



PROGRAMME IMPLEMENTATION MANUAL (PIM)

Government of Nepal
Ministry of Agriculture and Livestock Development
Resilient High Value Agricultural Programme (R-HVAP)
Programme Coordination Office (PCO)
Kirtipur, Kathmandu
November, 2025


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)









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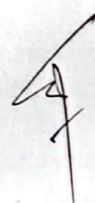

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This Programme Implementation Manual (PIM) is a fundamental document that provides the basis for implementation of the programme and activities oriented towards achieving the goals and targets in line with Financing Agreement (FA) and incorporated the elements of Programme Design Report (PDR) document. This document has been approved by the Government of Nepal (GoN), Ministry of Agriculture and Livestock Development (MoALD) on 2082/08/09 BS (25th November 2025 AD) with IFAD's no objection (NO) on 2082/07/19 BS (5th November 2025 AD).


This is a living document, that can be subject to amendments as per necessity during the implementation. Such amendments shall be operational only after approval from the MoALD with IFAD's NO.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)






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CONTENTS

LIST OF TABLES AND FIGURES	5
ABBREVIATIONS AND ACRONYMS	6
1. INTRODUCTION	9
1.1 Programme Implementation Manual (PIM)	9
1.2 Purpose of PIM	9
1.3 Framework of PIM	9
2. PROGRAMME SUMMARY	10
2.1 Background	10
2.2 Rationale	10
2.3 Goal and objective	10
2.4 Programme area	10
2.5 Programme participants and outreach	11
2.6 Programme approach	11
2.7 Programme components	12
2.8 Programme outcomes, indicators and targets	14
2.9 Programme duration	15
2.10 Implementation arrangements	15
2.11 Programme costs and financing	15
3. TARGETING STRATEGY	16
3.1 Self-targeting	16
3.2 Geographic targeting	16
3.3 Economic targeting	19
3.4 Gender and social inclusion (GESI):	19
3.5 LF and agri-entrepreneurs (Transformation drivers):	20
3.6 PO graduation:	20
3.7 Orientation and outreach:	20
4. PROGRAMME IMPLEMENTATION APPROACH	21
5. PROGRAMME COMPONENTS AND ACTIVITIES	23
5.1 Component 1: Enhanced capacities for transitioning to market oriented agroecological production systems	23
5.1.1 Sub-component 1.1: Decentralised agroecological planning and coordination	23
5.1.2 Sub-component 1.2: Knowledge and capacity for establishing agro-ecology farming	27
5.1.3 Sub-component 1.3: Market-oriented agroecological production expanded	32
5.1.4 Sub-component 1.4: Micro, small and medium enterprises (MSME) ecosystem for agricultural service market strengthened	38
5.2 Component 2: Improved access to climate-resilient productive infrastructure	39
5.2.1 Sub-component 2.1: Water-related infrastructure	40
5.2.2 Sub-component 2.2: Market-led productive infrastructure	40
5.3 Component 3: Improved wholesale aggregation and distribution of agroecological commodities for domestic and export markets	41
5.4 Component 4: Strengthened policies, regulations and institutions for smallholder agroecological production and trade	46
5.4.1 Sub-Component 4.1: Support to review of policies and regulations for stimulating smallholder agroecological production and trade	46
5.4.2 Sub-Component 4.2: Trade facilitations and negotiation	47
5.5 Programme management, monitoring and evaluation, knowledge management and learning	49
6. ORGANISATIONAL FRAMEWORK AND IMPLEMENTATION ARRANGEMENT	51
6.1 Implementation structure	51
6.2 Steering committees	51
6.3 Management structures	52

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

3


सचिव

डा. मदन प्रसाद परियार
उप सचिव तथा पशुपक्षी विकास मन्त्री

6.4 Programme staffing	57
7. PLANNING, COORDINATION, MONITORING, EVALUATION AND KNOWLEDGE MANAGEMENT	57
7.1 Planning	57
7.1.1 Annual Work Plan and Budget (AWPB)	57
7.2 Coordination	58
7.2.1 Coordination among the three tiers of governments	58
7.2.2 Coordination among the stakeholder	59
7.3 Monitoring and Evaluation (M&E)	61
7.3.1 Monitoring	61
7.3.2 Annual and periodic reporting	62
7.3.3 Supervision	63
7.3.4 Evaluation	63
7.4 Knowledge management and learning	64
8. FINANCIAL RESOURCE MANAGEMENT	65
8.1 Financial resources	65
8.1.1 Programme cost by components and financers	65
8.1.2 Programme cost by expenditure categories and financers	66
8.1.3 Programme cost by components and year	66
8.2 Disbursement arrangements and flow of funds	67
8.2.1 Disbursement arrangements	67
8.2.2 Flow of funds	68
8.3 Accounting system and financial reporting	69
8.3.1 Accounting systems	69
8.3.2 Internal control	69
8.3.3 Audit compliance, content and accountability	70
8.3.4 Financial reporting	70
8.4 Procurement procedure	71
9. SUSTAINABILITY AND EXIT STRATEGY	72
9.1 Sustainability	72
9.2 Exit strategy	72
10. GRIEVANCE HANDLING	74
11. PROGRAMME RISK AND MITIGATION MEASURES	75

Annex-I: Co-Investment and Infrastructure Development Guideline

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Programme Co-ordinator


सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

LIST OF TABLES AND FIGURES

Table 1. Programme outcome, indicators and targets.....	14
Table 2. List of prioritized Palikas along with districts and provinces for programme implementation.....	18
Table 3. Indicative activities under sub-component 1.1.....	25
Table 4. Indicative activities under sub-component 1.2.....	30
Table 5. Indicative diversified agroecological production packages.....	35
Table 6. Indicative activities of market-oriented agroecological production.....	37
Table 7. Indicative activities of MSME ecosystem strengthening.....	39
Table 8. Indicative activities under climate-resilient productive infrastructure.....	41
Table 9. Semlar Market key Activities by phases.....	43
Table 10. Implementation steps for the Semlar Wholesale Market.....	44
Table 11. Indicative activities under component 4.....	48
Table 12. Indicative activities under programme management, M&E, knowledge management and learning....	49
Table 13. Role and responsibilities of stakeholders.....	59
Table 14. R-HVAP total budget (USD in million).....	65
Table 15. Programme cost by components and financiers (USD in million).....	65
Table 16. Programme cost by expenditure categories and financiers (USD in million).....	66
Table 17. Programme cost by components and year wise overview (USD in million).....	67
Figure 1. R-HVAP's target provinces.....	11
Figure 2. R-HVAP implementing districts.....	17
Figure 3. Theory of change.....	22
Figure 4. MSP stakeholders.....	33
Figure 5. MSP and B2B interaction sequence to Product delivery.....	34
Figure 6. Implementation structure of R-HVAP.....	55
Figure 7. Organogram of R-HVAP.....	56
Figure 8. Planning of R-HVAP activities.....	58
Figure 9. Data management framework of R-HVAP.....	62
Figure 10. Flow of funds.....	69


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)


सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपक्षी विकास मन्त्री

ABBREVIATIONS AND ACRONYMS

%	Percentage
AECD	Agroecological Cluster Delineation and Analysis
ADBL	Agriculture Development Bank Limited
AEPC	Alternative Energy Promotion Center
ASDP	Agriculture Sector Development Programme
ASHA	Adaptation for Smallholders in Hilly Areas Project
AT	Agriculture Technician
AWPB	Annual Workplan and Budget
B2B	Business-to-Business
B2S	Business-to-Service
CAL	Central Agricultural Laboratory
CBD	Convention on Biological Diversity
CGAS	Computerize Government Accounting System
CM	Community Mobiliser
CO	Corridor Office
DFTQC	Department of Food Technology and Quality Control
DLS	Department of Livestock Services
DoA	Department of Agriculture
DoC	Department of Customs
DPR	Detailed Project Report
DTCO	District Treasury Controller Office
DUDBC	Department of Urban Development and Building Construction
EIA	Environmental Impact Assessment
EoI	Expression of Interest
ESCMP	Environmental, Social and Climate Management Plan
FA	Financing Agreement
FAO	Food and Agriculture Organization
FCGO	Financial Comptroller General Office
FEBL	Financial Education and Business Literacy
FMIS	Financial Management Information System
FNCCI	Federation of Nepalese Chambers of Commerce & Industry
GALS	Gender Action Learning System
GB	Gene Bank
GESI	Gender Equality and Social Inclusion
GoN	Government of Nepal
GRM	Grievance Redress Mechanism
GTI	Geographic Targeting Index
Ha	Hectares
HH	Household
HVAP	High Value Agriculture Project in Hill and Mountain Areas
HVC	High Value Commodity
ICP	IFAD Collaboration Platform
ICT	Information and Communication Technology
IFAD	International Fund for Agricultural Development

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Programme Co-ordinator
(Joint Secretary)

सचिव
डा. मदन प्रसाद परियार
कृषि तथा पशुपक्षी विकास मन्त्री

IFRs	Interim Financial Reports
IPM	Integrated Pest Management
IPRM	Integrated Project Risk Matrix
KM	Knowledge Management
KMS	Knowledge Management Strategy
KUBK	Improved Seed for Farmer Programme
LF	Lead Farmer
LMBIS	Line Ministry Budget Information System
M	Meter
m ²	square meter
M&E	Monitoring and Evaluation
MAPs	Medicinal and Aromatic Plants
MFIs	Micro Finance Institutions
MIS	Management Information System
MoALD	Ministry of Agriculture and Livestock Development
MoEWRI	Ministry of Energy, Water Resources and Irrigation
MoF	Ministry of Finance
MoFE	Ministry of Forests and Environment
MOGAP	Market Operational Guideline and Action Plan
MoICS	Ministry of Industry, Commerce and Supplies
MoLMAC	Ministry of Land Management, Agriculture and Cooperative
MoUD	Ministry of Urban Development
MMC	Market Management Committee
MSME	Micro, Small and Medium Enterprise
MSP	Multi-Stakeholder Platform
mt	metric ton
MTEF	Medium Term Expenditure Framework
MTR	Mid-Term Review
MUS	Multi-Use water Systems
NARC	Nepal Agricultural Research Council
NDC	Nationally Determined Contribution
NO	No Objection
NPC	National Planning Commission
NTFPs	Non-Timber Forest Products
NUS	Neglected and Under-utilized Species
O&M	Operations & Maintenance
OPEN	Online Project Procurement End-to-End System
PAP	Palika Agroecological Plan
PAR	Participatory Action Research
PCO	Programme Coordination Office
PCR	Programme Completion Report
PDR	Programme Design Report
PEP	Policy Engagement Plan
PGS	Participatory Guarantee System
PIM	Programme Implementation Manual
PLMBIS	Provincial Line Ministry Budget Information System


Gokul Prasad Bhandari
Programme Co-ordinator
(Joint Secretary)

7


सचिव
डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री



PMO	Provincial Programme Management Office
PO	Producer organizations
PP	Procurement Plan
PPSC	Provincial Programme Steering Committee
PQPMC	Plant Quarantine and Pesticide Management Centre
PSC	Programme Steering Committee
PwD	Persons with Disabilities
RET	Renewable Energy Technology
R-HVAP	Resilient High Value Agricultural Programme
SECAP	Social, Environmental and Climate Assessment Procedure
SMCC	Semlar Market Coordination Committee
SPIU	Semlar Market Sub-Programme Implementation Unit
SPS	Sanitary and Phytosanitary
SQCC	Seed Quality Control Center
TA	Technical Assistance
TEPC	Trade and Export Promotion Center
ToR	Terms of References
ToT	Training of Trainers
USD	United States Dollar
VITA	Value chains for Inclusive Transformation of Agriculture
WA	Withdrawal Application
WUC	Water User Committee
WWTP	Waste Water Treatment Plant

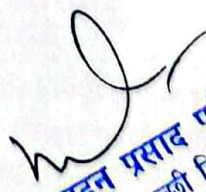
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Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

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1. INTRODUCTION

The Government of Nepal (GoN) and International Fund for Agricultural Development (IFAD) have signed the Financing Agreement (FA) for the implementation of the Resilient High Value Agricultural Programme (R-HVAP) on 15th November, 2024 at Kathmandu, Nepal and Rome, Italy with the objective of reducing poverty and improving resilience of small holder farmers by transforming agriculture into inclusive, agroecological and profitable agri-food systems. R-HVAP adopts a stratified approach to target poor smallholder farmers, Producer Organizations (POs) and Micro, Small and Medium Enterprises (MSMEs) while ensuring the participation of women and youth. It is designed as a foundation building initiative that establishes the necessary capacity, service provision, infrastructure and enabling policy and regulatory frameworks for initiating the transition towards self-reliant agroecological farming systems that produce a range of commodities for domestic and export markets. The programme will cover three provinces in Western Nepal: Lumbini, Karnali and Sudurpashchim and operates in 80 Local levels (Palikas). The Ministry of Agriculture and Livestock Development (MoALD) is the lead programme agency and will work in coordination with the Ministry of Finance (MoF), the Ministry of Urban Development (MoUD), the Ministry of Industry, Commerce and Supplies (MoICS), the provincial Ministries of Agriculture and other relevant agencies/stakeholders.

1.1 Programme Implementation Manual (PIM)


The Programme Implementation Manual (PIM) serves as an initial guiding document for all programme components and will be a roadmap for smooth and consistent implementation of programme activities. It aims to enhance the capacity and understanding of the Programme Coordination Office (PCO), Semlar Market Sub-Project Implementation Unit (SPIU), Provincial Programme Management Offices (PMOs), Corridor Offices (COs) and the stakeholders on the aspects related to programme implementation. It includes brief summaries of the concept and rationale of the programme and sets out principles with detailed procedures needed for programme implementation. It is prepared as a fulfilling provision of FA's schedule 1, part II, clause 11 in line with elements of the Programme Design Report (PDR) and feedbacks collected from different stakeholders. It is a living document and will be subject to periodic review and updating.

1.2 Purpose of PIM

The overall purpose of the PIM is to provide comprehensive guidelines for the effective implementation of the programme. It aims to enhance the understanding of the programme and seeks to promote good management practices by fostering uniformity in understanding among stakeholders through collaboration and consistency.

1.3 Framework of PIM

This manual consists of eleven (11) sections; viz. (i) Introduction, (ii) Programme summary, (iii) Targeting strategy, (iv) Programme implementation approach, (v) Programme components and activities, (vi) Organizational framework and implementation arrangement, (vii) Planning, coordination, monitoring, evaluation and knowledge management, (viii) Financial resource management, (ix) Sustainability and exit strategy, (x) Grievance handling and (xi) Programme risk and mitigation measures.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

9


 सचिव


 डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्छी विकास मन्त्री

2. PROGRAMME SUMMARY

2.1 Background

R-HVAP has been developed in alignment with the GoN's current policy priorities and strategic objectives, including its Long-Term Vision-2043, the Fifteenth Plan and the Sixteenth Plan. The programme will directly contribute to federal and provincial agricultural development strategies, ensuring coherence with Nepal's decentralized governance framework.

The programme also supports the strategic objectives of IFAD's country strategic opportunities programme; accelerated inclusive and sustainable rural economic growth and recovery through greater market participation, improved resilience of rural communities to the impacts of climate change and to economic and other shocks; and strengthened rural and community institutions to effectively meet development needs under the decentralized federal system. This integrated approach ensures R-HVAP fosters holistic rural transformation anchored in national and international frameworks.

2.2 Rationale

Agriculture, employing 50.4% of country's workforces, is vital but faces significant challenges. Dominated by small-scale, subsistence farmers, the sector struggles with fragmented landholdings, labor shortages, poor infrastructure and limited access to finance, markets and advisory services. Farmers are facing risks due to volatile production, high post-harvest losses, inadequate storage/processing and inefficient market linkages which are further exacerbated by climate change. Further, commercialization is hindered by unsupportive policies and decreased private investment.

The workforce is increasingly feminized due to male migration, yet women face severe disadvantages: 76% are unpaid, only 10% own farms and lack access to land, finance, services and decision-making due to socio-cultural barriers. Rural youth also struggle, with limited education, training, employment and civic engagement, driving migration that further depletes agricultural labor.

Transitioning to a resilient, self-reliant and sustainable agricultural system is thus imperative. This requires shifting from conventional practices to a market-oriented agroecological approach. Focusing on producing "safe food" driven by demand will enhance productivity and food security. This transformation promises increased production, revenue generation, import substitution, export growth, reduced trade deficits, improved environmental health and greater resilience to climate shocks and other disruptions.

2.3 Goal and objective

The goal of the programme is to reduce poverty and improve resilience of smallholder households (HHs) while, the objective is to support smallholder farming transition towards sustainable food systems that are profitable, inclusive and agroecological.

2.4 Programme area

The programme will cover three provinces in Western Nepal: Lumbini, Karnali and Sudurpashchim and operates in 80 Local levels (Palikas). The provinces have been selected

Gokul Prasad Bhandari
Programme Co-ordinator
(Joint Secretary)

10

सचिव
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based on the highest incidence of multi-dimensional poverty, impacts of COVID-19 on rural livelihoods, location of the Semlar Regional Wholesale Market for national and international distribution and a landscape perspective to facilitate the building of an agroecological foodshed.

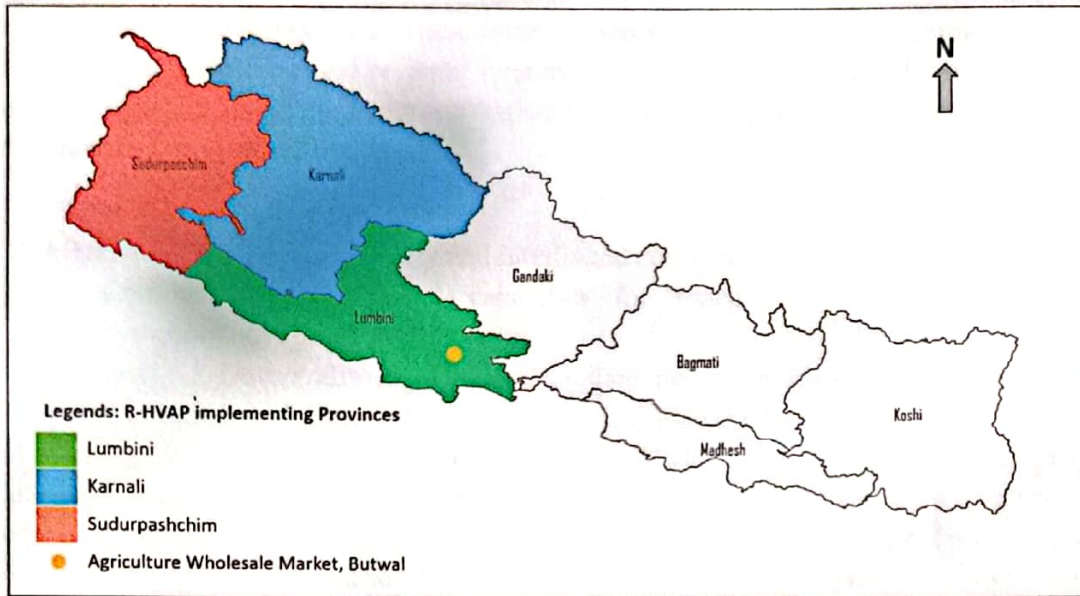


Figure 1. R-HVAP's target provinces

2.5 Programme participants and outreach


R-HVAP is estimated to support 60,000 HHs or 258,000 individuals. Of these, 45,000 HHs will benefit from market-oriented agroecological production packages, whereas 15,000 HHs from capacity building and extension services, demonstration farms, market and service linkages and from public infrastructures.

The primary beneficiaries of the programme will be poor smallholder HHs engaged in mixed farming systems and deriving most of their income from agricultural production at different scales: subsistence, semi-commercial and commercial. Women-headed HHs, women farmers, youth (including returnee migrants) and minority communities (dalits and janajatis/indigenous people) will be prioritized. Women and youth will constitute at least 50% and 40% of the total programme participants respectively.

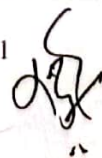
In line with the new IFAD Targeting Policy (EB 2023/138/R.3), R-HVAP will provide need-based services for: (i) ultra-poor; (ii) poor (including both poor and medium poor); and (iii) near-poor HHs. Poor and ultra-poor farmers will together constitute 80% of programme participants.

2.6 Programme approach

The programme is based on agroecological approach of farming that will contribute to enhance product quality and therefore will allow producers to access better remunerative markets, both domestically and internationally. By promoting the production and use of bio-inputs, the programme will facilitate the expansion of certified organic production that can access foreign markets and fetch higher prices for smallholders and generate foreign currency inflows. Agroecology is an innovative approach that has become a holistic approach over time as the



Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

11








डॉ. मदन प्रसाद परियार
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integration of ecology, economy and society in food systems. Agroecological transition can be realized gradually by increasing efficiency and recycling the use of resources leading to substitution and reduction of synthetic chemical inputs and redesigning the farming system according to ecological processes. These interventions ultimately promote commercialization and transformation of local and regional food systems. This programme will create the basis foundation required for long term agroecological transition which will be complemented by the later programme/project efforts.

2.7 Programme components

R-HVAP features four complementary and interlinked components.

- i. Component 1: Enhanced capacities for transitioning to market oriented agroecological production systems.

Sub-component 1.1. Decentralised agroecological planning and coordination: The programme will support formulating 5-Year Palika Agroecological Plans (PAPs) for selected Palikas via local planning, facilitated by PMOs and COs. PAPs will identify potential participants, High-Value Commodities (HVCs), best farm practices, market demands, compliance standards, enterprise opportunities and infrastructure needs. Priorities eligible for R-HVAP financing will be consolidated with the annual local planning process to leverage Local level co-investment and integrate into Local level development plans.

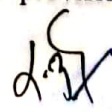
Sub-component 1.2. Knowledge and capacity for establishing agroecological farming: R-HVAP will leverage existing sustainable agriculture knowledge by upgrading resources and disseminating practices via Training of Trainers (ToT) for Officers, Agriculture Technicians (ATs) and Community Mobilisers (CMs) along with technicians of Palikas. It will establish one agroecological demonstration farm in each Palika with lead farmers (LFs), combined with technical training, Financial Education & Business Literacy (FEBL) and Gender Action Learning System (GALS) to empower women and enhance HHs skills. The sub-component includes youth agroecology apprenticeships and Farmer-to-Farmer exchanges to build a community-of-practice. Additionally, participatory research activities will monitor ecological/economic/social impacts of market-oriented agroecology.

Sub-component 1.3. Market-oriented agroecological production expanded: In this component, the programme will support at least 1,600 POs, representing approximately 45,000 HHs. Multi-Stakeholder Platforms (MSPs) will link POs with MSMEs and buyers via prioritized Business-to-Business (B2B) and Business-to-Service (B2S) linkages, leveraging private sector market intelligence for planning and investment decisions. Guided by PAPs, R-HVAP will co-invest PO's capacity building and farm-level investments in agroecological practices for identified production packages. Special co-investment packages will be made available for ultra-poor and poor HHs through inclusion fund while all category of participants will be encouraged to acquire loans from cooperatives and financial institutions including support from IFAD's Value chains for Inclusive Transformation of Agriculture (VITA) programme.


Sub-component 1.4. MSME ecosystem for agricultural service market strengthened: The programme will mobilize PMO's experts to develop MSME services supporting agroecological value chains. Co-investment will target decentralized bio-input production units and post-harvest value-addition services through different provisions of co-investment. Supported


 Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

12






 डा. प्रसाद प्रसाद
 तथा परामुखी विकास मन्त्री

MSMEs must serve R-HVAP beneficiaries proportionally, initially reaching 25,000 HHs, with scaling strategies for broader outreach. Additionally, youth initiatives include Agri-TVET skills training (400 youth) and business incubation for enterprise development (300 youth).

ii. **Component 2: Improved access to climate resilient productive infrastructure.**
R-HVAP will fund for the development of infrastructure to complement production activities under sub-component 1.1. Under the PAP process, climate resilient infrastructure for smallholders and POs will be identified and selected. These will include: (i) water related systems such as small-scale irrigation schemes, water storage facilities, multi-use water systems (MUS) etc.; (ii) collection points and storage facilities for efficient commodity aggregation; and (iii) post-harvest primary processing facilities. All infrastructure interventions will be synergetic with other programme interventions and include Operations and Maintenance (O&M) measures. Renewable Energy Technologies (RETs) will be supported for lift irrigation, primary processing and postharvest handling activities.

iii. **Component 3: Improved wholesale aggregation and distribution of agroecological commodities for domestic and export markets.**

R-HVAP will support the first phase of the construction of the Semlar Agriculture Regional Wholesale Market in Butwal Sub-Metropolitan City, Lumbini province. The proposed market will facilitate the aggregation of commodities from a large catchment area, targeting R-HVAP supported POs, for improving distribution of agroecological commodities to both domestic and export markets.

iv. **Component 4: Strengthened policies, regulations and institutions for smallholder agroecological production and trade.**

R-HVAP will work to establish and strengthen enabling policies, regulations and other supporting frameworks for profitable smallholder agroecological production, facilitated by participating institutions and communities. In addition, to support export of agricultural produce, the programme will establish certification systems, enhance the capacity for compliance with Sanitary and Phytosanitary (SPS) measures, support trade facilitation and negotiations and participation in national/international trade events as well as ethnical and bio-trade fairs.

v. **Programme management, monitoring and evaluation, knowledge management and learning.**

It establishes the core structure and systems for effective programme delivery, continuous learning and adaptive management. Implementation is driven by a defined institutional setup comprising the PCO, SPIU, PMOs/COs in Lumbini, Karnali and Sudurpashchim, governed by Programme Steering Committee (PSC), Semlar Market Coordination Committee (SMCC) and Provincial Programme Steering Committees (PPSCs) respectively. A robust M&E system ensures transparency and accountability, tracking progress against targets while proactively identifying risks and verifying mitigation measures. This is complemented by evidence-based knowledge management (KM) which systematically captures, analyses and disseminates lessons to enhance intervention effectiveness throughout implementation. Essential manuals and guidelines, developed as integral annexes to this PIM, underpin operational integrity, ensuring fairness, transparency, accountability and sustainability across all activities.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

13




सचिवडा. मयल प्रसाद परियार
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2.8 Programme outcomes, indicators and targets

The programme has four major outcomes targeting 60,000 HHs, organized as components as well as indicators and targets listed below.

Table 1. Programme outcome, indicators and targets

Outcomes	Outcome Indicators	Target	
Component 1: Enhanced capacities for transitioning to market oriented agroecological production systems	HHs satisfied with programme-supported services	70%	42,000 HHs
	HHs reporting they can influence decision-making of local authorities and programme-supported service providers	60%	36,000 HHs
	Persons with new jobs/employment opportunities	50%	30,000 HHs
	Supported rural enterprises reporting an increase in profit	70%	42,000 HHs
	Rural POs reporting an increase in sales	70%	42,000 HHs
	HHs reporting adoption of environmentally sustainable and climate-resilient technologies and practices	70%	42,000 HHs
	Number of HHs reporting market-oriented diversification of production	70%	42,000 HHs
	Total private investment in value chains by smallholder producers, MSMEs and other actors	-	USD 30 million
	Land brought under climate-resilient management (ha)	-	13,500
Component 2: Improved access to climate resilient productive infrastructure	HHs reporting improved physical access to markets, processing and storage facilities	70%	42,000 HHs
	Market-led infrastructures (Number)	-	135
	Area under irrigation (ha)	-	2,400
	Local governments co-financing Palika Agroecological Plans (PAPs)	-	50
Component 3: Improved wholesale aggregation and distribution of agroecological commodities for domestic and export markets	Semlar agricultural wholesale market constructed	1	
	Number of supported commodities (Agroecologically produced) accessing export markets through Semlar Regional Wholesale Market	5	
Component 4: Strengthened policies, regulations and institutions for smallholder	Existing/new laws, regulations, policies or strategies proposed to policy makers for approval, ratification or amendment	8	
	Domestic	80	


 Gokul Prasad Bohara
 Programme Co-ordinator
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 कृषि तथा पशुपन्छी विकास मन्त्री

Outcomes	Outcome Indicators		Target
agroecological production and trade	Number of rural PO and MSME representatives participating in trade fairs and events	International	40

2.9 Programme duration

R-HVAP is a foundation building initiative that establishes the necessary capacity, service provision, infrastructure, enabling policy and regulatory frameworks for initiating the transition towards self-reliant agroecological farming systems that produce a range of commodities for domestic and export markets. Therefore, as the first phase, it covers a period of eight (8) years starting from 2024 till 2033 AD.

2.10 Implementation arrangements

The MoALD will serve as Lead Programme Agency, collaborating with the MoICS, Department of Urban Development and Building Construction (DUDBC) of the MoUD, Provincial Ministries of Agriculture and other stakeholders, while the MoF provides overall oversight. Governance includes a PSC chaired by MoALD's Secretary with representatives from MoF, MoICS, Ministry of Forests and Environment (MoFE) and DUDBC/MoUD, alongside three PPSCs in Lumbini, Karnali and Sudurpashchim chaired by Provincial Secretaries of ministry related with agriculture and representatives of relevant ministries of provinces. Implementation structures comprise a PCO hosted by MoALD, a SPIU under DUDBC/MoUD, three PMOs and three COs under Provincial Ministries of Agriculture. These implementation structures will have government seconded staffs supported by auxiliary staffs in the three key areas of the programme: agroecology, PO professionalization and MSME development.

2.11 Programme costs and financing

The total cost of the programme is estimated at USD 120.97 million. The financiers and contributions are: (i) IFAD loan USD 70.93 million (58.6%); (ii) GoN USD 24.59 million (20.3%) comprising of, (a) USD 19.59 million (16.2%) covering duties, taxes, salary and operational cost of deputed staff and (b) USD 5.0 million (4.1%) cash contribution for the Semlar wholesale market; (iii) provincial government USD 0.5 million (0.4%); (iv) local government/Palikas USD 1.52 million (1.3%); (v) PO-HHs USD 20.87 million (17.3%); and (vi) MSMEs USD 2.56 million (2.1%). Similarly, programme cost for component 1 is USD 66.055 million (54.61%), component 2 is USD 10.081 million (8.33%), component 3 is USD 31.25 million (25.83%), component 4 is USD 1.367 million (1.13%) and USD 12.217 million (10.10%) for Programme management, monitoring and evaluation, knowledge management and learning.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

15


 सचिव


 डा. मदन प्रसाद पुरियार
 कृषि तथा पशुपन्थी विकास मन्त्री

3. TARGETING STRATEGY

The main target group of R-HVAP will consist of poor smallholder HHs engaged in mixed farming systems organized in POs which are groups, cooperatives, committees, association or any other organized structures present in programme area that are registered in concerned authorities and willing to participate in production activities. Similarly, the programme will work with MSMEs to boost production, improve input production and supply, carry out marketing functions and provide different services to POs. MSMEs are private entities including commodity associations and cooperatives legally registered in concerned authorities that are or will carry out entrepreneurship functions in R-HVAP provinces.

The programme will apply a combination of self-targeting and direct targeting methods. Some activities like PAPs, community irrigation, small-scale cold storage and market infrastructure will be of interest for the community as a whole, while some activities will focus on women, youth and transformation drivers. Similarly, activities to utilize fallow land will also be prioritized. In any case the programme will ensure that benefits will reach to the most needy, vulnerable and disadvantaged groups of the programme area while facilitating value chain development through B2B and B2S linkages. Women, youth, indigenous (janajati) and dalit communities will be prioritized.

The programme will apply a combination of targeting, HH mentoring and monitoring strategies to involve the poor and facilitate social inclusion. Targeting strategy will include: i) Self-targeting; ii) Geographic targeting; iii) Economic targeting; and iv) Gender and social inclusion (GESI).

3.1 Self-targeting

The programme will mainly work with POs (approximately 2,200) composed of members with diverse socio-economic backgrounds (ultra-poor, poor and near-poor), gender and age groups. POs composition will be driven by self-targeting principles. POs will conduct participatory wellbeing ranking of their member HHs for poverty classification (ultra-poor, poor and near-poor).

3.2 Geographic targeting

R-HVAP has adopted an agroecological cluster-based approach for geographic targeting. The Geographic Targeting Index (GTI) developed for the selection of Palikas has included following criteria: (i) presence of target groups (poor and vulnerable communities, women and youth); (ii) production potential; (iii) market accessibility; (iv) presence of ongoing or recently completed IFAD-financed programmes (ASDP, ASHA and Improved Seed for Farmer Programme- KUBK); and (v) agroecology potential. Palikas with the highest scores were identified based on the GTI. Palikas with lesser scores but adjacent to Palikas with high GTI scores were also prioritized as a means to create a contiguous agroecological cluster. A total of 80 Palikas (Karnali-32, Lumbini-31 and Sudurpashchim-17) have been prioritized for implementation listed in the table 2. In addition, Semlar Market will be constructed in Butwal Sub-metropolitan City, Rupandehi.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

16

सचिव


डा. मदन प्रसाद पौड्याल
कृषि तथा पशुपन्छी विकास मन्त्री

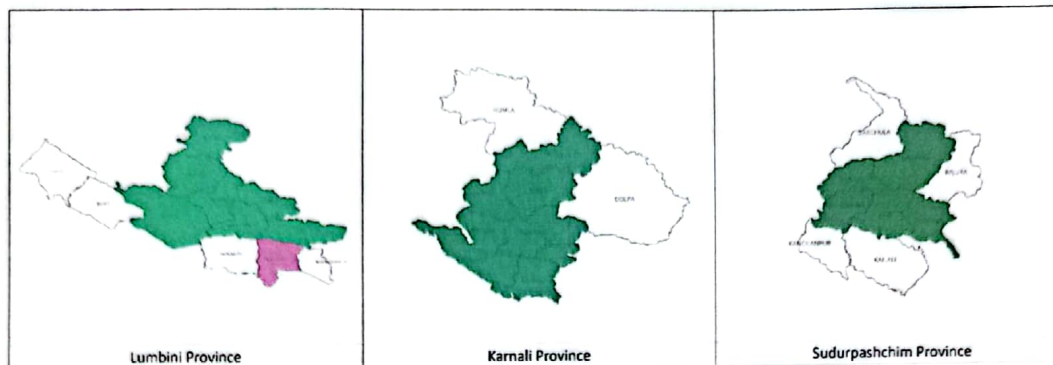


Figure 2. R-HVAP implementing districts

Agroecological cluster delineation and analysis (AECDA) of 80 Palikas will be done to demarcate and analyse agroecological production clusters for priority commodities that have proven domestic and export market demand. The prioritization and selection of clusters within the Palikas will be done using the following criteria: (i) poverty incidence; (ii) presence and maturity of POs; (iii) proximity to road corridors; and (iv) credible market opportunities where smallholders can profitably compete. More remote clusters will be brought into operation once the supply chains adjacent to road corridors are operational.

PPSC will determine the annual rollout schedule for Palikas under the programme and create a prioritized list tagging each Palika with its specific implementation year based on following indicators.

- Accessibility of the road and the market
- Commitment of the Palikas
- Progress in farmers registration programme initiated by MoALD
- Presence of the targeted groups (disadvantaged, Dalits, indigenous and other)
- Avoiding duplication with another programme
- Other criteria felt necessary by the PPSC

During this process, PPSC will ensure that all 80 Palikas will be covered within third year of the implementation. The PMO will forward the prioritized list to PCO for necessary facilitation and information. In course of implementation, if any prioritized Palika shows unwillingness to formulate PAP or does not adhere to the PAP, the programme will switch to another Palika through process of new Palika selection.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

17


 सचिव



 डा. मदन प्रसाद
 कृषि तथा पशुपन्छी विकास मन्त्री

Table 2. List of prioritized Palikas along with districts and provinces for programme implementation

S. N.	Provinces	Districts	Palikas	S. N.	Provinces	Districts	Palikas	
1	Karnali	Dailekh	Aathabis	42	Sudur-pashchim	Palpa	Musikot	
2			Bhagawatimai	43			Satyawati	
3			Bhairabi	44			Mathagadhi	
4			Mahabu	45			Purbakhola	
5		Jajarkot	Junichande	46		Pyuthan	Rambha	
6			Nalagad	47			Rampur	
7			Shiwalaya	48			Ayirabati	
8		Jumla	Chandannath	49		Pyuthan	Gaumukhi	
9			Hima	50			Jhimruk	
10			Kanakasundari	51			Mallarani	
11			Patrasi	52			Mandavi	
12			Sinja	53			Sarumarani	
13			Tila	54			Rolpa	Lungri
14		Kalikot	Raskot	55		Madi		
15			Sanni Tribeni	56		Pariwartan		
16			Tilagufa	57		Runtigadi		
17		Mugu	Khatyad	58		Rukum east		Sukidaha (Gangadev)
18		Rukum West	Aathbiskot	59				Suwarnabati (Sunilsmriti)
19			Banfikit	60				Tribeni
20			Sani Bheri	61		Bhume		
21		Salyan	Bagchaur	62		Rupandehi*	Putha Uttar ganga	
22			Bangad Kupinde	63			Sisne	
23			Chhatreshwori	64		Rupandehi*	Butwal (Semlar Market)	
24			Darma	B			Sub-total	8 districts
25			Kalimati	65		Sudur-pashchim	Accham	Dhakari
26			Siddha Kumakha	66				Kamalbazar
27		Surkhet	Barahtal	67				Mellekh
28			Chaukune	68				Turmakhad
29			Chingad	69			Baitadi	Purchaudi
30			Gurbhakot	70				Sigas
31			Lekbeshi	71			Bajhang	Bithadchir
32			Panchpuri	72				Bungal
A	Sub-total	8 districts	32 Palikas	73	Chabispathivera			
33	Lumbini	Arghakan chi	Bhumekasthan	74	Durgathali			
34			Chhatradev	75	Kedarseu			
35			Malarani	76	Thalara			
36		Dang	Banglachuli	77	Dadeldhura		Ajaymeru	
37		Gulmi	Chandrakot	78			Nawadurga	
38			Chatrakot	79	Doti	Badikedar		
39			Dhurkot	80		Bogtan		
40			Isma	81		Jorayal		
41			Madane	C	Sub-total	5 districts	18 Palikas	
				Total (A+B+C)	21 districts	81 Palikas		


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)


सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री

3.3 Economic targeting

During the course of the programme implementation, R-HVAP will facilitate the conduction of the wellbeing ranking survey to classify smallholder. The HHs will be classified based on extent of their engagement in agriculture and food sufficiency.

- a) **Ultra-poor HHs:** These vulnerable HHs experience severe food insecurity (<3 months sufficiency from all sources) due to socioeconomic disadvantage and social exclusion (e.g., landless, Persons with Disabilities-PwD, women-headed HHs, dalit, janajati). Income relies on agricultural labour, irregular farm earnings and potential government support. Limited by fragmented, marginal land and lack of inputs/motivation, they rely on traditional subsistence farming. They represent 5-10% of target HHs but have potential for increased production with improved water access, inputs, capacity building and financial support.
- b) **Poor HHs (including medium-poor):** These HHs maintain moderate food security (3-12 months sufficiency) through combined agriculture/forestry, off-farm work and seasonal remittances. Typically farming ≤ 0.7 ha, they grow vegetables and raise modest livestock herds (e.g., buffaloes, goats) using rangelands. Constituting 70-75% of target HHs, their productivity is limited by unreliable water access and irrigation.
- c) **Near-poor HHs:** They have more than 12 months of food sufficiency from their own farm production and all other sources of income. However, they are only marginally above the poverty line and lack affordable inputs, finance, connectivity to networks and markets, technical capacity and scale. They are full time involved in agriculture production and have the potential to provide consistent increased volumes and quality of their output to meet safety compliance standards and market requirements. They represent 20% of the targeted HHs.

3.4 Gender and social inclusion (GESI):

- a) **Inclusion of women:** Women will constitute $\geq 50\%$ of participants (~30,000; including 9,000 women-headed HHs). Under Component 1, they will be organized into producer groups to receive tailored training on agroecology opportunities. Training covers improved production (via demonstration farms), FEBL-GALS-lite and leadership development. Leadership focus ensures women's active participation in PAP formulation and MSPs to embed their perspectives at all levels.
- b) **Inclusion of youth:** Youth will be organized into groups based on interests and participation levels (e.g., existing farmers, agri-entrepreneurs, labourers, returning migrants). At least 40% (24,000 aged 16-40) will join POs for market-oriented agroecological training under Component 1. Similarly, youths will receive targeted support through vocational training, business incubation and agroecology apprenticeships with LFs. These direct interventions will enable enterprise development/self-employment for 2,000 young entrepreneurs and skilled employment for 1,000 youth. This set of direct targeted activities will support: (i) enterprise development and self-employment for 2,000 youths and (ii) employment for 1,000 youth trained in skills development, including apprenticeships.

Moreover, the programme will develop a gender, youth and social inclusion strategy during the implementation.


 Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

19





सचिव
 मदन प्रसाद परियार
 कृषि तथा पशुपन्छी विकास मन्त्री

3.5 LF and agri-entrepreneurs (Transformation drivers):

LFs are experienced, progressive practitioners who train, mentor and demonstrate improved agricultural methods, driving knowledge transfer and innovation adoption. Similarly, agri-entrepreneurs combine farming with business acumen to enhance profitability and sustainability. Both will serve as transformative agents in commercial clusters, demonstrating agroecology's viability to increase rural resilience and create development pathways for the poor through market-led enterprise development.

3.6 PO graduation:


Starting with the existing POs, the programme employs a 'graduation' strategy to maximize inclusion of disadvantaged individuals and HHs. POs will be formed inclusively, uniting like-minded small-scale producers within communities who possess varying resource levels and starting incomes. Initially, more capable and less risk-averse producers will self-mobilize into groups to establish joint market linkages. As buyer and service provider relationships solidify, poorer or risk-averse individuals will be progressively integrated into these POs with active support from the programme and existing members. This phased growth enables POs to achieve operational scale, attract enhanced buyer/service provider interest and extend benefits to all members.

3.7 Orientation and outreach:

The targeting strategy centres on intensive initial mobilization in all clusters, led by PMOs/COs. This includes focused discussions with women, youth, indigenous groups, dalits and other marginalized communities. Beneficiary selection follows: (i) programme introduction campaigns; (ii) participatory HH wellbeing ranking for poverty classification; and (iii) validation by local leaders to ensure inclusion integrity.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)


 सचिव


 डा. मदन मसाद मरियार
 कृषि तथा पशुपल्ली विकास मन्त्री

4. PROGRAMME IMPLEMENTATION APPROACH

The R-HVAP is anchored in a transformative theory of change designed to transition Nepal's smallholder farming systems into resilient, inclusive and profitable agroecological food systems. Smallholder farmers face systemic challenges including food and nutrition insecurity, unsustainable production practices, climate vulnerability, limited profitability, exclusionary barriers, deficient infrastructure and support services and weak institutional and policy frameworks.

To address these farm-level constraints, the programme implements integrated interventions: agroecological cluster analysis; participatory five-year PAP; advanced knowledge management tools; market-oriented extension services; and capacity development through demonstration farms, financial literacy training, youth apprenticeships and exposure visits. Concurrently, it deploys performance monitoring, Information and Communication Technology (ICT) based traceability systems, PO market linkages, production co-investment, inclusive financing, decentralized bio-input production and post-harvest value addition via processing, branding and marketing.

Infrastructure and service gaps are tackled through climate-resilient community irrigation systems, enhanced storage and processing facilities and RET supplemented by O&M training. At the policy level, the initiative drives reform by supporting organic agriculture policies, quality certification systems, equitable pricing mechanisms, strengthened SPS standards and participation in domestic and international trade fairs.

These efforts collectively generate six key outputs: decentralized agroecological planning frameworks; expanded knowledge and capacity for sustainable farming; market-aligned production systems; a robust MSME ecosystem for agricultural services; improved water and market infrastructure; and trade-facilitating policy environments. These outputs catalyse four strategic outcomes:

Outcome 1, transitions farmers to profitable, market-driven agroecological systems—increasing incomes and reducing costs through co-investment, technical support and MSME development for bio-inputs and value-added products; Outcome 2, lowers production expenses and post-harvest losses by scaling efficient technologies like solar pumps and cold storage while replacing agrochemicals with locally produced bio-inputs; Outcome 3, strengthens agricultural marketing via enhanced aggregation and distribution networks for domestic and export markets; and Outcome 4, fosters an enabling policy environment for agroecological trade.

Ultimately, the programme achieves its overarching goal: establishing sustainable, profitable and inclusive food systems that increase farm incomes, empower marginalized communities and strengthen ecological resilience—thereby reducing poverty and enhancing HH livelihoods. The details of theory of change of this programme are given in the figure 3:


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

21






सचिव


डा. मदन प्रसाद पौड्याल
हृषि तथा पशुपन्थी विकास मन्त्री

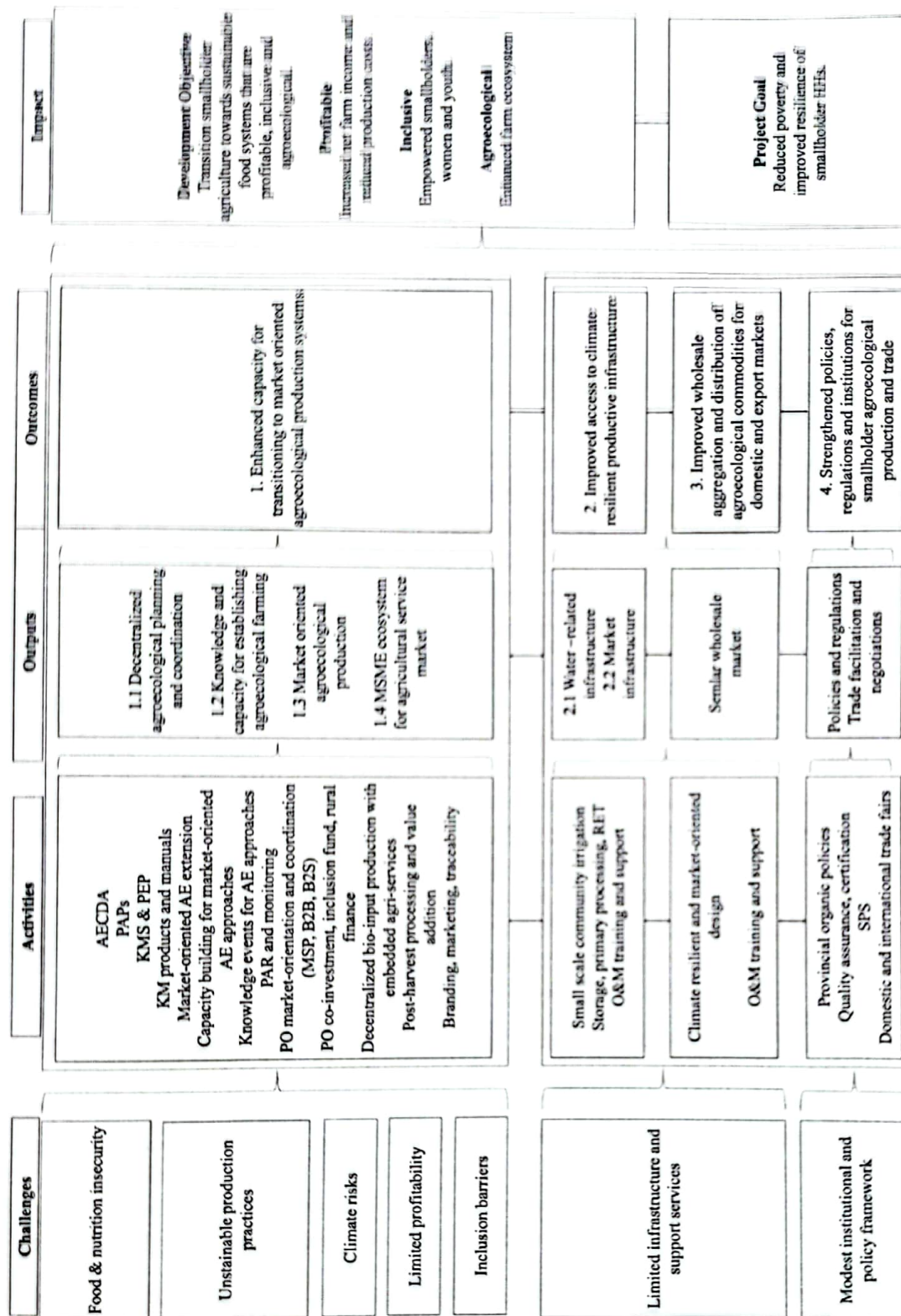


Figure 3. Theory of change


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)


 सचिव


 डा. मदन प्रसाद परियार
 कृषि तथा पशुपत्नी विकास मन्त्री

5. PROGRAMME COMPONENTS AND ACTIVITIES

R-HVAP scales market-oriented agroecological farming systems to deliver economic benefits for smallholders alongside environmental and food system gains. The approach is to identify HVCs through PAPs/MSPs for nesting within an agroecological farming system to transition smallholder agriculture towards inclusive, profitable and agroecological food system through four interlinked components.

5.1 Component 1: Enhanced capacities for transitioning to market oriented agroecological production systems

5.1.1 Sub-component 1.1: Decentralised agroecological planning and coordination

PAPs will be developed through participatory territorial planning processes in selected Palikas to facilitate a transition to agroecological farming. These 5-year PAPs serve as the primary mechanism for integrating market-oriented HVCs into smallholder agroecological production systems. The key objectives include the identification of HVCs compatible with agroecological farming system and identification of supporting services to improve production, aggregation, primary processing and logistics.

5.1.1.1 Agroecological planning framework

The PAP will function as the Palika's agricultural sector development plan, as it will provide a strategic roadmap for improving smallholder farmer incomes through a systematic transition to agroecological farming. The PAP will include a 5-year plan of action that details sequentially the investments necessary for high-yield agroecological production, public goods (irrigation, aggregation etc.) and private investments (bio-input production, primary processing etc.). The plan of action will detail the different sources of financing for each activity, including the funds to be provided by R-HVAP, the Palika's own resources and private sector co-investments. As such, the plan will function as the Palika's Agricultural Medium-Term Expenditure Framework (A-MTEF). The PAP formulation process will include: (i) AECDA and (ii) Development of the PAP Manual.

5.1.1.1.1 Agroecological Cluster Delineation and Analysis (AECDA):

The programme will conduct participatory AECDA to identify knowledge and capacity gaps among smallholder communities (production) and government representatives (policy) for transitioning to market-oriented agroecological systems. This exercise will demarcate production clusters for priority commodities with proven domestic/export demand. An agroecological cluster is a geographic area within and among Local levels sharing common agroecological features and potential for diverse commodity production, including market-driven HVCs.


Cluster delineation involves landscape-level analysis of agroecological conditions, production levels, farming practices, food/nutrition security, climate risks, infrastructure, market access/value chains, potential participants (poor, women, youth, indigenous peoples, dalits, POs) and their transition needs. Similarly, capacity/knowledge gaps (e.g. advisory services, bio-input production


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)








सचिव डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

infrastructure, PO-MSME partnerships, action research, processing, geographical branding, traceability, Participatory Guarantee System (PGS) certification, e-commerce) and suitable HVCs with farm/landscape-level agroecological best practices will also be assessed.

The findings of this exercise will guide the implementation of sub-component 1.2 in particular, to the development of the programme Knowledge Management Strategy (KMS) and Policy Engagement Plan (PEP).

5.1.1.1.1 Palika Agroecological Plans (PAPs) manual

A PAP Manual will be developed prior to the launch of PAP formulation process, informed by the AECDA findings. This manual will standardize the participatory planning process, providing 5 years planning template and community-based monitoring mechanisms aligned with PGS. Each PAP will assess cluster-specific challenges, opportunities and gaps in agroecological production/services. It will include a detailed 5 years action plan with annual priorities, investments, locally adapted farm-level best practices meeting domestic/export compliance standards, market demands and certification requirements, agri-service and enterprise opportunities, public goods and infrastructure needs, potential participants for agroecological/MSME support and community-based monitoring protocols. Following the PAP Manual development, facilitators including 40 ATs and 80 CMs will be trained for guiding the PAP process.

5.1.1.1.2 Palika agroecological planning

The agroecological clusters identified within the programme area through the AECDA will form the geographic units for the formulation of 5 years PAPs. PAPs will be formulated through a community level participatory process. Within each Palika, MSP will be conducted, comprising of key stakeholders including representatives of potential POs, MSMEs, marginalised communities, Micro Finance Institutions (MFIs), traders, service providers and ward and local governments, that will engage in the development of their respective PAPs.

5.1.1.1.2.1 Drafting of PAP


The PAP formulation process will begin with programme staff drafting the initial plan, grounded in cluster delineation and analysis findings and aligned with the PAP Manual's framework. This draft is informed through community-level MSP consultations and key informant interviews with ward/community representatives. Following this, a palika-level MSP workshop will review and finalize the PAP. To ensure market orientation, major traders and enterprises—identified through ongoing sub-component 1.3 (PO development) and 1.4 (MSME development) processes—will be invited to participate in MSP dialogues during both draft formulation and finalization stages. PAPs will function as "living plans" undergoing annual (or as-needed) reviews and revisions by their respective MSPs. Consequently, finalized PAPs will guide PO and MSME business planning by clarifying cluster-specific opportunities, gaps and partnership potentials in production and services.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

24 




सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

5.1.1.1.2.2 PAP committee formation

During the MSP workshop for PAP finalization, a PAP committee will be formed to facilitate the implementation, monitoring and progress review processes. The committee will be led by a Palika representative and will include 5-7 members from POs, MSMEs and other key stakeholders. It will (i) support the Palika for endorsement and integration of PAP activities into Palika plans, (ii) participate in corridor level coordination, networking and review events and (iii) facilitate the identification and selection of community resource persons such as LFs.

5.1.1.1.2.3 Palika plan integration

The PAP activities eligible for programme financing will be consolidated at the ward and Palika level. Following the Local Government Operation Act, 2074 (2017) and with the support of the PAP Committee, the programme will participate and present the PAPs in respective ward and Palika planning processes for endorsement. The PAP development process will be aligned with the annual local planning process for identification of Palika co-financing and integration into the Palika annual development plans. The PAP will be the basis for developing the programme AWPB through the aggregation at Palika, provincial and federal levels. In addition, the PAPs will also be used as a multi-year agroecology strategy to inform the respective Local levels' agriculture sector development plans that will be periodically updated as per Palika's needs. In initial years when PAP formulation and integration is underway, PPSC will provide necessary guidance to PMOs and COs for implementation of programme and activities in alignment with AECDA.

5.1.1.1.2.4 Implementation arrangements

The PAP formulation process will be facilitated by PMOs/COs, in coordination with local government representatives and other stakeholders to mainstream agroecological approaches and practices.

5.1.1.1.2.5 Indicative activities

Table 3. Indicative activities under sub-component 1.1

S.N.	Activities	Responsibility	Partner	Expenditure details
1	Agroecological planning framework			
A	AECDA 1) Develop ToR 2) Selection/Hiring of service provider 3) Agroecological analysis and cluster identification 4) Monitoring & supervision 5) Report validation and handover	PCO	Service provider, PMOs, COs and Palikas	Cost estimate according to ToR
B	PAP Manual Development	PCO	Service provider, PMOs, COs	Cost estimate according to ToR


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

25








डा. मदन प्रसाद परियार
रक्षि तथा पशुपन्थी विकास मन्त्री

S.N.	Activities	Responsibility	Partner	Expenditure details
C	PAP Manual Publication	PCO		Cost for publication
D	ToT on MSP and PAP facilitation for Officers, ATs, CMs, Palika's technicians	PCO, PMO	Palikas, COs	Cost for participants/ trainer's allowances and logistics
2	Palika Agroecological Planning			
A	PAP formulation in MSP setting 1) Stakeholder mapping for Palika and community consultation 2) Community level consultation in MSP settings and key informant interviews involving Palikas representatives 3) Draft PAP formulation by programme staffs - with linkages to agroecological analysis - integrating agroecological principles 4) PAP finalization in Palika level MSP setting 5) Formulation of PAP committee during PAP finalization MSP	PMO, CO	Palikas, PCO	Cost for organizing meetings, workshops including logistics
B	Local level plan integration 1) PAP integration - Ward/ community level planning process - participation 2) Facilitate and support Palika for PAP endorsement & implementation 3) Facilitate PAP integration in Ward level planning Process	PMO, CO	Palikas, PAP Committee	Cost for organizing meetings, workshops including logistics
C	Corridor level PAP coordination, networking and review	PMO, CO	Palikas	
D	Facilitation of co-investment	PCO, PMO, CO	Palikas	According to co-investment and infrastructure development guideline

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

26

सचिव, मन्त्रालय
कृषि तथा पशुपन्छी विकास मन्त्री

5.1.2 Sub-component 1.2: Knowledge and capacity for establishing agro-ecology farming

The programme will enhance existing agroecology knowledge by upgrading resources and disseminating best practices through ToT for Officers, ATs and CMs. Agroecological demonstration farms will be established with LFs in each Palika, complemented by technical training on agroecological farming, FEBL and GALS lite modules. This sub-component further includes youth agroecology apprenticeships and Farmer-to-Farmer exchanges to build a community-of-practice. Finally, participatory research and monitoring will develop an analytical framework to track ecological, economic and social impacts of market-oriented agroecological systems.

5.1.2.1 Knowledge products

5.1.2.1.1 Knowledge Management Strategy (KMS) and Policy Engagement Plan (PEP):

The programme prioritizes evidence-based knowledge management to support implementation and policy development. A unified KMS and PEP will address the communication needs of all stakeholders—programme participants, provincial/local governments and the programme team. The KMS directly responds to findings from the AECDA, targeting identified knowledge gaps among smallholders (production) and government (policy) for transitioning to market-oriented agroecology. It will establish both horizontal (peer-to-peer) and vertical (multi-stakeholder) knowledge pathways to build trust and mitigate risk perception issues along with the development of the knowledge management plan.

Concurrently, the PEP will address priority research areas and evidence requirements identified by the cluster analysis. This plan ensures robust data collection through M&E systems and thematic studies, generating evidence-based policy inputs—particularly via participatory research and monitoring activities—to inform decision-making.

5.1.2.1.2 Agroecology curriculum and handbook:

The programme will enhance existing knowledge base in sustainable agriculture and agroecology concept by integrating market-oriented approaches for greater economic viability which will be elaborated in the form of agroecology curriculum and handbook. These materials will serve as core resources for enhanced FEBL courses and technical trainings on demonstration farms to collectively boost smallholders' capacity for profitable agroecological enterprises.

5.1.2.1.3 Extension through videos and social media:

The programme will produce instructional videos (in vernacular) on agroecology approaches and technologies for facilitating wider up-take among farmers. Further, social media platforms will be used as a knowledge repository and medium for dissemination.

5.1.2.2 Market oriented agroecological extension service providers

5.1.2.2.1 Market-oriented agroecology extension agents:


A cadre of 40 ATs and 80 CMs will receive integrated in-class and on-farm training in market-oriented agroecological farming, PAP preparation and cluster coordination (including MSPs and B2B/B2S linkages). Potential professionals working on regenerative agriculture will facilitate


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary) 27








डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री

these trainings. This trained group will deliver outreach services, agroecological extension support, HH-level investment planning, M&E and conduct farm level trainings.

5.1.2.2.2 Enhanced FEBL facilitators:

The programme will train approximately 700 FEBL facilitators. Each facilitator will deliver FEBL courses to about 3 POs, covering financial literacy and women's empowerment through combined FEBL and GALS lite methodologies. FEBL facilitators will additionally support farm diary maintenance as well as recording of sales and financial data. Facilitators will receive remuneration for both training delivery and farm diary data collection support. Facilitators will be selected within the POs and communities supported.

5.1.2.3 Capacity building for agroecological approaches

5.1.2.3.1 Agroecological demonstration farms:

The programme will establish one agroecological demonstration farm per Palika, with addition of potential farms through co-investment financing. The existing government farms in the programme provinces can also be supported to expand agroecological technologies. The demonstration farm establishment and management will be detailed in the guideline. During PAP development, interested LFs will be identified to host these farms in strategic locations. Selected LFs will receive agroecology training to transform their existing operations into fully functional demonstration sites. These farms serve three core purposes: (i) Operating as on-farm training centres to build capacity among beneficiaries and POs for market-oriented agroecological transitions; (ii) Providing youth apprenticeship opportunities; and (iii) Hosting Participatory Action Research (PAR) on selected demonstration farms. Programme financing will cover establishment costs, supplemented by LFs' in-kind contributions. LFs may also access MSME co-investment support to establish agroecological enterprises.

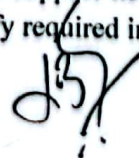
5.1.2.3.2 Market-oriented agroecology orientation and investment planning:

After selecting the interested POs for production support (Sub-component 1.3), a 2-day orientation training will be held for each PO on commercially viable and gender empowered agroecological farming, followed by the preparation of investment plans informed by respective PAPs. Where possible, these orientations will be held in demonstration farms.

5.1.2.3.3 Enhanced FEBL and GALS-lite for POs:


Enhanced FEBL courses will be delivered to PO members, prioritizing women. These courses equip participants with essential financial/business skills to transition toward commercial farming and collective enterprise management. Training occurs via 1-2 weekly peer-to-peer sessions facilitated by programme-trained FEBL facilitators, with each facilitator supporting approximately 3 POs. The 60-70 hours curriculum (32 sessions) integrates, (i) Technical agroecological farming practices, (ii) GALS lite modules, (iii) FEBL modules, (iv) Farm business operations and (v) Group enterprise management. Similarly, FEBL-GALS-lite sessions advance women's economic empowerment by addressing socio-cultural/economic barriers. Participants use the GALS visioning tool to map challenges, opportunities and support needs. FEBL facilitators and CMs monitor these roadmaps to track progress and identify required interventions. After mastering the


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)








डा. मदन प्रसाद परियार
कृषि तथा पशुपन्जी विकास मन्त्री

methodology, women will replicate visioning exercises at HH level, supported by peer networks to acquire family support and eliminating gender-based violence.

The LF will provide 6 technical sessions (2-3 hours per session) on more in-depth training on specific aspects of agroecology (beneficial soil micro-organisms, plant guilds and Integrated Pest Management (IPM) etc). The sessions will focus on agroecological farming approaches and delivered on-farm by the LFs and ATs having sound practical knowledge of agroecological farming system in the demonstration farm established under the programme. The CMs will provide regular backstopping and supervision of the facilitators and facilitate the participation of suitable resource persons from relevant institutions to attend selected sessions of the FEBL training course. The operation procedure of Enhanced FEBL-GALS-lite detailed in the guideline.

5.1.2.3.4 Youth agroecology apprenticeships at demonstration farms

LF will host youth agricultural trainees for a 6-month apprenticeship covering two cropping cycles. In exchange for their labor, trainees receive knowledge and USD 200 per month to cover board, lodging and a stipend. Accommodation will be with LF or in nearby homestays. Lessons from this pilot will guide significant scaling of the programme through additional co-investment.

5.1.2.3.5 Knowledge events for agroecological approaches

To foster knowledge sharing and build a large Community of Practice, the programme will enable peer-to-peer exchanges between POs and MSMEs. These exchanges will specifically connect more advanced entities with those seeking advancement, within and across provinces.

5.1.2.3.6 Participatory research and monitoring

An analytical framework will be developed to monitor the ecological, economic and social impacts of agroecological systems in collaboration with NARC. Guided by the KMS and PEP and building on existing tools like IFAD's Resilience Design and Monitoring Tool (RDMT) and Food and Agriculture Organization's Tool for Agroecology Performance Evaluation (TAPE), the framework will design research activities at demonstration farms. It will focus on key programme outcomes, enabling factors and constraints such as profitability, ecological health, resilience during extreme events and foreign exchange impacts. This framework will support intervention, monitoring, course correction, evidence-based knowledge generation and policy products.

5.1.2.3.7 Participatory Action Research (PAR):

The programme will enable joint experimental learning and PAR at 10 demonstration farms with researchers, optimizing agroecological practices for multiple benefits. To systematize monitoring and learning for scaling and adaptation, it will partner with NARC, PhD researchers and other relevant institutes. The LF will get remuneration of USD 50 per month for research, monitoring and data collection.

5.1.2.3.8 Farm diaries:


The programme will make use of simplified farm business diaries for all supported POs to allow monitoring of ecological, economic and social outcomes of agroecological systems. Wherever


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary) 29








डा. मदन प्रसाद प्रतियार
कृषि तथा पशुपक्षी विकास मन्त्री

feasible, tablets/mobile phones will enable digital data entry into the Management Information System (MIS) for real-time outcome analysis.

5.1.2.3.9 Indicative activities

Table 4. Indicative activities under sub-component 1.2

S.N.	Activities	Responsibility	Partner	Expenditure details
1	Knowledge products and manuals			
A	KMS and PEP	PCO	PMOs, COs and Service provider	According to ToR and cost estimate
B	Develop agroecology curriculum and handbook	PCO	PMOs, service provider	According to ToR and cost estimate
C	Agroecology handbook publication	PMO, CO		Cost of publication
D	Enhanced FEBL Manual development with agroecology and GALS-lite	PCO	PMO	According to ToR and cost estimate
E	Enhanced FEBL Manual publication	PMO, CO		Cost of publication
F	Instructional videos on agroecology approaches and technologies	PCO, PMO	Service providers	According to ToR and cost estimate
G	Set-up and operate social media platform	PCO, PMO		According to ToR and cost estimate
2	Market oriented agroecology extension service providers			
A	ToT for Officers, ATs, LFs, CMs and Palika's Ats	PMO	PCO, CO, Training consultant	Cost for participants/trainer's allowances and logistics
B	Enhanced FEBL-GALS-lite training for FEBLF	PMO	PCO, CO, POs, Community	Cost for participants/trainer's allowances and logistics
3	Capacity building for agroecological approaches			
A	Support to set-up agroecological demonstration farms	PMO, CO	PCO, NARC, LFs, PAP Committee	According to demonstration farm guideline


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

30








डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्छी विकास मन्त्री

S.N.	Activities	Responsibility	Partner	Expenditure details
B	Youth agroecology apprenticeships at demonstration farms	PMO, CO	PAP committee	
C	Market oriented agroecology orientation and investment planning	PMO, CO	POs, MSMEs, SP-Trainer	Cost for participants/ trainer's allowances and logistics
D	Enhanced FEBL-GALS-lite sessions to POs	PMO, CO	FEBLF, POs	According to Enhanced FEBL-GALS-lite guideline
E	PO group dynamics and leadership training	PMO, CO	POs	Cost for participants/ trainer's allowances and logistics
4	Knowledge events for agroecological approaches			
A	Peer-to-peer exposure and learning visits – POs	PMO, CO	POs	Cost for participants/ trainer's allowances and logistics
B	Peer-to-peer exposure and learning visits – MSMEs	PMO, CO	MSMEs	
C	Joint monitoring of agroecological impacts with Palikas and other stakeholders	PMO, CO	PCO, Palikas, other stakeholders	Cost for participants allowances and logistics
5	Participatory research and monitoring			
A	Analytical Framework development	PCO	Service provider, PMO CO	According to ToR and cost estimate
B	NARC technical support on framework development, supervision and M&E	PCO, PMO, CO	NARC	According to ToR and cost estimate
C	System development for traceability and participatory monitoring (incl. ICT)	PCO	Service Provider, PMOs, COs	According to ToR and cost estimate
D	ICT and equipment for demonstration farm	PMO, CO	PCO	Cost of equipment and installation
E	Remunerations to LF for research, monitoring and data collection	PMO, CO		According to demonstration farm guideline
F	PhD support for PAR	PCO	MoALD, MoLMAC	According to MoU between PCO and

Gokul Prasad Bohara
Programme Co-ordinator 31
(Joint Secretary)

डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

S.N.	Activities	Responsibility	Partner	Expenditure details
				academic institution facilitated by MoALD
G	Farm diary (light) development and printing	PMO, CO	PCO	Align with traceability parameters
H	Thematic studies (As required)	PCO	Service provider, PMO, CO	According to ToR and cost estimate

5.1.3 Sub-component 1.3: Market-oriented agroecological production expanded

5.1.3.1 Producer Organization (PO) graduation:

The programme will support at least 1,600 POs representing ~45,000 farmers. To build PO capacity and facilitate graduation, it will conduct well-being ranking and categorization. Progress toward professionalization will be measured using a PO capacity assessment tool. Core assessment elements include:

1. PO profile, products/productivity, membership
2. Organizational structure & systems (admin, bylaws, accounting)
3. Financing, input supply, member credit
4. Training/ICT, commercialization, storage/transport
5. Certifications, environmental resilience (water, climate), social inclusivity (gender, youth)

5.1.3.2 Multi-stakeholder platforms (MSPs):

MSPs will connect POs and MSMEs at cluster/provincial levels, facilitating B2B (agribusiness/traders) and B2S (service providers) linkages for profitable trading. Prioritized from programme start, these platforms will forge early market connections and leverage private-sector intelligence to guide investments, compliance standards and risk reduction. PMO/CO staff will initially facilitate, with producers/businesses eventually sustaining the platforms independently. The implementation of MSP is given in the guidelines.

5.1.3.2.1 Commodity-specific multi-stakeholder platform (MSP)

5.1.3.2.1.1 MSP Setup:


MSPs will be central to R-HVAP, driving prioritized high-value commodities in target clusters. Through recurring meetings, MSMEs/agribusinesses identify opportunities and coordinate actions to enhance local industry growth and competitiveness – solving challenges beyond individual capacities. Commodity- and location-specific MSPs will operate at corridor, regional, or national levels. These platforms unite stakeholders (producers, traders, service providers, government, researchers, educators, insurers) to address shared challenges via trust-building, joint learning, collaborative decisions and collective action.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

32






डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

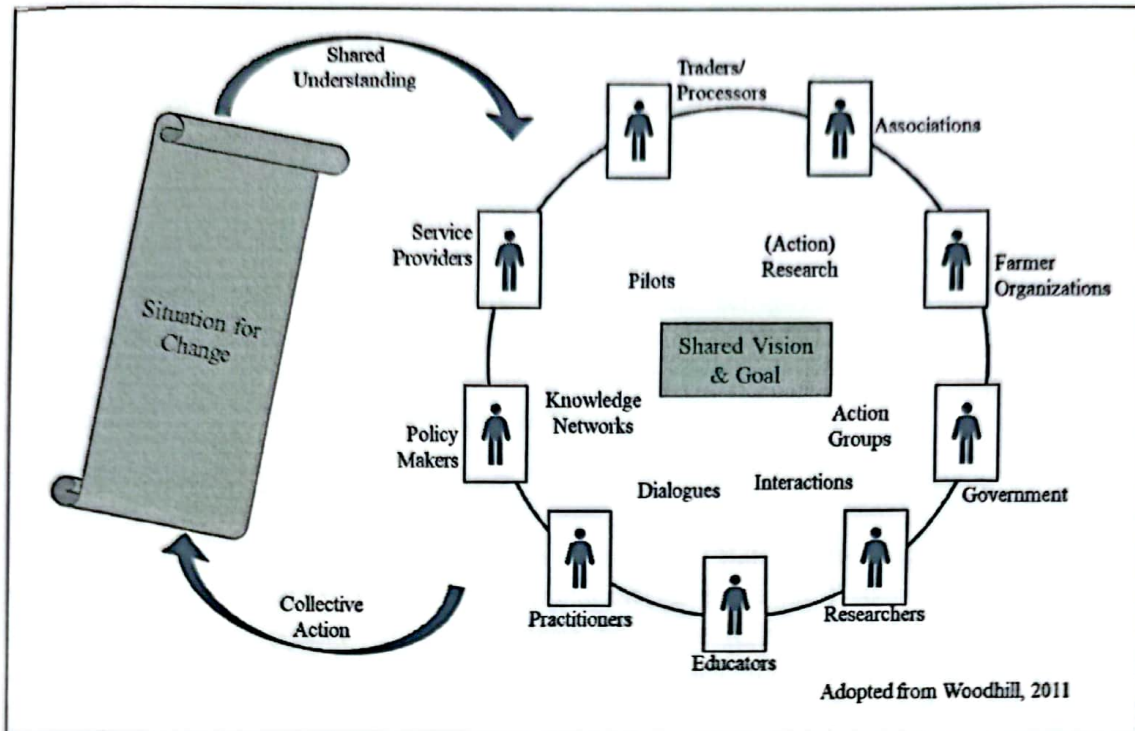


Figure 4. MSP stakeholders

MSP-specific results include:

- Shared stakeholder vision of growth opportunities/constraints
- Prioritized interventions for value chain bottlenecks
- B2B linkages
- B2S linkages
- Stakeholder coordination & partnerships
- Knowledge exchange
- Policy advocacy for business environments

For POs, MSPs forge profitable relationships with businesses/service providers. For governments and supporters, they clarify development opportunities and optimize public resource targeting for maximum impact.

5.1.3.2.1.2 MSP organization:

MSP will be organised at regular intervals in the Programme separately for each HVC driven by the actors both at the province/corridor and cluster level with anticipated objectives evolving in a gradual manner, starting with a focus on creating ownership stimulating B2B/B2S linkages relationship. MSPs require the voluntary active participation of a range of agribusiness/buyers, POs, technical and financial service providers as well as government agencies. The agenda should be led jointly by the businesses and POs while public sector agencies facilitate them. In their role

Gokul Prasad Bohara³³
Programme Co-ordinator
(Joint Secretary)

डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

as “Honest Broker” the programme team act as the host/convener of the MSP process for the first 2-3 years. As businesses and POs become more familiar with the process, leadership and coordination of the MSP process are handed over to local industry leaders – typically with several business leaders and leaders of POs working together to lead the process.

5.1.3.2.1.3 Implementation arrangement:

PMO and CO staff will facilitate MSPs in coordination with stakeholders to institutionalize the mechanism. They will support MSPs' transition to self-governing forums owned by producers/businesses and alignment with emerging Provincial/Palika institutions. This includes regular facilitation of B2B/B2S interactions at group/cluster levels, followed by ongoing support and monitoring for joint action plan implementation.

5.1.3.2.2 Commodity-specific Business-to-Business (B2B) and Business-to-Service (B2S) Linkages

B2B/B2S brokering facilitates new profitable relationships: B2B connects agribusinesses/buyers with POs, while B2S links POs with commercial service providers. B2B meetings specifically negotiate market-led production/sourcing plans to secure reliable supplies with competitive advantages in volume, seasonality and varietal diversity. This process creates mutually beneficial partnerships between producers and buyers, ensuring alignment with market demands and sustainable value chain development.

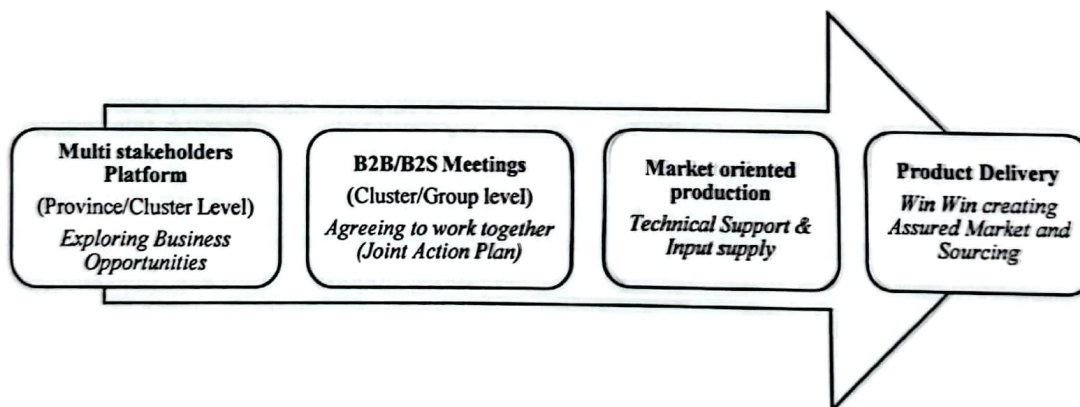


Figure 5. MSP and B2B interaction sequence to Product delivery

5.1.3.2.2.1 B2B / B2S organization:

Following province/cluster-level MSPs, B2B and B2S linkages will evolve with a focus on building trust and developing POs into reliable partners. B2B meetings (2-3 times per year, commodity-dependent) will connect POs with buyers/processors to establish financing plans, while B2S meetings will link producers with service providers (inputs, technical, financial) to deliver services enabling agroecological transition and business growth. Both interactions strengthen value chain partnerships initiated through MSPs.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

34


डा. गोकुल प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री

5.1.3.2.2 Implementation arrangement:

The B2B/B2S brokering process involves:

- i) Preparing POs for partner meetings and post-discussion decision-making;
- ii) Facilitating introduction between compatible POs, businesses and service providers;
- iii) Moderating and monitoring bilateral negotiations;
- iv) Guiding contractual agreements covering:
 - a. Pricing mechanisms and quality/quantity specifications,
 - b. Processing/packaging requirements,
 - c. Quality assessment protocols,
 - d. Market-price adjustment clauses,
 - e. Reference pricing (e.g., wholesale indices),
 - f. Embedded support (materials/advances),
 - g. Non-fulfilment remedies and
 - h. Dispute mediation partners; and
- v) Providing backstopping support during the initial 2-3 years of trading as relationships mature.

5.1.3.3 Smallholder co-investment and access to rural finance for agroecological production

5.1.3.3.1 Co-investment packages

Building on PAPs, the Programme will co-invest in PO capacity building and farm-level co-investments in agroecological farming practices for two complementary HVCs that have potential comparative advantage. These co-investments will stimulate private investment in market-oriented commodities like crops, livestock, agroforestry, honey, Non-Timber Forest Products (NTFPs) and Medicinal and Aromatic Plants (MAPs) which were found successful in previous programmes. This approach promotes farm diversification, resource efficiency and recycling to enable the transition towards profitable agroecological enterprises. Commodity combinations with varied gestation periods will ensure steady short-to-medium-term income streams, while low-labour perennials will specifically support women-headed HHs and PwD. Initial diversified packages identified during programme preparation (outlined in the accompanying table) will be refined during implementation through AECDA.

Table 5. Indicative diversified agroecological production packages

Possible Production packages	Purpose
Year-round vegetable production: polytunnels, water-efficient systems, seeds, bio-fertilisers and IPM practices	Self-consumption, commercialisation of surplus for local and regional markets (import substitution).
Goat and dairy combined with improved sheds for manure management (compost)	Main source of income. Commercialisation for local and regional markets (import substitution).


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

35


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

Possible Production packages	Purpose
and forage/fodder plantation and native chicken	
Native crops and Neglected and Underutilized Species-NUS such as, millet, buckwheat, barley, Karnali beans	Important staple food source. Commercially potential for domestic and export markets.
Apiculture for commercial honey production with butter trees (Chiuri - <i>Diploknema butyracea</i>) (20 hives model), pollination and nutrition (2 hives model)	Multiple benefits: nutrition, income generation, pollination, potential for export
NTFPs/MAPs, such as Indian prickly ash or Timur, soap nuts, Cinnamon	Commercialisation for domestic and export markets
Spices (ginger, turmeric, cardamom)	Under-supplied export markets. Shade tolerant species
Shade grown coffee and cover crops	Production of certified quality coffee in Lumbini and Karnali provinces for export markets
Agroforestry systems (apple/walnut/citrus/ fodder trees with cover crops)	In conjunction with existing and upcoming orchards
Seed potato production	Local inputs supply chain supported. Commercialisation for local and regional markets (import substitution)

5.1.3.3.2 Co-investment share:

Approximately 45,000 smallholder HHs will be eligible for two tailored production support packages through co-investment funds managed as per guideline (Annex-I: Co-investment and infrastructure development guideline). The co-investment share for POs for expansion of agroecological production will be 50% of total cost with maximum limit of USD 500 per HH. Eligibility criteria, investment areas, share and approval processes will be structured in the guideline. Programme field staff will provide technical support to develop HH investment plans within POs, consolidated into common plans. Package selection will follow PAP guidance and market demand validated through commodity-specific MSP/B2B processes, while mandating minimum agroecological practices (soil/water management) for all packages. Total programme investment of USD 45.8 million (IFAD: USD 19.5 million; GoN: USD 6.8 million; beneficiary/PO contributions: remainder) will promote market-oriented agroecological production and climate-resilient diversification. In addition to the above, R-HVAP will provide support for community-based irrigation infrastructure development to POs that will enhance the farming system.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

36





डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्छी विकास मन्त्री

5.1.3.3.3 Inclusion fund:

About 3,000 ultra-poor HHs will be eligible to access the inclusion fund for additional subsidised support. Through this, the cofinancing amount for ultra-poor HH could be increased up to USD 800 (regular USD 500 + additional USD 300). Various PRA tools including the participatory wellbeing ranking will be practice to identify the ultra-poor and poor members in the community. This funding mechanism will enable them to join POs and gradually increase their income for transitioning from subsistence-based agriculture to more commercially oriented agroecological farming. For these members / HHs including those from marginalized groups (janajatis, dalits and indigenous people), the co-investment fund will be 100%.

5.1.3.3.4 Rural finance:

The programme participants will be eligible to access financial products of IFAD's on-going VITA programme implemented by the Agriculture Development Bank Limited (ADBL). The programme will also facilitate the linkage of POs with financial institutions and access financial services through support to business plan development and through the development of innovative finance and insurance products in partnership with private banks including ADBL, co-operatives, MFIs and insurance companies.

5.1.3.3.5 Indicative activities

Table 6. Indicative activities of market-oriented agroecological production

S.N.	Activities	Responsible	Partners	Expenditure details
1.	POs graduation <ul style="list-style-type: none"> PO categorization and HH wellbeing ranking (poverty classification for inclusive fund) 	PMO, CO	POs, MSMEs, Palikas	Logistics and other costs for conduction of events
2.	MSP Set-up and coordination	PMO, CO	POs, MSMEs, MSP members	Cost for organizing meetings, workshops including logistics
3.	Market-oriented agroecological production (Co-investment packages)	PMO, CO	Palikas, POs, MSMEs	According to co-investment and infrastructure development guideline

Gokul Prasad Bohara
Programme Co-ordinator 37
(Joint Secretary)

डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री


S.N.	Activities	Responsible	Partners	Expenditure details
4.	Inclusion fund administration	PMO, CO	Palikas, POs, MSMEs	Additional USD 300 to ultra poor HHs
5.	MSME ecosystem for agricultural service market			
A.	Bio-fertilizer and pesticide production units	PMO, CO	Palikas, POs	According to co-investment and infrastructure development guideline
B.	Seeds and sapling (nurseries)	PMO, CO	Palikas, POs	
C.	Breeding units (resource centres)	PMO, CO	Palikas, POs	
D.	Agro-vet/Tools	PMO, CO	Palikas, POs	
E.	Cold storage facilities	PMO, CO	Palikas, POs	
F.	Small scale processing units	PMO, CO	Palikas, POs	

5.1.4 Sub-component 1.4: Micro, small and medium enterprises (MSME) ecosystem for agricultural service market strengthened

The programme will mobilise specialised experts at PMO/CO level to facilitate the development of an ecosystem of MSME services to meet upstream and downstream needs of agroecological multi-commodity value chains. Co-investment support will be provided to: (i) Decentralized MSME units for affordable and high-quality bio-input production; and (ii) MSME service market for post-harvest value addition.

5.1.4.1 MSMEs co-investment:

The programme will co-invest with MSMEs to boost production, adopt innovative technologies, business models and services—including marketing infrastructure, satellite processing units, export-grade packhouses, modern slaughterhouses, multi-chambered cold storage and rural aggregation facilities—to reduce post-harvest losses and add value across producer groups, agribusinesses and processors. Eligible MSMEs must present business plans along with scaling-out strategies to serve expansion of POs. Co-investment will target demonstrated innovations that develop competitive, subsidy-free supply chains generating turnover, income, tax revenue and employment. The co-investment share for MSMEs will be 50% of total cost. Co-investment and infrastructure development guidelines will define eligibility criteria, investment areas, share, with field staff providing technical support for feasibility studies and investment plans. It will support production, value addition, post-harvest loss reduction, agrotourism, branding, traceability, bio-inputs, nurseries and resource centres critical for agroecological expansion. Additional co-investment covers legal/technical/marketing consultants, organic certification, chain-of-custody systems, standards development and international trade participation—ensuring certification premiums ultimately benefit small-scale producers.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

38








डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्छी विकास मन्त्री

5.1.4.2 MSME services to smallholder POs:

MSMEs must develop scaling-out strategies to progressively serve more HHs, initially targeting 25,000 smallholders with priority for women, youth, indigenous and dalit communities. Service coverage will be proportional to co-investment: 4 HHs per USD 1,000 (e.g., USD 20,000 = 80+ HHs). Youth-specific support includes Agri-TVET skills training (400 youth) and business incubation (300 youth). MSMEs will secure producer markets while providing embedded support: crates, tools, processing equipment, cluster aggregation facilities and training (organic inputs/production/grading). On-farm technical assistance will build sustainable business trust. Priority engagement will go to ethical trade-aligned companies promoting agroecological commodities and certifications (organic/fair trade etc.), per Component 4 guidance.

5.1.4.3 Indicative activities

Table 7. Indicative activities of MSME ecosystem strengthening

S.N.	Activities	Responsible	Partners	Expenditure details
1.	Enterprise development			
A.	Market analysis and technical feasibility studies (bio-inputs and post-harvest)	PCO	Palikas, PMO, CO, MSMEs	According to ToR and cost estimate
B.	Branding and marketing support to MSMEs	PMO, CO	Palikas, POs, MSMEs	According to Co-investment and infrastructure development Guideline
C.	Traceability system support to MSMEs	PCO, PMO, CO	Palikas, POs, MSMEs	
D.	Skills development for youth enterprise development	PMO, CO	Palikas, POs, MSMEs	Cost related to conduction of skills development training
E.	Business incubation support for youth enterprise development	PMO, CO	Palikas, POs, MSMEs	Logistics and allowances for youth incubation and skill development

5.2 Component 2: Improved access to climate-resilient productive infrastructure

R-HVAP will support for infrastructure needs to complement production activities under sub-component 1.1. Under the PAP process, starting from AECDA, climate resilient infrastructure for smallholders and POs will be identified and selected. These will include: (i) water related systems such as small-scale irrigation schemes, water storage facilities, MUS etc.; (ii) collection points and

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

39

सचिव डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

storage facilities for efficient commodity aggregation; and (iii) post-harvest primary processing facilities. All infrastructure interventions will be synergetic with other programme interventions. R-HVAP will facilitate development of these infrastructures with at least 15% contribution in cash or kind from communities. In case of public infrastructures that provide wider benefits beyond the working area of a PO, programme will collaborate with respective Palika for their contribution. The detail process of infrastructure development is given in guidelines (Annex-I).

5.2.1 Sub-component 2.1: Water-related infrastructure

The programme will fund rehabilitating, upgrading and constructing water systems. Eligible infrastructure includes small-scale crop irrigation (channels/pipes with drip/sprinkler), MUS for crops/livestock and piloted water storage models (lined ponds, concrete tanks). It supports both existing and new Farmer Managed Irrigation Systems – simple/small scale, community-run surface systems serving 1-10 ha. A total of 485 water sub-projects will be developed. Subprogrammes will be identified during planning using criteria for inclusiveness and sustainability. Each irrigation unit is capped at USD 10,000. Ecological context, catchment conservation and climate-proofing measures (based on cost-benefit and vulnerability assessments) will guide design, supported by PMO/CO engineering teams. Compliance with IFAD's Social, Environmental and Climate Assessment Procedure (SECAP) guidelines will ensure sustainability.

5.2.2 Sub-component 2.2: Market-led productive infrastructure

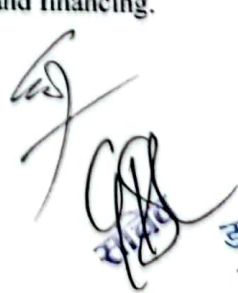
The programme will support community-based small-scale infrastructure for post-harvest activities: primary processing, aggregation, storage and packaging. Eligible facilities, determined by commodity and market demand, include collection points, drying equipment (floors, solar dryers), sorting, shelling, pressing, primary extraction (honey, MAPs), packaging and storage (warehouses, small cold storage). Investment areas will also be elaborated during the PAP planning stage using criteria for inclusiveness and sustainability. This infrastructure complements larger MSME operations.

The programme will scale up appropriate RET. Priority will be given to areas with HVCs prone to postharvest losses and poor grid connectivity. Solar dryers, biogas, solar pumps as well as portable pumps will also be deployed where suitable.

These PAP-identified investments will involve POs, MSMEs (buyers, processors, etc.), Wards and Palikas, facilitated by PMO/CO teams. Business plans, incorporating IFAD's SECAP risk screening, will assess profitability and sustainability. A total of 85 market-led infrastructure sub-projects and 162 PO-level RETs will be developed as detailed in co-investment and infrastructure development guidelines. Community-based organizations and POs will implement and manage subprogrammes with PMO/CO support, which also oversees design and supervision for quality and sustainability. POs are responsible for operation, maintenance and financing.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

40


 डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्छी विकास मन्त्री

To enhance sustainability, the programme will support early formation and capacity building of O&M committees / Water User Associations. These committees coordinate construction, manage O&M and collect user fees for routine costs. Palikas, involved in scheme approval and potentially contributing equity, will fund major repairs per their mandate, accounted as Palika contributions.

5.2.3 Indicative activities

Table 8. Indicative activities under climate-resilient productive infrastructure

S.N.	Activities	Responsible	Partners	Expenditure details
1.	Water related infrastructure support (new, upgrading and maintenance)	PMO, CO	Palikas and POs	Process as detailed in co-investment and infrastructure development guideline with minimum 15% contribution of community in cash or kind
2.	Market led productive infrastructure (new and upgrading)	PMO, CO	Palikas and POs	
3.	Productive RETs at POs level (Solar dryer, incubators)	PMO, CO	Palikas, POs, MSMEs, AEPC, AEPC listed companies	
4.	Training on communities' water system (O&M)	PMO, CO	Palikas, POs, MSMEs	According to cost estimate

5.3 Component 3: Improved wholesale aggregation and distribution of agroecological commodities for domestic and export markets

The Programme will support constructing the state-of-the-art, Semlar Agriculture Regional Wholesale Market in Butwal, Rupandehi District. This facility will feature wholesale shutters for fruits, vegetables, cereals and priority commodities, facilitating collection, processing, branding and aggregation from R-HVAP-supported agriculture clusters. It aims to connect smallholder products to domestic and export markets. The construction will be led by the DUDBC, with overall oversight from MoALD. A SPIU under DUDBC, staffed by government and recruited professionals, will manage day-to-day construction.

A technical & financial feasibility study and Environmental Impact Assessment (EIA), commissioned by Invest International and endorsed by GoN (29 Sept 2023), confirmed the market's potential to capture substantial volumes of regional produce (fruit, vegetables and other). Establishing this export-oriented wholesale market aligns with GoN's development agenda and national agricultural strategies.

5.3.1 Outcomes and anticipated positive impacts:

The market will act as a nodal point for moving agricultural commodities from satellite markets facilitating exports. It will stimulate socio-economic development in the target area by creating jobs, especially for women and youth. Furthermore, it will address current infrastructure and environmental issues in Butwal's wholesale market by providing adequate facilities to meet


Gokul Prasad Bohara 41
Programme Co-ordinator
(Joint Secretary)


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री

demand, reduce traffic congestion and ensure efficient logistics and flow of people and products. The Semlar market will also be equipped to protect against the environmental pollution and debris from the city.

5.3.2 Market design:

Based on the Feasibility Study and EIA preliminary design, the Semlar Market SPIU will prepare the detailed engineering design. Construction will then be phased in consultation with MoALD, MoUD (DUDBC) and IFAD. The R-HVAP-funded first phase will build the main market units to establish a functioning wholesale facility. Subsequent expansion will depend on market performance, surplus production and availability of additional financing. This phased approach enables GoN to mobilize supplementary co-financing for market upgrades/expansion and for constructing a satellite market to improve product flow to Semlar.

5.3.3 Main elements of the Semlar market design:

- (a) **Wholesale Shuttles:** The market will feature ~120 wholesale shutters (40-60 mt/m² capacity). A 6 m front canopy facilitates loading/unloading and temporary storage. Some shutters, convertible to cold storage (based on operational best practice), will enhance commodity shelf-life.
- (b) **Processing Facilities:** The market will have cleaning, washing, sorting, grading and packing facilities housed in a separate block. Cold storage facilities for key commodities will be available.
- (c) **Support Facilities:** The market will include a water supply system with overhead and underground tanks. Primary electricity will come from the grid, supplemented by renewable energy (solar, biogas). Additional facilities will comprise fire safety systems, sanitation, conference/meeting rooms, parking and an auction block for commodity trading.
- (d) **Pesticides Residues Laboratory:** A "Rapid Bioassay Pesticide Residue Laboratory (RBPR)" is one of the key facilities at the market where contaminants present in the commodities collected from different production pockets will be tested. The laboratory will also be equipped to undertake testing of the effluent from the onsite wastewater treatment plant.
- (e) **Waste management facilities:** The market will feature an integrated waste management system. Biodegradable waste will be outsourced to an approved operator for compost conversion. Non-biodegradable waste will be sustainably landfilled by the municipality, minimizing environmental and community impact.
- (f) **Waste Water Treatment Plant (WWTP):** Wastewater generated from washing undercarriages of trucks and products, other processing, grey water and toilets will be treated in a WWTP. The final discharge will meet the GoN and IFC environmental protection criteria.
- (g) **Administration Block:** The market will have an administration block to house the programme management and administrative staff. The block will be fully equipped with

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

42

सचिव

डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

information technology, telecommunication facilities as well as a conference room for conducting meetings and other events.

5.3.4 Quality standards and design norms:

The Semlar wholesale market construction will comply with all the relevant federal and local policies, acts and regulations. This includes Nepal's two-tier regulatory framework (federal and local), covering: The Land Use Policy, 2072; Nepal Land Act, 2021; Building Act, 2055; Fundamental Construction Standards for Settlement Development and Butwal Sub-Metropolitan City's Building Construction and Planning Standards, 2072. Adherence to applicable building codes is mandatory, including Nepal National Building Code (NBC) provisions: NBC 206 (Architectural Design), NBC 105 (Seismic Design) and NBC 202 (Load Bearing Masonry).

5.3.5 Operationalization of the Semlar market

The programme will formulate a Semlar Market Coordination Committee (SMCC) to facilitate the construction of market infrastructures. In the operation phase, MoALD will collaboratively develop a Market Operational Guideline and Action Plan (MOGAP) including provisions to guarantee long-term smallholder (especially R-HVAP beneficiaries) access to the market. Both R-HVAP and IFAD will monitor smallholder engagement and facilitate MOGAP development using lessons from similar programme.

5.3.6 Implementation schedule and timeline:

It is estimated that about four and a half years would be required for construction. The Semlar market is scheduled for implementation and operationalization in three phases: (a) Pre-construction; (b) Construction; and (c) Operational phase. The key activities envisaged under each phase is listed in the table below:

Table 9. Semlar market key activities by phases

	Implementation Phases		
	Pre-Construction	Construction	Operation
Key activities	<ul style="list-style-type: none"> • Feasibility (technical and financial) study • EIA approval based on feasibility study • Detail design report development having all components for detail programme report (DPR) • Acquisition of permission for construction of buildings at site as per final design • Land transfer of the programme site from MoFE to MoALD 	<ul style="list-style-type: none"> • Site clearance • Earthwork and site preparation • Formation of SMCC • Hauling of construction materials and equipment • Construction of the programme structures and facilities • Installation of equipment 	<ul style="list-style-type: none"> • Operation of the market (wholesale and retail) • Operation of the processing and storage facilities • Transportation of produces • Establishment of Operation and Reserve Fund • Market information system development and operation

Gokul Prasad Bohara
Programme Co-ordinator⁴³
(Joint Secretary)

डा. मदन
कृषि तथा पशुपन्छी विकास मन्त्री

	Implementation Phases		
	Pre-Construction	Construction	Operation
	<ul style="list-style-type: none"> • Forest clearance approval from the MoFE • Implementation in the field according to EIA • Establishment of construction camp 	<ul style="list-style-type: none"> • Landscaping and rehabilitation of the site • Formulation of MOGAP 	

5.3.7 Semlar market implementation steps:

The programme will coordinate, arrange and implement the following activities under this component.

Table 10. Implementation steps for the Semlar wholesale market

S.N.	Key activities	Activity description	Responsible
1	EIA approval	<ul style="list-style-type: none"> • Finalize the EIA and get approval from the MoFE based on the feasibility (technical and financial) study 	Investment International, IFAD, MoALD, CAIMDP
2	Disclose EIA along with appendixes	<ul style="list-style-type: none"> • Disclose ESIA 120 days prior to Board Meeting as a mandatory requirement 	IFAD, MoALD, CAIMDP
3	Flood risk assessment	<ul style="list-style-type: none"> • Conduct detailed flood risk assessment for Semlar wholesale market and integrate mitigation measures to ESCMP (Environmental, Social and Climate Management Plan) and design 	SPIU
4	Implement EIA and ESCMP	<ul style="list-style-type: none"> • Ensure to i) integrate EIA and ESCMP recommended mitigation measures into the design and ii) quality implementation. 	SPIU, PCO, IFAD, MoALD
5	Detail Design for Execution	<ul style="list-style-type: none"> • Decide on appropriate procurement options provided in the Feasibility study to initiate the detail design of Semlar market. • Issue RFPs/EOI and Bidding Documents in consultation with IFAD Procurement Specialist. 	IFAD, MoALD, DUDBC, PCO, SPIU
6	Implement Technical Assistance (TA) to Support the procurement / bidding and execution process	<ul style="list-style-type: none"> • Agree on the TA implementation modalities. 	IFAD, MoALD, DUDBC, PCO, SPIU

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री र

S.N.	Key activities	Activity description	Responsible
7	Evaluation of Bidding Proposals & Award of Contract	<ul style="list-style-type: none"> Evaluate the bids received in accordance with the GoN/IFAD guidelines. Award the detail design work. Start execution at site as per final detailed design. 	IFAD, PCO, SPIU
8	Execution of Works	<ul style="list-style-type: none"> Site Acquaintance Contractor mobilization Construction of the programme structures and facilities as per detailed design Installation and erection of equipment Equipment testing and commissioning Landscaping and rehabilitation of the site 	Contractor, SPIU, PCO, IFAD, Butwal Sub-metropolitan
9	Hiring of staffs for Semlar Market operation	<ul style="list-style-type: none"> Develop operational plans (O&M, financial, waste management, traded commodities etc.) for smooth operation and management of markets 	MoALD, DoA, CAIMDP, Butwal Sub-metropolitan
10	Construction, Supervisions and Quality Assurance	<ul style="list-style-type: none"> Depute field engineers for establishing market. Develop construction and quality assurance mechanism as per detailed design. Implement the monitoring and quality assurance mechanism. Conduct regular spot checks by the PCO/IFAD/II staff and provided strategic guidance during execution. Conduct material quality tests as specified in the detailed design/required as per local/national standards. 	SPIU, PCO, Butwal Sub-metropolitan
11	Operationalization, Management and Sustainability of the Semlar Market	<ul style="list-style-type: none"> MoALD will make necessary legal and managerial provision through MOGAP, clearly delineating the roles and responsibilities of all stakeholders. Operate and manage with professionally sound and best management practices as articulated (previously) in the operational/management plans. 	MoALD, PCO, Butwal Sub-metropolitan
* The provisions of the Public Procurement Act and Regulation of GoN will be followed during construction.			

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

सचिव

डा. मदन प्रसाद परियार
कृषि तथा पशुपन्डी विकास मन्त्री

5.4 Component 4: Strengthened policies, regulations and institutions for smallholder agroecological production and trade

The R-HVAP will aim at establishing and strengthening enabling policy, regulations and other supporting frameworks for profitable smallholder agroecological production, facilitated by participating institutions and communities. In addition, in support to promoting export trade of agricultural products, the programme will enhance the capacity for compliance to SPS measures, support trade facilitation and negotiations and participation in national/international trade events as well as ethnical and bio-trade fairs.

This component will be implemented in coordination with MoICS, MoALD, Department of Customs (DoC), DoA, Department of Livestock Services (DLS), Department of Food Technology and Quality Control (DFTQC), Seed Quality Control Center (SQCC), Plant Quarantine and Pesticide Management Centre (PQPMC), Gene Bank (GB), the Federation of Nepalese Chambers of Commerce & Industry (FNCCI), the provincial line ministries and the Trade and Export Promotion Centre (TEPC).

5.4.1 Sub-Component 4.1: Support to review of policies and regulations for stimulating smallholder agroecological production and trade

The programme will facilitate the participation of the small-scale producers as well as other actors in the organic or agroecology value chains in policy dialogues. This will collaborate to identify systemic barriers that will be addressed by policies and regulations at Palika, Province or the Federal level. Policies and regulation barriers, opportunities and proposed actions that can be implemented at the Palika or Provincial level will be included in the PAPs. The programme will mainly focus in development and review of the provincial organic policies; quality assurance, certification and pricing for bio-inputs; and registration of resilient landraces/local varieties.

5.4.1.1 Provincial organic policies:

The programme will support the development of organic policies for Lumbini and Sudurpashchim, similar to the Karnali Organic Mission, aiming to promote safe and organic agriculture while phasing out the use of agro-chemicals in coordination with the provincial agriculture ministries. Furthermore, the programme will assist in revision of the Karnali Organic Mission for contextual arrangement in coordination with the provincial agriculture ministry.

5.4.1.2 Quality assurance, certification and pricing protocols of bio-inputs:

The programme will provide technical assistance and work with the relevant divisions in MoALD, DoA, Central Agricultural Laboratory (CAL), provincial agriculture ministries, provincial soil or plant protection or/and integrated laboratories and relevant stakeholders to develop the protocols and regulations for quality assurance, certification and pricing of bio-inputs with differentiated requirements for farm, community/micro enterprise factory and industrial produced bio-inputs.

5.4.1.3 Registration/preservation of landraces/local varieties:

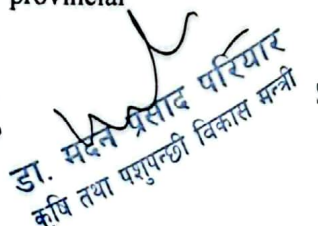
Policies or regulation relevant with the registration of resilient landraces/local varieties, seed mixtures and populations will be reviewed in coordination with MoALD, SQCC, provincial


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)






सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

agriculture ministries and provincial agriculture directorate. In addition, the protocols for preservation or conservation of these varieties will be developed/revised with technical assistance of GB, provincial agriculture Ministries/Directorates.

5.4.1.4 Policy studies for trade promotion:

The programme will identify the policy and regulatory frameworks to facilitate the exports of the HVCs in compliance with national and international regulations. Policy development initiatives will include the development of related action plans and a M&E framework. Where relevant, policy monitoring indicators will be linked with indicators related to reporting commitments towards international conventions like Land Degradation Neutrality targets, Nepal's National Determined Contributions (NDC), the Convention on Biological Diversity (CBD), etc. Furthermore, the programme in coordination with the MoALD will work with Palikas and provinces wherever required to develop a legal framework for leasing of fallow and abandoned lands for the agroecology producers.

5.4.2 Sub-Component 4.2: Trade facilitations and negotiation

5.4.2.1 Export facilitation

The programme will support to build technical capacities of concerned authorities to overcome structural and systemic export barriers, export procedures, trade facilitation and negotiation for organic and/or agroecology products.

5.4.2.2 Sanitary and phytosanitary (SPS) measures

The adherence to stringent SPS standards, the programme will enhance the capacity of public agencies (DoA, DLS, DFTQC, PQPMC, central/provincial laboratories) in conducting pesticide residue analysis to comply with SPS regulations of importing countries. The programme will provide capacity building support to laboratories at border checkpoints along south to operate and maintain the facilities and equipment and for accreditation of the laboratories. This will increase competitiveness and facilitate export trade to neighbouring countries and beyond. R-HVAP will also support upgrading of the biotechnology laboratory in Surkhet and provide capacity support to the laboratory staff. This facility will be involved in conducting quality analysis for both bio-inputs and agricultural products.

5.4.2.3 Trade facilitation and negotiations

5.4.2.3.1 Business matching and trade facilitation

The programme will conduct business matching and trade facilitation in partnership with provincial and federal line agencies. Similarly, MSPs will facilitate business matching between POs and MSMEs for increasing access to export markets.

5.4.2.3.2 Participation in national/international trade events and international ethical & bio-trade fairs

Support will be provided to POs and MSMEs for attaining the national and international trade fairs/events aiming to explore the export potentialities by understanding the SPS requirements, certificates of origin, logistics, legal agreement and customs clearance. These events will also

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

सचिव

डा. मदन प्रसाद परियार
वि तथा पशुपन्छी विकास मन्त्री

enhance the capacities of wholesale agriculture market constructed under component 3 to access international markets.

5.4.3 Indicative activities

The programme will coordinate, arrange and implement the following activities under this component.

Table 11. Indicative activities under component 4

S.N.	Indicative activities	Responsible	Partner	Expenditure details
1.	Develop organic and agroecological strategies and action plans	PCO, PMOs	MoALD, MoLMAC, MoICS	According to ToR and cost estimate
2.	Policies and implementation guidelines for PGS, certification schemes and quality assurance	PCO, PMOs	FNCCI, TEPC, MoALD, DoA, DFTQC, DLS, PQPMC, SQCC, DoA	According to ToR and cost estimate
3.	Policy studies for developing or upgrading trade related policy frameworks, regulations and protocols	PCO, PMOs	MoALD, MoICS, MoLMAC, DoA, DFTQC, DLS, PQPMC, SQCC, DoA	According to ToR and cost estimate
4.	Participation to national and international fairs and events (organic, ethical trade)	PCO, PMOs, COs	POs, MSMEs	Logistics, allowances and cost related to event management ensuring minimum 15% contribution of beneficiaries
5.	Support to industry association (National Organic Associations and others)	PCO, PMOs	Industry associations	Facilitation to cover costs related to upgrading HVC value chain
6.	Support to border checkpoint laboratory facilities	PCO, PMOs	DoA, DFTQC, DLS, PQPMC, MoLMAC	According to cost estimate
7.	Capacity building for border checkpoint staffs	PCO, PMOs	PQPMC, DoA, DLS, DFTQC, MoLMAC	Cost of capacity building activities


Gokul Prasad Bhattarai
Programme Co-ordinator
(Joint Secretary)


सचिव
डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्रालय

S.N.	Indicative activities	Responsible	Partner	Expenditure details
				(logistics and allowances)
8.	Upgrading and capacity building for bio-technology or provincial laboratory	PCO, PMOs	MoLMAC, Directorate of Agricultural Development, Provincial laboratory and other	According to cost estimate

5.5 Programme management, monitoring and evaluation, knowledge management and learning
This aspect is related to the operational arrangement of the programme. The programme will invest in robust M&E and evidence-based knowledge management. The coordination and management teams will develop guidelines and plans, manage studies and surveys to facilitate the implementation of activities while ensuring knowledge sharing.

5.5.1 Manuals and guidelines:

A critical number of manuals and guidelines will be developed to support the Programme management especially implementation arrangement for fairness, transparency, accountability and sustainability. These manuals and guidelines will be prepared and maintained as annexes of this PIM.




5.5.2 Major indicative activities

The programme will coordinate, arrange and implement the following activities under this component.

Table 12. Indicative activities under programme management, M&E, knowledge management and learning

S.N.	Indicative activities	Responsible	Partner	Expenditure details
1.	PCO, SPIU, PMO and CO establishment and operation	PMOs, PCO	MoALD, MoUD (DUDBC), MoLMAC	According to ToR
2.	Guidelines/Manuals development and operation	PCO, PMOs, COs	IFAD, MoALD, MoUD (DUDBC), MoLMAC, PMOs, COs	According to ToR and cost estimate
3.	PSC and PPSC	PCO, PMO	MoALD, MoLMAC	Cost for logistics and allowances


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)




डा. मदन प्रसाद
सचिव
कृषि तथा पशुपन्छी विकास मन्त्री

S.N.	Indicative activities	Responsible	Partner	Expenditure details
4.	Programme start-up workshop	PCO, PMOs		
5.	Programme Planning and Review workshop	PCO, PMOs	IFAD, MoALD, DUDBC	
6.	Coordination meeting and workshop	PCO, PMOs, COs	Stakeholders	
7.	Supervision / Implementation Support Mission	PCO, PMOs, COs, SPIU	IFAD, MoALD, DUDBC	
8.	Programme MTR / PCR mission	PCO, PMOs, COs	IFAD	According to ToR and cost estimate
9.	M&E System Development			
A	Programme M&E and MIS workshop	PCO, PMOs		Cost for logistics and allowances
B	MIS system development	PCO	Consulting Service	According to ToR and cost estimate
C	Monitoring and data collection training	PCO, PMOs, COs	MoLMAC	Cost for logistics and allowances
10.	Studies and Survey			
A	Baseline/Mid-line/End-line survey	PCO, PMOs, COs	Consulting service	According to ToR and cost estimate
B	Data Collection	PCO, PMOs, COs		According to ToR and cost estimate
C	Annual Outcome survey	PCO, PMOs, COs		According to ToR and cost estimate
11.	Knowledge generation and management			
A	Knowledge product development and publication	PCO, PMOs, COs		According to ToR, cost estimate and publication cost
B	Knowledge sharing workshop	PCO, PMOs, COs	MoALD, DoA, DLS, DFTQC, AITC	Cost for logistics and allowances
C	Policy formulation workshop	PCO, PMOs	MoALD, MoLMAC	Cost for logistics and allowances
D	Media trips: Video benchmarking	PCO, PMOs, COs	Consulting service	According to ToR and cost estimate
12.	Programme Completion workshop	PCO, PMOs	IFAD	Cost for logistics and allowances

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

50

सचिव

डा. मदन प्रसाद परियार
सि तथा पशुपन्थी विकास मन्त्री

6. ORGANISATIONAL FRAMEWORK AND IMPLEMENTATION ARRANGEMENT

6.1 Implementation structure

The implementation arrangements of this programme will be led by MoALD in coordination with the respective Provincial Ministries of Agriculture (Lumbini, Karnali and Sudurpashchim) and the MoUD/DUDBC. Governance structure of programme consists of a PSC, SMCC and three PPSCs. The outline of implementation structure is given in figure 6.

6.2 Steering committees

6.2.1 PSC at Central level: A PSC, chaired by the Secretary of MoALD with the representatives from relevant line ministries (MoF, MoFE, MoFAGA, MoICS, provincial agricultural ministries) and stakeholders (NPC, NARC, DUDBC, DoA, DLS, DFTQC, AEC) will be formed at central level with ToR detailed in 6.2.1.1. The minutes of PSC will jointly be certified by chairperson and Programme Coordinator (Member Secretary).

6.2.1.1 ToR of PSC

1. Recommend for approval of the programme manuals, guidelines and procedures.
2. Provide directions for policy and administrative reforms to achieve programme goals.
3. Coordinate and cooperate with the PPSC for the effective programme implementation
4. Monitoring and evaluation of programme implementation.
5. Discuss the budget and activities of the programme and recommend for approval.
6. Review the achievements of the programme along with financial progress as well as environmental and social issues.
7. Review internal and external audit reports and provide guidance for timely implementation of recommendations and suggestions.
8. Reduce or add the members of the committee as needed.
9. Solving problems/challenges of programme implementation in a timely and effective manner.

6.2.2 PPSC at Provincial level: Three PPSCs will be formed along with its ToR in Lumbini, Karnali and Sudurpashchim provinces chaired by the respective Provincial Secretary of Agriculture, including members from the PCO, relevant provincial line ministries and stakeholders. The Programme Manager of the PMO will serve as Member Secretary, with the PMO acting as the PPSC Secretariat. The minutes of PPSC will jointly be certified by Chairperson and Member Secretary.

6.2.3 SMCC: The SMCC will be chaired by the Mayor of Butwal Sub-Metropolitan City with the Programme Manager of the SPIU serving as Member Secretary. Members include representatives from the MoUD/DUDBC, PCO, CAIMDP, MoALMC, Chief Administration Officer of Butwal Sub-metropolitan city, relevant ward Chairperson and the provincial ministries related to industry, forest and environment.

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

51

सचिव

डा. मदन प्रसाद परियार
कृषि तथा पशुपक्षी विकास मन्त्री

6.3 Management structures

The programme's management structure comprises three key elements: a PCO established at the federal level hosted by the MoALD; one SPIU under DUDBC/MoUD; three PMOs in the Lumbini, Karnali and Sudurpashchim and subsequently, one CO will be established in Lumbini with two COs in Karnali. These COs will host technical staff providing specialized expertise in the required fields of agroecology, agriculture and livestock, engineering, social inclusion and business development.

6.3.1 Programme Coordination Office (PCO)

PCO holds overall responsibility for programme planning, technical guidance, implementation oversight and monitoring/supervision of PMOs and COs. Staffing comprises government-deputed personnel (Programme Coordinator, Deputy Programme Coordinators, Agriculture Officers, Planning Officer, Account Officer, Agriculture Engineer, Admin Assistant and Junior Technician) and contracted staffs. The functions of the PCO are given below:

1. Act as the secretariat for the PSC.
2. Prepare necessary manuals, guidelines, directives and procedures for programme implementation and submit them to MoALD for approval after PSC's recommendation.
3. Regularly coordinate and collaborate with relevant stakeholders (including MoALD, departments, IFAD, provincial ministries and local governments) to achieve programme objectives.
4. Handle overall programme planning, activity implementation and budgeting.
5. Regularly coordinate and provide necessary support for programme operation and implementation to the SPIU, PMOs and COs. Facilitate the process of the new Palikas selection.
6. Carry out activities related to capacity development of the stakeholders and the preparation of resource materials.
7. Develop, improve and implement the online/offline MIS required for programme reporting.
8. Monitor, evaluate and supervise overall programme implementation.
9. Manage the programme's mission and undertake joint monitoring activities.
10. Manage the process of claiming expenses/reimbursements from donor agencies (specifically IFAD). Overall management, expenses, reimbursement and appraisal of fund from financiers.
11. Prepare and submit progress reports, financial management reports and consolidated internal and external audit reports to relevant authorities (including IFAD) as required.
12. Maintain and ensure the security of programme records and documentation of achievements.
13. Studies related to effective programme implementation and achievement of the targets.
14. Perform any other tasks as outlined in the programme documents.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary) 52






सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री

6.3.2 Semlar Market Sub-Programme Implementation Unit (SPIU)

A SPIU will be established in Butwal Sub-Metropolitan City, Rupandehi District, Lumbini Province for day-to-day supervision of the construction of Semlar market infrastructure. Staffing comprises government-deputed Senior Divisional Engineer from DUDBC serving as Project Manager, supported by technical staff (Engineers, Assistant Engineers), administrative personnel (Account Officer and Admin Assistant) and staffs deputed by MoALD (Agriculture Officer and Agriculture Engineer). This team will be complemented by contracted specialists.

6.3.3 Provincial Programme Management Office (PMO)


PMO will be responsible for delivering the programme services and interventions in the three respective target provinces. Staffing comprises provincial government-deputed personnel (Programme Manager, Planning and Monitoring Officer, Agriculture Officer, Account Officer, Engineer, Admin Assistant and Junior Technician) and contracted staffs. The functions of PMOs are given below:

1. Serve as the secretariat for the PPSC.
2. Provide guidance, facilitation and capacity building to COs for achieving programme objectives.
3. Coordinate with stakeholders for programme planning and implementation.
4. Allocate budgets as per the agreements with GoN and assure provincial cofinancing in coordination with the provincial ministry of agriculture.
5. Coordinate with PCO for reporting, quarterly disbursements and financial releases.
6. Prepare and aggregate monthly/quarterly/semi-annual/annual progress reports, audit reports and submit to PCO and relevant bodies.
7. Assist in developing PAPs and MSPs at Local level.
8. Build capacity of POs and MSMEs and support technology adoption.
9. Conduct demonstration activities to influence the adoption of new technologies and innovations in the community, facilitate trials through farmers and verify the success of the innovations.
10. Monitor, evaluate and supervise all programme activities under the provinces.
11. Facilitate development and dissemination of resource materials.
12. Operate according to PIM, guidelines and procedures and propose amendments if necessary.
13. Coordinate with stakeholders to resolve policy/technical/management issues during implementation.
14. Implement and maintain online/offline MIS for reporting.
15. Assist PCO in mission management and joint monitoring tasks.
16. Prepare progress reports, financial reports and audit reports for PCO/relevant bodies.
17. Maintain and secure achievement records.
18. Perform other tasks specified in programme documents.
19. For Sudurpashchim Province: Perform dual functions of PMO and CO.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

53


सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री



6.3.4 Corridor Offices (COs)

COs will be established in one district in Lumbini Province and two districts in Karnali Province. Staffing comprises provincial government-deputed personnel (Chief, Junior Technician, Accountant and Admin Assistant) and contracted staffs. The functions of COs are given below:

1. Coordinate with Local levels to select regions and implement programme to achieve the objectives.
2. Assist in the development of the PAPs and the conduction of MSPs at the Local level.
3. Build the capacity of POs & MSMEs and facilitate the adoption of technologies.
4. Implement programme according to the PIM, procedures and guidelines related to the programme.
5. Conduct demonstration activities to influence the adoption of new technologies and innovations in the community, facilitate trials through farmers and verify the success of the innovations.
6. Manage the necessary resource materials for capacity development.
7. Use the MIS to input progress and data.
8. Prepare monthly, quarterly, semi-annual and annual progress reports and submit them to the PMO.
9. Maintain and secure achievement records.
10. Perform other tasks specified in programme documents.

6.4 Programme staffing

6.4.1 Government deputed staff

The MoALD and MoUD will second staff to the PCO and SPIU respectively. Similarly, provincial ministries will second staff to their respective PMOs and COs. The federal and province ministries may revise the organization and management survey as needed during the implementation of programme in consultation with PCO. The representative organogram of the R-HVAP cost centers is as detailed in figure 7.

6.4.2 Recruited staff

Based on the recruitment guidelines, specialized experts and programme management staff will be recruited, focusing on PO professionalization, agroecology and MSME development. This staff team will be accountable to the chief of the respective cost center or staff assigned by him/her. A research consortium led by NARC will be integrated into the implementation structure for designing, promoting and monitoring the agroecological approach.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

54


सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

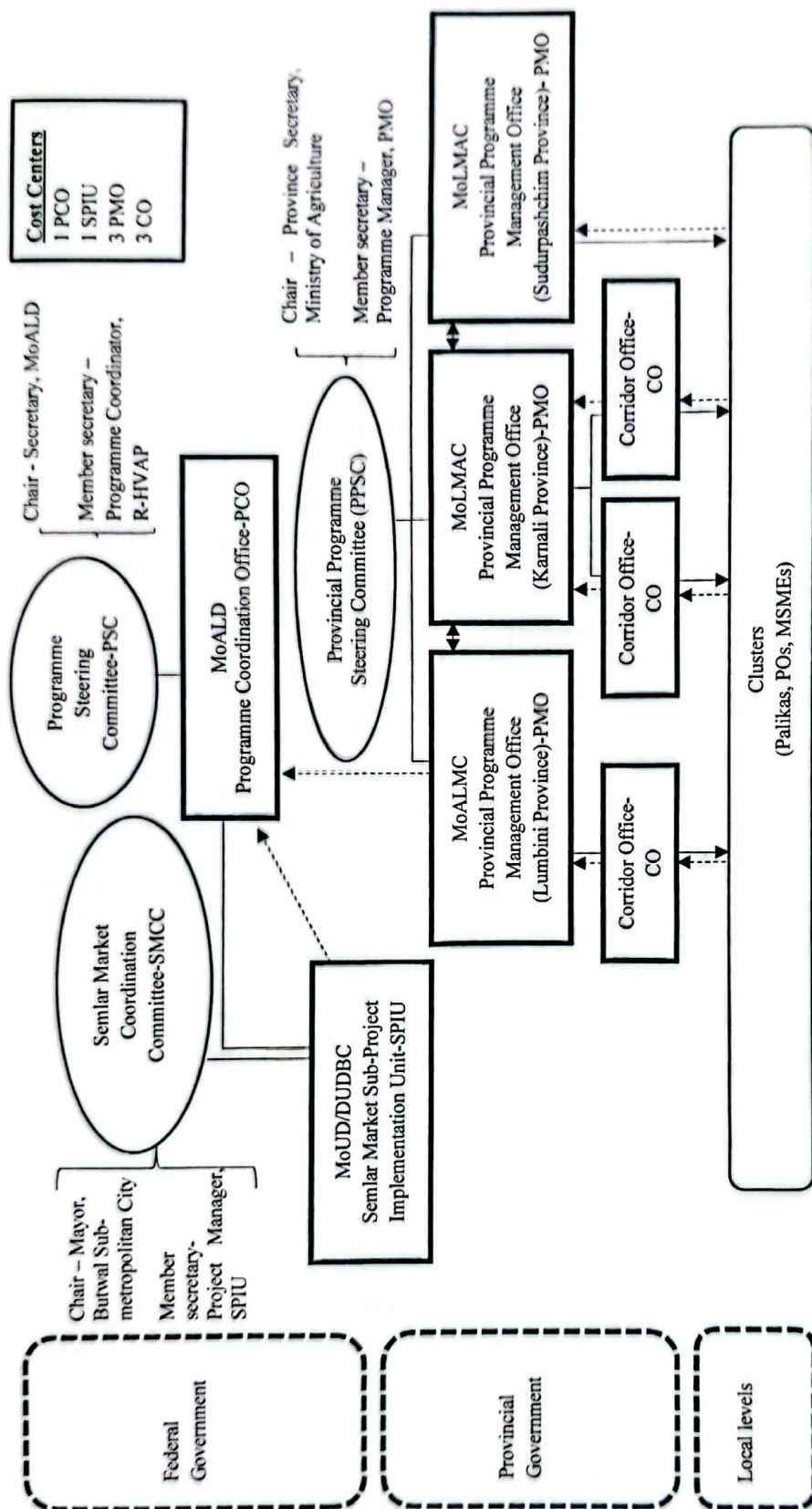


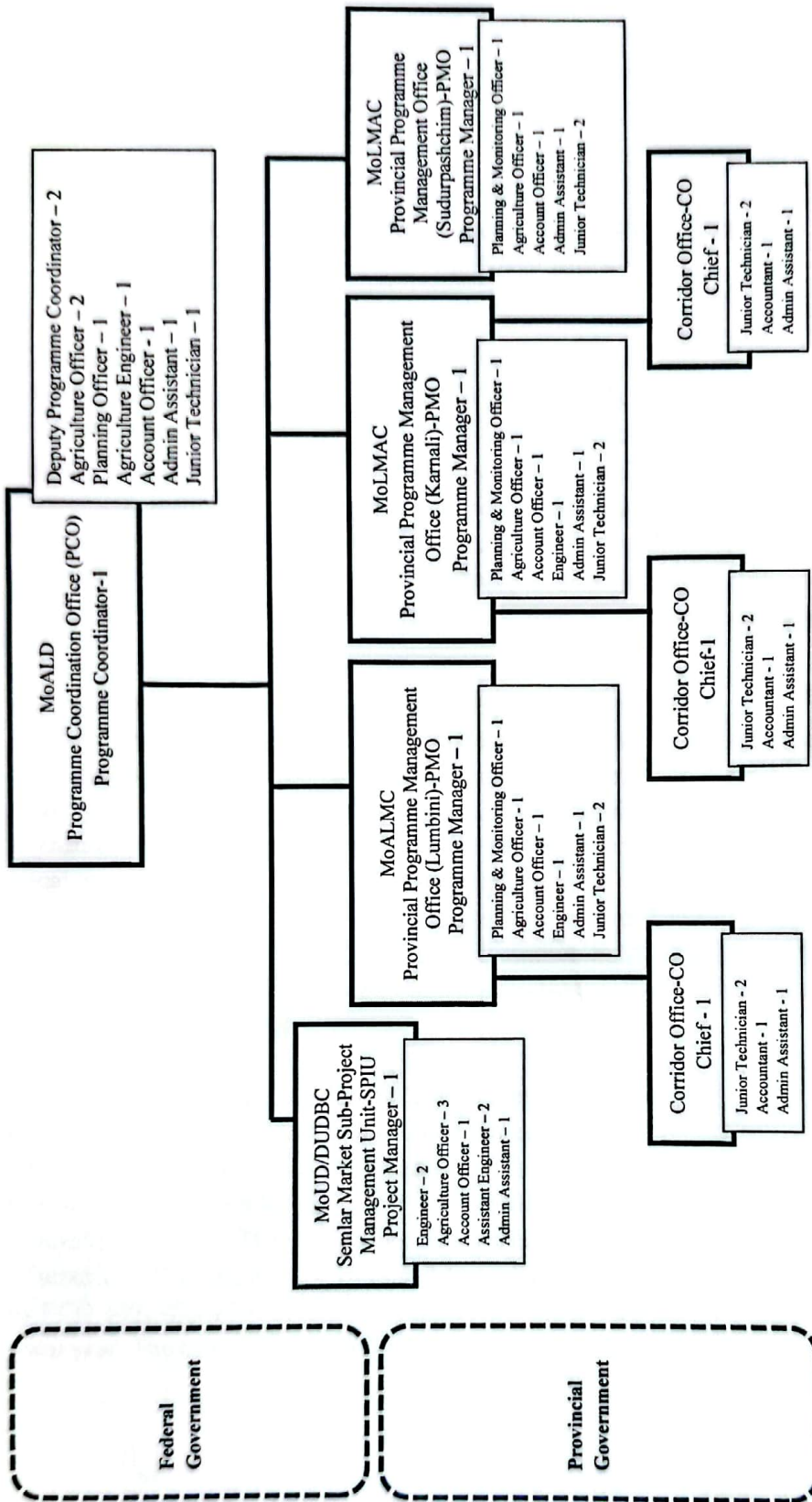
Figure 6. Implementation structure of R-HVAP

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 Programme Co-ordinator
 (Joint Secretary)

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सचिव

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 कृषि तथा पशुपन्डी विकास मन्त्री





* Each cost center team will be complimented by contracted staffs.

Figure 7. Organogram of R-HVAP

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कृषि तथा पशुपालन विभाग
मन्त्रालय, काठमाडौं





7. PLANNING, COORDINATION, MONITORING, EVALUATION AND KNOWLEDGE MANAGEMENT

7.1 Planning

R-HVAP's planning framework will align with the GoN's mainstream planning cycles and adhere to IFAD's Annual Work Plan and Budget (AWPB) procedures. All programme cost centres will develop their AWPB through a participatory process that systematically integrates inputs from government institutions (across federal, provincial and local levels), private sector entities, farmers' groups and communities. Furthermore, findings and management implications emerging from trimester/annual stakeholder review and planning workshops will be formally incorporated into the AWPB preparation cycle to ensure adaptive and responsive programme planning.

7.1.1 Annual Work Plan and Budget (AWPB)

The R-HVAP budget process will be conducted in line with national procedures, which require consultation with all stakeholders, including beneficiaries. In Year 1, the PCO will conduct training workshops for implementing agencies on Programme strategy, AWPB and procurement to ensure unified understanding. PAPs will be developed through participatory processes at the Local level, ensuring inclusion of disadvantaged groups. The PCO will consolidate AWPBs from all three PMOs, the SPIU and its own operations; secure IFAD's no objection (NO); and enter activities into the Line Ministry Budget Information System (LMBIS). Approved activities are published in the federal *Red Book* post-parliamentary approval, with the MoF disbursing funds to provinces as conditional grants.

PMOs, based on federal conditional grants, then enter provincial AWPB data into PLMBIS for approval and publication in provincial *Red Books*. Upon parliamentary approval at both levels, the Financial Comptroller General Office (FCGO) and provincial treasuries load budgets into the Financial Management Information System (FMIS), enabling real-time access at District Treasury Controller Offices (DTCOs). The *Red Books* specify budget codes and funding sources, with strict adherence to GoN accounting rules and financier ratios. Planning of subsequent year will be led by PCO with allocation of resources to SPIU/ PMOs/COs based on the performance of ongoing fiscal year. The complete planning process is visually detailed in the accompanying figure 8.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)





57


सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपक्षी विकास मन्त्री

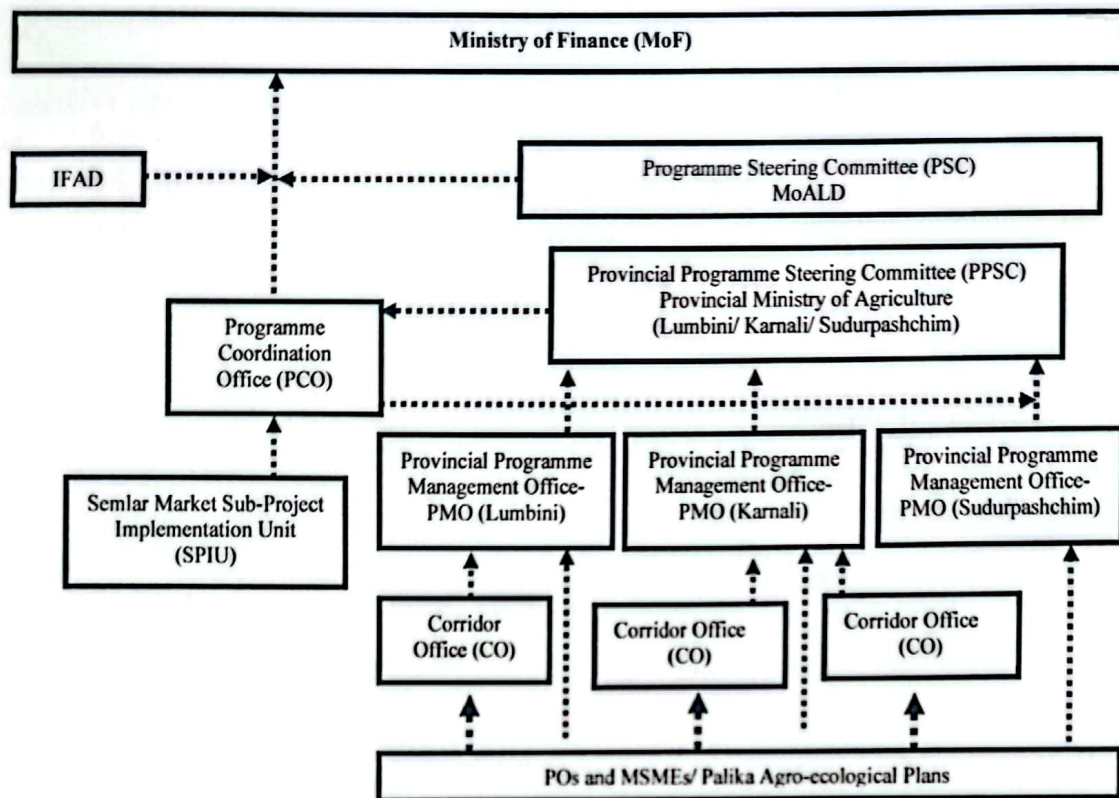


Figure 8. Planning of R-HVAP activities

7.2 Coordination

Coordination with keys stakeholders will be carried out to prevent conflict and duplication while promoting effectiveness and synergy of activities. R-HVAP employs key coordination strategies: establishing MSPs that unite government, private sector, POs and MSMEs for aligned agroecological development; implementing clear role definitions to eliminate task overlap; conducting integrated planning with provincial/local governments to harmonize activities with existing agricultural policies; enabling data sharing & communication through robust M&E and MIS systems for efficient resource use; and utilizing continuous M&E to proactively identify and resolve implementation challenges.

7.2.1 Coordination among the three tiers of governments

R-HVAP ensures effective implementation and avoids duplication through coordinated action across federal, provincial and local governments. This includes: federal alignment with national agricultural policies and ministerial collaboration for funding; provincial partnerships for region-specific programme implementation and resource distribution; and local engagement with Local levels for direct farmer support. Key mechanisms enabling this synergy are intergovernmental committees, joint planning, policy harmonization and cross-tier capacity building. Governance is structured through committees: the PSC, PPSC, SMCC and PAP committees.

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

58

डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री

7.2.2 Coordination among the stakeholder


The programme will coordinate with different stakeholders (table 13) that will play crucial role in directly or indirectly implementing programme activities at different levels.

Table 13. Role and responsibilities of stakeholders

S.N.	Stakeholders	Role and responsibility
1	NPC	<ul style="list-style-type: none"> Facilitation in programme planning, budgeting, monitoring and evaluation. Facilitation for incorporation and updating of programme activities in National Project Bank. Facilitate the prioritization of Semlar Market as a national project.
2	MoFA	<ul style="list-style-type: none"> Facilitation for participation in international trade fairs.
3	MoF	<ul style="list-style-type: none"> Facilitate budget assurance, allocation, entry, transfer of conditional grants and contribution of GoN/Provinces/Palikas. Facilitation in operation of the dollar account.
4	MoALD	<ul style="list-style-type: none"> Perform as leading authority for implementation of the programme. Supervise overall activities of PCO. Facilitate policy formulation and administrative management. Coordination with donor and implementing stakeholders (MoUD, Provincial Ministries of Agriculture). Provide necessary guidance for solution of implementation related problems.
5	MoUD/ DUDBC	<ul style="list-style-type: none"> Establish and operate SPIU. Perform as higher authority of SPIU for approval of cost estimate, work completion report and other tasks as stated in Public Procurement Act and Regulation. Participation and technical backstopping in federal level activities related to construction of Semlar Market. M&E of developed Semlar market infrastructures prior to handover.
6	MoFE	<ul style="list-style-type: none"> Facilitate for the approval of EIA/supplementary EIA related to Semlar market. Facilitation for mobilization of community forest user groups in implementing programme activities. Facilitate for collection and utilization of forest by products. Facilitate the process of land acquisition for Semlar market.
7	MoICS/TEPC	<ul style="list-style-type: none"> Provide required policy, institutional and promotional support for the export of HVCs.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

59


डा. मदन प्रसाद परियार
सचिव
कृषि तथा पशुपन्छी विकास मन्त्री

S.N.	Stakeholders	Role and responsibility
8	NARC	<ul style="list-style-type: none"> • Provide research and knowledge support for programme implementation. • Facilitate PAR in the field level coordinating with the PCO/PMOs/COs. • Ensure supply of quality inputs and technologies. • Provide technical support for the establishment of demonstration farms.
9	Provincial Ministries of Agriculture	<ul style="list-style-type: none"> • Establish and operate PMOs and COs. • Perform as higher authority of PMOs/COs for approval of cost estimate, work completion report and other tasks as stated in Public Procurement Act and Regulation. • Facilitate budget assurance, allocation, entry and contribution of Provinces. • Support PCO programme implementation. • Interprovincial, Palika and stakeholder coordination and learning.
10	Butwal Municipality	<ul style="list-style-type: none"> • Facilitate land acquisition, construction and operation of Semlar market.
11	Other line agencies (DoA, DFTQC, DLS, SQCC, PQPMC, AITC, FNCCI, AEC, Cooperatives, commodity related alliances)	<ul style="list-style-type: none"> • Provide necessary support for programme implementation as per the scope and ToR of respective office.
12	POs/MSMEs	<ul style="list-style-type: none"> • Participate in production, processing and marketing of HVCs, bioinputs and infrastructure development as per the spirit of the programme. • Active participation in PAP formulation and MSPs implementation. • Facilitation in the process of wellbeing ranking and classification of HHs. • Develop the capacity of HHs in the production and marketing of commodities. • Abide by the contract with PMO/CO, ensure accountability and responsibility for timely work completion. • Facilitate B2B/B2S networking.

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Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

60

[Signature]
साचिव डा. मधु प्रसाद परियार
कृषि तथा पशुपन्डी विकास मन्त्री

7.3 Monitoring and Evaluation (M&E)

The M&E system will monitor performance and assess the impact of programme activities. Monitoring will focus on activities/inputs, outputs, outcomes, performance and risks, while evaluation will assess the relevance, efficiency, effectiveness and impact on poverty reduction, agri-business environment growth, empowerment and partnership, sustainability, replicability, lessons learned and knowledge up-take. The M&E system will cover both the operational and financial aspects of the programme and has two primary roles: (i) tracking implementation progress (including AWPB execution, outreach and targeting effectiveness) and (ii) periodically measuring programme results (outputs, outcomes and impact) against set targets. To a large extent, the M&E system will be participatory, involving the supported POs, MSMEs and Palikas in data collection and management. Detailed M&E process will be explained in manual.

7.3.1 Monitoring

The monitoring system will be basically based on outreach monitoring and georeferenced MIS. The system will track the number, gender, age and ethnicity of direct participants receiving each key programme output for outreach and targeting monitoring. This will specifically monitor the inclusion of young smallholders, women, marginalized groups, migrant families and returning migrants, directly assessing targeting performance. Similarly, georeferenced MIS will be established which will be accessible online/offline via internet and mobile devices/tablets, providing timely data for adaptive management. Key features will include:


- Unique IDs for participants/HHs to ensure transparency, prevent duplication and track change over time.
- Georeferencing of infrastructure for remote verification via satellite imagery..
- Indicator integration including outcomes (income, employment, PO/MSP activity) and ESCMP indicators for international monitoring.
- Alignment with VITA's MIS for beneficiary lending tracking where feasible.

The MIS interface will be simplified for accessibility, especially for decision-makers. Moving beyond static snapshots, it will feature dynamic spatial and temporal visualizations (e.g., trendlines for outreach, financial/physical progress, income, production, sales). PO data will be disaggregated by annual batches for trend analysis. Crucially, data entry into the MIS is mandatory for disbursing co-investment funds.

Similarly, data collected through quantitative and qualitative baseline, mid-term and end line surveys will measure socio-economic changes in participant HHs against logical framework and IFAD core indicators. Specific additional metrics include a HH resilience scorecard (using IFAD's RDMT), MPI, SOM and MDDW. Value chain tracking uses "rolling baselines" at intervention start and Annual Cluster Tracking Surveys (ACTS) from Year 2. Under Component 1, data collection will primarily use farm business diaries and records from agroecological LFs/CMs equipped with tablets/smartphones and incentives for direct field data entry into the MIS.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

61


सावित्र
डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

A large part of the monitoring and indicators will be collected and communicated by the programme beneficiaries. The monitoring will provide trimester and annual feedback on the extent to which the programme is achieving its outputs, implementing the activities, identifying potential problems at an early stage and proposing possible solutions. Media bench marking and base line study will be carried out in the initial stage of cluster delineation and PAP formulation to compare the contribution of programme as per the set goal. The accessibility of the programme to all sectors of the target population, as well as the technical and financial efficiency will be monitored and possible improvements suggested. Georeferencing will be used to the extent possible.

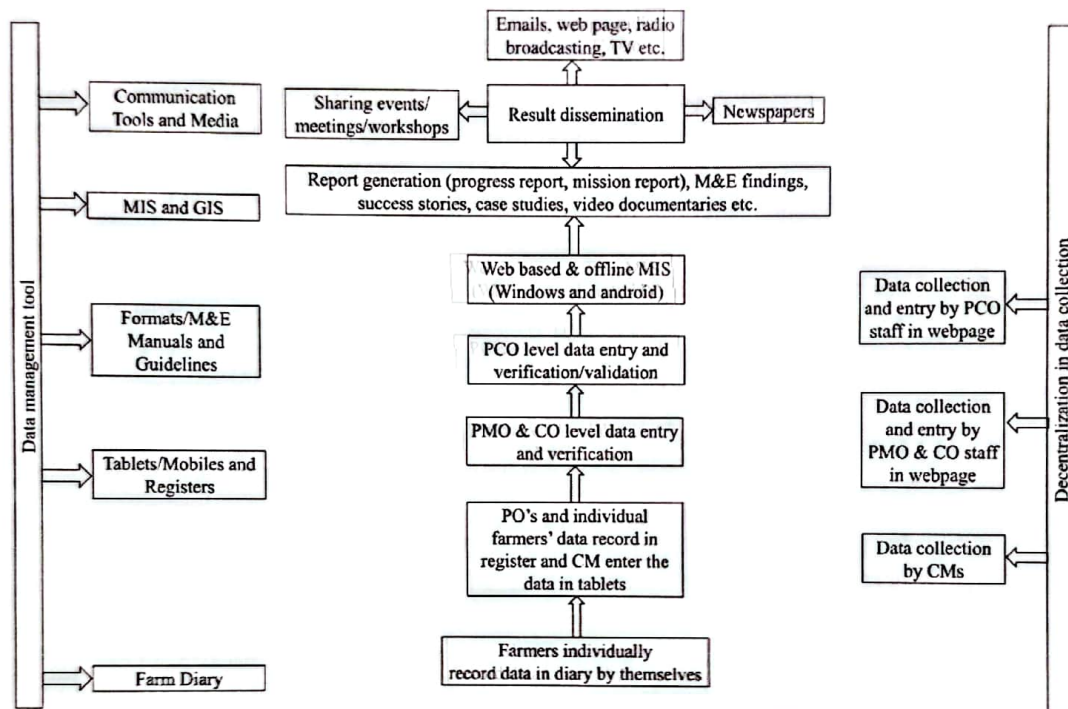


Figure 9. Data management framework of R-HVAP

7.3.2 Annual and periodic reporting

R-HVAP will follow a structured and tiered process of reporting. PMOs, COs and SPIU are responsible for preparing regular progress reports (monthly, quarterly, half yearly and yearly) according to formats specified by the NPC and IFAD. Implementing agencies at the Local level, including POs and MSMEs will provide their progress data to respective cost centres as essential inputs. The report documents both financial and physical progress against the results-based targets outlined in the AWPB, serves as a harmonized narrative source that highlights key trends. The PCO will compile these provincial reports into consolidated submissions, which will then be shared with the MoALD and IFAD for feedback and database management.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

62

राष्ट्रिय


डा. मदन प्रसाद पुरी
कृषि तथा पशुपन्छी विकास मन्त्री



7.3.3 Supervision

The R-HVAP at coordination and implementation level will jointly be supervised by IFAD, with the participation of MoALD, MoF, province and local governments, in accordance with the on-going arrangements in Nepal. The IFAD's country office will manage the mission assisted by PCO. GoN and IFAD staff as well as consultants will attend the programme start-up workshops and also will continue to be involved in supervision and implementation support missions. The initial supervision and implementation support mission will take place soon after programme commencement. Further supervision missions will be undertaken as required and complemented by short and focused follow-up implementation support missions as appropriate. Supervision will be based on IFAD's operational modalities and practices.

7.3.4 Evaluation

Programme evaluation will be done by IFAD and GoN. It includes assessment of annual outcome, impact evaluations, thematic studies and major reviews during mid-term and programme-end.

- **Annual Outcome Monitoring:** The PCO/PMOs will conduct annual surveys using a small sample of beneficiaries and a control group. These surveys measure HH-level changes, provide early evidence of success/failure, enable timely corrective actions, assess targeting efficiency and gauge annual progress towards objectives.
- **Impact Evaluation:** Programme impact will be rigorously measured using baseline, mid-term and completion surveys. These surveys will revisit the same georeferenced HHs to track changes in livelihoods, directly informing the MTR and PCR.
- **Thematic Studies:** The PCO will commission specific studies to deeply analyse the impact of programme activities which measure HH changes, provide performance feedback for corrections and assess targeting. Key focus areas include: poverty impacts of market support, microcredit effects on women, effectiveness of collective models, SME job creation for the poor, pluralistic extension, local agricultural reform, co-investment impacts and links between income/behaviour change and nutrition/women's empowerment.
- **Major Reviews:** Joint IFAD-GoN MTR and PCR will comprehensively assess the key indicators of the programme outcomes. The review areas include: progress against AWPB targets; partner performance; TA efficacy; component relevance; implementation efficiency; expected impact on livelihoods, gender, nutrition, environment; sustainability/risks; and recommendations for improvement, including potential component changes. Completion will include stakeholder workshops for evaluation, accountability and identifying sustainability factors.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

63


 सचिव


 डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्जी विकास मन्त्री

7.4 Knowledge management and learning

R-HVAP will implement a robust, evidence-based Knowledge Management (KM) system, integral to achieving programme objectives and informing policy. A KMS and PEP will be developed at the outset, tailored to the needs of all stakeholders (participants, governments, programme team). This strategy will focus KM activities around five core themes: private investment in hill-area value chains; poor HHs' responses to agribusiness; gender-responsive value chain development; sustainable pluralistic extension services; sustainable rural finance; and impacts on women's empowerment and nutrition. KM is integrated into all staff roles, requiring tools, capacity building and buy-in across the programme. Geo-tagging will track all interventions and field visits systematically.

The programme will actively generate and manage knowledge through structured events and activities. This includes quarterly review meetings at the PCO to assess progress, challenges and document lessons; annual programme reviews evaluating overall performance, beneficiary feedback and progress towards objectives using outcome surveys; and production of at least two evidence-based knowledge pieces annually derived from implementation experiences on the core themes. The programme will systematically document lessons learned, best practices and success cases from various sources (reports, interviews, M&E data). Learning conferences/seminars at state and federal levels will facilitate sharing experiences with other stakeholders. A comprehensive programme lessons learnt report will be developed, incorporating feedback and a short film documenting impact will be produced.

The PCO will be responsible for collating, analysing and widely disseminating informational and promotional materials (newsletters, pamphlets, brochures, audio-visual products) using diverse channels (web, mail, print/digital media, workshops, conferences, radio, public broadcasting). The developed communications and KMS will identify optimal tools to share successes, increase programme visibility and raise R-HVAP's profile nationally. A designated information officer will act as the programme spokesperson and provide information to stakeholders.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

8. FINANCIAL RESOURCE MANAGEMENT

8.1 Financial resources

The total budget of the programme is estimated at USD 120.97 million. Financing sources and contribution details are provided in the accompanying table 14. IFAD loan will be mainly used in implementation of core programme activities while GoN and PGoN will contribute for taxes and major operating cost including salary and allowances. Local level and other financiers (POs/MSMEs) will contribute through co-investment share in accordance with PAP. The programme will develop a financial management manual to adhere all the financial resources.

Table 14. R-HVAP total budget (USD in million)

S.N.	Financiers	Amount	Contribution (%)	Remarks
1	IFAD	70.930	58.6	Loan
2	GoN	24.594	20.3	Cash and others contribution USD 5.0 and 19.594 million respectively
3	PGoN	0.497	0.4	
4	Local levels	1.518	1.3	
5	Other financiers	23.431	19.4	POs USD 20.871 million and MSMEs USD 2.560 million
	Total	120.97	100	

8.1.1 Programme cost by components and financiers

Structured around four technical components and programme management functions, the R-HVAP programme allocates its USD 120.97 million budget as follows: Component 1 (54.61%, USD 66.055 million), Component 2 (8.33%, USD 10.081 million), Component 3 (25.83%, USD 31.25 million), Component 4 (1.13%, USD 1.367 million) and Programme Management, M&E, KM & Learning (10.10%, USD 12.217 million). Comprehensive cost details by component and financier appear in the table 15.

Table 15. Programme cost by components and financiers (USD in million)

Components	GoN	GoN cash	PGoN	IFAD	Local levels	Other financiers	Total
1	9.718	0.000	0.000	34.324	0.000	22.013	66.055
2	1.511	0.000	0.000	5.680	1.518	1.372	10.081
3	4.250	5.000	0.000	22.000	0.000	0.000	31.250
4	0.207	0.000	0.034	1.080	0.000	0.046	1.367
Programme Management, M&E, KM & Learning	3.908	0.000	0.463	7.846	0.000	0.000	12.217
Total	19.594	5.000	0.497	70.930	1.518	23.431	120.970

Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

65

सचिव

डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्थी विकास मन्त्री

8.1.2 Programme cost by expenditure categories and financiers

The R-HVAP programme's total budget is distributed across four expenditure categories: (I) Works (e.g., infrastructure/civil works) receive USD 42.764 million (35.35%); (II) Goods, Services & Inputs (core programme resources) constitute the largest share at USD 65.320 million (54.0%); (III) Training (capacity development) accounts for USD 3.242 million (2.68%); and (IV) Operating Costs (administrative overhead) total USD 9.644 million (7.97%). This allocation—with over half the budget to Goods, Services & Inputs—signals a strong focus on direct implementation resources, while operating costs remain lean at under 8% of total spending. A comprehensive breakdown of these expenditures by category and financier is provided in table 15.

Table 16. Programme cost by expenditure categories and financiers (USD in million)

Categories of Expenditures	GoN	GoN cash	PGoN	IFAD	Local levels	Other financiers	Total
(I) Works	5.839	4.624	0.034	27.400	1.462	3.405	42.764
(II) Goods, Services and Inputs	9.711	0.343	0.000	35.230	0.056	19.980	65.320
(III) Training	0.463	0.033	0.000	2.700	0.000	0.046	3.242
(IV) Operating Costs	3.581	0.000	0.463	5.600	0.000	0.000	9.644
Total	19.594	5.000	0.497	70.930	1.518	23.431	120.970

The description of different categories is given below:


Categories	Descriptions
I. Works	Works and infrastructure-related expenditures
II. Goods, Services and Inputs	Goods, equipment and materials, non-consultancy, consultancy services and grant for co-investment packages
III. Training	All training and workshop-related expenditures incurred within programme activities
IV. Operating costs	All expenditures for salaries and allowances related to the Programme's management and coordination and other operating expenditures and including salaries and operational costs of deputed staff that will be financed by GoN

8.1.3 Programme cost by components and year

The programme's total budget will be expended over an eight-year implementation period, with distinct annual phasing: Year 1 initiates operations at 8% (≈USD 9.68 million), followed by peak investment in Years 2-4 at 23% (Year 2), 32% (Year 3) and 26% (Year 4) – collectively representing 81% of total expenditure during the core implementation phase. Subsequent years scale down progressively to 4% (Year 5), 3% (Year 6), 3% (Year 7) and 1% (Year 8), transitioning toward completion and evaluation activities. This expenditure curve prioritizes intensive resource


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

66


डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्छी विकास मन्त्री

deployment during mid-programme years while maintaining lean bookend allocations. Comprehensive annual cost distributions by component are detailed in table 17.

Table 17. Programme cost by components and year wise overview (USD in million)

Component	Year								Total
	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th	
1	3.3248	14.9971	25.2735	18.2394	1.8456	1.2161	1.1484	0.0056	66.0505
2	0.847	1.8386	2.885	2.2615	1.005	0.448	0.4524	0.3471	10.0846
3	3.2889	9.281	9.237	9.4486	0	0	0	0	31.2555
4	0.036	0.3249	0.3042	0.1733	0.121	0.2075	0.1252	0.0759	1.368
Programme Management, M&E, KM & Learning	2.3632	1.3875	1.3356	1.4714	1.4514	1.468	1.4961	1.2438	12.217
Total	9.8599	27.8291	39.0353	31.5942	4.423	3.3396	3.2221	1.6724	120.97

8.2 Disbursement arrangements and flow of funds

8.2.1 Disbursement arrangements

8.2.1.1 The IFAD loan structure and account setup


The IFAD will disburse a USD 70.93 million loan over an eight-year period, concluding on the eighth year of the programme's effective date. Upon the agreement's entry into force, IFAD will establish a dedicated loan account for the full amount. Funds will be released according to the financing agreement and IFAD's standard disbursement protocols. The financial operation will be facilitated through a Foreign Debt Reimbursement Account at Nepal Rastra Bank in the name of Central GoN opened in USD maintained by FCGO. Initially the expenditure will be made from the treasury of GoN which will be later reimbursed by IFAD in exact amount corresponding to the exchange rate.

8.2.1.2 Reimbursement mechanism

The GoN will provide initial funding for programme activities through a pre-financing arrangement. The Central Treasury's actual expenditures will subsequently be reimbursed by the programme on a quarterly basis. This reimbursement will utilize IFAD's report-based disbursement modality, requiring formal documentation of expenses before funds are transferred.

8.2.1.3 Withdrawal authority and signatory protocol

The Programme Coordinator and Account Officer hold exclusive authority to sign WAs once formally authorized. To establish this authority, the PCO must request the MoALD to coordinate with the MoF for specimen signature authentication. The authenticated authorization evidence must reach IFAD before the first withdrawal transaction. Any future changes to authorized signatories require immediate formal notification to IFAD.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

67


सचिव
डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

8.2.1.4 Withdrawal Application (WA) procedures

Disbursements operate exclusively through IFAD's Withdrawal Application (WA) system. The Account Officer will initiate the process by submitting the first WA with supporting documentation to request an initial advance to the designated account. Subsequently, the programme will prepare WAs quarterly. The Account Officer must rigorously verify documentation completeness before clearance.

The PCO will submit consolidated quarterly Interim Financial Reports (IFRs) within 45 days of each quarter-end. These reports integrate with IFAD's digital ecosystem: Fund requests are processed through IFAD's Online Programme Procurement End-to-End System (OPEN), while financial documentation is managed via the IFAD Collaboration Platform (ICP), specifically its Financial Execution Module (FEM). In this workflow, the PCO (as 'Borrower Author') uploads IFRs to ICP, links them to corresponding WAs and routes them through approval chains before final IFAD submission.

8.2.1.5 Compliance and accountability

The programme shall ensure accuracy, documentation completeness and timely submission of WAs. Supporting documents attached to WAs must strictly follow requirements outlined in IFAD's Disbursement Handbook. Original expenditure records must be securely archived locally for at least ten years after programme completion to facilitate audits as per IFAD's General Conditions.

8.2.2 Flow of funds

Following the planning phase and formal publication of budgets in federal and provincial Red Books, the approved R-HVAP budget will be systematically allocated to implementing units: the PCO, SPIU, PMOs and COs. Budget accessibility for federal and provincial cost centres commences only after the budget is formally entered into two parallel financial systems: the federal FMIS, administered by FCGO and the respective Provincial Treasury Offices' FMIS platforms. Upon system entry, the allocated funds will be disbursed to all R-HVAP cost centres through the operational network of DTCOs, which serve as the final distribution points. The complete budgetary flow – from central allocation to field-level disbursement – is visually detailed in the accompanying figure 10.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)


 सचिव


 डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्थी विकास मन्त्री

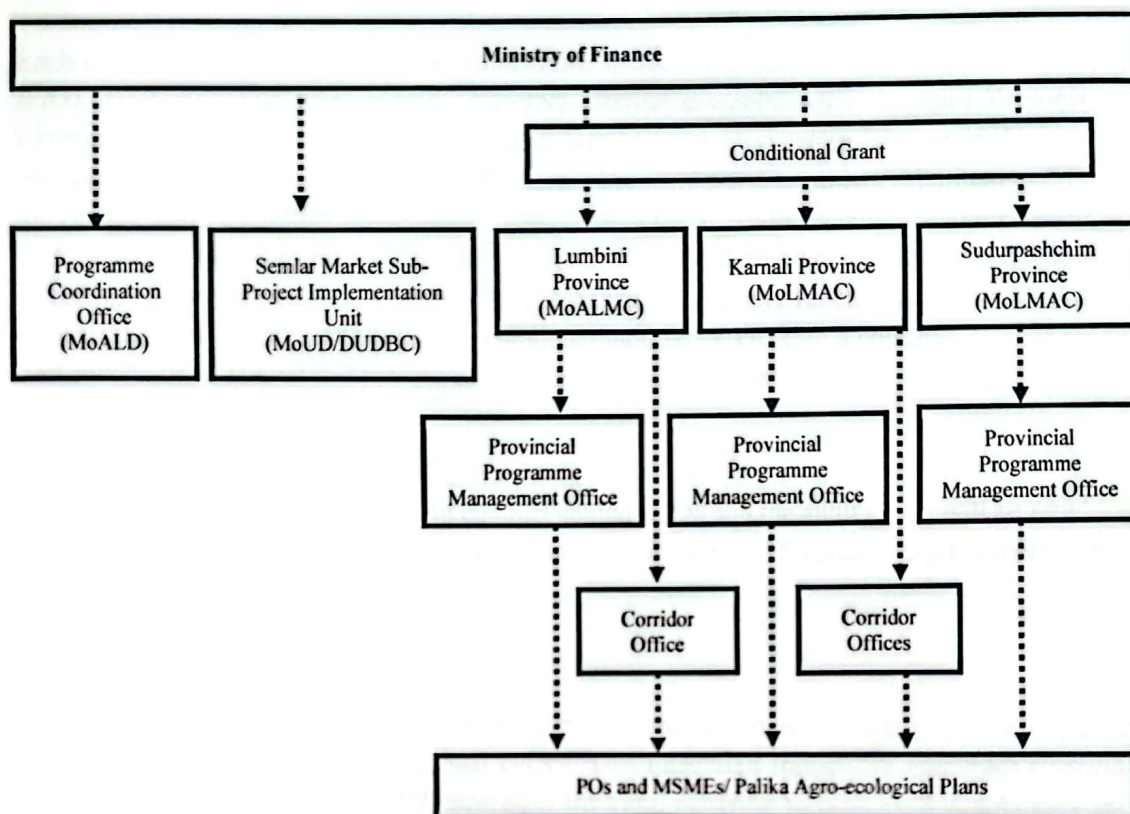


Figure 10. Flow of funds

8.3 Accounting system and financial reporting

8.3.1 Accounting systems

The R-HVAP will adhere to the GoN budgeting/accounting rules as well as the percentage of financing of activities from the various financiers. The PCO, SPIU, PMOs and COs will use Computerize Government Accounting System (CGAS) for accounting record keeping and financial reporting. The recording of transactions under the programme follows the Nepal National Accounting Standards which allows for the recognition of cash inflows in the period they are received and the reporting of expenses in the period those expenditures are paid.

8.3.2 Internal control

The R-HVAP programme will implement robust internal controls to ensure operational efficiency, reliability of financial reporting and strict compliance with applicable laws, regulations and FA conditions. DTCOs will conduct systematic internal audits of all programme cost centres on a trimester or semi-annual basis, adhering to GoN procedures. These audits will scrutinize voucher documentation to verify alignment with budget allocations, annual work plans, legal requirements and FA stipulations.


Gokul Prasad Bohara
 Programme Co-ordinator
 (Joint Secretary)

69


 सचिव


 डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्छी विकास मन्त्री

Each cost centre bears primary responsibility for maintaining accounts according to GoN and IFAD standards while implementing effective internal controls. All units must demonstrate economical, efficient and effective use of financial resources. Cost centres are required to resolve previous audit observations promptly and ensure subsequent payment orders submitted to DTCOs for cheque issuance reflect implemented corrective actions. Audit recommendations issued by DTCOs will be implemented within established timelines. The programme's financial operations, including payment processing, funds flow mechanisms and treasury functions, will strictly follow GoN financial regulations and treasury operational guidelines, creating a cohesive accountability framework across federal and provincial implementation structures.

8.3.3 Audit compliance, content and accountability

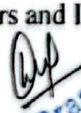
The Office of the Auditor General will conduct annual audits and the audit report will be provided to IFAD immediately, maintaining compliance with IFAD's financial requirements while accommodating operational realities.

8.3.4 Financial reporting

The R-HVAP programme will implement a multi-tiered periodic reporting system covering monthly, quarterly, half-year and annual cycles. This integrated framework combines financial management with programme implementation tracking, adhering to both GoN regulations and IFAD guidelines. Reports will primarily utilize data generated through the programme's MIS, supplemented by periodic internal/external assessments including baseline survey, MTR and PCR.

As the central coordination authority, the PCO will consolidate inputs from all implementing agencies. COs will submit progress reports to their respective PMOs, which review and compile submissions before forwarding to the PCO. The SPIU will submit reports directly to the PCO. All agencies must provide quarterly progress reports within two weeks of period closure, enabling the PCO to prepare consolidated reports for the PSC and IFAD within one month of each reporting period.

Financial reporting will follow Nepal National Accounting Standards, with key deliverables including semi-annual progress reports to IFAD within 45 days; quarterly WAs for expense reimbursement; and annual financial statements submitted within four months of the fiscal year-end. The PCO will additionally prepare consolidated half-yearly/ yearly progress reports for IFAD and PSC, a PCR and specialized reports on IFAD's COSOP-aligned indicators. All reports will harmonize narrative progress data with financial performance, highlighting trends and measuring achievements against AWPB targets. The PCO bears ultimate responsibility for ensuring reports accurately reflecting programme implementation status and financial integrity before submission to government stakeholders and IFAD.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

70


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री

8.4 Procurement procedure

All project-funded procurement of goods, works and services will strictly adhere to GoN's Public Procurement Act & Regulations (2007) or IFAD's Procurement Guidelines (2010). Goods and works will follow national/international competitive bidding, national shopping or direct contracting methods while service selection will use quality and cost-based selection, fixed budget selection, least cost selection, consultant's qualification selection or single source selection as mentioned in procurement manual. The PCO in support with SPIU, PMOs and COs will prepare and consolidate an annual Procurement Plan (PP) reflecting implementation need, with approval of IFAD.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

71


सचिव


डा. मदन प्रसाद पुरिसर
कृषि तथा पशुपक्षी विकास मन्त्री

9. SUSTAINABILITY AND EXIT STRATEGY

9.1 Sustainability

As the next phase of R-HVAP will be started after the completion of first phase, the programme is designed based on a scaling up strategy. In this regard, the programme will adopt a “graduation” approach among supported small-scale producers and groups that will support to existing POs that have already been established, organised, trained and coached for taking them to the next level.


Except the export-oriented wholesale market, at Semlar, R-HVAP does not have any large value construction activities that trigger social, environmental or health and hazard issues in wider scale. However, to address any environmental, social, climate change and health and disaster risks, all infrastructure activities under component 1, adequate provision to mitigate the risk shall be provisioned at all stage of procurement (bidding document, specification, contract clause, O&M and self-declaration form) so that climate adaptive interventions are in place at each step of the implementation process. Moreover, the programme will follow IFAD’s SECAP guidelines and requirements to ensure sustainability of the infrastructure. Besides this, R-HVAP will support for the formation and capacity building of O&M committees/water user associations responsible for O&M, at the early stage of the process. These committees will be involved in coordinating the construction and in managing O&M of related infrastructure. For major repairs and maintenance, the Palika and Provincial government sharing co-investment according to PAP will take responsibility as per their role.

To ensure the successful operation and long-term sustainability of the Semlar market, effective governance and management structures will be established. A MMC will be formed according to MOGAP, comprising key stakeholders such as farmers, POs, wholesale traders and government authorities. This committee will operate with sufficient autonomy to make timely and transparent decisions, ensuring the market’s efficient and fair functioning. By fostering collaboration among stakeholders, the MMC will enhance accountability, streamline operations and support the market’s overall sustainability. Different units of the wholesale market will be contracted to professionally capable and experienced entities that can manage relevant technical aspects of market operations, such as, lab testing, machine maintenance, transportation, utilities, waste management, MIS etc.

9.2 Exit strategy

The exit strategy development is a process that needs to be owned by local stakeholders, consider local implementation challenges, programme changes and shall later lead to a sustainability plan to be signed by relevant entity that need to commit to specific actions. R-HVAP will adopt the following approaches for addressing the sustainability issues,

- a) Phasing down: This approach is a gradual reduction of programme activities, utilizing local organizations to sustain programme benefits while the original donor or implementing agency deploys fewer resources.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

72


सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपत्नी विकास मन्त्री

- b) **Phasing over:** It entails a transfer of responsibility for activities aimed at accomplishing programme goals to another entity. This responsibility will be transferred to the beneficiary community (provided it has enough capacity to deal with it) or to existing organizations.
- c) **Phasing out:** It refers to a withdrawal of programme inputs (food, services provision, technical assistance, etc.) without making explicit arrangements for the inputs or activities to be continued by any other entity, because the programme itself resulted in changes that are likely to be sustainable without these.

Based on the above approaches, R-HVAP will adapt the following exit strategies for the different activities:

1. POs and MSMEs


POs will implement agroecological farming systems, supported by PMOs and COs through tailored co-investment packages and integrated capacity building across value chains. Robust market connectivity will be established via B2B/B2S models, forging strategic backward-forward linkages with MSMEs. Within four years post-graduation, POs will achieve operational self-sufficiency with market-driven production systems. Their agricultural enterprises will transition to demand-responsive models, where commercial pull directly shapes production planning and sales strategies in collaboration with MSMEs.

2. Irrigation schemes

This programme will operationalize self-governance of co-invested irrigation schemes by transferring assets to Water User Committees (WUCs) within two years. Comprehensive capacity building will span across pre-construction, construction and handover phases, equipping WUCs with technical and managerial capabilities. Post transfer, WUCs will assume full management responsibility, financing routine maintenance through member-contributed monthly savings. Institutional partnerships with local/provincial governments and agencies will provide critical support for major rehabilitation, ensuring sustained functionality.

3. Infrastructures (Semlar market, post-harvest, processing, RETs at PO level)

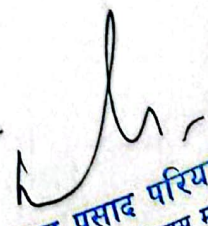
Collective infrastructure developed through PO co-investment will transition to O&M committees composed of PO members while public infrastructures will be handed over to Palikas. POs level committees will institute user-fee systems to fund routine upkeep, while strategically engaging local/provincial governments for major repairs. Concurrently, committees will forge market linkages with private enterprises to expand commercial opportunities. Targeted capacity building will enhance POs' and committees' technical, managerial and market-access capabilities. A structured four-year transition culminates in full asset handover to O&M Committees post-PO graduation, implementing a phased exit strategy that ensures sustainable community ownership. However, in case of the Semlar Wholesale Market, the MoALD will formulate an MOGAP which will guide the sustainable operation and management of the market.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

73




सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री

10. GRIEVANCE HANDLING

A comprehensive Grievance Redress Mechanism (GRM) will be developed and used as fundamental to fostering transparency, building stakeholder trust and maintaining a positive, equitable environment across all R-HVAP initiatives. This proactive system will empower individuals, communities and partner organizations to formally raise concerns spanning workplace conditions, discrimination, interpersonal conflicts, or policy violations to ensure every voice is heard and addressed with urgency and impartiality.


To ensure accessibility and local ownership, a community-level reporting mechanism will be established. Each cost center will appoint staff trained in grievance handling who will be responsible for collecting and documenting concerns (both verbal and written), facilitating transparent communication, maintaining confidential records and reporting trends to management. Crucially, the GRM will be widely publicized through appropriate channels, ensuring all stakeholders understand their rights and procedures. Multiple access points – including dedicated hotlines, physical complaint boxes, email portals, postal addresses and in-person reporting – will be available to maximize accessibility for beneficiaries and community members.

All grievances undergo a standardized five-stage resolution process designed for fairness and efficiency. First, grievances are formally received and acknowledged, with immediate confirmation provided to the complainant. Next, a thorough review and impartial enquiry phase involves evidence collection, witness interviews and policy analysis. This is followed by facilitated discussion and mediation at the community or PO level, aiming for collaborative resolution. If unresolved, a formal decision with binding corrective actions is issued. Finally, systematic follow-up verifies implementation effectiveness and gathers complainant feedback to close the loop. Resolution at this initial level is prioritized, with outcomes communicated to concerned parties within 7 to 15 working days of submission.

Should complainants remain dissatisfied with the community/PO-level outcome, they retain the unequivocal right to escalate the matter. The relevant programme team must then forward the complete case file – including the original grievance, decision documentation and resolution rationale – to the designated cost centres within 48 hours for impartial higher-level review. For grievances concerning environmental or social impacts arising from programme activities, the chief of cost centres hold ultimate accountability. In alignment with government practices, posters featuring the photo, name and contact details of the designated Information Officer will be prominently displayed in all offices. Physical complaints and suggestion boxes will also be installed at every cost centre.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

74


सचिव
डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री



11. PROGRAMME RISK AND MITIGATION MEASURES

The programme faces inherent, interconnected risks spanning integrated implementation, climate vulnerability, environmental and social impacts, procurement processes and financial management. To systematically address these challenges, the programme utilizes an Integrated Project Risk Matrix-IPRM. This comprehensive matrix catalogues potential risks identified during the design phase, along with newly emergent threats and pairs each with specific, actionable mitigation strategies.

Responsibility for maintaining the IPRM as a living document rest with the PCO. It will proactively hold discussions with SPIU, PMOs and COs on the matrix quarterly, ensuring it reflects the risk faced, documents mitigation measures applied and proposes new actions for evolving threats. This continuous review process guarantees risk responses remain agile and relevant throughout the programme lifecycle. Similarly, the most current version of the IPRM, showcasing the programme's ongoing risk landscape and management efforts, will be formally included as a core component within each annual programme report. This practice ensures full transparency for stakeholders and demonstrates the programme's commitment to robust governance and adaptive management in the face of uncertainty.

23X.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)




डा. मदन प्रसाद परियार
सचिव कृषि तथा पशुपन्छी विकास मन्त्री

Annex-I: Co-Investment and Infrastructure Development Guideline
(Related to Section 5.1.3, 5.1.4 and 5.2)

1. **Objective:** This guideline is designed to facilitate uniform, transparent and effective implementation of co-investment and infrastructure development provisions under sub-component 1.3: Market-oriented agroecological production expanded, sub-component 1.4: Micro, small and medium enterprises (MSMEs) ecosystem for agricultural service market strengthened and component 2: Improved access to climate-resilient productive infrastructure.
2. **Scope:** The programme will facilitate for co-investment and development of public infrastructures in the following activities.

Scope	Co-investment support		Development of public infrastructure
Purpose of interventions	Agroecological production and area expansion	Establishment and upgrading input production unit and marketing infrastructures	Climate resilient productive infrastructure (CRPI)
Area of interventions	Fixed and variable cost required for supporting production and area expansion (Excluding family labour)	Construction cost, genetic materials, machineries and equipment, including technical support, traceability, branding/marketing cost and embedded services (for establishment of new or upgrading existing business)	Construction, machineries and equipment for establishment of new system or upgrading existing system/business


3. **Windows:** The provisions of co-investment and infrastructure development are categorized into following windows;

3.1 Window 1 (Smallholder co-investment for expansion of agroecological production)

To facilitate the provision of co-investment described in 5.1.3.3, R-HVAP will stimulate private investment by providing partial funds of total investment, to POs. Following AECDA or PAP, R-HVAP will co-invest PO capacity building and farm-level investments in agroecological farming practices for two complementary HVCs as per the indicative investment packages given in 5.1.3.3.1.


3.1.1 Eligibility criteria: POs as defined under section 3 (Targeting Strategy) working in R-HVAP Palika clusters.

3.1.2 Co-investment share and limit: Eligible and selected POs will be co-invested up to 50% of total cost estimated for farm level production activities of two complimentary HVCs, with maximum limit of USD 500 per HH. Ultra poor HHs will be required to contribute only in the form of family labour through inclusion fund.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

76


सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

3.2 Window 2 (MSME's co-investment for farm-level input production and marketing function along with agroecological production)

This package will provide co-investment support to micro and small enterprises to establish farm level input production units and/or to carry out marketing functions including agrotourism. Wherever possible, such enterprises will also be supported in expansion of agroecological production of indicative investment packages given in 5.1.3.3.1.

3.2.1 Eligibility criteria: MSMEs as defined under section 3 (Targeting Strategy) working in R-HVAP Palika clusters and having at least 1 year of experience.

3.2.2 Co-investment share and limit: Eligible and selected micro and small enterprises will receive 50% co-investing to establish/upgrade input production units and marketing functions including agrotourism and agroecological production with maximum co-investment limit of up to USD 15,000 per MSME.

3.3 Window 3 (MSME's co-investment for medium-scale input production and marketing function)

Under this window, the MSMEs will be encouraged to adopt new technologies, business models, services and functions leveraging investment to carry out aggregation, processing, branding, packaging, marketing, traceability and storage for value addition and reduction of post-harvest losses including the establishment of bio-inputs, plant nurseries and other resource centres for both producers' groups/cooperatives, agribusiness and processors. The co-investment will make use of identified opportunities and demonstrate innovations in the rural enterprise sector that facilitate wider adoption and scaling-up to develop competitive supply chains creating overall growth without government subsidy and helping create turnover, income, tax revenues and employment.


3.3.1 Eligibility criteria: MSMEs as defined under section 3 (Targeting Strategy) working in R-HVAP Provinces and having at least 2 years of experience.

3.4 Co-investment share and limit: The programme will co-investment MSMEs for establishment of input, service and marketing functions including provisions for recruiting legal, technical, and marketing consultants, organic certification schemes, chain-of-custody and traceability, standards development, branding and market promotion for enhanced access to domestic/export markets. Selected business investments will receive up to 50% of co-investment with maximum limit of USD 100,000.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)




सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

3.5 Window 4 (Development of Climate Resilient Productive Infrastructures-CRPI)

This window will facilitate the development of public infrastructure described in 5.2. Infrastructure needs related to water related systems (small-scale irrigation schemes, water storage facilities), RETs, collection point and storage facilities for efficient commodity aggregation and post-harvest primary processing facilities will be identified and listed during AECDA and/or PAP process. These infrastructures will be developed by PMO/CO in the collaboration of POs and Palikas. These infrastructures will complement the efficacy of the interventions made under window 1, 2 and 3.

3.5.1 Eligibility criteria: POs and public entity (Palika, government farms etc).

3.5.2 Contribution and limit: R-HVAP will facilitate development of infrastructures with at least 15% contribution in cash or kind from communities with maximum limit of USD 10,000 to establish/upgrade water related systems, USD 15,000 for market-led infrastructures and USD 1,950 for promotion of RETs.

4. Support to smallholder POs

Each supported MSME will be required to transfer benefits and services to R-HVAP POs (prioritising women, youth, indigenous and dalit communities). The minimum number of HHs to be serviced will be proportionate to the co-investment support provided. For every USD 1,000 of co-investment, the MSME will be mandated to provide services to at least 4 HHs. The MSMEs will provide demonstration effect, an assured market of the produce along with embedded support and services as well as on-farm technical support to the producers HHs. This service is fundamental in building trust and sustainable business relationship among the MSMEs and producers.

5. Co-investment and infrastructure development committee


To facilitate the implementation of the packages there will be co-investment and infrastructure development committee at Provincial and Corridor level.


5.1 Province level co-investment and infrastructure development committee

Chairperson:	Programme Manager
Member:	Agroecology Crop Officer
Member:	Agroecology Livestock Officer
Member:	Account Officer
Member:	Rural Finance Officer
Member:	Value Chain and Business Development Specialist
Member-Secretary:	Planning and Monitoring Officer

5.2 Corridor level co-investment and infrastructure development committee

Chairperson:	Chief
Member:	Agroecology Crop Officer
Member:	Agroecology Livestock Officer
Member:	MEAL officer/Business Development Officer
Member:	Accountant
Member-Secretary:	Junior Technician


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)


डा. मदन प्रसाद पुरियार
कृषि तथा पशुपन्छी विकास मन्त्री



The chairperson of the committee can add up to 3 representatives from concerned authorities as and when needed.

6. ToR of committees: The ToR of committee according to 5.1 and 5.2 will be as follows;
- Identify and update the packages of commodities for PO co-investment, agribusinesses for MSME co-investment and market led infrastructures based on AECDA, PAP, MSP meetings and other stakeholder consultations.
 - Facilitate the process of EoI call and submission from POs and MSMEs and decide upon additional documents to be submitted with EoI.
 - Make necessary arrangements for continuous desk review and shortlisting.
 - Formation of sub-committee for field verification and final selection of EoIs based on evaluation criteria.
 - Conduct B2B and B2S meetings.
 - Recommend PMOs/COs for approval of Investment/Business plan.
 - Add terms and conditions to the template of agreement as per requirement.
 - Monitoring and evaluation of co-investment and infrastructure development activities.
 - Facilitation for final verification and fund disbursement.
 - Make necessary arrangement for handover of the infrastructure to POs/MSMEs/Palika/Government farms along with exit mechanism of PMOs/COs.

7. Special provision

To facilitate the evaluation of MSMEs co-investment above USD 50,000, three additional members given below will be invited in the co-investment and infrastructure development committee. These members will be paid NPR 7,500 for facilitation of evaluation of each proposal and the concerned office shall bear the cost of travel and DSA (Officer level) if necessary.

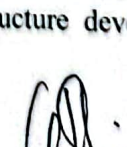
- Business/Management Expert with Master's degree in Business/Management studies and five years' relevant experience
- Subject matter specialist with Master's degree in Agriculture/Livestock/ Agroforestry etc. and five years' relevant experience
- Finance expert with Master's degree in Business/Management/Commerce related studies and five years of experience in financial sector

The roster of these expert members will be maintained and regularly updated by PMOs of respective province. Both PMO and CO level co-investment and infrastructure development committee will mobilize these experts.

8. Implementation process:

The implementation process of co-investment and infrastructure development will follow a systematic, transparent and inclusive process that will focus on target groups, avoid duplication of resources and ensure that programme interventions are producing intended results. Furthermore, it will proactively ensure that the information reaches the grassroots through widespread community mobilization efforts and strategic media dissemination. Crucially, the PMOs and COs will proactively access and identify potential co-investment and infrastructure development


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary) 79


डा. मदन प्रसाद परियार
सचिव
कृषि तथा पशुपन्जी विकास मन्त्रालय

opportunities and empower beneficiaries with the necessary support and motivation to confidently apply and participate in the process. The step wise implementation process is given below;

(i) Prerequisites:

The prerequisites for implementation of different co-investment and infrastructure development activities are;

- a) Window-1, Window-2 and Window-4: PAP document prepared and endorsed by Palika (Agroecological clusters delineated with HVCs/packages and CRPI identified).
- b) Window-3: Investment priorities identified by MSPs according to PAP.

Note: In Palika, where PAP formulation is undergoing, co-investment and infrastructure development activities will be carried out based on AECDA report.

(ii) Announcement of EoIs and application collection:

- a. PMOs and COs will publish a notice for the year-round, do continuous call for EoIs with list of necessary documents required for submission. This notice will appear in national or local newspapers/media once in the first trimester of every fiscal year and will be displayed at PMO/CO offices, websites, palika offices, and Federal/Provincial Chambers of Commerce, including relevant commodity associations. Furthermore, to ensure maximum outreach and participation, PMOs/COs will recirculate the published notice in the start of every subsequent quarter to all the aforementioned stakeholders through the same channels. The templates for EoI submission by POs and MSMEs are given in sub-annex-1.1.
- b. Information of received EoIs will be maintained in a separate register with a specific identification number registered in first come first served basis.
- c. For Window-4 in collaboration with Palika, PMOs/COs will prepare a Memorandum of Understanding indicating the roles and responsibilities of both parties, operational plan and fund disbursement mechanism.

(iii) Selection of EoIs:

- a) PMO/CO will make necessary arrangement for desk review of registered EoIs in the last week of every month. Respective co-investment and infrastructure development committee will facilitate this process against the criteria given in sub-annex-1.2.
- b) The PMO/CO will make a public notice of shortlisted EoIs that qualified for the next stage in the first week of next month. This notice will also include the list of EoIs that were unable to make their way to the next stage along with reasons. Screen out POs/MSMEs will be able to submit EoIs in future rounds by addressing the notified issue/s.
- c) Qualified shortlisted EoIs will then undergo field verification by a sub-committee formed by decision of the co-investment and infrastructure development committee, based on the criteria stipulated in sub-annex-1.3.
- d) Final selection of EoIs will be done by co-investment and infrastructure development committee based on field verification report and scoring. This list will be published for public information.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary) 80




सचिव


डा. मदन प्रसाद पस्वार्
कृषि तथा पशुपन्छी विकास मन्त्री

- e) Along with the list of selected EoIs, PMO/CO will also publish a waiting list of eligible applicants that were not selected due to constraints of the annual budget ceiling. These waitlisted EoIs will be considered for the next stage of selection if any chosen PO or MSME withdraws during the process. Furthermore, the waiting list may be eligible for consideration in the following year's cycle without requiring the abovementioned process, subject to the decision of the co-investment and infrastructure development committee.

(iv) Formulation of investment/business plan and evaluation:


- a) Selected POs and MSMEs will be oriented about market oriented agroecological production, business ideation, and climate resilient construction through workshops, trainings, B2B & B2S meetings and interactions.
- b) Co-investment and infrastructure development committee will assign responsibility to the office staffs to facilitate formulation of co-investment and infrastructure development plan/business plan/detailed survey/design/cost estimate for Window 1 and Window 4. MSMEs, however, can ask for necessary technical guideline from PMOS/COs while preparing their business plan.
- c) The co-investment and infrastructure development plan/business plan/ detailed survey/design/cost estimate prepared will be evaluated and appraised by co-investment and infrastructure development committee.
- d) PCO will finalize the format for co-investment and infrastructure development plan, business plan and detailed survey/design/cost estimate by incorporating SECAP and IRMM of PIM.
- e) Plans/detailed survey with co-investment above USD 50,000 will be evaluated and appraised according to the provision 7 with IFAD's NO.




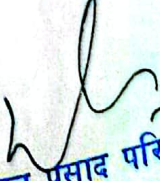
(v) Signing of contract and implementation:

- a) Based on the recommendation of the co-investment and infrastructure development committee, PMO and CO will enter into contractual agreements with successful POs and MSMEs. These agreements, structured in accordance with template given in sub-annex-1.4, will explicitly define terms and conditions along with fund disbursement mechanisms and required documentation.
- b) PMOs and COs will add relevant terms and conditions in sub-annex 1.4, in accordance to prevailing laws and regulation of GoN, to make it more implementable according to the local context.
- c) Immediately after contract signing, POs and MSMEs will receive orientation and comprehensive clarification on the agreement's clauses and procedures, along with guidance for establishing required subcommittees (Monitoring and Procurement) within POs, HH well-being ranking, PO categorization, and MSME service delivery mechanisms to POs.

(vi) Monitoring, evaluation and fund disbursement

- a) PMOs and COs will make sure that necessary support is made available to POs and MSMEs for implementation of investment and business plan throughout the timeline.


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(Joint Secretary)





डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्रालय




- b) Staffs of PMO/CO will regularly and closely monitor the implementation of the co-investment and infrastructure development sub-projects, provide technical backstopping and report to PMOs and COs.
- c) POs and MSMEs after completion of stipulated activities in compliance with the agreement will prepare a work completion report as per the format given in sub-annex-1.5. The work completion report of construction activities will however, be prepared by engineer/sub-engineer/assistant sub-engineer of PMO/CO.
- d) Recipients then shall formally request the PMOs/COs for fund disbursement, submitting all necessary supporting documentation including work completion report concurrently. The office will then deploy a team to verify deliverables against submitted documents and work completion report (including report from engineer/sub-engineer/assistant sub-engineer) and prepare a final payment bill adhering to sub-annex-1.6.
- e) Approved funds according to the final bill, will be disbursed directly to the beneficiaries' designated bank accounts. Similarly, provision of running disbursement can also be made as per the agreed ratio in the contract linked with achievement of the milestones mentioned in business/investment plan.

(vii) Management, administration and transparency

- a. The agreement can be modified, if felt necessary, by the contracting parties during implementation. All such modifications will need approval from co-investment and infrastructure development committee.
- b. Proper land acquisition will be assured before conducting any permanent construction activities.
- c. The construction and procurement of goods and services by POs and MSMEs will be done according to the prevalent laws and regulations of GoN.
- d. Recipients shall maintain a dedicated book of accounts exclusively for co-investment and infrastructure development activities, supported by all relevant documentation including bills, receipts, quotations, meeting minutes, and other financial records. These records must be securely maintained and made available for inspection immediately upon request by authorized representatives of the GoN or IFAD.
- e. Ownership of all facilities purchased or constructed using the funds, along with full responsibilities for their repair and maintenance, shall vest solely with the recipient. R-HVAP and PMOs/COs shall bear no financial obligations for any subsequent upkeep, repairs, or associated costs related to these assets.
- f. Recipients shall conduct a public hearing at the project site to disclose all co-investment and infrastructure development activities, expenditures, and outcomes to stakeholders. Concurrently, they will install a permanent display board prominently at the implementation site as per sub-annex-1.7.


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82


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Sub-Annex-1.1
Templates of EoI
(Related to Sub-section 8.ii.a)

A. EoI template for Windows 1

1. Information about producer organization (PO)

Name of PO							
Address							
Date of registration and office							
Name of chairperson							
Contact person 1 st and contact number							
Contact person 2 nd and contact number							
Total number of Households							
Composition of HHs							
Total Members	Women	Men	Dalit	Janajati	Women headed	Person with disability	Youths
POs savings/Share capital							
Distance from black topped road							
Distance from feeder road							
Distance from walking trail							

2. Current agroecological status

Major crops/Livestock	Tentative area (Ropani) or number	
	Improved	Local
a. Rice		
b. Wheat		
c. Maize		
d. Vegetables		
e. Poultry		
f. Goat		
g.		
Status of fertilizer use		
Status of machineries used		
Status of bio-security measures		
Plant and animal pest/disease management		
Irrigation source and methods		
Source of technical knowledge		
Leadership of PO (Experience and capacity)		

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83

डा. मदन प्रसाद वेरिया
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3. Current marketing status

Name of market		
Distance of market		
Major commodities marketed last year		
Commodity	Marketed quantity (Kg)	Price (NPR) per kg

4. Proposed agroecological production for co-investment and infrastructure development

Crop/livestock	Area/number

5. Co-investment and infrastructure development plan of the PO

S.N.	Activity	Unit	Quantity	Rate (NPR)	Total cost (NPR)	Contribution		Remarks
						PO	R-HVAP	

6. Agroecological production expansion plan

S.N.	Name of Farmer	Address	Crop/livestock	Current status	After programme support		
					Year 1	Year 2	Year 3

7. Declaration and Signature

I declare that this organization has not obtained co-investment from any government or non-government authority in last 3 years to conduct afore mentioned activities.

Name:

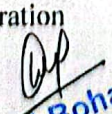
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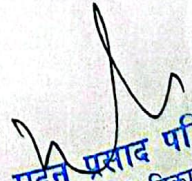
Signature:

8. Documents submitted

a. Certificate of registration


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- b. PAN and tax clearance letter (If applicable)
- c. Decision of POs
- d.
- e.

B. EoI template for windows 2 and 3

9. General information of sub-project		
Name of Sub-project		
Sub-project Period	From:	To:
Total investment	In number:	
	In words:	

10. Information about applicant	
Name of organization	
Registered office and date of registration	
PAN number	
Address	
Contact person and number	
Email	

11. Introduction of Organization	
Legal status, Experience, Current activities, Turnover, Market linkages, Manpower etc.	
12. SWOT analysis	
Strengths	Weakness
Opportunity	Threats
13. Proposed interventions	
What the organization wants to do and how it will help them overcome their weakness and build strength?	
14. Expected outcomes	

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85

डा. मदन प्रसाद परियार
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कृषि तथा पशुपन्छी विकास मन्त्री



15. Support to POs
Modality of support and linkage

16. Co-Investment and infrastructure development Plan								
S.N.	Activity	Unit	Quantity	Rate (NPR)	Total Cost (NPR)	Contribution		Remarks
						MSME	R-HVAP	

17. Declaration and signature	
I declare that this organization has not obtained contribution from any government or non-government authority in last 3 years to conduct afore mentioned activities.	
Name:	Stamp:
Post:	
Signature:	

18. Documents submitted

- Certificate of registration
- PAN and tax clearance letter (If applicable)
- Decision of POs
-
-

C. EoI template for window 4**1. Information about applicant**

Name of organization	
Address	
Registered office and date of registration	
Contact person 1 st and contact number	
Contact person 2 nd and contact number	

2. Information about CRPI

Details	For water-related infrastructure	For market-led infrastructure/RETs
---------	----------------------------------	------------------------------------

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86

डा. मदन प्रसाद परियार
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Introduction of PO/MSME	(Provide brief explanation)	(Provide brief explanation)
Details of the intervention	New construction, maintenance or use of the technology, area expansion	(Provide brief explanation)
Information about construction site	Source of water, conflict on water source, technology of irrigation	Land ownership, Road access, Electricity
Operation and maintenance modality	Individual or Community or Committee or	(Provide brief explanation)
Beneficiaries' information	Number of beneficiaries and area coverage	(Provide brief explanation)
Proposed activities	New construction: Maintenance: Use of the technology: Area expansion: And others.....	(List of activities)

3. Estimated cost and contribution

Activities	Specification details	Estimated cost (NPR)	Contribution from applicant	R-HVAP contribution

1. Quality assurance and marketing strategy (In case of market led infrastructure)

2. Financial projection (In case of market led infrastructure)

a. Costs

Capital investment	Activities	Cost (Year 1)	Cost (Year 2)	Cost (Year 3)
Fixed cost	Activities	Cost (Year 1)	Cost (Year 2)	Cost (Year 3)
Variable cost	Activity	Cost (Year 1)	Cost (Year 2)	Cost (Year 3)


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87


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डा. प्रसाद प्रसाद
कृषि तथा पशुपक्षी विकास म



Total Cost				

b. Expected income

Goods/ Services	Unit	Quantity	Rate (NPR)	Income (Year 1)	Income (Year 2)	Income (Year 3)

c. Projected cashflow

Description	Year 1	Year 2	Year 3	Year 4	Year 5
Operational Capacity (estimated)	40%	60%	75%	90%	100%
Expected income					
Depreciation (less)					
Variable cost (less)					
Profit before tax					

3. Declaration and signature

I declare that this organization has not obtained contribution from any government or non-government authority in last 3 years to conduct afore mentioned activities.

Name:

Stamp:

Post:

Signature:

4. Documents submitted

- Certificate of registration
- PAN and tax clearance letter (If applicable)
- Decision of PO
-

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Sub-Annex-1.2
Criteria for desk review and shortlisting
(Related to sub-section 8.iii.a)

A. Window 1

S. N	Check list	Result	
		Yes	No
1	Formally registered		
2	PO maturity (Experience, linkage with service providers etc.)		
3	Number of HHs willing to carryout agroecological production (10-25 members)		
4	Located in target Palikas and within the delineated clusters		
5	Current production pattern		
6	Presence of women, youths and targeted communities		
7	Willingness to conduct production activity of two complementary packages on agroecological principles		
8	Possibility of area expansion		
9	Assess to market		
10	PO leadership		
Recommended for field verification		Accept	Reject

B. Windows 2 and 3

S.N.	Check list	Result	
		Yes	No
1	Formally registered		
2	Strengths and opportunities identified		
3	Technically feasible and commercially viable		
4	Sufficient experience and management ability		
5	Assurance of service to POs		
6	Assurance of land for construction		
7	Involvement in production activities		
8	Business identified and prioritized by AECDA or MSPs		
9	Proximity to clusters		
10	Contribution assurance		
Recommended for field verification		Accept	Reject

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89

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C. Window 4

S.N.	Check list	Result	
		Yes	No
1	Infrastructure identified by PAP/AECDA		
2	Contribution assurance		
3	Technically feasible and commercially viable		
4	Sufficient experience and management ability		
5	Beneficial to POs		
6	Situation of conflict during operation		
7	Potential contribution to expand agroecological production		
8	Proximity to clusters		
9	Climate resilience and disaster averse infrastructure		
10	Use of renewable technology		
Recommended for field verification		Accept	Reject


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Sub-Annex-1.3
 Field verification criteria
 (Related to Sub-section 8.iii.a)

A. Field verification criteria for Window 1

1. Information about the PO			
Name			
Address			
Registration detail			
Investment packages			
Agroecological production expansion		Number of members	Area/Number
Total cost	NPR	Contribution of PO	R-HVAP co-investment
Name of contact person			
Contact number			

2. Field verification Criteria			
S. N	Check list	Marks	
		Full	Score
1	Information aligned with EoI	10	
2	Technical feasibility	15	
3	Aligned with R-HVAP objectives		
	a. Profitable	10	
	b. Inclusive	10	
	c. Agroecological	10	
4	Group dynamics (cohesion among members, state of non-conflict, regular meetings, experience, leadership etc.)	10	
5	Possibility of expansion of agroecological production	5	
6	Availability of productive infrastructure	5	
7	No duplication of activities with other agencies	5	
8	Alignment with AECDA/PAP/MSP	5	
9	Financial capacity to co-investment	5	
10	Linkages with market	10	
	Total	100	
Proceed for investment plan formulation		Accept	Reject

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91

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B. Field verification criteria for Windows 2 and 3

1. Information about the MSME			
Name			
Address			
Registration details			
Proposed activities			
Total cost	NPR	Contribution of MSME	R-HVAP co-investment
Name of Contact person			
Contact number			

2. Field verification Criteria			
S. N	Check list	Marks	
		Full	Score
1	Information aligned with EoI	10	
2	Technical feasibility	15	
3	Business viability	10	
4	Type of Services to POs	20	
	a. Direct benefits (20)		
	b. Cost sharing/reduction (15)		
	c. Indirect (10)		
5	Managerial capacity and experience	5	
6	Self-involvement in Agroecological Production	5	
7	Land acquisition and legal clarity for construction	5	
8	No duplication of activities with other agencies	5	
9	Recommendation of MSP	10	
10	Financial capacity to co-investment	5	
11	Socially and environmentally sound	10	
	Total	100	
Proceed for Business plan formulation		Accept	Reject

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C. Field verification criteria for window 4

1. Information about the PO/MSME			
Name			
Address			
Registration details			
Proposed activities			
Total cost	NPR	Contribution of MSME	R-HVAP contribution
Name of Contact person			
Contact number			

2. Field verification criteria			
S.N	Check list	Marks	
		Full	Score
1	Information aligned with EoI	5	
2	Technical feasibility/business viability	10	
3	Benefits for POs	20	
	a. Direct benefits (20)		
	b. Cost sharing/reduction (15)		
	c. Indirect (10)		
4	Land acquired for construction and or no conflict in water source	10	
5	Availability and use of local construction materials	5	
6	Use of Renewable technology and climate resilience	5	
7	Viability of operational modality	10	
8	Investment identified by AECDA or PAP	10	
9	Capacity to contribute	5	
10	Socially and environmentally sound	10	
	Total	100	
Proceed for detail estimate/ business plan formulation		Accept	Reject

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Sub-Annex-I.4

Template for co-investment and infrastructure development agreement
(Related to Sub-section 8.v.a)

Agreement

The Resilient High Value Agricultural Programme (R-HVAP), Provincial Programme Management Office (PMO)/Corridor Office (CO), (hereinafter referred to as the Programme in this document) and..... (hereinafter referred to as the recipient in this document), agreeing to implement the following mentioned sub-project by adhering to the terms and conditions specified, have entered into this agreement.

1. Information about recipient

Name of Recipient	
Detailed address	
Total beneficiary members	
Contact person's name and citizenship number	
Contact number and email	

2. Information about sub-project and budget

Sub-project name		
*Code of the sub-project		
Duration	From:	To:
Total cost	In numbers	
	In words	
Contribution by recipient	In numbers	
	In words	
Programme contribution	In numbers	
	In Words	

3. The following documents shall be deemed to form and be read and construed as part of this Agreement, viz.:

- the programme notification to the recipient of Award.
- the detailed agreement signed by the recipient and the programme.
- (Indicate any other documents required as appropriate.)

Signatories

<u>For programme</u>	<u>For recipient</u>
Signature:	Signature:
Name: Seal of organization	Name: Seal of organization
Designation:	Designation:
Official contact no. and email:	Contact no. and email:
Date:	Date:

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94

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Detailed Agreement

The Resilient High Value Agricultural Programme ((R+HVAP), Provincial Programme Management Office (PMO)/Corridor Office (CO), (hereinafter referred to as the Programme in this document) and..... (hereinafter referred to as the recipient in this document), agreeing to implement the following mentioned sub-project by adhering to the terms and conditions specified, have entered into this agreement.

Sub-project name	
*Code of the sub-project	

1. General terms and conditions

- This agreement shall be effective from the date it is signed by both parties.
- The recipient shall implement the work as per the co-investment and infrastructure development plan /Business plan / Detailed survey and estimate approved by the Programme for this sub-project within the stipulated time, with required quality, and under the technical supervision and direction of the Programme.
- The recipient shall, while undertaking procurement and construction works, adhere to Nepal's prevailing laws, regulations, and public procurement procedures.
- The recipient assumes complete responsibility for safeguarding, utilizing, and maintaining (including repairs) all infrastructure assets acquired or built pursuant to this Agreement.
- In the event of any obstruction or challenge during sub-project implementation, or if work completion within the stipulated timeframe becomes unfeasible, the recipient shall immediately notify the Programme. The Programme shall then take necessary initiatives within its capacity for its resolution.
- During sub-project implementation, the recipient shall securely maintain all-expense-related bills, payment vouchers, decisions, and other documents. Similarly, it shall maintain a separate register containing data on production, marketing, and other relevant records generated during and after programme implementation. All such details and documents shall be made available to the Programme upon request.
- The recipient shall extend full cooperation to personnel engaged in programme monitoring, including facilitating site access for inspections of conducted activities, and promptly submitting all documentation demanded during such visits.
- In the case of Cooperatives and MSMEs, the recipient shall submit the audited financial report and tax clearance certificate to the Programme within six (6) months following the end of the relevant fiscal year.
- The recipient shall install and maintain a public information board at an accessible community location, visibly detailing the sub-project's objectives, activities, and funding sources to ensure transparency.

2. Objectives of Sub-project

Objectives:	Activities	Unit	Quantity

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95

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3. Co-investment and contribution plan

S.N.	Activities	Unit	Quantity	Price	Total	Co-investment and infrastructure development plan						Remarks
						Year 1			Year 2			
						Quantity	Price	Total	Quantity	Price	Total	
1.	Construction											
2.	Machineries											
3.	Variable cost											
4.	Other costs											
Total												
Co-investment and contribution by the Programme												
Contribution of recipient												

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96

सचिव

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4. Disbursement of Funds

- a. Payment for the Sub-project shall be disbursed in installments through running bills or by single final payment after completion of the work.
- b. Payments to the recipient shall be processed electronically to its pre-registered bank account. No cash disbursements shall be permitted under any circumstances.
- c. The documents, conditions, timeline and requirements for fund disbursement are given below.
 - i. Conduction of public hearing of cost and contribution
 - ii. Submission of work completion report by recipient
 - iii. Field verification report and recommendation of the programme staffs
 - iv. In case of payment in installments.....
 - v. Documents required

5. Other Provisions

- a. The programme shall not provide any additional support beyond the activities expressly specified in this Agreement.
- b. The recipient shall utilize funds exclusively for activities specified in this agreement. Misuse of funds shall result in immediate termination of this Agreement and full repayment of all disbursed amounts.
- c. The recipient shall bear full and exclusive responsibility for all mishaps, accidents, losses, or third-party claims arising from any cause during Sub-project implementation. Under no circumstances shall the programme be held liable for such incidents or obligated to provide compensation."

6. Termination of Agreement

- a. Should the programme obtain credible evidence that funds are being utilized for activities outside this Agreement's scope, it may terminate this Agreement by issuing a 15-day written notice. Prior to termination, the recipient shall be afforded a reasonable opportunity to present a written defense.
- b. The recipient may request to terminate this Agreement by providing 15 days' written notice if it is unable to implement prescribed activities due to internal constraints or external circumstances beyond its reasonable control.
- c. Upon receiving termination request from the recipient citing inability to perform, the programme shall investigate the claimed constraints. If satisfied that the reasons are substantiated and unavoidable, it may terminate the Agreement.

7. Extension of Agreement time

- a. The recipient may request a timeline extension, prior to 15 days of agreement termination, if unable to complete activities due to unavoidable circumstances. The programme may such extensions only after verifying the justification and ensuring compliance with Nepal's prevailing laws.

8. Amendments to the agreement

- a. Any amendment to this Agreement will be made on written consent from both parties.


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9. Application of prevailing laws

- a. Notwithstanding any provisions herein, all prevailing laws and regulations, GoN shall govern matters not explicitly covered by this Agreement.

Signatories	
For programme Signature: Name: Seal of organization Designation: Official contact no. and email: Date:	For recipient Signature: Name: Seal of organization Designation: Contact no. and email: Date:
Witness Signature: Name: Designation: Contact no. and email: Date:	Witness Signature: Name: Designation: Contact no. and email: Date:

Note:

- There will be two original copies of this agreement, one for the programme and another for the recipient.
- This agreement should be signed in each page and should also have seal of the organization.
- PMO/CO shall add necessary clauses as per local context to make the sub-project more implementable.


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डा. मदन प्रसाद परियार
 कृषि तथा पशुपन्छी विकास मन्त्री

Sub-Annex- 1.5

Template for work completion report to be submitted by POs/MSMEs
(Related to Sub-section 8.vi.c)

Date:

1. Name of sub-project:
2. Subproject implementation period: to
3. Implementation areas:
4. Implementing organization (PO/MSME):
5. Beneficiaries:

Category	Male	Female	Total
Dalit			
Janajati			
Brahmin/chettri			
Madhesi			
Youth			
Differently abled			
Others			

6. Subproject cost and contribution

Source	Budget (NPR)	Amount received till now (NPR)	Receivable (NPR)
Programme			
PO/MSME contribution			
Total			


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99


सचिव


डा. मदन प्रसाद परियार
कृषि तथा पशुपन्छी विकास मन्त्री

S. N.	Activities	Unit	According to contract		Progress		Remarks
			Quantity	Budget (NPR)	Quantity	Expenditure (NPR)	
	Total						

For construction activities work completion report of engineer/sub-engineer/assistant sub-engineer should be attached.

S.N.	Indicators	Target	Achievement	Remarks
	Total			

Submitted by:

Name:

Designation:

Contact number: Stamp

Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)

100

सचिव

डा. भदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री

Sub-Annex- 1.6
Template for final payment bill
(Related to 8.vi.d)



Final field verification bill

S. N.	Activities	Unit	According to contract			Work done as per field verification			Difference in Work done	Remarks
			Quantity	Rate (NPR)	Total (NPR)	Quantity	Rate (NPR)	Total (NPR)		
1.	Construction									According to work completion report of Engineer/ Sub-engineer/ Assistant sub-engineer
2.	Machineries									
3.	Variable cost									
4.	Other costs									
	Total									
Value of total work done NPR										
Contribution of recipient NPR										
Net payable amount NPR										
										In percent
										In percent

Prepared By:

Representative of POMSME:

Approved By:


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)


सचिव

101

डा. सदन प्रसाद परियार
क्षेत्रीय विकास मन्त्री



Sub-Annex- 1.7
Template for Display Board
(Related to Sub-section 8.vii.f)



..... Province Government
Ministry of
Resilient High Value Agricultural Programme (R-HVAP)
Provincial Programme Management Office (PMO)/Corridor Office (CO)



.....
Name of Sub-Project:

Address:

Total Budget:

Programme Contribution (NPR):

Beneficiaries Contribution (NPR):

Sub-project start date:

Sub-project end date:

Direct beneficiaries:

Indirect beneficiaries:

* Other necessary details of the sub-project can be incorporated.


Gokul Prasad Bohara
Programme Co-ordinator
(Joint Secretary)







डा. मदन प्रसाद परियार
कृषि तथा पशुपन्थी विकास मन्त्री