,377. From program start to March 31, 2012, the program has used \$7,710,020, or 91 percent of the USAID-NFRP contract budget, with \$796,357 remaining through August 2012. A detailed fiscal report summarizing cumulative expenditures through March 2012 is provided under a separate file.

### 5.3 MANAGEMENT ISSUES

Nothing to report.

# ANNEX I: SPOTLIGHT ANALYSIS

## Improving Farmers' Access to Inputs

Many rural Nepalis are forced into a life of subsistence farming because they lack knowledge of and access to agricultural inputs and technologies that would allow them to improve the quality and quantity of their production. Their small-scale farms have no hope of expansion without introducing high-quality seed varieties or better technologies such as irrigation or integrated pest management.

The United States Agency for International Development's Nepal Flood Recovery Program (USAID-NFRP) has been looking at ways to help these farmers access adequate, affordable, and timely inputs since the program began in 2008, with the aim to move 12,000 Nepalis out of poverty through agricultural development.

Accessing inputs from reliable suppliers is a common challenge in rural communities. Where agro-vets exist, they often lack the necessary supplies required by farmers to sustain high-value vegetable production, not to mention deficiencies in availability of the supplies or technical support. Despite these challenges, many small agro-vets are able to operate as serious businesses and are eager to expand their clientele.

USAID-NFRP has intensified its commitment to strengthening the relationships between farmers and these local suppliers. The objective is to improve agro-vets' knowledge and understanding of the transition farmers are going through as they scale up productivity and convert to high-value vegetable production. This allows agro-vets to adapt their provisions to a new and growing market opportunity in the form of program-supported farmers that are achieving significantly higher levels of production than in previous years. USAID-NFRP also trains agro-vets to increase their technical know-how of modern agricultural practices so that these skills can be passed on to their clients.

Based on a survey of 85 local agro-vets operating within the program districts of Kailali, Kanchanpur, and Dadeldhura, a total of 15 were selected to participate in the inputs distribution program. Ultimately, a voucher system was selected, where



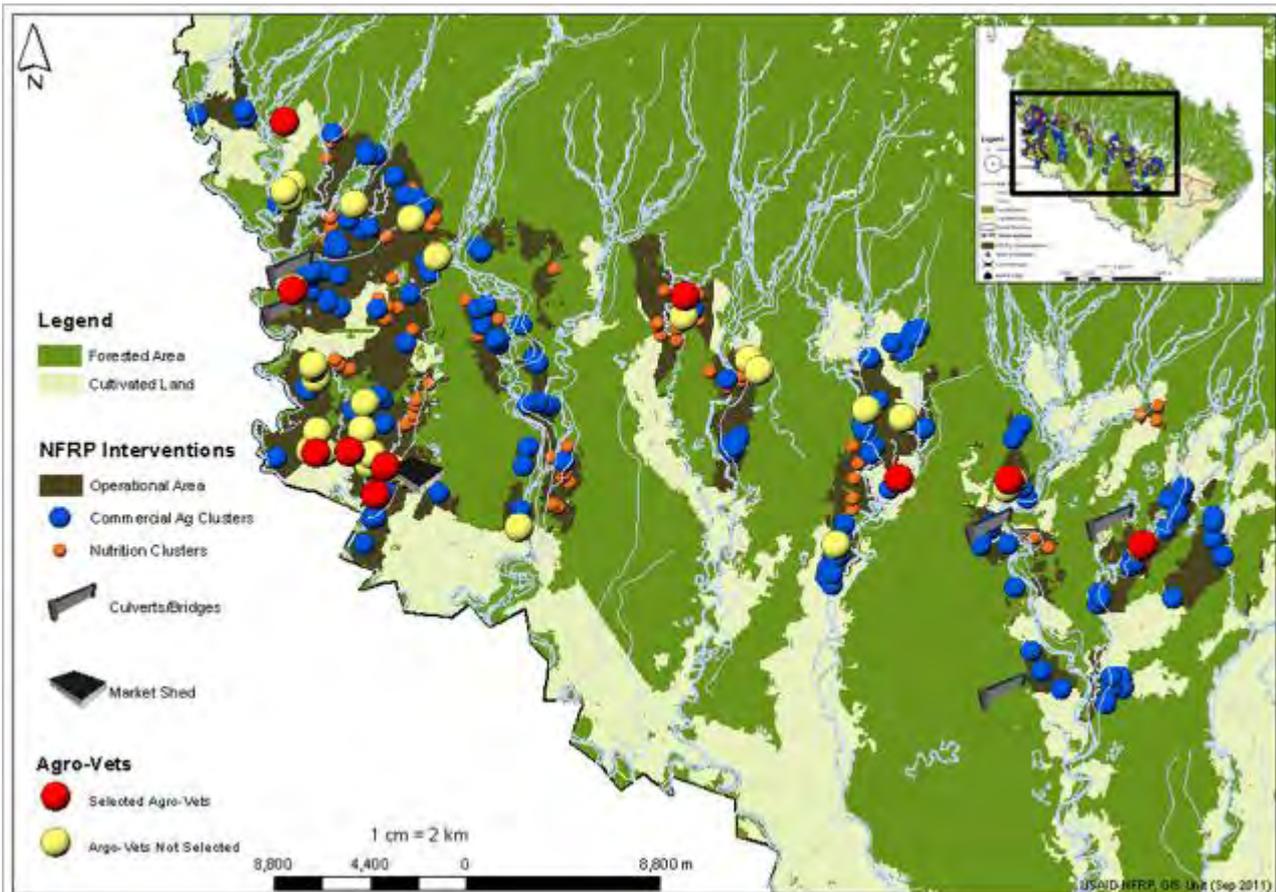
*Photo by Fintrac Inc.*

Client farmer, Ram Pyari Chaudhary (center), visits Chakra Bahadur Mahara, the agro-vet supplier with whom she has established a long-term business relationship thanks to the inputs voucher program established by USAID-NFRP.

coupons are provided to farmer groups in order to purchase the required seeds and supplies from their designated agro-vets. Each coupon, however, only pays for the co-investment amount that USAID-NFRP has committed (which decreases from 75 to 25 percent during the three crop cycles). The remaining amount is paid directly by farmers, and supplies are not distributed until agro-vets receive full payment.

This model is being successfully implemented in 28 village development communities (VDCs), where 15 agro-suppliers are serving 3,400 participating farmers. Through the

#### Agro-vets in Kailali district assessed and selected by USAID-NFRP



process, agro-vets learn of farmers' current demands and are able to work with them to determine the inputs they will require for future production. Farmers, at the same time, develop a sense of trust and familiarity with their local suppliers, which provides the foundation for a long-term business relationship that will go well beyond the duration of USAID-NFRP. In addition, by improving agro-vets' capacity to provide extension advice to farmers, USAID-NFRP is helping to "commercialize" the provision of extension services, thus ensuring sustainability after the program ends.

"Now we buy seeds and other inputs conveniently in group from one supplier. The voucher system has created trustworthiness and a lasting business relationship between us and the agro-vet," said Ram Pyari Chaudhary of Geta VDC.

Chaudhary's agro-vet supplier, Chakra Bahadur Mahara, also noted that, "because of the voucher system, I am selling seeds and other inputs in much larger volumes. Now I have more buyers from the surrounding communities and my sales have increased 50 percent."

## ANNEX II: SNAPSHOT

# High-Value Production Keeps Family Together

**Thanks to wife's confidence and vision, husband now back at the family farm.**



*Photo by Fintrac Inc.*

Phulmati Rana and her husband have dramatically increased their incomes by integrating high-value vegetable crops into their production. With the extra income, Rana's husband no longer needs to travel to India in search of work.

**"I am proud my wife had the courage to become a vegetable producer... allowing me to happily stay with my family and earn more than I ever did abroad."**

*Dharam Singh Rana*

Phulmati Rana, a rural farmer from Dhangadhi, struggled to support her family of eight on income from her small plot of land. Her husband was forced to migrate to India for six months out of the year to seek employment.

But his minimal stipend barely covered the costs of their basic household needs. The family subsisted on the rice they grew, but lacked extra production to sell for income.

With support from USAID's Nepal Flood Recovery Program (NFRP), Rana and her husband decided to diversify into high-value vegetable production. Her 0.3 hectare plot now produces cauliflower, chili, tomato, eggplant, cucumber, and okra.

Program technicians taught Rana and her husband proper pre and postharvest handling techniques, and helped introduce basic technologies such as irrigation and proper fertilizer use.

Rana earned nearly \$2,000 (NRs. 150,000) from one crop cycle of vegetable production. With her new income she is paying off debts, purchasing needed household goods, investing in her children's schooling, and still has enough left to put into savings.

The family plans to purchase a motorcycle to help transport their produce, and even hopes to build a new house with their future agricultural income.

Perhaps best of all, the family is now earning enough to stay together on their own land.

Rana's husband, Dharam Singh Rana, said he does not have plans to go to India in search of work.

"I will not go outside of my community looking for work," he said. "I now earn more here than I earned on the outside."

Her husband is appreciative of USAID-NFRP's support and his wife's vision, earning her new respect and an elevated position in the family.

"I am proud that my wife had the courage and confidence to become a commercial vegetable producer," said Mr. Rana.

# Productive Farm Helps Reunite Family

**With increased yields and incomes, smallholder farm family no longer needs to emigrate to India for work.**



*Photo by Fintrac Inc.*

Sushmita Chaudhary diversified to high-value crops such as tomatoes on her small farm. By employing good agricultural practices and learning to see farming as a business, she and her family are earning seven times what they did previously.

**“My husband already cancelled his plan to migrate to India this season. He is now working with me on our farm.”**

*Sushmita Chaudhary*

Sushmita Chaudhary had difficulty supporting her large family on her small farm. The family was only able to produce enough food to feed them for seven months. Chaudhary was forced to sharecrop on another farm to earn enough to feed her family.

Several members of the family, including Chaudhary's husband and brother-in-law, were forced to emigrate to India in search of low-paying jobs. In 2010, four months of work only netted them a total of \$284 (NRs. 23,000). Paired with the \$2,800 (NRs. 228,000) the family earned from agriculture, they were still more than \$1,200 (NRs. 99,000) short of earning enough to meet their basic needs.

“The income and cereal crop production from our land was inadequate to sustain our 10 family members,” Chaudhary said.

In April 2011, Chaudhary heard of USAID's Nepal Flood Recovery Program (NFRP) through a community farmer group. She decided to join, allocating 0.2 of her 0.6 hectare farm to high-value crops such as tomato and cauliflower.

She participated in the program trainings, learning good agricultural practices such as nursery management, nutrient application, trellising, crop rotation, and planting techniques. She also has access to the group's shallow tube well, which allowed her to irrigate her crops regularly. Chaudhary received access to inputs such as seeds and fertilizers through USAID-NFRP.

In November Chaudhary's harvest earned gross sales of \$1,400 (NRs. 105,000). Once she paid off her production costs, she earned more than \$1,200, which is more than seven times the income she took home the previous year from rice production on the same size of land. Productivity on that plot of land increased eleven-fold.

By continuing to employ good agricultural practices and with access to quality inputs, Chaudhary could stand to earn nearly \$8,000 in one year from her entire 0.6 hectare plot. This kind of income growth is truly transformational for her family.

“Thanks to the training and support from the program, I have no more worry now. I am confident this will lead to a better life for my family,” she said.

With increased incomes and yields, the family is able to stay together and farm their own land. Chaudhary has convinced her husband they can earn enough at home to support their family, eliminating the need for him to travel

# Agriculture Cleans Up Community

**In a small community plagued by vice, female farmers set a positive example, proving the potential of commercial agriculture.**



*Photo by Fintrac Inc.*

Munni Chaudhary and her husband work in their field. Thanks to USAID-NFRP's intervention, Chaudhary and other female farmers are earning significantly higher incomes, spurring their husbands to join them in the work.

**"My income [used to be] wasted on gambling and drinking, but now I am engaged in commercial farming thanks to my wife."**

*Prem Chaudhary*

Munni Chaudhary is a lead farmer for a women's commercial vegetable group in Bhimdutta municipality, an area plagued by alcohol and gambling problems.

Several years ago, Chaudhary decided to start this group to provide women with opportunities to earn their own incomes through agriculture.

The men in the community were initially unsupportive of their wives, refusing to work in the fields and spending the new income on vices or paying off loan sharks.

With support from USAID's Nepal Flood Recovery Program (NFRP), Chaudhary's women's group is receiving the technical support they needed to improve their productivity and increase their incomes.

The women learned good agricultural practices and were taught to look at their farms as a business, incorporating the use of log books and tracking their expenses.

With these new skills, the women are earning more money, granting them both confidence and respect in the community. They have taken control of the household purse strings and are able to invest more into their homes and their children's educations.

The men in the community are recognizing the potential income from agricultural activities and are enthusiastic about joining their wives in the fields.

"I never really liked working in the field, but after seeing my wife's involvement in vegetable farming, I know the benefits," said Hari Lal Chaudhary. "Now I am willing to learn plowing and farming and support my family, as well as get rid of my bad habits."

Another benefit is a decrease in gambling and alcohol use now that the men are also involved in

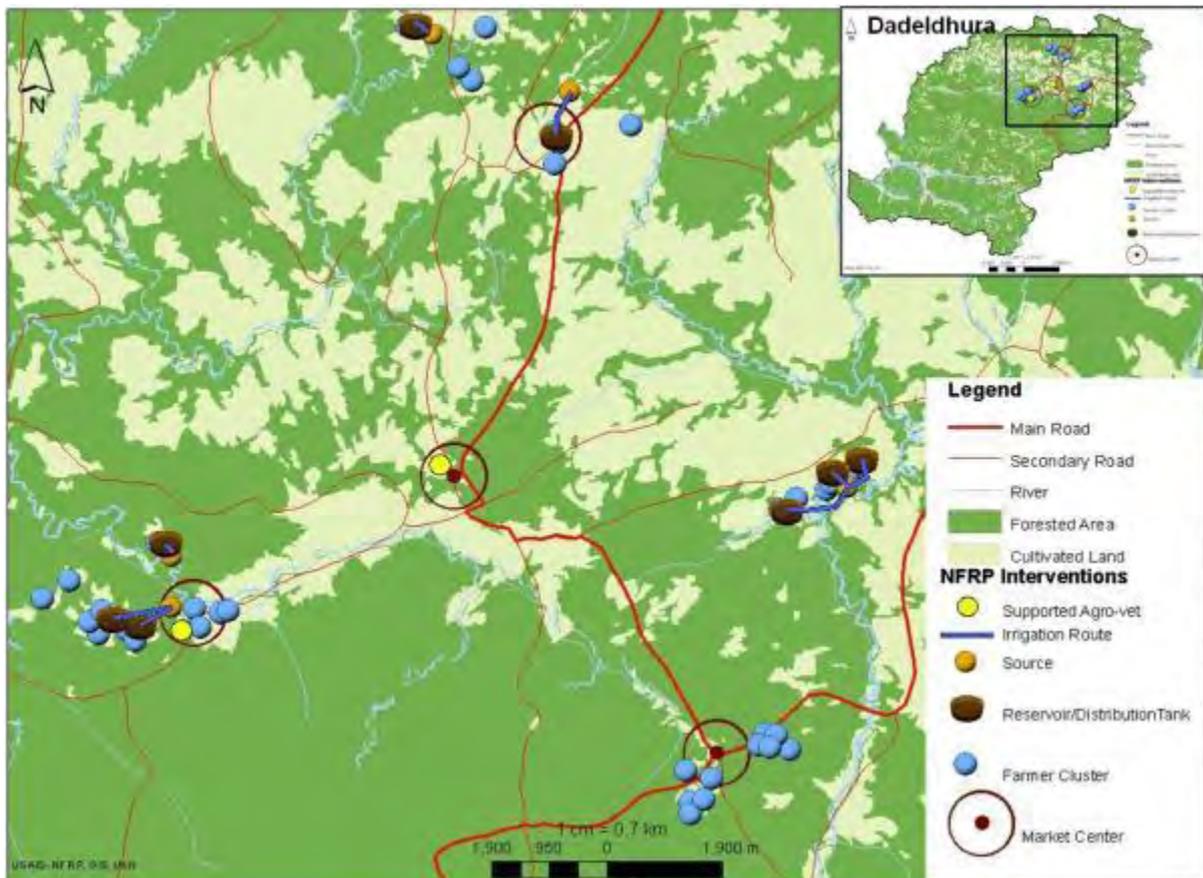
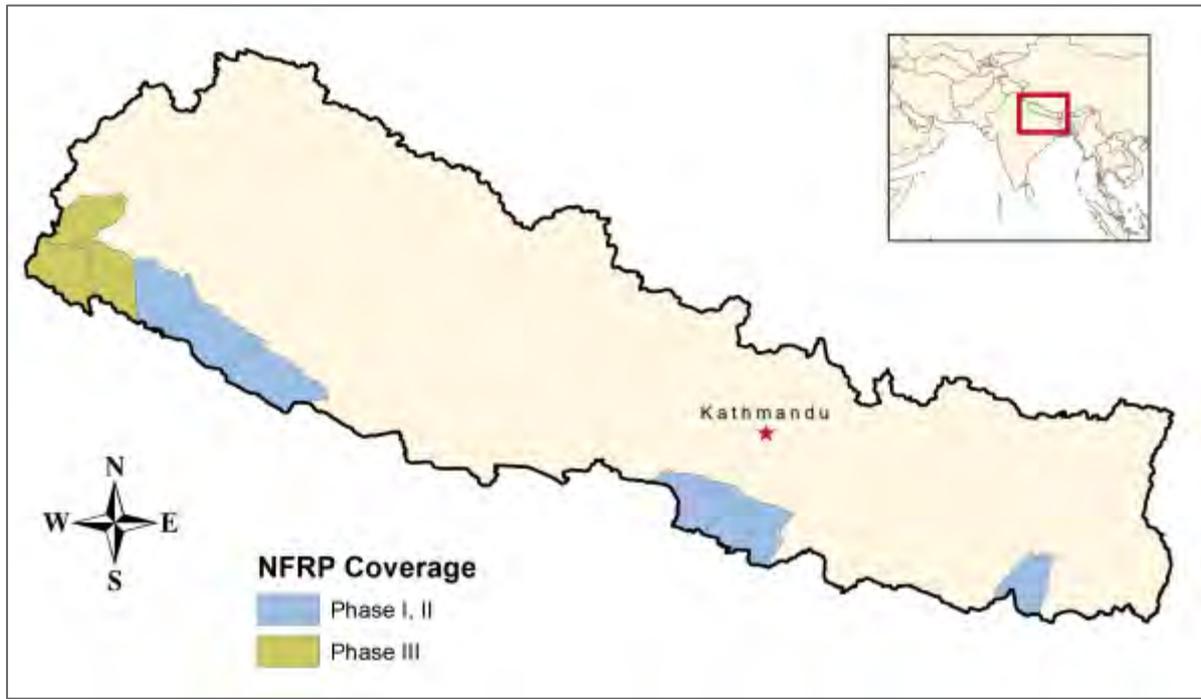
# ANNEX III: PERFORMANCE MONITORING PLAN

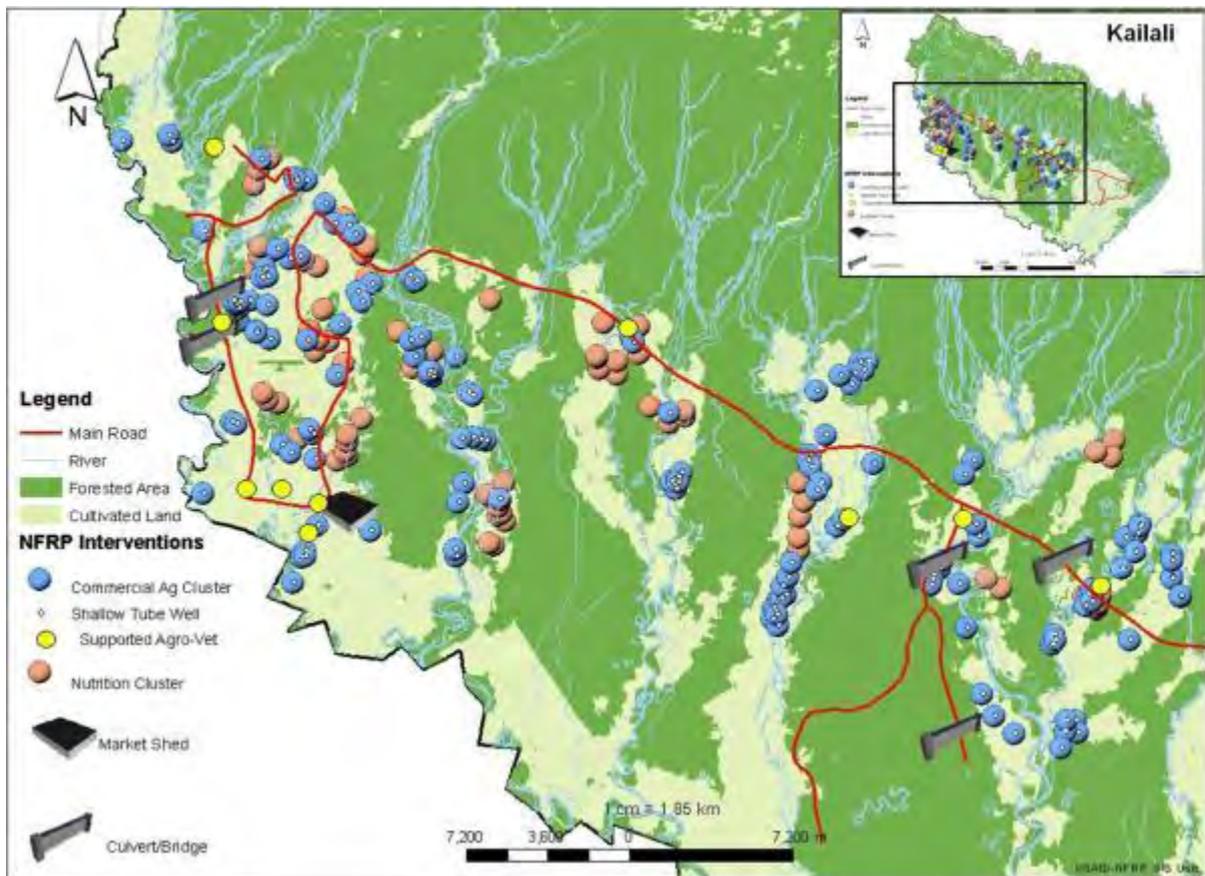
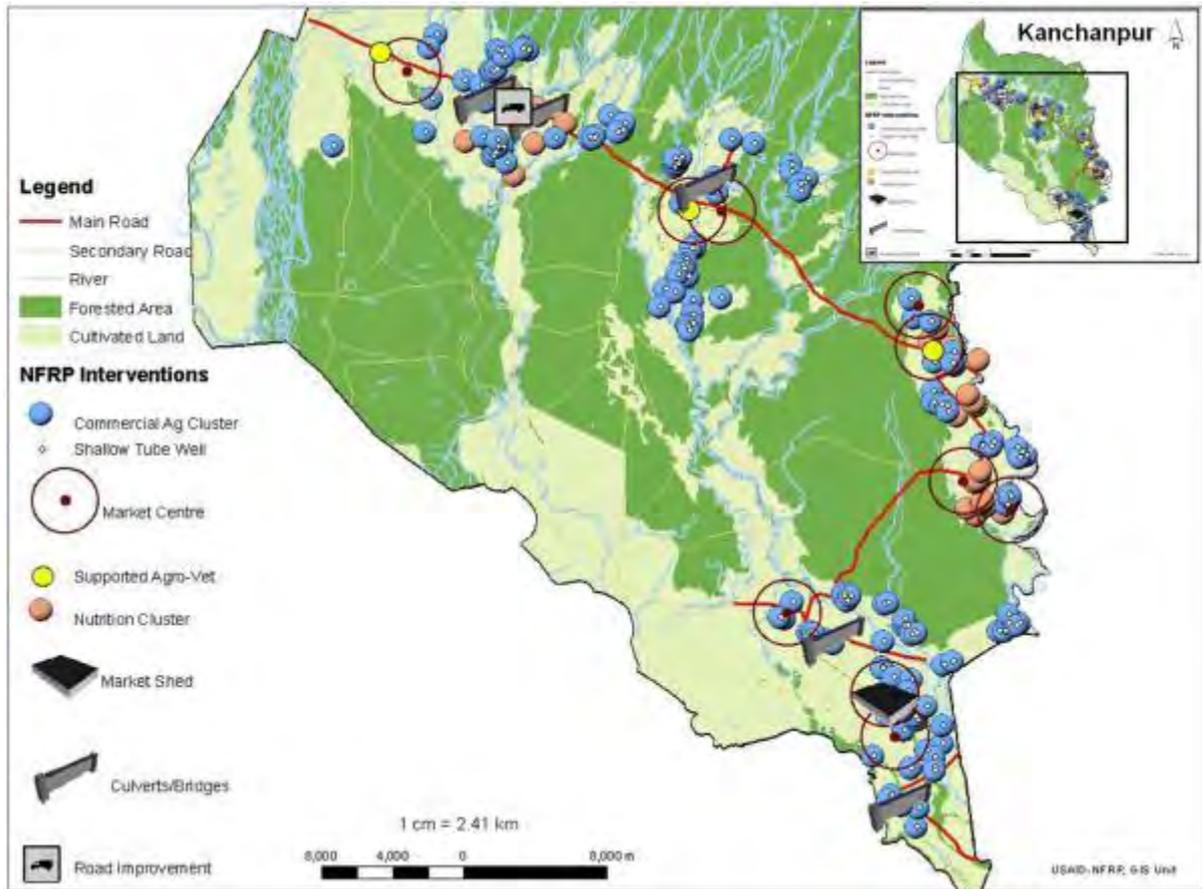
No.	Activity	Phase I & II Results	Phase III Targets	Total Targets	Phase III Results	Results To Date	Completion Rate
<b>1. Program Level Objective</b>							
1.1	Number of beneficiaries assisted by USG-supported protection and solutions activities	853,467	102,400	955,867	6,316	859,783	90%
<b>2. Objective 1: Rehabilitation and Rebuilding of Productive Infrastructure</b>							
2.1	Number of community infrastructures constructed a/o rehabilitated	119	25	144	5	124	86%
2.1.1	Number of classrooms constructed with USG assistance (Program Element IIP – 2.1 Basic Education)	52	0	52	0	52	100%
2.1.2	Number of classrooms repaired with USG assistance (Program Element IIP – 2.1 Basic Education)	4	0	4	0	4	100%
2.1.3	Number of model latrines in community schools	2	0	2	0	2	100%
2.1.4	Number of drinking water sources installed or improved	0	0	0	0	0	N/A
2.1.5	Number of community irrigation systems rehabilitated	5	0	5	5	10	200%
2.1.6	Number of river protection projects (e.g. embankment protections, gabions, spurs, check dams)	30	0	30	0	30	100%
2.1.7	Kilometers of transportation infrastructure constructed or repaired through USG assistance (Program Element EG 4.3 Transport Services)	17	0	17	0	17	100%
2.1.8	Number of transportation infrastructure projects such as culverts and small bridges constructed or repaired	53	0	53	0	53	100%
2.2	Number of people in target areas with access to improved drinking water supply as a result of USG assistance (Program Element IIP – 1.8 Clean Water and Sanitation Services)	0	0	0	0	0	N/A
2.3	Number of people benefiting from USG sponsored transportation infrastructure projects (Program Element EG 4.3 Transport Services)	562,549	0	562,549	0	562,549	100%
2.4	Number of households benefited by community infrastructure projects (assumes an average of 150 benefiting HHs per VDC)	128,881	15,000	143,881	147	129,028	90%
2.5	Number of person-days of temporary employment generated by infrastructure activities (estimated at 15% of construction costs)	165,106	13,630	178,736	3,172	168,278	94%
2.6	Subcontract funds disbursed (in USD)	\$2,665,027	\$220,000	\$2,885,027	\$0	\$2,665,027	92%
2.7	Cost sharing leveraged from communities, local governments a/o other donor programs (in USD)	\$150,806	\$12,449	\$163,255	\$0	\$150,806	92%
<b>3. Objective 2: Provision of Income Generation Activities</b>							
3.1	Number of individuals who have received USG supported long term agricultural sector productivity training (EG 5.2 Agricultural	4,435	2,700	7,135	3,101	7,536	106%

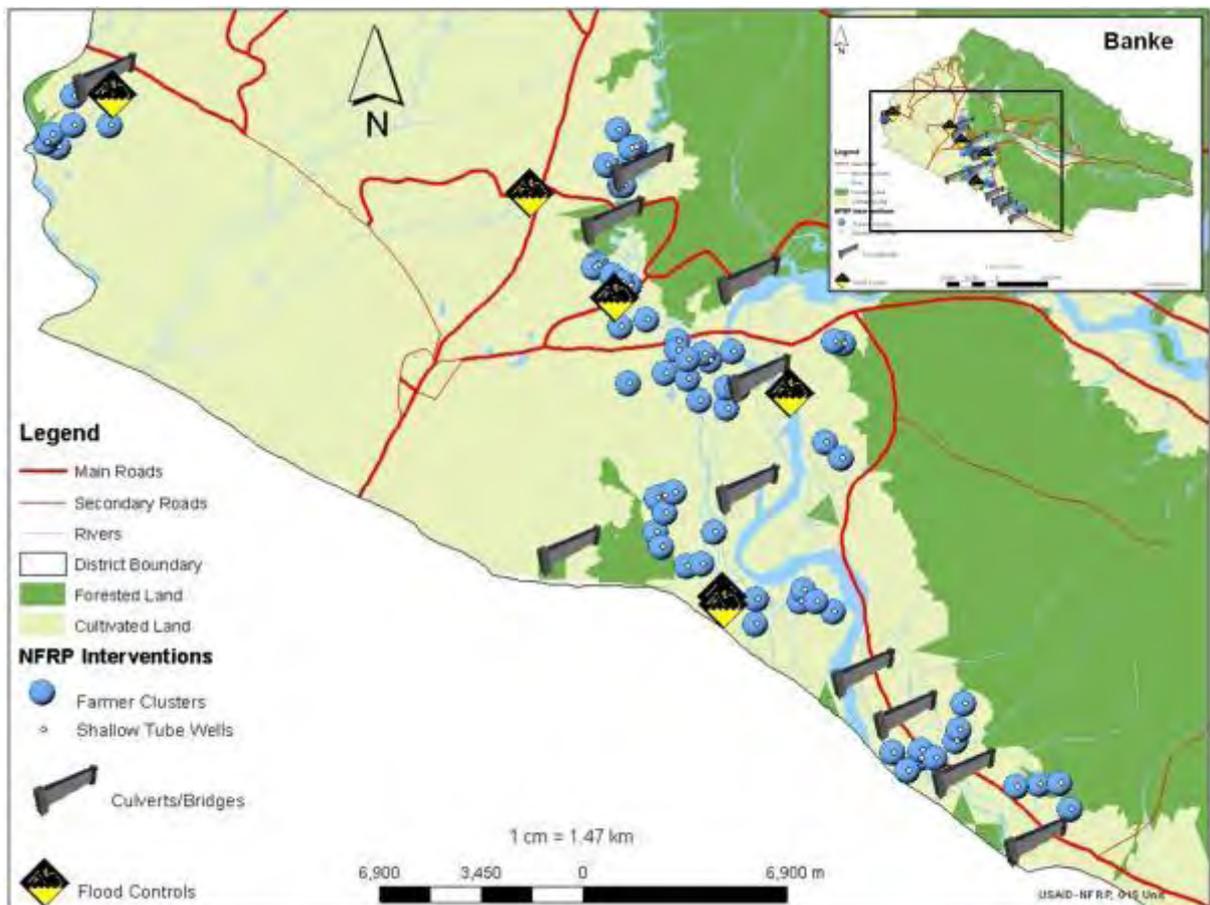
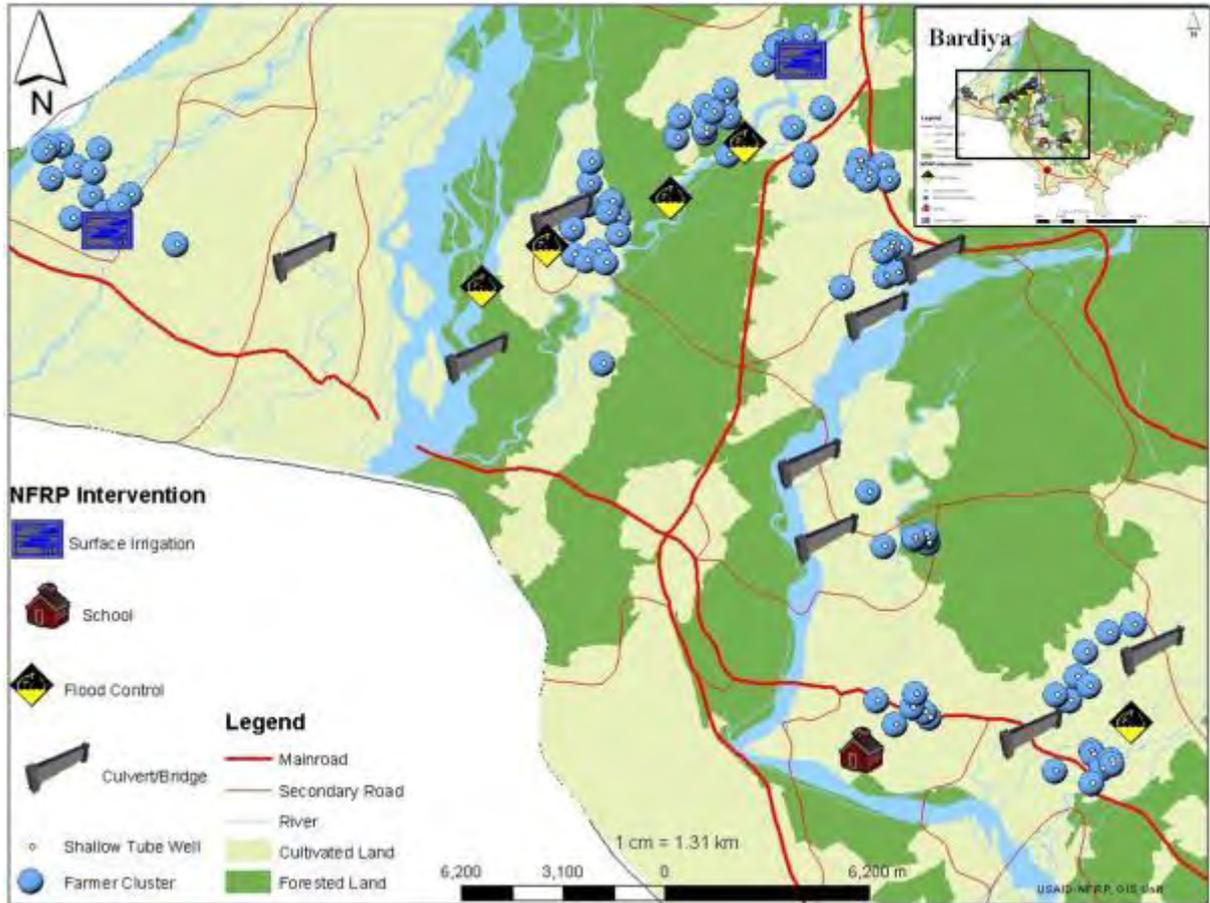
No.	Activity	Phase I & II Results	Phase III Targets	Total Targets	Phase III Results	Results To Date	Completion Rate
	Sector Productivity)						
	Number of women trained	1,330	945	2,275	1,070	2,400	105%
3.2	Number of rural households benefiting directly from USG interventions (EG 5.2 Agricultural Sector Productivity)	4,435	2,700	7,135	3,101	7,536	106%
3.3	Number of vulnerable households benefiting directly from USG interventions (EG 5.2 Agricultural Sector Productivity)	2,335	540	2,875	1,070	3,405	118%
3.4	Number of producers organizations, water users associations, trade and business associations receiving USG assistance (EG 5.2 Agricultural Sector Productivity)	92	30	122	0	92	75%
3.5	Number of new technologies or management practices made available for transfer as a result of USG assistance (EG 5.2 Agricultural Sector Productivity)	4,435	2,700	7,135	3,101	7,536	106%
3.6	Implementation funds disbursed (in USD)	\$739,027	\$490,000	\$1,229,027	\$0	\$739,027	60%
3.7	Cost sharing leveraged by beneficiary farmers (25% of in-kind investment)	\$182,848	\$98,000	\$280,848	\$120,741	\$303,589	108%
<b>4. Objective 3: Improved Sanitation, Hygiene and Nutrition (SHN)</b>							
4.1	Number of people in target areas with access to improved sanitation facilities as a result of USG assistance (Program Element IIP – 1.8 Clean Water and Sanitation Services)	1,648	0	1,648	0	1,648	100%
4.2	Number of people trained in improved sanitation, hygiene and nutrition	3,701	2,200	5,901	2,259	5,960	101%
4.3	Number of households with improved nutrition due to demonstration kitchen gardens	2,258	2,200	4,458	2,259	4,517	101%
4.4	Number of households with improved sanitation due to improved cooking stoves	1,715	0	1,715	0	1,715	100%
4.6	% increase in the incidence of hand-washing of SHN trainees	80%	80%	85%	0%	1	94%
4.7	% of kitchen garden beneficiaries that continue to eat a minimum of five meals per week with green/leafy vegetables	80%	80%	80%	0%	1	100%
4.8	Subcontract funds disbursed (in USD)	\$258,695	\$80,000	\$338,695	\$0	\$258,695	76%
4.9	Cost sharing leveraged (15% minimum, in USD)	\$36,740	\$0	\$36,740	\$0	\$36,740	100%
<b>5. Objective 4: Strengthening of Local Peace Committees or Other Local Groups</b>							
5.1	Number of groups receiving institutional strengthening and organizational development technical assistance and training	144	0	144	0	144	100%
5.2	Number of community members trained	3,275	0	3,275	0	3,275	100%
	Number of women trained	1,773	0	1,773	0	1,773	100%
	Number of youth trained	1,767	0	1,767	0	1,767	100%
5.3	Subcontract funds disbursed (in USD)	\$147,002	\$0	\$147,002	\$0	\$147,002	100%
5.4	Cost sharing leveraged (10% minimum, in USD)	\$0	\$0	\$0	\$0	\$0	N/A
<b>6. Objective 5: Protection of Women and Children</b>							
6.1	Number of people trained	4,267	0	4,267	0	4,267	100%
	Number of women trained	3,641	0	3,641	0	3,641	100%
	Number of youth trained	1,937	0	1,937	0	1,937	100%
6.2	Number of women and youth organizations strengthened (assumes one group per VDC)	72	0	72	0	72	100%

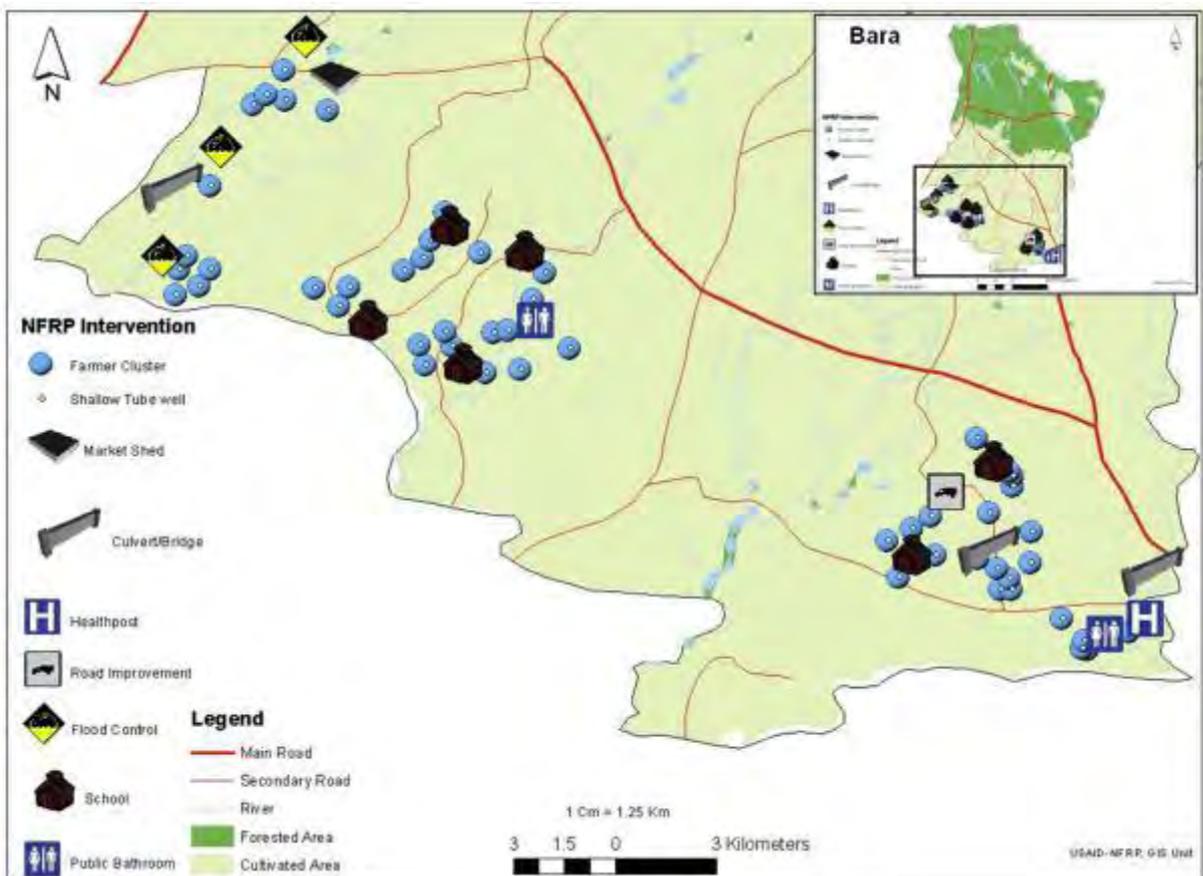
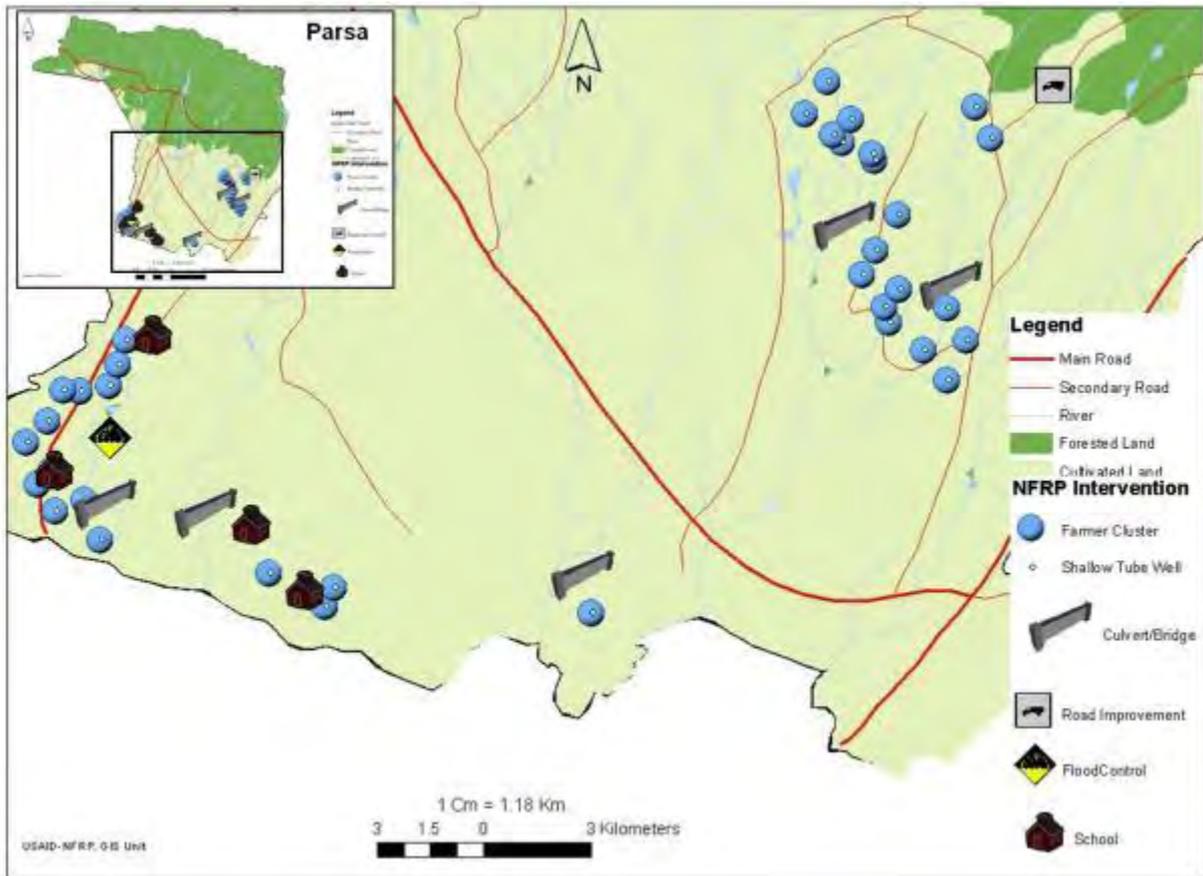
No.	Activity	Phase I & II Results	Phase III Targets	Total Targets	Phase III Results	Results To Date	Completion Rate
6.3	Number of people trained in Trafficking-in-person related issues with USG assistance (Program Element PS5.3 – Trafficking-in-Persons and Migrant Smuggling)	4,329	0	4,329	0	4,329	100%
6.4	Subcontract funds disbursed (in USD)	\$26,746	\$0	\$26,746	\$0	\$26,746	100%
6.5	Cost sharing leveraged (10% minimum, in USD)	\$0	\$0	\$0	\$0	\$0	N/A
<b>7. Objective 6: Windows of Opportunities</b>							
7.1	Number of special studies (Program Design and Learning Element)	0	0	0	0	0	N/A
7.2	Number of Baseline or Feasibility Studies (Program Design and Learning Element)	0	0	0	0	0	N/A
7.3	Subcontract funds disbursed	\$0	\$0	\$0	\$0	\$0	N/A
7.4	10% cost sharing target (in USD)	\$0	\$0	\$0	\$0	\$0	N/A

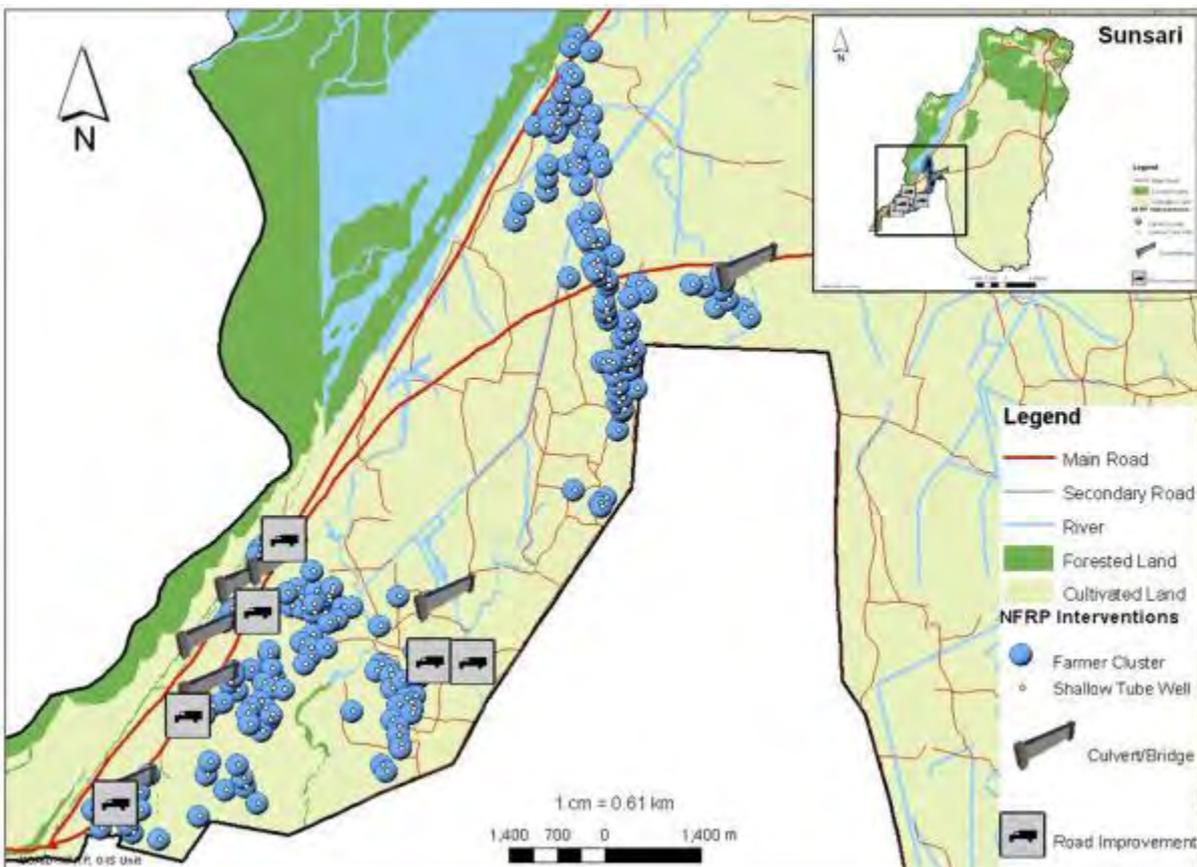
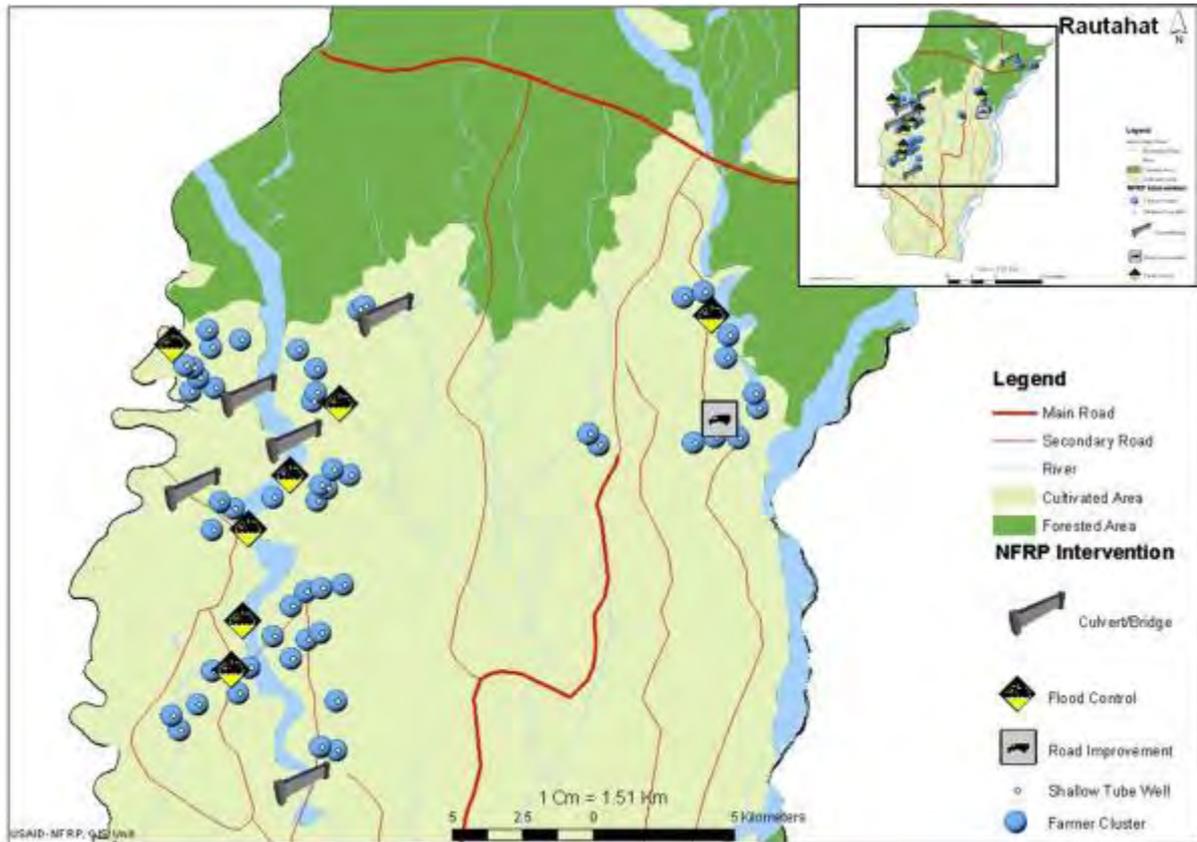
# ANNEX IV: USAID-NFRP CLIENT DISTRIBUTION MAPS BY DISTRICT













## USAID/NEPAL FLOOD RECOVERY PROGRAM

QUARTERLY PERFORMANCE REPORT  
JANUARY 2012 – MARCH 2012

PHOTO: Thanks to USAID-NFRP's effort to coordinate the impacts of increased agricultural productivity and improves nutrition and hygiene awareness, rural children like this one are improving their health due to both the increased incomes from commercial agriculture and the more nutritious and better-quality food produced for home consumption.