



The World Bank

Food and Nutrition Security Enhancement Project (P164319)

REPORT NO.: RES41550

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
FOOD AND NUTRITION SECURITY ENHANCEMENT PROJECT
APPROVED ON SEPTEMBER 25, 2018
TO
NEPAL

AGRICULTURE AND FOOD

SOUTH ASIA

| | |
|---------------------------|-----------------------|
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ABBREVIATIONS AND ACRONYMS

| | |
|--------|---|
| FAO | Food and Agriculture Organization |
| FAO-TA | Food and Agriculture Organization- Technical Assistance |

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I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

A. Introduction

B. Project Development Objective

C. Project Status and Rationale for Restructuring

Component A: Climate and Nutrition Smart Agriculture Technology Adaptation and Dissemination



Component B: Income generation and diversification

Component C: Improving nutrition security.



Intermediate Results Indicator A.3:

Intermediate Results Indicator B.2

Intermediate Result Indicator B3

Intermediate Results Indicator C.1

New Indicators proposed:

Intermediate Result (Component A):

Intermediate Result (Component C):



| | | |
|--|--|---|
| DDO Status | | ✓ |
| Project's Development Objectives | | ✓ |
| PBCs | | ✓ |
| Components and Cost | | ✓ |
| Loan Closing Date(s) | | ✓ |
| Cancellations Proposed | | ✓ |
| Reallocation between Disbursement Categories | | ✓ |
| Disbursements Arrangements | | ✓ |
| Disbursement Estimates | | ✓ |
| Overall Risk Rating | | ✓ |
| Safeguard Policies Triggered | | ✓ |
| EA category | | ✓ |
| Legal Covenants | | ✓ |
| Institutional Arrangements | | ✓ |
| Financial Management | | ✓ |
| Procurement | | ✓ |
| Implementation Schedule | | ✓ |
| Other Change(s) | | ✓ |
| Economic and Financial Analysis | | ✓ |
| Technical Analysis | | ✓ |
| Social Analysis | | ✓ |
| Environmental Analysis | | ✓ |

IV. DETAILED CHANGE(S)



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Results framework

COUNTRY: Nepal

Food and Nutrition Security Enhancement Project

Project Development Objectives(s)

The Project Development Objective (PDO) is to enhance climate resilience, improve agricultural productivity and nutrition practices of targeted smallholder farming communities in selected areas of Nepal.


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Livestock (milk)

(Percentage)

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | | End Target |
|---|------|----------|----------------------|-------|-------|---|-------|------------|
| | | | 1 | 2 | 3 | 4 | 5 | |
| Crops (food grains) (Percentage) | 0.00 | 0.00 | 10.00 | 15.00 | 25.00 | | 25.00 | |
| Crops (vegetables) (Percentage) | 0.00 | 15.00 | 20.00 | 30.00 | | | 30.00 | |
| Livestock (meat) (Percentage) | 0.00 | 5.00 | 5.00 | 15.00 | | | 25.00 | |
| Livestock (milk) (Percentage) | 0.00 | 5.00 | 15.00 | 25.00 | | | 35.00 | |
| Increased Household income (farm and off-farm) (Percentage) | 0.00 | 10.00 | | | | | | |



| Indicator Name | PBC | Baseline | Intermediate Targets | | | | | End Target |
|--|-----|----------|----------------------|---|---|---|---|------------|
| | | | 1 | 2 | 3 | 4 | 5 | |
| Pregnant and nursing women (Minimum Dietary Diversity Score for Women, MDD-W) (Percentage) | | 0.00 | 10.00 | | | | | 20.00 |
| Children between 6-24 months (Percentage) | | 0.00 | 10.00 | | | | | 20.00 |

Intermediate Results Indicators by Components

| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|---|-----|----------|----------------------|-----------|-----------|-----------|------------|
| | | | 1 | 2 | 3 | 4 | |
| Intermediate Result (Component A) – Climate and Nutrition Smart Technology Adaptation and Disseminat | | | | | | | |
| Promising CSA and nutrition sensitive technologies validated through on-farm adaptation trials (Number) | | 0.00 | 0.00 | 5.00 | 15.00 | 20.00 | 20.00 |
| Farmers accessing technology dissemination services delivered by the project. (Number) | | 0.00 | 5,000.00 | 15,000.00 | 25,000.00 | 35,000.00 | 39,750.00 |
| Farmers accessing technology dissemination services delivered by the project-Female (Number) | | 0.00 | 3,250.00 | 9,750.00 | 16,250.00 | 22,750.00 | 25,838.00 |



| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|--|-----|----------|----------------------|-----------|-----------|-----------|------------|
| | | | 1 | 2 | 3 | 4 | |
| Improved seed replacement rate (Percentage) | | 0.00 | 12.00 | | | | 25.00 |
| Farmers reached with agricultural assets or services (CRI, Number) | | 0.00 | 5,000.00 | 15,000.00 | 20,000.00 | 30,000.00 | 45,000.00 |
| <p><i>Rationale:</i> The MTR suggested revising the end of project target for clarity. Instead of reporting 65,000 farmers who might have directly or indirectly received relevant interventions, it is suggested to revise the eop target to 45,000 so as to record only direct beneficiaries for realistic assessment and accurate reporting. The Project, through the related interventions will eventually cover around 39,750 producers through groups (assuming 25 members in 1,590 producer group), and additional 5,000 farmers through interventions targeted towards individuals outside the groups. The change has no implications on the cost and</p> | | | | | | | |
| <p><i>Action: This indicator has been Revised</i></p> | | | | | | | |



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| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|---|------|----------|----------------------|-----------|-----------|-----------|------------|
| | | | 1 | 2 | 3 | 4 | |
| <p><i>Rationale:</i></p> <p><i>Action: This indicator has been Revised</i> Due to exchange rate savings, there is an opportunity to add 49 matching grants (MGs). Since there are 1590 Producer Groups (PGs) under component B and 661 MGs are planned, the addition of 49 MGs will take the total to 710. The revised total budget for matching grants is 426,000.</p> | | | | | | | |
| <p>Improving Nutrition Security</p> | | | | | | | |
| People receiving improved nutrition services and products -GAFSP core indicator (Number) | 0.00 | 5,000.00 | 15,000.00 | 10,000.00 | 17,000.00 | 21,000.00 | |
| <p><i>Rationale:</i></p> <p><i>Action: This indicator has been Revised</i> For clarity, technical scrutiny and accurateness in field reporting, the MTR suggests revising the target from 57,500 people which potentially covers both direct and indirect beneficiaries to 21,000 direct recipients (from 840 nutrition groups with 25 members each) of nutrition services from the project. The change has no implication on the cost and ambition of the planned interventions. to capture the increase in the number of people who directly access the defined basic package of nutrition services as a result of project investment .</p> | | | | | | | |
| Household Dietary diversity score including nursing mothers and children under two years (1000 day mother target) (Percentage) | 0.00 | 10.00 | | | | 20.00 | |
| Number of subprojects (business plans) financed by the project on a small grant basish (Number) | 0.00 | 100.00 | 300.00 | | | 580.00 | |



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| Indicator Name | PBC | Baseline | Intermediate Targets | | | | End Target |
|--|-----|----------|----------------------|-------|-------|-------|------------|
| | | | 1 | 2 | 3 | 4 | |
| Grievances registered addressed within the delay set by the project GRM (Percentage) | | 0.00 | 85.00 | 60.00 | 75.00 | 85.00 | 95.00 |
| Periodic reports submitted on time (Number) | | 0.00 | 3.00 | 5.00 | 8.00 | 10.00 | 13.00 |



ANNEX I

Annex I: Revised List of Activities

Based on the MTR discussions and decisions regarding the detailed Cost Table and project component wise progress, it was agreed to revise the following major activities under component A, B and C from the annex 7.1 (activity, cost & action plan) of Project Implementation Manual (PIM). The tabulated target and budget below are only for the targets that are revised as per the discussion. The changes have no implication on the original cost allocation for each of the components and/or the project as a whole.

1. Major Activities to be revised in Component A:

1.1 List of activities to be reduced/removed from component A: *Budget in thousands (NPR).*

| S.N. of cost tab | Activities | Unit | Change in target (old) (new) | Change in budget | Remarks |
|------------------|--|---------|------------------------------|------------------|---|
| 1.1 to 1.2 | Validation trials of crops and livestock | Number | 28 (505) (477) | 1400 | The total number of validation trials allocated in cost tab was 505, and agreement of only 477 validation trials were made with NARC so the difference of 28 no of trials has been deducted. The revised total budget is 23,850. |
| 4.1.2 | Training for technicians on AI (2 weeks) | Number | 1 (4) (3) | 1000 | The target for 3 rd year is deleted and target of 2 nd year is reallocated for 5 th year to implement the AI training. The total number of AI training target is revised to 3, and the total revised budget to 3000. |
| 8 | Technical assistance service from FAO-TA | Lumpsum | | 60000 | |

1.2 Activities to increase the target/add in component A:

Budget in thousands (NPR).

| S.N. of cost tab | Activities | Unit | Change in target (old) (new) | Change in budget | Remarks |
|------------------|--------------|--------|------------------------------|------------------|---|
| 3.2.1 2 | Crop cutting | Number | 1200 (800) (2000) | 720 | To calculate the productivity of crops in project implemented RMs it was agreed to increase the number of crop-cutting exercises by 1200 nos. in year 5 taking the total target to 2000, and revised total budget to 1200 |



| | | | | | |
|-----|--|--------|-----------------------|-------|--|
| 5.5 | Group Support for drudgery reduction on farm machineries and equipment | Number | 170 (160) (330) | 11900 | This program is in demand from female beneficiaries and also mentioned in PAD to overcome the drudgery. Through the savings due to USD exchange rate, the budget can be allocated for additional 170 number of farm machineries and the revised total target for this activity becomes 330, and revised total budget is 23,100. |
| 5.6 | Support for small irrigation programs | Number | 570 (108) (678) | 85500 | This activity directly supports the PDO by increasing the productivity of crops in project areas and was a highly demanded activity from the FFS trainings and was found to be more feasible compared to micro-irrigation. Due to lack of funding, adequate budget was not allocated in the cost tab earlier. Due to exchange rate savings, budget can be allocated for additional 570 number of small irrigation program taking total target of this activity to 678, with revised total budget of 101,700 under component A. |
| 6.4 | Adoption support for poly-house farming system in hills | Number | 300 (300) (600) | 6800 | To support the vegetable farmers, the project has requested an increase in the target for this activity which was proposed in the PAD and highly demanded by the farmers during FFS.. Due to lack of funding only 100 number of poly houses were targeted in the cost tab for year 5. Due to exchange rate savings, budget can be allocated for additional 300 number of poly houses in hills taking the total project target of this activity to 600, and the revised total budget is 10,200. |

2. Major Activities to be revised in Component B:

2.1 Activities to decrease the target/ delete from component B:

Budget in thousands (NPR).



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| S.N. of cost tab | Activities | Unit | Change in target (old) (new) | Change in budget | Remarks |
|---------------------------|--|--------|------------------------------------|---------------------|---------|
| 5.1 | Support to village markets, collection centers, Haat Bazar infrastructure rehabilitation/ improvement Support to | Number | 8 (40) (32) | 8000 | |
| 5.2 | | | | | |



| S.N. of cost tab | Activities | Unit | Change in target (old) (new) | Per unit budget | Change in budget | Remarks |
|------------------|---|---------|------------------------------|-----------------|------------------|--|
| | | | | | | further provide 1 TOF for technicians and 2 TOF for farmer facilitators to facilitate the 32 FBS. The budget has been reallocated through the deletion of the international exposure visit. The revised budget for total 48 FBS is 14,400. |
| 4.4 | Provision of matching grant to fund BPs | Number | 49 (448) (661) (710) | 600 | 29400 | Due to exchange rate savings, there is an opportunity to add 49 matching grants (MGs). Since there are 1590 Producer Groups (PGs) under component B and 661 MGs are planned, the addition of 49 MGs will take the total to 710. The revised total budget for matching grants is 426,000. |
| 2.8 | Field verification for screening of matching grants | Number | 48 (64) (112) | 30 | 1440 | This activity has been added in year 5 to effectively monitor and screen matching grants (MGs). The revised total target is 112. |
| 8 | Technical assistance service from FAO-TA | Lumpsum | | 60000 | | |

3. Activities to be revised in Component C:

3.1 Activities to decrease the target/ delete from component C:



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S.N. of Activities
cost tab

Unit



| | | | | | | |
|-----|--|--------|------------------------------|-----|------|--|
| | | | | | | planned, the addition of 31 Small grants to make it total of 580. The revised total budget for small grants is 290,000. |
| 2.8 | Field verification for screening of small grants | Number | 48 (64) (112) | 30 | 1440 | This activity has been added in year 5 to effectively monitor and screen small grants. The revised total target for this activity is 112, and budget is 3,360. |
| 3.7 | Distribution of nutritious fruit saplings | Number | 61500 (60000) (121500) | .08 | 4920 | There has been some saving under component C through reduction of some activities. Since providing fruit saplings will provide sustainable return to the beneficiaries, it was agreed to provide an additional 61,500 nutrition fruit saplings. The revised total target is 121,500, with a total revised budget of 9,720. |

Note: All the activities proposed for revision are within their own component and within their same budget range as