



Government of Nepal  
Ministry of Agriculture and Livestock Development  
**NEPAL LIVESTOCK SECTOR  
INNOVATION PROJECT**  
(IDA Credit: 6149-NP)



**IMPLEMENTATION  
PROGRESS REPORT  
(ANNUAL) 2075/76 (2018/19)**

August 2019

## **PREFACE From the Desk of the Project Director**



It gives me a great pleasure to submit the Annual Implementation Progress Report of the NLSIP for the current fiscal year 2018/19. This is the 3<sup>rd</sup> such report of the project attempting to highlight the progress and key achievements made during the current reporting fiscal year.

During the current F/Y the performance rating of the project has stepped up from moderately unsatisfactory to moderately satisfactory with 2 satisfactory ratings for achievement of PDO, and counterpart funding. This was achieved in the 2<sup>nd</sup> WB Implementation Review and Support Mission carried out from March 5<sup>th</sup> to 15, 2019. This means that the project bailed out of problem status. The project will further try to continue to show improvements by achieving targeted results and improved disbursements. All the prerequisites for the implementation of the project such as preparation of various guidelines for the implementation of MGS, operation modality of FFS and FBS, developing policies, action plan, SOPs through the input of national and international consultants, and procurement of major goods are almost completed in the reporting F/Y. Other activities such as hiring TASP, Base Line Studies, preparation of LMP and carrying out CENA are in the pipe line. From the next F/Y year there will be much presence of the project at the field level.

The 2<sup>nd</sup> WB Mission led by task team leader Mr. Purna Chhetri in the form of Implementation Review and Support Mission from March 5-15, 2019 has been very much instrumental to assessing projects overall progress, reviewing the current and projected disbursement levels and resolving outstanding implementation issues. The Project is very much pleased with the missions' findings and commits to fully comply with them.

At this moment, I would like to extend my sincere thanks to MoALD and DLS for their continuous guidance. I also would like to thank, WB Task Team Leader Mr Purna Chhetri and his entire mission members, for their support and assistance to this project. This report would not have been completed if the required information and assistance were not provided by the Senior Livestock Officer, Dr. Jagat Bandhu Nepali; Senior Veterinary Officer, Dr. Sujana Rana; Under Secretary (Finance) Mr. Surya Aryal; Planning Officer, Mr. Sushil Khadka; Livestock Officer, Dr. Sabina Koirala; Veterinary Officer, Dr. Keshab Bhatta, and other project colleagues and staffs; they therefore, deserve my great appreciation.

Lastly but not the least, my sincere thanks also goes to team of experts providing technical assistance to PMT. Project Technical Expert (Lead), Financial Management Expert and Procurement Expert, deserve highest appreciation.

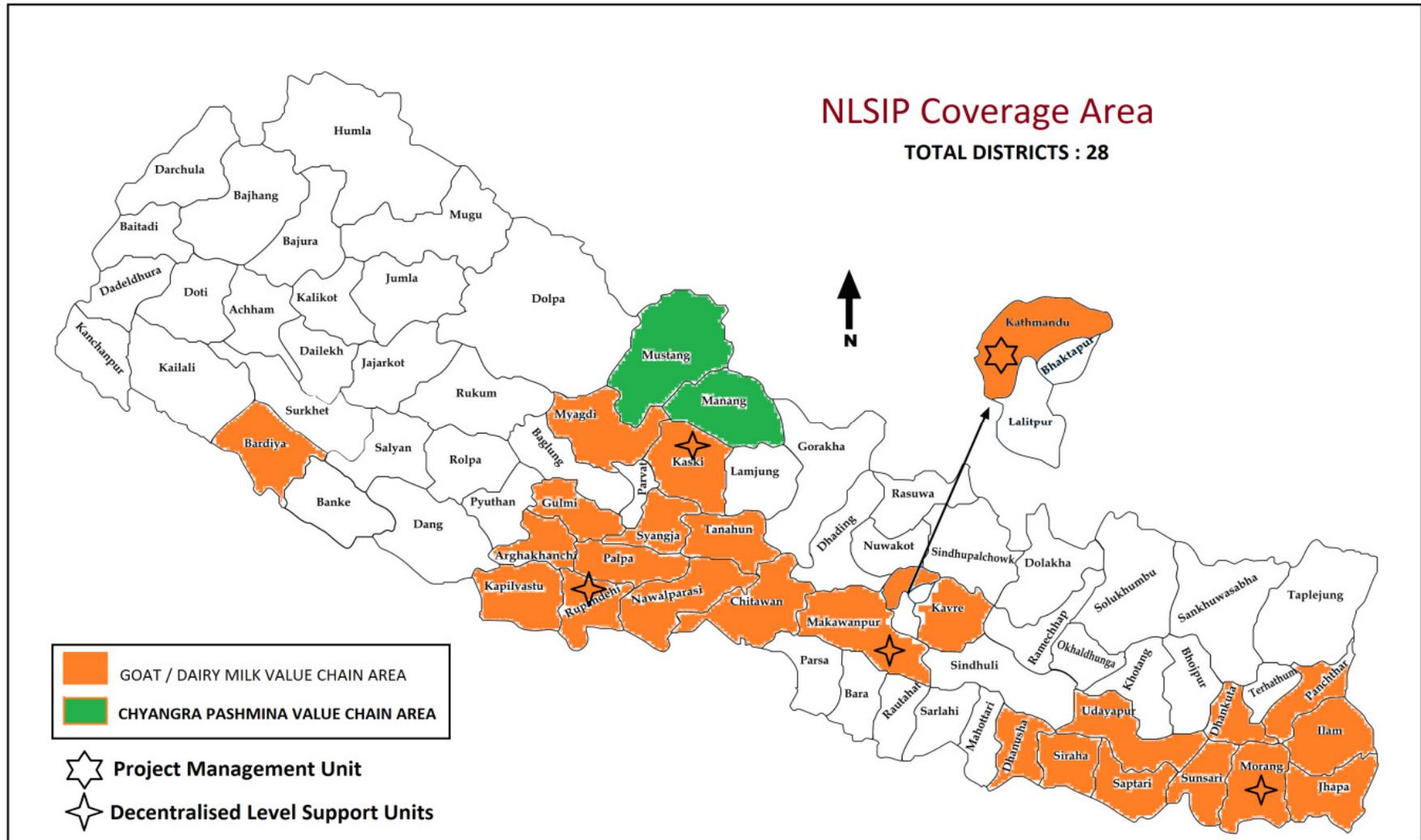
A handwritten signature in black ink, appearing to read 'Dilli Ram Sedhai', written over a horizontal line.

Dr Dilli Ram Sedhai  
Project Director (August 2019)

# GENESIS AND KEY EVENTS OF THE PROJECT

<b>Project Data</b>	<b>Date</b>
Project Appraisal	Not known
Negotiation Date	18 Oct 2017
Board approval	December 07, 2017
Grant agreement signing (Original)	January 21, 2018
Project effectiveness-actual	February 28, 2018
Formation of Project Steering Committee (PSC)	18 <sup>th</sup> May 2018
Establishment of PMU (during PPTA)	6 <sup>th</sup> May 2016
Establishment dedicated PMU	11 <sup>th</sup> July 2018
Deployment of Project Director	16 <sup>th</sup> July 2018
Approval of PIM (original)	20 <sup>th</sup> August, 2018
Establishment of DLSUs	May 03, 2018
Deployment of DLSU's staffs	Nov 19, 2018
1 <sup>st</sup> Implementation Review and Support mission	September 09 to 28, 2018
2 <sup>nd</sup> Implementation Review and Support mission	March 5-15, 2019
Technical Mission led by Mohammed Shamsuddin	May 20-24, 2019
Approval of PIM (Revised) by PSC	June 26, 2019
Technical Mission led by Helen Leitch	23, 27 and 30 <sup>th</sup> June 2019
Mid-Mission Review	25 <sup>th</sup> July, 2019
Expected Closing Date	June 30, 2023

# NLSIP Districts





Private Chyangra Farm, Mustang



Honorable Minister for MOALD  
Mr. Chakrapani Khanal interacting with  
local Chyangra farmers  
at Mustang



High yielding forage grass at Hetauda

GLIMPSES  
OF SOME  
ACTIVITIES



Honorable Chief Minister Province 1  
Mr. Sherdhan Rai Inaugurating Project Awareness  
Workshop at Biratnagar

## ABBREVIATIONS

ADS	Agriculture Development Strategy
AMR	Anti-Microbial Resistance
AI	Artificial Insemination
BP	Business Plan
BS	Bikram Sambat
CENA	Capacity Enhancement Needs Assessment
CGHC	Central Grievance Handling Committee
CLGHC	Cluster Level Grievance Handling Committee
CPG	Cooperatives and Producer Groups
CSA	Climate Smart Agriculture
CH4	Methane
CTCM	Central Technical Coordination Committee
CWAHW	Community Animal Health Worker
DFTQC	Department of Food Technology and Quality Control
DGHC	District Grievance Handling Committee
DLS	Department of Livestock Services
DLSO	District Livestock Services Office
DP	Dialogue Platform
DLSU	Decentralized Level Support Unit
DP	Development Partner
DTCO	District Treasury Control Office
ESMF	Environment and Social Management Framework
ESMP	Environment and Social Management Plan
FAO	Food and Agriculture Organization of the UN
FBS	Farmer's Business School
FCGO	Financial Comptroller General Office
FFS	Farmer's Field School
FM	Financial Management
FMD	Foot-and-mouth disease
FMS	Financial Management Specialist
FY	Fiscal Year
GHG	Green House Gas

GoN	Government of Nepal
GRM	Grievance Redress Mechanism
HPAI	Highly Pathogenic Avian Influenza
ICT	Information Communication Technology
IEC	Information Education and Communication
IDA	International Development Association
IPR	Implementation Progress Report
IRS	Implementation Review Support
ISR	Implementation Support Review Mission
JT	Junior Technician
JTA	Junior Technical Assistant
KPI	Key Project Indicator
LMIS	Livestock Management Information System
LMP	Livestock Master Plan
LPAI	Low Pathogenic Avian Influenze
M & E	Monitoring and Evaluation
MG	Matching Grant
MIS	Management information system
MGS	Matching Grant Scheme
MLSC	Municipal Level Service Center
MMC	Market Management Committee
MoALD	Ministry of Agriculture and Livestock Development
MoF	Ministry of Finance
MoU	Memorandum of Understanding
MToT	Master Training of Trainers
NARC	Nepal Agricultural Research Council
NBPL	National Biological Production Laboratory
NPC	National Planning Commission
NLBO	National Livestock Breeding Office
NRB	Nepal Rastra Bank
NVC	Nepal Veterinary Council
OAG	Office of the Auditor General
OH	One Health
OIE	Office International des Epizooties
PCP	Progressive Control Pathway
PD	Project Director
PDO	Project Development Objectives
PIM	Project Implementation Manual

PMIS	Project Management Information System
PMU	Project Management Unit
PO	Producers Organizations
PP	Productive Partnerships
PPR	Peste des Petits Ruminants
PPRS	Pedigree and Performance Recording Scheme
PS	Procurement Specialist
PSC	Project Steering Committee
PTE	Project Technical Expert (Lead)
SAARC	South Asian Association for Regional Cooperation
SOE	Statement of Expenditures
SOP	Standard Operating Procedures
SPS	Sanitary and Phyto Sanitary
TA	Technical Assistance
TBT	Technical Barrier to Trade
TMR	Total Mixed Ration
TASP	Technical Assistance Service Provider
ToR	Terms of Reference
UMB	Urea Molasses Block
USD	United States Dollar
VAHWs	Village Animal Health Workers
VH &LSEC	Veterinary Hospital and Livestock Service Expert Center
WB	World Bank

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# CHAPTER I: INTRODUCTION

## I.1. Background

Given the importance of the livestock sector to rural livelihoods, the food and nutritional security, as well as for growth of the national economy, Government of Nepal (GoN), Ministry of Agriculture and Livestock Development (MoALD) with the assistance of WB is implementing Livestock Sector Innovation Project from the current F/Y 2018/19. This is one of the key projects in livestock sector that will raise livestock productivity, production and incomes and expected to lead to further investment for the overall development of the sector as well as of the nation improving service delivery, access to information, technology, market, financial resources and environmental and social safeguards measures.

The main feature of this project is to adopt approaches for effective market linkage, in response to national and export demand of livestock and livestock products, value chain linkages, development of productive alliances, knowledge based management for scaling up of research results and innovations, gender and youth inclusion, awareness on nutrition, reduction of greenhouse gas emissions, adapting climate smart agriculture, private sector and citizen engagement for the sustainability of the project. Following the approval of the WB Board on 7<sup>th</sup> December 2017 and signing the financial agreement on 21 January 2018 between the WB and the GoN, the project became effective since 28 February 2018. The project covers all three geographic locations Terai, Hills and Mountain in four clusters along the road corridor encompassing five provinces and commodity specific value chains (dairy, goat meat and Chyangra pashmina). The project is working in 28 districts in a population of 12.4 million (6.4 million female) belonging to an estimated of 291 Municipalities.

The primary beneficiaries of the project will be 200,000 livestock producers (at least 45% female) from all the Municipalities of the project districts. In addition, about 500 small and medium sized agro-enterprises will also be benefited from production and post-production value chain support. Potential primary beneficiaries are livestock farmers, POs, agro-business entrepreneurs

The project is well aligned with the four strategic pillars (governance, productivity, commercialization, and competitiveness) of the ADS, thus supporting the country's priorities. It is also consistent with the World Bank's twin goals of ending extreme poverty and promoting shared prosperity. The project is also promoting climate-smart agriculture (CSA) by establishing farmer field schools for innovation and adoption of climate friendly practices and technologies, as Nepal is one of the top five countries that are subject to the impacts of climate change. With the livelihood of more than 80 percent of the population relying on agriculture, building the resilience of agriculture production systems and mitigating the impact of climate change in agriculture cannot be overemphasized. Agriculture, livestock in particular, is also one of the main commodities through which the country plans to

promote low-emission economic development. The project therefore will channel its support through three main channels: (i) creating an enabling regulatory and institutional environment; (ii) enhancing livestock productivity through improving livestock services delivery in terms of quality and quantity; and (iii) strengthening key strategic livestock value chains and improving access to business development services. To ensure gender equity and citizen engagement, the project will also make a conscious effort to allow women and beneficiaries to participate in all aspects of the project cycle, from planning and implementation to monitoring the results.

The Project is being operated by PMU at center lead by Project Director and 4 DLSUs at four different locations namely (1) Morang (2) Haetauda, (3) Pokhara and (4) Butwal which are led by Senior Livestock/Veterinary Officers.

The total cost of the project including that of the contribution of Beneficiaries, Financial Institutions and GoN is US\$ 115.00 Million of which 69.6% (US\$ 80 million) is IDA assistance [IDA Credit Number 6149-NP]. The beneficiary contribution is 8.7 % (US\$ 10 million), contribution by the financial institution is 13 % (US\$ 15 million) and another 8.7 % (US\$ 10 million) is GoN contribution.

The Project Development Objectives (PDO) is to increase productivity, enhance value addition, and improve climate resilience of smallholder farms and agro-enterprises in selected livestock value-chains in Nepal. The Key Performance Indicators of the project are;

- KPI -1** Productivity of targeted livestock commodities (milk and milk products, goat meat, chyangra fiber) measured through percentage increase of average (i) milk production per cow/buffalo; (ii) off take rate expressed as carcass weight for goats, and (iii) increase in chyangra fiber (cashmere) production.
- KPI -2** Increased sales of value added products in targeted value chains: measured through increase in production output processed and marketed in the dairy, goat meat and chyangra cashmere value chains.
- KPI -3** Farmers adopting climate smart agricultural technology (of which female) measured by the number of target farmers, including female farmers, adopting improved practices and technologies promoted by the project. The corporate results indicator will be measured as adopting improved agricultural technology in livestock sector.
- KPI -4** Farmers reached with agricultural assets or services (of which female) measured through the cumulative number of farmers, including the share of women, and small and medium entrepreneurs, who benefit from one or more project activities. The corporate results indicator will be measured as farmers reached with agriculture assets or services.

This report presents physical and financial progresses of the project for the Fiscal Year 2075/76 (2018-19) in quantitative and qualitative terms.

## **1.2. Project Components:**

Project consists of 4 components as summarized below.

- Component : Strengthening Critical Regulatory and Institutional Capacity (US\$ 5 “A” million)** The objective of this component is to strengthen the ability of the MoALD and its functionaries at the provincial, municipality and village levels

by creating enabling policy and regulatory environment which contribute to the performance of the livestock sector. The intervention under this component will link to component B by delivering demand driven services to the livestock producer and also to component C by providing adequate incentives for the private sector investments in the livestock sector. This component is organized around three other subcomponents: (1) developing, updating and operationalizing key policies, acts and regulations affecting the performance of the livestock sector, (2) strengthening the institutional capacity of the various government agencies to support the development of the livestock sector, including the carrying out of a capacity enhancement need assessment (CENA) of MoALD and its key agencies and (3) developing and establishing a dedicated livestock management information system providing updated information on extension, management and market to farmers on periodical basis

**Component “B” : Promoting Sector Innovation and Modernizing Service Delivery (US\$ 40 million).** The objective of this component is to enhance the capacity of key stakeholders along the selected livestock supply chains to develop, disseminate and adopt best practices. Most activities under this component will be implemented at farm and cooperative/producer group level, and will involve government agencies for improved service delivery. It will also contribute to environmental sustainability and particularly GHG emission reduction through improved efficiency in animal production and increased resilience toward the negative impacts of the climate change. The component will also directly address the issue of feed resources and their vulnerability and adaptation to climate change. This component is also organized around three other subcomponents: (1) support to producer’s organization, (2) modernizing service and input provision systems and (3) strengthening farmer’s training and extension services.

**Component “C” : Promoting Inclusive Value Chains for Selected Livestock Commodities (US\$ 30 million).** The objective of this component is to develop a more commercial-oriented approach for selected livestock subsectors and to contribute to import substitution (for dairy products and goat meat) and export promotion (for Chyangra cashmere) by improving the productivity and value addition within the targeted value chains. The component will directly contribute to the PDO by supporting the integration of smallholder livestock farmers in those value chains. The component will focus on improving smallholders’ access to markets and on strengthening the backward and forward links among value chain actors. This component will also facilitate to establish active engagement of productive partnership between the various active value chain actors including finance and insurance institutions .These productive partnership will be supported through a Matching Grant (MG) mechanism by a combination of 50 % IDA grant, 20 % contribution in cash by

the respective producer’s organization and remaining 30 % as short to medium term loan from the participating financial institution. The component will include two subcomponents: (1) development of productive partnerships, and (2) financing livestock value chains

**Component : Project Management and Knowledge Generation (US\$ 5 million):**

**“D”**

This component finances all aspects of project management and implementation, including (i) strategic and operational planning, execution, M&E of project activities, (ii) compliance with safeguard (iii) implementation of public awareness and outreach campaigns; (iv) verification and reporting on project execution and impacts; (v) establishment, operationalization, and maintenance of the PMU at the center and 4 DLSUs established at four different locations; and (vi) the preparation/attendance of project-related studies, workshops, and seminars generating knowledge derived from the project implementation experiences, including but not limited to mainstreaming climate-smart livestock practices, to be communicated to various public and private entities in a timely and effective manner

### **I.3. Report Organization**

The report is organized in 8 different chapters. the 1st chapter deals with introductory part while 2, 3, and 4 chapters deals with physical progress of the current F/Y 2018/19, project cost and financial plan and procurement plan respectively. Similarly chapter 5, 6, 7 and 8 respectively deals with Implementation arrangement, environment and social safeguards, World Bank Mission reports, and way forward. There are several tables, figures and annexes attached to the respective heading to provide more detail information and analytical views.

## CHAPTER 2: PHYSICAL PROGRESS

### 2.1. Component A: Strengthening Critical Regulatory and Institutional Capacity

The activities under this component will continue to be implemented until the year III of the project. This will enhance and strengthen regulatory and institutional capacity of MoALD and its agencies at provincial, municipalities and village executive level. This component will also link component B delivering demand driven services to livestock producer and component C providing incentives to the agro entrepreneurs. This component is organized around three other subcomponents: (1) Developing, updating and operationalizing key policies, acts and regulations affecting the performance of the livestock sector, (2) Strengthening the institutional capacity of the various government agencies to support the development of the livestock sector , including the carrying out of a capacity enhancement need assessment (CENA) of MoALD and its key agencies and (3) Developing and establishing a dedicated livestock management information system providing updated information on extension, management and market to farmers on periodical basis. The detail progress of each subcomponent is provided below

#### 2.1.1. Developing, Updating & Operationalizing key Policies, Acts & Regulatory Framework

Under this subcomponent of Component A the following activities are planned to under take

**I. Development of new policies:** The following two policies will be developed and implemented during the project period. The rationale behind developing the policies and their current progress status is provided below.

##### a. The Animal Health Policy

The National Animal Health Policy will provide the best possible framework for animal disease control to minimize the negative effects on livestock value chain, animal production, animal welfare, trade in livestock and livestock products, and human health. More specifically, this policy will: (i) strengthen the veterinary diagnostic services, animal quarantine and disease surveillance services capabilities; (ii) control and contain major economically and zoonotically important diseases; (iii) ensure food safety and food security; (iv) ensure veterinary drug regulation, prudent use of veterinary drugs and pesticides; and (v) guide for the formulation of an appropriate legislations. The policy will also guarantee quality standards of the services, reliability of the international certificates granted for the animals/products subjected to international trades associated with SPS/TBT measures.

## **b. The Livestock Breeding Policy**

The Livestock Breeding Policy will promote adoption of sound breeding practices by agro-eco zone for achieving optimum output per animal and will have adequate flexibility to accommodate farmers' choice for breeds avoiding indiscriminate breeding. It will also provide adequate guidance to conserve the native breeds available in the country. Further, the policy will also guide the implementers and the livestock owners to indicate what breed and breed combination or exotic blood level is most suitable in the given agro-climatic condition of the country

**2. Formulation of Long Term Plan:** This is one of the core activity of the project, when carried out properly will guide the sector for next 20 years. The objective behind developing the plan and its current progress status is given below.

### **Preparation of Livestock Master Plan (for next 20 years).**

The overall objective for preparing Livestock Master Plan (LMP) is to develop a medium and long-term vision and associated investment plan for the livestock sector in the country. The LMP will address all major species (e.g. cattle, goat, sheep, buffaloes, pigs, chicken, and fish) and related commodities (meat, milk, eggs, fibre). It will be aligned with the Agriculture Development Strategy (2014) and will provide guidance for action in the areas of policies and strategies at federal and state levels. More specifically, the LMP will provide a roadmap for the next 20 years in the following themes: (i) animal breeding and animal identification system; (ii) feed and forage base, including seasonality and feed quality standards; (iii) veterinary and animal health, diagnostic, bio-security, prevention and control of contagious, zoonotic and transboundary animal diseases, transmission from/to wildlife; (iv) animal husbandry practices (on-farm feed production, housing, level of technology, labor saving technology, renewable energy production, energy efficient technology); (v) animal welfare; (vi) livestock products, traceability, quality control, diversification; (vii) food safety and hygiene; (viii) climate change adaptation and mitigation; (ix) natural resource management under common and private ownership; (x) trade, import regulations, quarantine and phytosanitary regulations; (xi) livestock credit and insurance; (xii) livestock value chain; (xiii) innovation in production and processing; (xiv) market linkage and forms of cooperation between primary producers, processors, traders and off takers; (xv) commercialization, private sector engagement and agri-business promotion; (xvi) application of Information technology for the livestock sector development and monitoring; and (xvii) inclusive growth, e.g. with regard to small-holder farms, gender, remote communities and youth.

## **3. Formulation of Acts:**

### **a. Formulation new Acts**

The following three Acts will be newly formulated and efforts will be made to get approved from the parliament within the lifetime of the project. Similarly the project is also supporting to amend the following exiting Acts to make them up to date as there are many deficiencies and challenges which were not foreseen while drafting them.

- i. Infectious Diseases Act,

- ii. Animal Welfare Act and
- iii. Veterinary Drug Act

#### **b. Amendment of existing Acts and Regulations**

- i. Animal Health and Livestock Services Act, 1999 and its Regulations
- ii. Meat Inspection and Slaughterhouse Act, 1999 and its Regulations
- iii. Nepal Veterinary Council Act, 1999.

### **4. Formulation of Strategy:**

#### **One Health Strategy**

Main objective of One Health Policy and Approach is to improve human health and well-being through the prevention of risks and the mitigation of effects of crises that originate at the interface between humans, animals and their various environments. This requires a multi-sectoral and collaborative approach. The program priority will be for rabies, avian influenza (HPAI and LPAI), food borne diseases, anti-microbial resistance (AMR), emerging, re-emerging TADs and other zoonotic diseases within One Health framework. A draft strategic framework on “One Health Approach” was prepared with technical assistance from FAO in 2015. Based on this framework detailed action plan will be prepared and it will form the basis for the formulation of state level and municipal level action plan and OH approach activities. NLSIP will operationalize the One Health policy and approaches through training on sampling, mass communication, sharing disease information and local campaigns in project command municipalities

### **5. Development of Road Maps**

#### **i. PPR Roadmap**

PPR, one of the most important animal diseases of small ruminants causing huge economic loss, is among the priority diseases indicated in the 5 Year Action Plan of FAO-OIE Global Framework for the Progressive Control of Trans-boundary Animal Diseases (GF-TADs). After global eradication of Rinderpest, OIE and FAO have set a target to eliminate the PPR disease globally by 2030. A draft National Strategic Plan for the prevention and control of PPR in Nepal has been developed in 2016 with the support from Global PPR Secretariat of FAO of the United Nation, Rome. Based on the National Strategic Plan a roadmap will be developed which will be aligned with the PPR-GCES. NLSIP will support the implementation of road map, with an ultimate aim to eradicate PPR by 2030.

#### **ii. FMD Roadmap**

FMD vaccine procurement and vaccination is one of the major component of this project. To this respect a risk based control strategy is being developed which is also assisted by EU-FMD program of FAO based on already available Global, Regional and National FMD Control Strategy. With the assistance from the DLS the project will develop national FMD Vaccination Strategic and National Surveillance Plans; and develop SOPs for vaccine delivery, operationalization of vaccination campaign, pre and post vaccination sero-monitoring, record keeping and reporting.

### Implementation Status of the Activities as of F/Y 2018/19

To carry out the activities such as, (i) Formulation of Animal Infectious Disease Act, (ii) Formulation of Animal Breeding Policy and (iii) Formulation of Veterinary Drug Act, the project entered into the Memorandum of Understanding (MoU) with Nepal Veterinary Council (NVC) on December 19, 2018. NVC, following the guidelines provided by NLSIP has submitted final Inception Report on January 13, 2019 with detail work plan with indication of their output as deliverables. It also submitted Gap Analysis Report on March 17, 2019 as part of its deliverables and Final Report on Animal Breeding Policy and Animal Infectious Disease Act on July 1, 2019. Since, the Parliamentary Committee on Agriculture and Natural Resources has directed the Ministry of Health and Ministry of Agriculture and Livestock Development to prepare a joint report on the amendment of existing Drug Act incorporating all the requirements for the regulation of Veterinary Drug the currently ongoing formulation of standalone Veterinary Drug Act by the NVC was put on hold. For this a joint committee comprising officials from Department of Health and Livestock Services has been constituted. For the preparation of Breeding Policy and Animal Infectious Disease Act, NVC has engaged larger audience associated with the livestock development in each of its consultations. They also carried out field level consultations at different places, Biratnagar, Pokhara and Nepalgunj inviting government officials, livestock entrepreneurs, traders, commodity associations and other technical associations. The detail participation is provided in Table 2-1 and 2-2 below. All together 426 people were consulted or interacted with, for the preparation of Act and similarly 341 professionals were interacted with, for the preparation of Breeding Policy. In both cases women representation were found to be between 23-25 %. Since the drafting of Veterinary Drug Act is currently on hold, the project is planning to prepare a new Animal Welfare Act in place of Veterinary Drug Act, which is also instructed by competent authority, Supreme Court of Nepal for the immediate formulation and enactment.

**Table 2-1: Consultations for the preparation of Infectious Disease Control Act**

Sl. No.	Activities	Male	Female	Total
1	Council meetings - 3	40	08	48
2	Special Committee meetings 7	112	17	129
3	Stakeholder interaction, FGD, survey Pokhara	35	14	49
4	Stakeholder interaction, FGD, survey Nepalgunj	41	13	54
5	Stakeholder interaction, FGD, survey Biratnagar	30	19	49
6	Validation workshop, Kathmandu	79	16	97
	Total	328	96	426
	Percentage	77.99	22.53	100.0

**Table 2-2: Consultations for the preparation of Animal Breeding Policy**

Sl. No.	Activities	Male	Female	Total
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1	Council meetings - 3	38	09	47
2	Special Committee meetings 5	38	09	47
3	Stakeholder interaction, FGD, survey Pokhara	30	19	49
4	Stakeholder interaction, FGD, survey Nepalgunj	41	13	54
5	Stakeholder interaction, FGD, survey Biratnagar	30	19	49
6	Validation workshop, Kathmandu	79	16	95
	Total	256	85	341
	Percentage	75.07	24.92	100.0

For the preparation of Roadmap of PPR and FMD the Department of Livestock Services constituted a separate seven member working groups on January 15, 2019 in a meeting chaired by Director General. The two working groups after continuously working on the given ToRs and consulting various audiences at central and state level came up with a road map and shared in a Central Technical Coordination Committee chaired by DG, DLS on July 10, 2019. In the FMD road map the group identified 63 districts being affected with the disease and sero-types were O, A and Asia 1 being mostly prevalent. The group further acknowledges the availability of the guiding document consistent with the OIE/FAO Global Foot and Mouth Disease Control Strategy and Progressive Control Pathway (PCP) in SAARC countries, that illustrates as to how outbreaks and impact can be reduced in endemic areas and eventually control and prevent FMD with vaccination by 2025. For this to achieve the group recommends the following three prime activities;

- Amendment of Animal Health and Livestock Service Act, 2055 to incorporate FMD as a notifiable disease.
- Establishment of strong coordination mechanism among three tiers of governments
- Establishment of dedicated National FMD Control and Monitoring Cell at Federal Level

The group further recommends the following activities that need to be carried out in a planned manner to be able to meet the targets given in the road map.

- Identification of the risk zone (High, medium and low)
- Mass vaccination in High risk Zone with at least 3 PD 50 covering 80 % of all susceptible population,
- Risk based vaccination in Medium Risk Zone along with sero surveillance and,
- Regular Surveillance in low Risk zone

Further, the project has procured 1,941,152 doses of FMD vaccine worth of NRS 22.9 million from Indian Immunological, Hyderabad, India through an approved contract procedures. Together with the vaccine, the project also procured cool boxes 2332 pieces and automatic vaccinators 563 pieces to support the vaccination campaign. Out of total procured vaccines, 1,005,500 doses were used vaccinating animals in 15 strategic districts and remaining vaccines 935,652 doses are stored in NVPL and RVL Dhangadi and Biratnagar. The project has also financed for vaccine delivery on site and towards vaccination campaign following DLS decision. The vaccination was carried out through the 4 DLSUs. The detail progress is provided in the Annex 2.1 (a) and (b)

Similarly, the group engaged in the preparation of PPR road map also shared their findings in the Central Level Technical Coordination Committee chaired by DG, DLS on July 11, 2019. The group identified 69 districts being affected by PPR and estimated at Rs 279 million loss every year. But since last 5 year only 54 districts are regularly reporting to have the disease. Nepal has the National Strategic Plan developed in 2016 with support from Global PPR Secretariat of FAO of the United Nation, Rome and there is a Global Strategy for the Control and Eradication of PPR in place. Based on these two documents the road map is developed targeting the disease to be fully controlled by 2028 and final eradication by 2030. The road map identifies priority activities to be supported by NLSIP and step up from stage 1 (Assessment) to stage 2 (Control) and then after to stage 3 (Eradication) during the life time of the project (June 30, 2023). During the reporting period The National Vaccine Production Laboratory, Tripureswor under Department of Livestock Services has manufactured about 8 million doses of PPR vaccine out of which 7.0 million doses are distributed in 67 districts. Other remaining 1 million is in stock in different RVL and NVPL. The detail vaccine distribution list is provided in Annex 2.2

For the preparation of Livestock Master Plan, the project is seeking approval from the government to engage an organization which is a reputable, has knowledge and prior experience in the preparation of such long term Master Plan and has the ability to produce analytical quality document after assessment of the sector. In this respect the project has received the brief concept note from the consortium comprising FAO of UN, International Livestock Research Institute (ILRI) and CIRAD of France. This has been delayed for quite some time, never the less the project expects to take this activity on board by an International Organization to produce analytical and quality document.

### **2.1.2. Strengthening the institutional capacity of the various government agencies**

Strengthening the capacity of the different actors in the Nepal livestock sector value chain (with a focus on dairy, goat meat and Chyangara wool) is critical for the successful implementation and sustenance of the livestock development in the country. In order to achieve this goal, identifying the key technical and functional capacity gaps and prioritizing the key training needs so as to develop an efficient training plans in alignment with the Project Implementation Manual (PIM) are imperative. Hence, the NLSIP is engaging a consulting firm having experience in carrying out Capacity Enhancement Needs Assessment (CENA). It will have the following outcomes after its assessment (i) existing technical and functional capacities of the stakeholders related with the project activities (ii) gaps in the existing capacities (iii) training needs to effectively undertake the functions and roles within the scope of NLSIP.

The overall objective of the assignment is to: (i) Undertake a Capacity Enhancement Needs Assessment (CENA) of livestock section of MoALD, DLS, and state and local governments to implement NLSIP and (ii) to propose appropriate capacity development plan and budget. The assessment and development plan will include human, physical and financial resources. The assignment will also identify recommendations regarding enabling environment and institutional arrangements which would impact retention as well as utilization of acquired skills.

## Status of implementation

To implement this activity the project is following two pronged approach

- (i) Capacity Enhancement Need Assessment (CENA) of the MoALD functionaries at all level of government to implement NLSIP activities and
- (ii) Systematic Institutional Mapping and Assessment of Producer's Organizations (Cooperatives, Farmer Groups, Companies and Federations) that are actively engaged in livestock production to identify their knowledge gaps, the main constraints of the POs to get involved in the project related activities in terms of investment planning and programming. Based on the assessment a strategy will be developed and project will support to the target groups and beneficiaries on their capacity development need.

In this respect the project has finalised the ToR for CENA together with the input from WB. The project has received EoI from 11 different firms and evaluation is underway to short list them. Once short listed the project will issue the RfP and select the right firm.

On the systematic institutional mapping of POs the project after preparing the ToR, cost estimates and evaluation criteria selected the Nepal Environment Protection Centre as consulting firm to undertake this activity. The firm has submitted the final report that was validated in a Central Level Technical Coordination Committee chaired by DG, DLS on July 18, 2019.

### 2.1.3. Establishment of Livestock Management Information System (LMIS)

Information relevant to the livestock sector and related value chains is limited, often outdated and stored under diverse formats, by several organizations. As a consequence, decision made with regard to the development of the sector, whether by public or private decision makers, is often made on scarce evidence. To address this issue, NLSIP will develop a comprehensive and unified Livestock Management Information System (LMIS), and support Information and Communications Technologies (ICT) platform. The LMIS located at MoALD will serve as an apex body to undertake the entire data management system such as data collection, quality control, storage, retrieval, analysis, monitoring, and data dissemination. It will have specific domains related to the following themes - livestock production, animal health (e.g. vaccination), breeding, feeding (e.g. feed database), prices, animal movement/marketing, milk collection and processing, meat processing, export and import, farmer institutions, environment and social safeguards, and human resources including a roster of national experts.

The ICT platform on the other hand may support the development of the following: (a) National Livestock Identification Database, initially limited to animals under PPRS, insurance, disease surveillance and sero-monitoring for traceability purpose; (b) laboratory MIS; (c) disease surveillance and animal health; (d) digital apps to support market linkages, transport logistics, etc.; (e) ICT enabled advisory services (e.g ration balancing); (f) food and environmental safety; (g) mobile platform based M & E; and (h) citizen feedback and grievance redressed mechanism. The MIS of livestock projects, including the PMIS of NLSIP will also be linked with LMIS, which will be useful for MoALD to monitor performances of projects and provide feedbacks and guidance. PMIS will ensure the

disaggregated (sex and caste/ ethnicity) information of the beneficiaries to be adequately captured. It is expected that the data generated in the system will be useful also to assess climate vulnerability and GHG emissions.

The LMIS will be started with a minimum smart database with ample space for future expansion. The MoALD, DLS and other potential users of LMIS will decide the domains and different variables to go into each domain. The MLSC extension agents will be provided with tablets and training for primary data collection on a real time basis and technology communication. The platform will also be used to assess the effectiveness of service delivery. In support of the above, NLSIP will undertake a strategic study to specifically identify the medium term and long-term information needs of the livestock sector and to establish a plan for developing an information system as well as the technical standards for its development. Similarly, the strategy for the ICT platform also will be developed, which will prepare detailed plans for technology acquisition, system development, staff training, and system deployment.

### **Status of implementation**

The project has prepared the ToR with input from WB to develop strategy for Livestock Management Information System and Information and Communication Technology. To this respect, the project has hired the international and national consultants to draft the strategies. The team has submitted the final report and later validated in a Central Level Technical Coordination Committee chaired by DG DLS on July 05, 2019. Based on the strategy, appropriate modules will be developed one after another depending upon the requirements, and will be launched in a mobile applications. The report also provides the base for the required cost as USD 453,000.00 for the period of 4 years that includes development, management and training.

## **2.2. Component B: Promoting Sector Innovation and Modernizing Service Delivery**

This component will contribute directly to the PDO by enhancing livestock productivity and climate resilience. It will support capacity development of key stakeholders along with the selected livestock supply chains to develop, disseminate and adopt best practices focused at climate smart practices and technologies for improved efficiency in animal production through balanced animal nutrition, reduction of disease incidence and improvement of livestock genetics. This component is organized around three other subcomponents: (1) Support to producer's organization, (2) Modernizing Service and Input Provision Systems and (3) Strengthening Farmer's Training and Extension Services.

### **2.2.1. Support to producer's organization**

Producers' organizations are the farmers' commodity groups registered with the previous District Livestock Services Offices or present Municipal Livestock Service Centers, farmer associations registered at District Administration Office pursuant to Society Registration Act or Registered at Inland Revenue Office, or cooperatives registered under Nepal Cooperative Act (1992). The project will map these POs and undertake their capacity need assessment in the dairy, goat and pashmina-Chyangra value chains. Based on the systematic institutional assessment, the project will develop the strategy, identify targets group and beneficiaries, and develop innovative tools and methods for

different project intervention for their capacity enhancement. The project will also develop operational manual to effectively mobilize farmer's group, cooperatives, companies and federations in project activities.

### **Status of implementation**

The project has hired Nepal Environment Protection Center (NEPC) consulting firm to carry out this study. The firm after assessing the current status of the existing POs has identified the knowledge gaps and have proposed the strategy for project intervention. Probably by the beginning of the next F/Y the project will have everything in hand to mobilize these POs in the different project activities by enhancing their capacity.

## **2.2.2. Modernizing Service and Input Provision Systems**

Under this subcomponent the project will support the modernization of livestock extension services by enhancing the quality of services provided by public extension agents and improving the complementarity of private and public extension providers. NLSIP will support the delivery of animal health services, feeding, breeding, nutrition and herd management in the project area for dairy animals, meat goats and pashmina goats (Chyangra). Some of the important activities that are to be supported and their status of implementation are as follows

### **I. Animal Health Services and Input:**

- a. The project investments on animal health and veterinary public health services will focus on reducing economic losses due to livestock mortality as well as morbidity and production (a) targeting FMD, PPR, and parasites; (b) addressing preventable management related losses such as udder health and pneumonia in new borne; (c) enhancing engagement with private sector for effective farm level service delivery; and (d) improving biosecurity, e) enhancing food safety measures related to AMR, aflatoxin, and prevention and control of zoonotic disease
- b. Disease Surveillances and Prevention
- c. Vaccination Campaign against FMD and PPR
- d. Strengthening the capacity of CVL for its ability to have molecular diagnostic capabilities and VSDRL's capacity to test potency and safety of veterinary biological
- e. A bulk storage facilities for vaccines and biological
- f. BSL 2 laboratory for FMD laboratory.
- g. Enhancing biosecurity
- h. Introduction of Herd Health Program management program.
- i. Support for accreditation of the laboratories for which the roadmap were developed by the earlier project (PACT)

### **Status of implementation:**

The project has carried out number of activities in order to address the above programs. They are as follows;

1. Preparation of the FMD Road Map: NLSIP with support from a working group has prepared the FMD road map. The FMD road map is consistent with the FAO/OIE Global FMD Control Strategy and Progressive Control Pathway by which Nepal expects to reduce outbreak and impact of FMD from endemic areas and finally controls and prevents FMD in the country by vaccination by 2025. NLSIP further procured 1.9 million doses of FMD vaccine, 2332 pieces of cool boxes and 563 piece of automatic vaccinators to support mass vaccinations. Mass vaccinations were carried out through 4 DLSUs in 15 strategic districts and 1 million large ruminants have received the 1<sup>st</sup> vaccination. For sero monitoring Regional Veterinary Laboratories Biratnagar, Janakpur, Surkhet and Dhangadi were assigned the responsibilities by taking at 0.5 % of the serum samples from the total vaccinated after 21 days of vaccination.
2. Preparation of the PPR Road map: As explained in the FMD road map, NLSIP with support from department constituted task team prepared the road map. The group after various consultation and on the basis of National Strategic Plan, Global Strategy for the Control and Eradication of PPR, developed the road map where Nepal, is expected to be upgraded from Step1 (Assessment) to Step 2 (Control) in 2020 and later to Step 3 (Eradication) by 2023 in a 12 year journey to be finally eradicated by 2030. To support, Nepal carried out 7 million vaccination in 67 districts and produced 8 million PPR vaccine in the country. To enhance the production capacity of the NBPL, the project has supported procuring multi-channel micro pipette of different capacities in appropriate numbers. Annex 2.3 provides the detail list of project procured and distributed equipment, vehicles and computers.
3. Preparation of Laboratory Quality Manual for VSDRL: NLSIP supported VSDRL by preparing Laboratory Quality Manual through national consultant. This manual is a policy document and a prerequisite for the purpose of Laboratory Accreditation as per ISO/IEC 17025. This is the work built upon the previous task carried out by earlier WB funded project PACT. VSDRL is the only regulating laboratory that regulated veterinary biological, vaccines, diagnostics and drug residues in the country. Since this is the only regulating laboratory, laboratory accreditation as per ISI/IEC 17025 is required in order to meet the national and international standards and also to receive the international recognition to get advantage of the international trade. Since the accreditation process is too long and might take several months and year yet these documents are required to start with.
4. Preparation of Laboratory SOPs, and Protocols for VSDRL: NLSIP further supported VSDRL in updating and preparing different SOPs and Protocols to meet the international demand through hiring national consultant. Ten SOPs and protocols for drug residue testing and 15 existing laboratory testing protocols for livestock and poultry vaccines are updated in line with the international practice. New Laboratory protocols for poultry vaccines are formulated covering both killed and live viral and bacterial vaccines which include Avian Encephelomyelitis (AE), Egg Drop Syndrome 76 (EDS76), Avian Infectious Bronchitis(AIB), Infectious Coryza and Tenosynovitis as per the request of the VSDRL.
5. In addition, NLSIP is also supporting constructing BSL2+ facility laboratory for FMD disease diagnosis, Molecular diagnostic capabilities to strengthen the capacity of CVL, Experimental animal house in VSDRL for carrying out different tests including safety and potency, Installation of prefab cold room for vaccine storage in all provinces, Construction of

veterinary laboratory in State 5, Installation of bi-safety cabinet, procurement of FMD vaccine, procurement of hematological analyzer, procurement of testing kits to VSDRL, and procurement of USG and X-ray machine to the VS & LSEC are some of the major activities that are taking place in the next F/Y 2019/20 with an aim to modernize the veterinary services in the country.

## **2. Livestock Genetic Improvement Program**

NLSIP will invest in establishing the performance recording system, implementation of field activities, strengthening capacities of NLBO, DLS and NARC, and institutionalizing and building capacity of producers' organizations for the establishment and operation of genetic improvement programs of dairy cattle, dairy buffalo and goats. Activities will include development of an animal identification and performance recording system, support to breeding services for genetic improvement, selection of breeding stocks following breeding principles and the multiplication of breeding stocks for distribution in regular production programs. The project will also support production of frozen semen, expansion of artificial insemination services and natural insemination services in areas where AI does not become accessible. The focus will remain on selection of mothers from the local herds registered with PPRS scheme and upgrading them by using imported semen for the production of progenies of genetic merit that are adaptive, more productive and resilient to climate change impacts. Upon successful establishment of PPRS in dairy cattle and buffalo, NLSIP will support DLS to adapt and apply same systems for selection of both male and female parents through performance recording in native breeds such as Parkote buffalo and Khari and Chyangra goats. NLSIP will provide trainings to technical personnel of VHLSEC, Ministry and Directorates of respective states for scaling up of such programs of genetic improvement for conservation and utilization of native breeds. Locations for scaling up will be identified through district level DP meetings. Implementation of Genetic Improvement Program will adopt strategic actions (that will be embodied in the animal Breeding Policy) during its implementation in the field.

### **Status of implementation**

Animal Breeding Policy is developed by the NVC under MoU with the project. The project had hired International and National Consultant to assess the breeding status and then prepared the strategy for animal breeding. Based on the strategy, an action plan and standard operating procedure were developed. The report proposes the breeding targets for breeding activities in cattle and buffaloes within the project period and beyond the project period i.e. after the end of 15 years. The following are the targets proposed.

- a. Percentage of breedable cattle inseminated be increased from the current level of 14.1 to 30 by the year-end of NLSIP and to 50 percent by the end of 15 years;
- b. Percentage of breedable buffaloes inseminated be increased from the current level of 2.2 to 15 by the year-end of NLSIP and to 40 percent in 15 years;
- c. Number of AI to be increased from the current level of 438 thousand to 1010 thousand in cattle and from 128 thousand to 837 thousand in case of buffaloes by the year-end of NLSIP and to 1925 thousand in case of cattle and to 3614 thousand in case of buffaloes by the end of 15 years to achieve the set target of percentage of cattle and buffaloes to be inseminated;

- d. Import of about 15 percent of the total semen doses during the NLSIP period and 10 percent thereafter; be continued
- e. Domestic semen doses production be raised from the current level of 561 thousand to 945 thousand in the case of cattle and from 98 thousand to 783 thousand in the case of buffaloes by the year-end of NLSIP and to 1906 thousand in case of cattle and 3578 thousand in case of buffaloes in the next 15 years;
- f. Keep 34 cattle bulls and 52 buffalo bulls under semen collection by the year-end of NLSIP, and
- g. Obtain 34 cattle bulls and 46 buffalo bulls from the genetic improvement programs for bull replacement during the Project period of NLSIP.

In addition, the report also provides the framework for genetic improvement and identifies three clusters of districts for implementing the three proposed genetic improvement programs as given below.

**Table 2-3: Cluster of districts for the proposed genetic improvement program**

Cluster	Primary breed	Secondary breed
<b>Cluster I: Kaski, Tanahun, Chitwan, Rupandahi, Makwanpur, Nawalparasi, and Kavre</b>	HF crossbred	Jersey crossbred and Murrah crossbred
<b>Cluster II: Ilam, Jhapa, Morang, Sunsari, and Dhankuta</b>	Jersey crossbred	HF crossbred and Murrah crossbred
<b>Cluster III: Kapilvastu, Navalparasi, Rupandehi, Saptari, Sirahi, and Dhanusa</b>	Murrah crossbred	HF crossbred and Jersey crossbred

Similarly for goat improvement program 2 sites are identified for Boer goats, (1) Morang and Sunsari and (2) Makawanpur and Chitwan. For Khari goats district Myagdi is identified. For all these program to implement an estimated amount of 10.3 million USD for Dairy and 3.36 million USD for Goat totaling 13.66 million USD has been projected.

During the reporting period the project also procured semen straw sealing and filling machine, semen straw, liquid nitrogen container of different capacity other AI equipment's, ear tags and its applicator. All these equipment's were distributed in different location. The detail is provided in Annex 2.3 (c) and (d)

### **3. Feed Base Development and Animal Ration Balancing**

Livestock suffer from lack of adequate nutrition particularly during the winter and spring. Even when the green feeds are available in the rainy season, the diet is not balanced. Supplementation is rare and inadequate. Consequently, the animal productivity is low with seasonality in production. To address this issue, the project has given high attention to increase feed supply and forage seed production, and promote feed balancing system. The project will also support the establishment of nurseries for the production of seedlings, and promote fodder production, processing and storage at community level. The project will make mandatory for the farmers interested for commercial farming under Component C will allocate at least 1 ropani (0.05ha) of land per adult dairy animal and the same area per 4 adult goats for any project supports. The project in close cooperation of the municipalities will

facilitate land leasing for this purpose, if the interested farmers do not possess adequate land. It is expected that adoption of this approach will reduce straw use by about 50% by end of project. This will result in significant reduction in CH<sub>4</sub> emission. Further the project will promote silvi-pasture system in upland terraces, on farm fodder production, pasture development in communal land, forage seed production through government farms and POs under contract arrangement and silage and hay making in large scale. In Mustang and Manang Districts the project will follow different approaches to meet the requirement of those animals present there especially for Chyangras. The project will also support to develop feed balancing programs for dairy, goat and Chyangra feeding. This will encompass developing program, training the municipal, provincial and central level staff and installation of program at all levels including at ICT platform to promptly respond to the problems of the farmers in feeding. The project will also finance the promotion of total mixed ration (TMR) as guided by the feed balancing programs developed herein through FFS initially in PPRS implementation areas and later across the project area. In remote areas where TMR development is difficult, the project will support supply of mineral blocks like Urea Molasses Blocks (UMB) to address the deficiency of minerals and protein.

### **Status of implementation**

The project had hired national and international consultant to assess the feed and feeding status and prepare a future plan based on the assessment and even develop SOPs and guidelines according to the plan. The consultants after assessing the feeding status of the country and even consulting with the breeding Experts given the dependence of breed improvement success on feeding and nutrition, have recommended 11 different major nutritional interventions to achieve the PDO of the projects. The recommended interventions are as follows;

1. Implementation of ration balancing program,
2. Production and distribution of mineral mixture,
3. Supplementation of urea molasses mineral block in the ration,
4. Chaffing of fodder,
5. Enrichment and densification of crop residues,
6. Compound cattle feed quality regulation,
7. Green fodder production and enhancement,
8. Calf rearing program,
9. Greenhouse gases (GHGs) emission reduction,
10. Use of bypass protein feed for enhancing milk production,
11. Development of a broad spectrum toxin binder.

The report also estimates around NRS 4490 million to be invested for the implementation of the above intervention for the project period.

### **2.2.3. Strengthening Farmer's Training and Extension Services**

NLSIP training and extension services will focus at: (a) farmer institutional development, (b) enhancing farmers technical and business capacities, such as Dairy Product Diversification Training- the course which is already approved by CTEVT. (c) linking farmers to input and market information including encouraging farmers to participate in livestock insurance schemes, and (d) facilitating implementation of activities of public concern such as, one health policy and food safety and compliance in the project area. In addition, the staff working with the municipal livestock extension system, the private paravets and the community animal health workers are the main grassroots extension agents to facilitate NLSIP activity implementation. The municipal staff will also be responsible for livestock disease surveillance, vaccinations and reporting, and will be facilitating FFS and FBS implementation including PPRS, feed livestock sector database to LMIS, and monitoring and reporting project results.

The private para-vets along with the municipal staff will have a key role in providing treatment, vaccination and artificial insemination services. The Village Animal Health Workers (VAHWs) will be providing veterinary treatment and vaccination services particularly in the remote areas. The laboratory staff provide support in disease diagnosis. Similarly, the project social mobilizers, under the guidance of the Veterinary Hospital and Livestock Service Expert Centre (VH&LSEC) and in coordination with the municipal extension staff, will facilitate community level planning, group development, facilitating FFS and FBS implementation, and results monitoring and reporting.

There is also a need of updating/developing course curricula and developing a number of manuals for the extension agents covering technologies in feeding, breeding, animal health and farm management, and for laboratory technicians on laboratory protocols/SOPs and disease diagnosis. At the veterinarian level, there is a need of developing knowledge and skills in dairy and meat inspection. Therefore, the project will develop the capacity of the frontline extension workers through updating/developing training curricula and manuals, and organizing training. Farmer Field/Business Schools (FFS/FBS) are considered the most effective approaches of extension, particularly in relatively remote locations and communities where private sector services have not evolved and/or is not effective. Municipal and private para-vets are considered the most appropriate facilitators for FBS.

### **Status of implementation**

The project has recruited a consulting firm NEPC to carry out systematic institutional mapping and assessment of the POs (Farmer group, Cooperative, Companies and Federation that are actively engaged in different livestock operations), Identify their knowledge gaps, the main constraints of the POs to get involved in the project related activities in terms of investment planning, programming and to propose appropriate solution. Based on institutional mapping and specific training need assessment, the NLSIP/IEC Expert will organize review of the existing curricula and update them as appropriate for enhanced capacity of the service providers for effective farm advisory services. The project is also carrying out Capacity Enhancement Need Assessment of the MoALD, DLS and other GoN functionaries. Based on the assessment and recommendation the project will identify appropriate measures for their capacity building in general and to do the project activities in particular. Similarly the project has also prepared the operation modality and monitoring approaches of FFS and FBS.

In the Reporting F/Y 2018/19, the project carried out three different types of training in order to advance the project activities at the centre and also in the field. At the centre level to advance the work of CVL, NVPL and FMD & TADS, the project provided 12 working days of hands on training on the use of PCR technology to 9 officers including two women. This will enhance the capacity of VSDRL to detect the antigen of the imported vaccine as an identity test and also detect fraudulence in meat i.e adulteration of the meat of the different species. Annex 2.4 will provide the list of officers those received the training.

Similarly, two batches of Master Training of Trainers (MToT) were also organised to run the FFS planned for next F/Y. One officer level MToT to run FFS on Dairy and another technician level to run FFS on goats. Dairy and Goats are the major two value chain commodities that project is supporting. This is two weeks intensive practical training with at least 12 working days. The officer level training was attended by 17 participants including three women representing different sector, (1) two from NLSIP, (2) seven from 4 DLSUs, (3) three from VH & LSEC, (4) four from different municipalities and (5) one from NLRM & PC. Similarly the technician level MToT was participated by 15 participants including four women. They were represented from; (1) ten from different municipality, (2) 3 from VH & LSEC, (3) two from DLSUs. Annex 2.5 (a) and (b) will provide the detail list of participants attending the project organised MToT in running FFS for dairy and goats.

## **2.3. Component C: Promoting Inclusive Value Chains for Selected Livestock Value Chain**

This component is facilitating the creation of active platform for productive partnership between the various active value chain actors including finance and insurance institutions and providing matching grant to eligible small and medium holder producers to finance productive livestock investment business plan. The activities included are as follows

### **2.3.1. Development of Productive Partnership (PP)**

The project has created stakeholder dialogue platforms at three levels – central, state and district. These platforms will involve multi stakeholders comprised of government officials, producers, traders, industries and professional associations. The Secretary of MoALD (Livestock) will chair the central level platform; Regional Director for Livestock & Fisheries Development at state level; and the Local Coordination Officer/ District Coordination Committee at district level. Main responsibility of these platforms is to create conducive environment for investment on the livestock sector by addressing key issues, sharing information and setting investment priorities and coordinating actions. The platforms will focus on pricing norms and regulations that will feed into the policy and regulatory reform agenda supported under component A. The platforms will play a key role in developing productive partnerships between producers and buyers/traders/processors. They will also facilitate and guide different activities undertaken under component A.1 (policies and regulatory framework) and be instrumental to implement awareness raising activities on key priority interventions such as food safety and hygiene, and climate smart technologies including waste management and energy efficient technologies for adoption at farm, collection and processing levels. The project will encourage direct and sustainable partnership between the producers and the processors particularly under Component

C by incorporating a provision of submission of formal agreement between the producers and buyers in a standard agreement format with buyback arrangement.

### Status of implementation

The Project has prepared the SoP for the operation of Stakeholder Dialogue Platform and got it approved by the MoALD on Jan 22, 2019. The SoP has the provision of three layer Committees of which the Central level will be headed by Secretary, MoALD; the State level by Regional Director for Livestock and Fisheries Development and the District level by District Coordination Officer based at the District Coordination Committee. The SoP has also clearly defined the ToR for each Committee. The project has aimed to implement each and every level of activity discussing through these respective committees. The stakeholder Dialogue Platform is fully operational and this platform ultimately will facilitate in the creation of productive alliance in future. During the reporting year The PMU and DLSUs have organized 13 different Stakeholder Dialogue Platform Meeting, one central, 10 cluster and 2 district level. The discussion agenda in the meeting and total number participated is provided in table below.

**Table 2-4: Participation in the SDP Meeting**

Discussion Agenda in the SDP meeting	Unit	Total Participated		Total	%age of the Women
		Men	Women		
<b>Project developed National Breeding and Nutrition Strategy Report Shared at the CSDP chaired by Secretary of MoALD</b>	1	80	24	104	
<b>Program Awareness at 2 clusters</b>	2	30	4	34	
<b>Breeding and Nutrition assessment for Strategy formulation at 4 clusters</b>	4	252	26	278	
<b>Preparation of FMD and PPR Road Map at 2 clusters</b>	2	103	17	120	
<b>Infectious Disease Act and Breeding Policy at 2 clusters</b>	2	65	33	98	
<b>District Level (DLSU Biratnagar)</b>	2	14	2	16	
<b>Total</b>	13	544	106	650	16.3 %

### 2.3.2. Financing Livestock Value Chain

This component will follow a two pronged approach.

#### 1. Providing matching grant to eligible value chain participant to partially finance productive livestock business plan on competitive basis

The project is providing matching grant to 500 small and medium sized agro-enterprises who will benefit from production and post-production value chain support. For this purpose, the business

plans that are developed will be financed through a combination of an IDA-financing (50 percent), a contribution from the Producer's Organizations (minimum 20 percent in cash), and small to medium-scale credit provided by participating BFIs (30 percent or more). The project will provide small scale grants (not exceeding US\$35,000) and medium scale grants (between US\$35,000 and US\$100,000). Of total grant, at least 40% will be allocated for small-scale grant and not more than 60% for medium-scale grant.

NLSIP grant will be available to competitive eligible applicants, who will go through PCN and full proposal screening steps including field verifications as required. Secondly, since NLSIP will follow an output based financing, grant instalment will be released only upon field appraisal /verification of performance against agreed milestones. For example, the first instalment grant transfer to the bank account of the GR will be made subject to at least 50% GR spending to meeting agreed milestones from its equity and/ or goods purchased on credit. Thirdly, NLSIP will not provide any grant to proposals falling under negative list from the perspective of environment and social safeguards. It would be mandatory that the GRs fully complies with environmental code of practices (ECOP) and bear all costs of implementing environment and social safeguard measures recommended by NLSIP during the implementation of sub-project if they were either missed out or did not include such provisions/activities earlier during the grant agreement. Fourthly, grants will reach to all 28 project districts. NLSIP will prepare a separate Grant Operating Manual to facilitate grant management. Fifth, the grantee should not have possession of grant from government or other donor funded projects for a similar nature of work for at least for 2 years.

PMU/DLSUs will organize training for the successful candidates (Whose PCNs are approved) covering topics such as business plan preparation, framework for infrastructure design, products flow design (industries), environmental and social safeguards, food quality compliance and writing full proposal. NLSIP will mobilize professional organizations like, NABIC for this purpose.

PMU/DLSUs will not release any part of the grant proceeds to any GR without properly assessing the documents and recommendations by the participating bank and TASP. TASP and BFIs will be required to submit reports and recommendations based on field appraisal and checking of bills, invoices and vouchers including sub-project's outputs. Grant will be released in the bank account of the GR opened in the participating bank in three instalments as given in Table below. Bank instalment payment by the GR/borrower may continue even after the end of project, because the instalment payment will depend on the cash flow of the business proposed.

**Table 2-5: Disbursement modality**

Stage	Investment of total commitment		Work completed	Grant amount release*
	Equity	Bank loan		
<b>Investment for 1st milestones</b>	50 %	50%	1st milestones	50% of expenditure as per 1st milestones completed
<b>Investment for 2nd milestones</b>	50 %	Remaining 50%	2nd milestones	50% of expenditure as per 2nd milestones completed

<b>Investment for final milestones</b>			Final milestones	Remaining portion of the grant of the contract agreement after final milestones completed
<b>Investment for 1st milestones</b>	50 %	50%	1st milestones	50% of expenditure as per 1st milestones completed

## **2. Providing support to erect market infrastructure for better integration of smallholders to facilitate their market opportunities.**

With regard to providing support to erect market infrastructure for better integration of smallholders for their market opportunities, the project at the request of the Ministry and with no objection from the WB has now completed some of the unfinished works of the Damak Livestock Market in the Eastern Region initially designed and erected by another WB funded project PACT. The market was unfinished at the time of PACT closure (June 30, 2018), the responsibility for completion of unfinished part was later shifted to GoN with dead line until November 15, 2018. Somehow, it was not completed within the dead line and requested NLSIP to take over. The Market is now completed and has the following facilities built within it. The project has made the payment of about NRs 45 million out of NRs 132 Million contract after it is verified by the certified Engineer.

- a) Cow shed
- b) Buffalo shed
- c) Goat shed
- d) Administration Block
- e) Canteen Block
- f) Guard House
- g) Water Treatment Facility
- h) Veterinary shed
- i) Toilet Block
- j) Boundary wall and
- k) Road access from all around

The project will also encourage establishment of municipal slaughterhouses particularly in the Terai, as they may solve many of the problems associated with animal transportation, environment and cost. NLSIP will develop SOPs for livestock market, collection centers, slaughter house and stray cattle collection center. The project has undertaken feasibility study for the establishment of livestock market in the country. Based on the recommendation of the feasibility study report further arrangement will be made for the construction of livestock market, collection center etc.

### **Status of implementation**

The project has revised the PIM incorporating all the elements required for a successful implementation of the project activities including the implementation of sub-project financed under matching grant scheme.

It is expected that there will be around 500 such SPs selected and implemented. The project has developed different guidelines with respect to Sub-project Concept Note (PCN) selection, Field verification criteria and Full Sub-project Proposals (FPPs) selection and also the guidelines for peer reviewers. Peer reviewers will be recruited by the project at the center level only to independently evaluate the business plan submitted by the Grant Applicants for Matching Grants. The project has also developed Grant Operating Manual incorporating all the required elements to be able to administer the grant smoothly and transparently. With no objection from WB and upon approval from project steering committee, all these guidelines will be made public.

## 2.4. Component D: Project Management and Knowledge Generation

The key activities to be undertaken under this component are;

- Establishment and operations of an M&E unit
- Recruitment of an Environmental and Social Expert who will be an integral member of the PMU
- Establishment of a mechanism to ensure the coordination, monitoring, and implementation of the safeguard instruments
- Arrange finance trainings, workshops and seminars, study tours, and exposures visit
- Conduct the relevant studies identified during the project implementation;
- Comprehensive review of the existing GoN Livestock Insurance scheme or other high potential livestock value chains with opportunities for import substitution, export promotion, and smallholder inclusion (e.g. yak cheese, hides and skins, or Vyanglung sheep farming for wool).
- Establishment and operations of a platform to capture stakeholders complaints
- Initiate an effective communication mechanism and preparation of project web site
- Extension of the public awareness program (Advertisement) and outreach services
- Conduct a project impact evaluation
- Review reporting patterns

### Status of implementation

Under this component the project has completed/initiated the following

- 1) Preparation and approval of Grievance Redress Mechanism (GRM) for the project both in Nepali and English language. There are three layers of Committees to handle the grievances against the project and its activities. The lowest level is the District Grievance Handling Committee (DGHC), which is established in each project district and is headed by Chief, Veterinary Hospital and Livestock Service Expert Center ; similarly at the cluster level is the Cluster Level Grievance Handling Committee (CLGHC) established in each of the four cluster and is headed by State Director from the respective Livestock and Fisheries Development State Directorate and in the apex there is a Central Grievance Handling Committee (CGHC)

headed by Joint Secretary, Livestock and Fishery Development, Ministry of Agriculture and Livestock Development. All these Committees are established and operational. The project is channelizing all its related grievances through these committees and redress them within the dead line prescribed in the SoP i.e 15 days for DGHC and 30 days for CLGHC and CGHC. Meeting are held regularly at the center and also at cluster and district level to receive the complaints and respond them. So far 12 complaints were received at the center level, majority of them were related with procurement and they were sufficiently addressed. There were no complaints receive either in district level or in cluster level. The detail nature of the complaints and response from the PMU is provided in the Annex 2.6.

- 2) Hiring of Engineering Consultancy Firm completed to undertake all its civil work activities. The firm is now designing, preparing cost estimates and preparing BOQ and bidding documents. Contract agreement for the construction of Nepal Veterinary Council Building at Tripureswor, Seed Processing Unit at Sarlahi and Bull Mother Shed at Pokhara have been completed. Tender for BSL2+ Laboratory have been invited but the contractor did not qualify in the evaluation and it was cancelled. Towards the construction of Service Centers, design estimate completed, notice published for the construction of 14 Service Centers in 14 different districts, out of which 4 were cancelled (Dhankuta, Sunshari, Udayapur and Tanahu) in between, no tender was lodged in one location at Kapilbastu and in 9 other tender submitted. But due to time constraint evaluation could not be completed within that F/Y. Hence they will be carried out in next F/Y. The tender that are under evaluation are Illam, Jhapa, Morang, Saptari, Siraha, Chitwan, Kaski, Gulmi and Syanga. The detail is provided in the Annex 2.8
- 3) For hiring TA, the project has prepared the ToRs (19 ToRs for different Specialists to be based at PMU and DLSUs), Cost Estimates and Evaluation Criteria. Notice published and 6 firms (2 international and 4 national) were short listed.
- 4) For carrying out the Base Line Survey, the project prepared ToR, Cost Estimates and evaluation criteria. But due to late arrival of the approved program from MoF, notice could not be published within that F/Y. It will be taken up in next F/Y 2019/20
- 5) For the preparation of different project guidelines and undertaking different studies the consulting firm Nepal Environment Protection Center was awarded the contract. The firm has submitted the following reports, which are under the consideration of the project. The submitted reports are as follows
  - a) Guidelines for the selection of PCN, Criteria for carrying out Field Verification and selection of Full Sub-project Proposals.
  - b) NLSIP Grant Operating Manual
  - c) Operation Modality of FFS and FBS
  - d) Assessment and Mapping of POs,
  - e) Feasibility Study of the Livestock Market,
  - f) Formulation of Animal Identification Strategy and preparation of Road Map
  - g) Impact Study of FMD and PPR

- 6) Guidelines for the formation/registration of the Farmer Group completed. This is under review of the MoALD.
- 7) Production of Project Brochure for wider dissemination completed and disseminated to public through DLSUs to bring the awareness about the project activities.

The detail of consultancy services procured during the reporting year is provided in the Annex 2.7

## **2.5. Project Covenants:**

### **2.5.1. Establishment of the Project Steering Committee:**

The Project Steering Committee as envisaged in the PAD has been established on May 10<sup>th</sup> 2018 and is maintained. The PSC is providing policy guidelines to support PMU and also carrying out inter-ministerial /interagency coordination to facilitate project implementation. The detail composition and function of PSC is being revised along with the revision of the PIM. The PSC is planned to have at least 4 meetings in a year.

### **2.5.2. Project Management Unit:**

PMU has been established within the MoALD on July 11<sup>th</sup> 2018 headed by Project Director and supported by well qualified and experienced staffs as envisaged in the PAD. The PMU is located within the complex of Department of Livestock Services, Harhar Bhawan, Lalitpur.

### **2.5.3. Project Implementation Manual:**

The Project Implementation Manual has been prepared by a team of consultant headed by Dr. Chandra Mani Dhakal and is approved by the Project Steering Committee on August 20<sup>th</sup> 2018. During the short course of implementation, the project noticed some deficiencies and inconsistency in the existing PIM, with the approval of Project Steering Committee it is revised to align with cost tab and PAD. With WB no objection in April 30, 2019 and sharing of report with MoALD Officers on May 05, 2019, the PIM received approval by the third Project Steering Committee Meeting held on June 26, 2019 with slight modifications.

### **2.5.4. Recruitment of Financial Management Specialist:**

The Financial Management Specialist has been recruited on November 19<sup>th</sup> 2018 and since then the consultant is on board.

### **2.5.5. Recruitment of Procurement Specialist:**

The Procurement Specialist has been recruited on November 23<sup>rd</sup> 2018 and since then the consultant is on board.

## **2.6. Physical Progress**

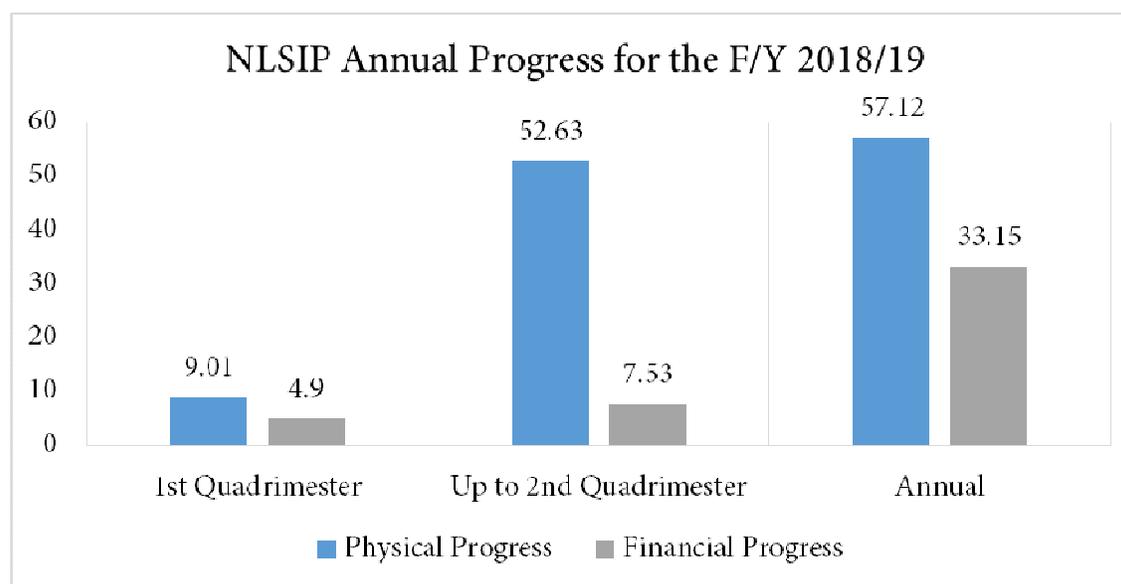
The annual project's physical progress for the reporting period has improved a lot than the other last two Quadrimester, but it still requires a lot of efforts to achieve the targets set for next F/Y 2019/20. Since, this is being the first implementation year most of the time was spent in preparing basic

requirement of the project to streamline the implementation. Some of the pre requisite like approving budget and program, establishing PMU and DLSUs with full dedicated staffs and organising procurement plan were some of the achievements made in that direction. The overall physical progress of the reporting period is documented as 57.12 % as against the set targets for that period and financial progress is at 33.15 %. The figure below represents the performance of the project in terms of physical and financial progress for the reporting F/Y 2018/19.

**Table 2-6: Physical and Financial Progress**

Implementing Unit	Physical Progress	Financial Progress
PMU, Hariharbhawan	53.82	28.69
DLSU, Butwal	98.05	80.47
DLSU, Biratnagar	93.18	76.91
DLSU, Hetauda	86.68	81.33
DLSU, Pokhara	92.92	88.98
<b>Total</b>	<b>57.12</b>	<b>33.15</b>

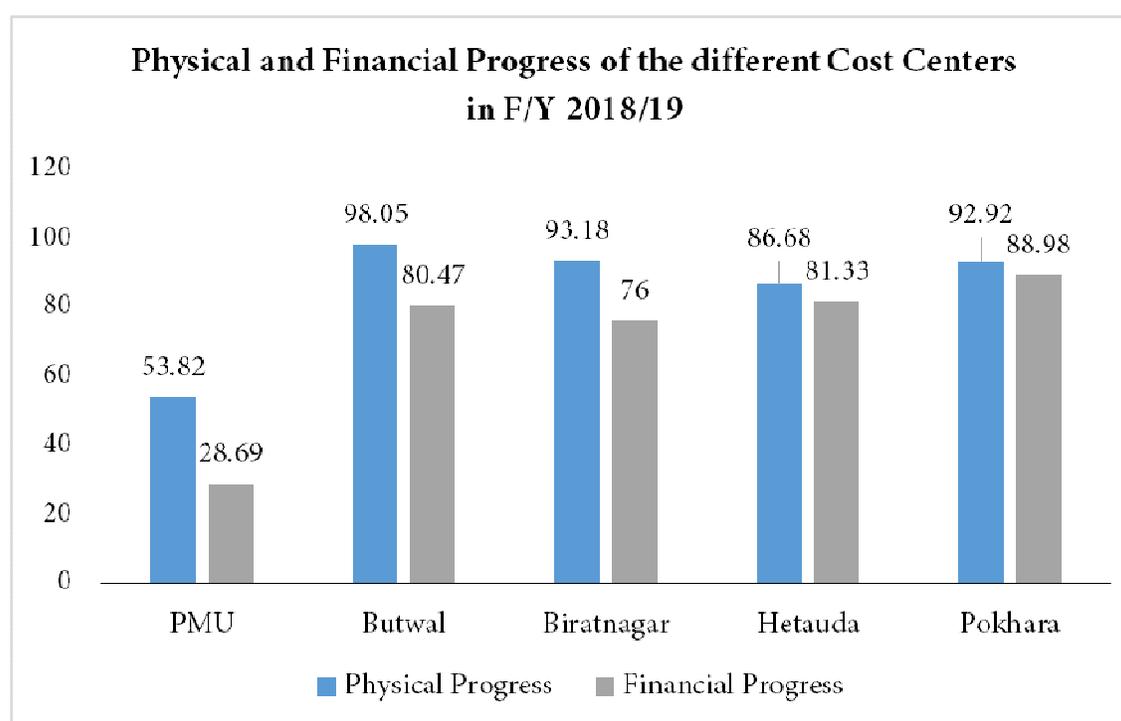
**Figure 2-1: Physical Progress**



Similarly, the progress made by DLSUs is provided in table 2.7 below. These DLSUs were established only after the end of the 1<sup>st</sup> Quadrimester of the current F/Y 2018/19, hence their progress is reported only after that period. As seen in the table below DLSU Butwal has achieved the highest weightage progress 98.05 % and the lowest being the PMU 53.82 % and with respect to financial progress DLSU Pokhara has achieved the highest progress 88.98 % and PMU being 28.69 %. The low financial progress of the PMU is mainly due to the fact that many of its planned contracts for goods and infrastructure have been cancelled due to non-responsive by the respective contractors in the bid document.

**Table 2-7: Financial progress for F/Y 2018/19**

S.No	Project Cost Centers	Annual approved budget in Rs. Million	Annual Expenditure in Rs. Million	Financial Progress in %	Weightage Progress in %
1.	PMU Kathmandu	1042.71	299.21	28.69	53.82
2	DLSU, Butwol	24.85	20.0	80.47	98.05
3	DLSU, Biratnagar	22.60	17.88	76.91	93.18
4	DLSU, Hetauda	22.60	18.38	81.33	86.68
5	DLSU, Pokhara	24.90	22.15	88.98	92.92
	Total	1137.73	377.13	33.15	57.12

**Figure 2-2: Financial and Weightage progress of the different cost centers**

## 2.7. Project beneficiaries participating in various Training/Workshop

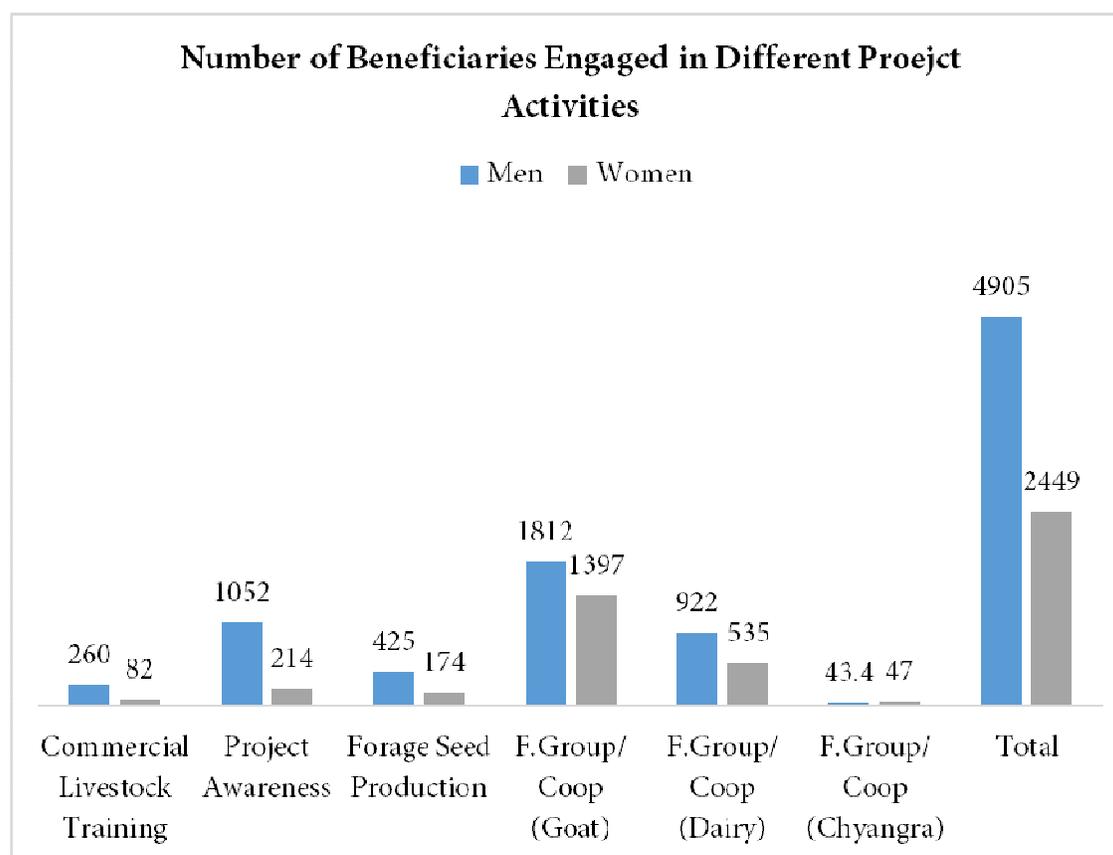
The table 2.8 below provides the data for number of project beneficiaries attending various training and workshop. The project has provided different trainings to 7354 participants of which 2449 were the females. Besides, during the reporting period the project has formed 176 different new farmer groups and 8 cooperatives totaling 184 farmers' organizations engaging 5147 farmers of which 1979

were the women. In the reporting period the project is able to cultivate forage seed in 500 ha of private land and produced 354.5 Mt. (table 2.8 and 2.9) of different forage seed (Jai, Bersim, Vetch and Teosenti) through contract farming. This has contributed in the national forage balance sheet of the country.

**Table 2-8: Number of beneficiaries receiving different training**

Type of Training	Male	Female	Total	% age of the women participation	Number/hector
<b>Commercial Livestock Keeping Training</b>	260	82	342	23.98	20
<b>Project Awareness Workshop</b>	1052	214	1266	16.9	16
<b>Forage Seed Production through Contract Farming</b>	425	174	599	29.05	500 ha
<b>Group/Cooperative/Committee Formation (Goat)</b>	1812	1397	3209	43.53	95
<b>Group/Cooperative/Committee Formation (Dairy)</b>	922	535	1457	36.72	49
<b>Group/Cooperative/Committee Formation (Chyangra)</b>	434	47	481	9.77	40
<b>Total</b>	4905	2449	7354	33.30	

The project has organized 36 events to train 1608 participants in different training and workshops, further engaged another 599 farmers in contract farming for producing forage seed and united 5147 farmers in different farmer's groups and cooperatives in different value chain in dairy, meat and chyangra . The women participation all together remained at 33.3 %. As per the PDO this number remains low as there should be minimum 45 % women participation in all the project organized events. The project will make efforts to include more number of women participation in the forthcoming events. Figure 3 below represents the graphic presentation of project beneficiaries attending the various types of project activities

**Figure 2-3: Project Beneficiaries attending various project activities****Table 2-9: Seed Production through Contract Farming**

DLSUs	Hector	Seed Production in Mt	Type of Forage Seed
<b>Biratnagar</b>	125	153.5	Jai and Bersim,
<b>Pokhara</b>	125	67.5	Jai and Teosenti
<b>Hetauda</b>	125	18.9	Jai, Vetch and Bersim (Yet to receive the record of full production)
<b>Butwal</b>	125	114.6	Jai, Vetch, Bersim and Teosenti
<b>Total</b>	500	354.5	

## 2.8. Number of Beneficiaries by Type of Organization

During the F/Y 2018/19 altogether 184 new farmers' organization were formed engaging 5,147 members. Out of total 184 POs formed, 94 were farmer group for goat, 42 for dairy and 40 for chyangra. Similarly out of total 8 new cooperatives formed one cooperative was in goat and 7 in dairy. The women participation was found high in goat 43.5 % followed by dairy 36.7% and 9.7 % in chyangra. Out of 184 new farmer group and cooperative formed 10 new POs (8 farmer group in goats

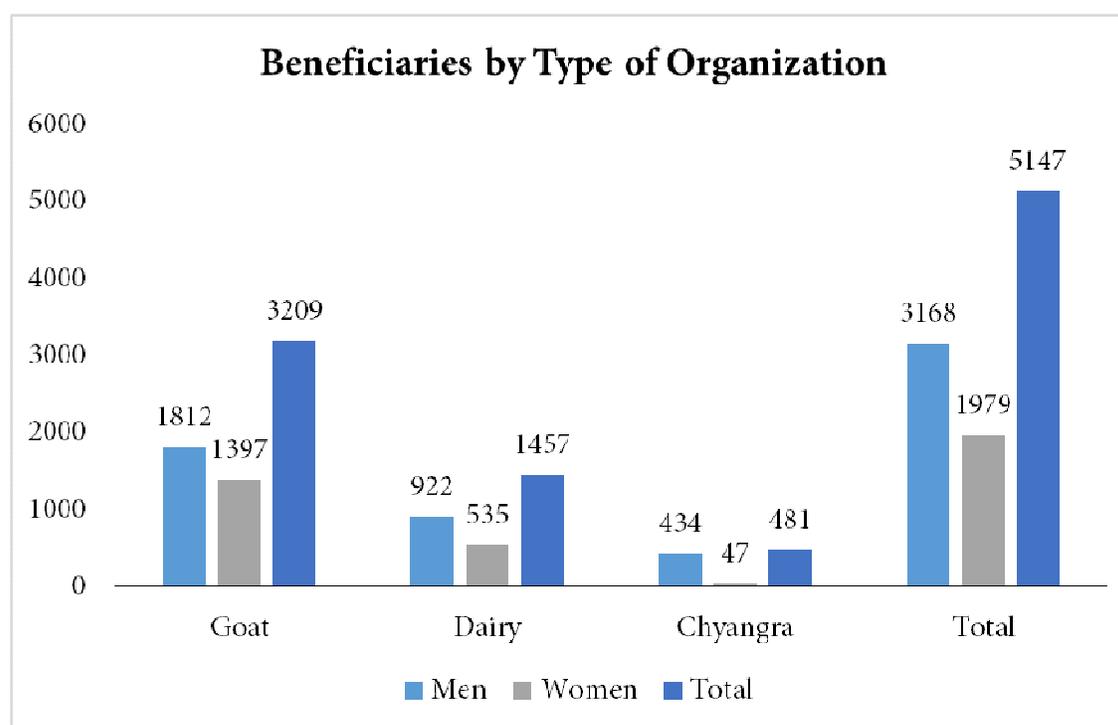
and 2 cooperative in dairy) were led by women. The table 2.10 and figure 4 below provides the detail picture of beneficiaries' engagements.

**Table 2-10: Number of Beneficiaries by Type of Organization**

DLSUs	Goat		Dairy		Chyangra		Total		Total Beneficiaries		Total
	FG	Coop	FG	Coop	FG	Coop	FG	Coop	Men	Women	
<b>Biratnagar</b>	24	0	0	6	0	0	24	6	474	551	1025
<b>Hetauda</b>	22	0	13	0	0	0	35	0	531	677	1208
<b>Pokhara</b>	24	0	24	0	40	0	88	0	1131	428	1559
<b>Butwal</b>	24	1	5	1	0	0	29	2	1032	323	1355
<b>Total</b>	94	1	42	7	40	0	176	8	3168	1979	5147

Note: 6 FG in goat in Biratnagar, 2 farmer Group in Goat in Butwal all together 8 POs are headed by Women

**Figure 2-4: Beneficiaries by Type of Organization**

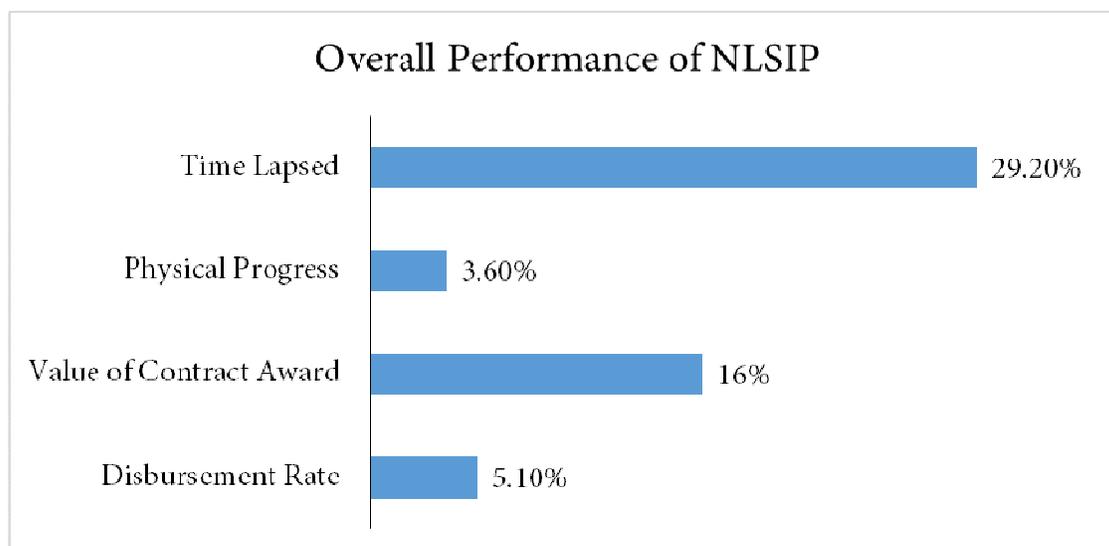


## 2.9. Overall Performance of the Project

Overall performance of the NLSIP is measured around the four indicator as shown in figure below. Time lapsed is measured based on the actual time spent (19 Months) as against the total duration of the project (65 Months), and the physical progress is the total progress achieved so far at beneficiaries level in relation to the total beneficiaries set for the entire project (200,000). Value of contract awarded

is measured in terms of actual contract awarded so far as against the total contract planned for the initial 18 months of the project period and disbursement rate is actual disbursed by the Bank in the NLSIP designated Account by July 2019. As per the figure 4 below the project has spent 29.2 % of its total allocated time period, whereas the physical progress measured during that period is only at 3.6 %. This is mainly because, the PIM is just finalized, construction works are being designed, recruitment of TA is in the process, and guidelines for the implementation of matching grant the core element of the project is being prepared. Out of 200,000 beneficiaries to be served only 7,354 have received training and other support so far (except beneficiaries for FMD and PPR vaccination) . The project has made a good progress 16 % (3.69 million USD) towards the award of the contract. The planned contract for the initial 18 months period was fixed at 23.89 million USD out of which 3.6 million worth contract either signed or completed. Figure 5 below will provide the overall performance of the project in a graphic form.

**Figure 2-5: Overall Performance of NLSIP**



## 2.10. Progress on the Construction Works

The project through the support of Apex Engineering Firm (project hired) is able to make contract agreement with 3 different contractors to build Nepal Veterinary Council Building at Tripureswor ( NPR 34.2 million), Forage Seed Processing at Sarlahi (NPR 29 million) and Bull Mother Shed at Pokhara (NPR 8.9 million). These building will be completed within 11 to 18 months period. The firm also completed design and estimate of BSL 2+ Laboratory at FMD Laboratory, Renovation of VSDRL and design estimate of 15 Livestock Service Center. Bid notices were published to build BSL 2 + Laboratory and for other 14 Livestock Service Centers in different 14 districts. BSL 2 + Laboratory and 5 other Service Centers were cancelled due to various reasons. The project is now evaluating the bid for 9 Service Centers to be located at Illam, Jhapa, Morang, Saptari, Siraha, Chitwan, Syanga, Kaski and Chitwan. The detail is provided in the Annex 2.8

## **2.11. Preparation of Guidelines and undertaking different studies**

The project has prepared different guidelines in order to facilitate the Project's Matching Grant Scheme. These guidelines are; (i) Guidelines for the preparation of Project Concept Note, Field Verifications, Full Sub-project Proposal Submission and Guidelines for the Peer Reviewers. Similarly the project also prepared Grant Operating Manual, which will be a guiding document for the Grant Recipient and also the Service Providers. The project also prepared the operation modality of Farmers Field Schools and Farmers Business Schools. The project has undertaken various studies to prepare strategy for Animal Identification and Traceability, Feasibility Study of the Livestock Market, Assessment of the POs and Impact Study of the FFD and PPR. All these tasks were carried out through a consulting firm, Nepal Environment Protection Center.

## **2.12. Organization of Project Steering Committee and Central Technical Committee Meeting**

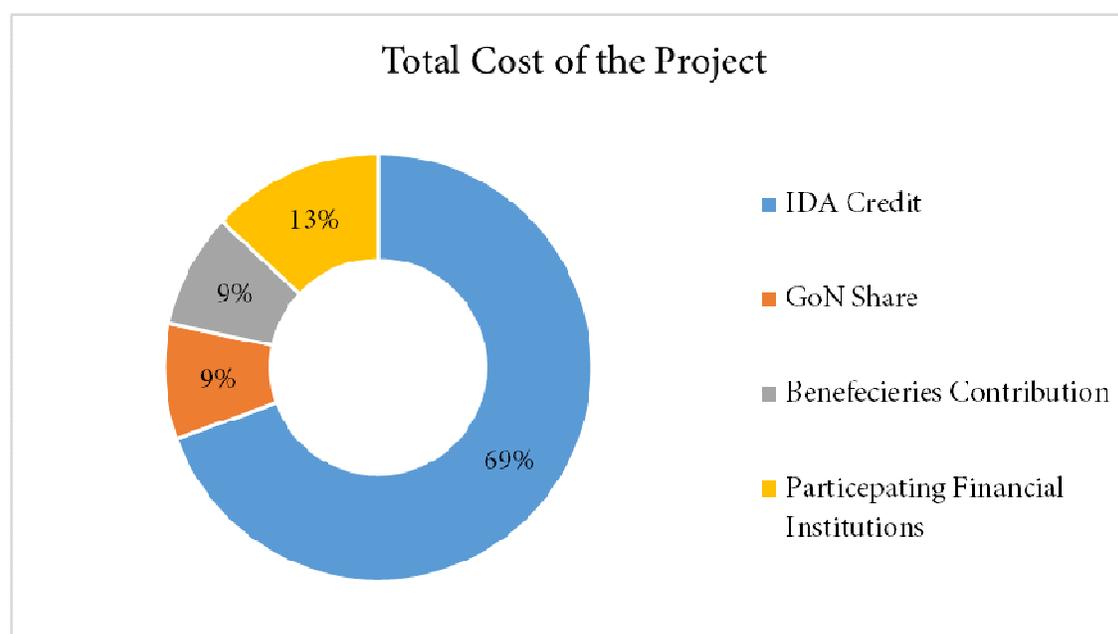
The project organized two Project Steering Committee Meeting chaired by the Secretary MoALD. The 1<sup>st</sup> meeting approved the original PIM after incorporating the suggestions provided in the meeting and also approved the DLSUs as cost centers and staffing. The 2<sup>nd</sup> meeting approved the revised PIM with some update in the important section. Similarly, during the reporting period the project is able to organize Central Level Technical Coordination Meeting chaired by Director General, Department of Livestock Services as per the provision made in the revised PIM. CTCM met 7 times to validate the LIMS and ICT Strategy, Laboratory Quality Manual and Protocols and SoPs for VSDRL as part of Accreditation process, Road Map for FMD and PPR and different project Guidelines. The project also organized numerous internal meetings to finalize ToR, Cost Estimates, Specifications and evaluations of the different activities.

## CHAPTER 3: PROJECT COST AND FINANCING PLAN

### 3.1. Project Cost

The total cost of the project including that of the contribution of Beneficiaries, Financial Institutions and GoN is US\$ 115.00 Million of which 69.57% (US\$ 80 million) is IDA assistance [IDA Credit Number 6149-NP]. The beneficiary contribution is 8.70% (US\$ 10 million), contribution by the Financial Institution is 13.03% (US\$ 15 million) and another 8.70 % (US\$ 10 million) is GoN contribution. The different tables below depict the NLSIP's component wise financing structure.

**Figure 3-1: Project's Financial Overview**



**Table 3-1: NLSIP's financing structure**

Sources	Amount (in US\$ million)	Percent share
Borrower/Recipient Contribution (GoN)	10.00	8.70
International Development Association (IDA) (Credit)	80.00	69.57
Country's Fis	15.00	13.03

<b>Contribution of Local Beneficiaries (farmers, POs, other value chain actors)</b>	10.00	8.70
<b>Total</b>	115.00	100.00

**Table 3-2: Total Cost and by Component wise Financing**

Project Components	Costs and Financing		
	Total Project Cost (USD Million)	IDA Financing	
		(USD Million)	% of IDA
A. Strengthening Critical Regulatory and Institutional Capacity	7.00	5.00	71
B. Promoting Sector Innovation and Modernizing Service Delivery	45.00	40.00	89
C. Promoting Inclusive Value Chains for Selected Livestock Commodities	54.51	30.00	55
D. Project Management and Knowledge Generation	8.00	4.50	56
PPA	0.50	0.50	100
<b>Total Cost</b>	115.00	80.00	70

**Table 3-3: Allocation of IDA credit proceeds**

Category	Credit Allocated in US\$	% age of expenditure to be financed including Taxes
(1) Goods and works under Components A, B, C (other than C.2(a)), and D of the project	32,500,000	85
(2) Non-consulting services, consultants' services, training and workshops under Components A, B, C (other than C.2(a) and D of the project	19,000,000	85
(3) Incremental operating costs under Components A, B, C (other than C.2(a) and D of the project	3,000,000	72
(4) MGs under Subcomponent C.2(a) of the project	25,000,000	50 (of amount disbursed)
(5) Refund of PPA	500,000	Amount payable pursuant to

Section 2.07 of the General  
condition

**Total Amount** 80,000,000

The table 3.4 below details the share of project expenditure by loan category that shall be borne by Government of Nepal, IDA, Matching Grant Recipient and Banking Financial Institutions .

**Table 3-4: Project Cost by Funding Source (in Detail)**

'In SDR'

Category		GoN		IDA		MG		BFIS		Total
No	Descriptions	Amount	%	Amount	%	Amount	%	Amount	%	
1	Goods and Works	4,059,000	15	23,000,000	85	0.00	0	0.00	0	27,059,000
2	Non-consulting services, consultants' services, Training and Workshops	2,374,000	15	13,450,000	85	0.00	0	0.00	0	15,824,000
3	Incremental Operating Costs	836,000	28	2,150,000	72	0.00	0	0.00	0	2,986,000
4	Matching Grants	0.00	0	17,700,000	50	7,080,000	20	10,620,000	30	35,400,000
5	Refund of Preparation of Advance	0.00	0	400,000	100	0.00	0	0.00	0	400,000
<b>Grand Total</b>		<b>7,269,000</b>		<b>56,700,000</b>		<b>7,080,000</b>		<b>10,620,000</b>		<b>81,669,000</b>

'In US\$'

Category		GoN		IDA		MG		BFIS		Total
No	Descriptions	Amount	%	Amount	%	Amount	%	Amount	%	
1	Goods and Works	5,727,000	15	32,451,000	85	0.00	0	0.00	0	38,178,000
2	Non-consulting services, consultants' services, Training and Workshops	3,349,000	15	18,977,000	85	0.00	0	0.00	0	22,326,000
3	Incremental Operating Costs	1,179,000	28	3,034,000	72	0.00	0	0.00	0	4,213,000
4	Matching	0.00	0	24,974,000	50	10,000,000	20	15,000,000	30	49,974,000

Grants										
5	Refund of Preparation of Advance	0.00	0	564,000	100	0.00	0	0.00	0	564,000
<b>Grand Total</b>		10,255,000	80,000,000	10,000,000	15,000,000	115,255,000				

Note :Conversion Rate =US\$ 80,000,000/SDR 56,700,000

### 3.2. Project's Financial Delivery as of the Fiscal Year 2018-19

The following table shows the project's accumulated expenditures in the reporting FY 2018/19. In this reporting period, the project, has spent, NPR 382.73 million that includes NPR 72.83 million from the GoN source and NPR. 309.9 million From the IDA source. Although the expected disbursements in the previous fiscal years including this year does tantamount to what was estimated, but it is expected that the project disbursements will rise gradually following the full operation of DLSUs after deployment of TASP and intensification of project activities. The DLSUs are established immediately after the end of first Quadrimeter of current FY 2018/19. Project procurements are on the rise from this fiscal year to ensure more project disbursements. Substantial increase in the budget spending from 1<sup>st</sup> to 2<sup>nd</sup> and from 2<sup>nd</sup> to 3<sup>rd</sup> Quadrimeter 2018/19 has been recorded in this reporting period. The annual expenditure has crossed 382.7 million even after cancelling the various tenders' worth of NPR 230 million due to non-compliance of the bid document.

**Table 3-5: Project's Expenditures as of Reporting Period**

NPR- Million

Fiscal Year	Budget Allocation by Source			Expenditure by Source		
	GoN	IDA	Total	GoN	IDA	Total
2016/17	21.30	35.01	56.31	10.26	5.95	16.21
2017/18	58.96	347.10	406.06	12.79	45.17	57.96
2018/19	191.10	949.60	1140.70	72.83	309.9	382.73
<b>Source Change</b>	0.00	0.00	0.00	-1.83	1.83	0.00
<b>Total</b>	271.36	1,331.71	1,603.07	94.05	362.85	456.9
<b>FY 2018/19</b>						
<b>1st Quadri</b>				2.32	1.84	4.16
<b>2nd Quadri</b>				10.91	29.70	40.61
<b>3rd Quadri</b>				59.6	278.36	337.96
<b>Sub Total</b>	191.10	949.60	1140.70	72.83	309.9	382.73

### Figure 3-2: Project Expenditure by Fiscal Year 2016/17-2018/19

The above table and chart shows that the project expenditures are significantly low as compared to allocated budget in all fiscal years. The initial project year of FY 2016/17 recorded only 28.79% expenditure (16.21 million rupees) as compared to total budget allocation (56.31 million rupees). FY 2017/18 further came down and recorded only 14.27% project expenditure (57.96 million rupees) against total budget allocation of NPR. 406.06 million. There has been about 10-fold growth over first Quadriimester expenditure of NPR 4.16 million in 2nd Quadrimester of this FY 2018/19 amounting to NPR 40.61 million. Likewise, project expenditures in 3rd quasdrmester has significantly increased to NPR 338 million which is almost 8 and half times higher than that of 2nd quadrimester's expenditure. However, the total project expenditures incurred in FY 2018/19 is still very low when it is compared with total budget allocation of NPR 1140.7 million with only 33.64% project absorption rate realized.

Despite the fact that the Project had to adjust overspent amount under GoN sources in FY 2017/18 through source change, but the Project has been able to duly maintain the specified category-wise share of financing in current Fiscal Year 2018/19. All the project expenditures recorded in FY 2018/19 has duly followed the financing share as specified in Financing Agreement. It has been possible due to frequent and extensive orientation training provided to Project Officials including DLSUs Officials. The DLSU's monthly statement of expenditures (SoE) were reviewed frequently and DLSU's officials were asked to adjust share of expenditure in case of any deviation in the agreed share of funding to ensure that the expenditures are reported correctly as per the provision of Financing Agreement.

### 3.3. Financial Delivery F/Y 2018-19

The following Table 3.6 shows project's financial delivery during the 3<sup>rd</sup> Quadrimester of Fiscal Year 2018/19 in terms of capital and recurrent expenditure by PMU and DLSU. The DLSUs started implementing project activities from 2nd Quadrimester in FY 2018/19. The total budget allocation to PMU under capital costs was NPR 766.8 million and 278.90 million under recurrent costs. Likewise, NPR 21.50 million and NPR 73.45 million respectively under capital and recurrent costs were provisioned for four DLSUs in FY 2018/19. The PMU has spent NPR 182.22 million in capital costs and 94.75 million in recurrent costs with total spending of NPR 276.97 million during 3<sup>rd</sup> Quadrimester. Likewise, four DLSUs ave spent NPR 14.11 million in capital costs and NPR 46.88 million in recurrent costs with total spending of NPR 60.99 million. Accordingly, the Project spent a total amount of NPR 337.96 million during the reporting period.

**Table 3-6: Project's financial delivery during the 3<sup>rd</sup> Quadrimester (FY 2018/19)**

NPR 'In Million'

Trimester	Annual Budget Allocation by Type			3rd Quadrimester Release and Expenditures*			% exp
	Capital	Recurrent	Total	Capital	Recurrent	Total	
<b>A. PMU</b>	766.80	278.90	1045.70	182.22	94.75	276.97	26.49

<b>B. DLSUs (4)</b>	21.50	73.45	94.95	14.11	46.88	60.99	64.23
<b>Total</b>	788.30	352.35	1140.70	196.33	141.63	337.96	29.63

Details of statement of expenditure of FY 2018-19 are presented in Annex 3.1 to 3.8

The underlying reasons for low level of project spending is characterized mainly by sluggish project implementation and project establishment activities took place especially in FY 2016/17 and 2017/18. The protracted project preparation phase has resulted in low project spending in initial years of project implementation. Despite some slow progress in previous years, the Project has literally expedited its activities from this Fiscal Year. The hiring of Project Technical Expert (Lead), Financial Management Specialist and Procurement Specialist has already been accomplished and they have started discharging their duties from the second Quadrimester of this Fiscal Year. The finalization of PIM is almost complete. Engineering Consulting Firm has already been hired and engaged in preparing engineering drawing, design, specifications for carrying out various civil works construction activities under the Project. Hiring of consulting firm for baseline survey and preparing livestock strategic master plan is underway. Furthermore, several other procurement activities have taken place as per the IDA procurement guidelines and approved Procurement Plan. Given the need to improve Project's disbursement rate, PMU has already initiated a number of actions as indicated in Table 3.7 below:

**Table 3-7: Project's Responses to Improve the Disbursement Rate**

SN	Problem/Issues	Project Response/Actions
1	Delayed submission of application and reports for grant payment	The project has taken timely action in preparing and submitting the withdrawal application and reports for grant payment.
2	Delay in the procurement of consultancies and contractors.	Procurement of consultancies and contractors is gradually on the rise Technical Team Leader, Financial Management Specialist, Procurement Specialist, supervision and monitoring Engineering Consulting Firm have been hired. PIM is almost complete. Procurement process of FMD vaccine has been completed and vaccines are already delivered to Project Office. Procurement of vehicles have been accomplished and vehicles have already been supplied to Project Office. Small procurements at DLSUs are taking place gradually. Skill development orientation training are underway taking place both at PMU and DLSUs level. PFM orientation to PMU and DLSUs officials is taking place frequently to ensure correct presentation of project expenditures at all levels as per Financing Agreement.

PFM reporting templates are prepared and provided to DLSUs to maintain uniform, timely and correct financial reporting to PMU.

Audited Project Account for FY 2017/18 have been submitted to World Bank and trimester-wise IUFR having been prepared and submitted to World Bank timely.

### 3.4. Disbursement

The Project Appraisal Document (PAD) has estimated the expected disbursement pattern of IDA fund by Year as given below in Table 3.8

**Table 3.8: Expected Disbursement Pattern of IDA fund (in million USD)**

Fiscal Year	2018	2019	2020	2021	2022	2023
Annual	5.00	10.00	20.00	25.00	18.00	2.00
Cumulative	5.00	15.00	35.00	60.00	78.00	80.00
In %	6.25	12.50	25.00	31.25	22.50	2.5
Cumulative %	6.25	18.75	43.75	75.00	97.50	100

As explained in the foregoing paragraphs, the project disbursements in previous years were not encouraging. However, the scenario has gradually been changing from this fiscal year and it is expected that the project disbursement recorded significant growth in current Fiscal Year 2018/19 especially from 2nd Quadrimester and onward. The low level of disbursement was mainly because of low level of project spending in previous years. In addition, it has also been characterized by late submission of Withdrawal Application for documentation of last Fiscal Year's (2017/18) IDA eligible expenditure equivalent to US\$ 429,418.27. The project disbursement from IDA could have been more in FY 2016/17 had the project used 100% project expenditure from the PPA funding. Despite the fact that the PPA was meant to cover 100% project expenses of Project Preparation Phase, but the Project had not been able to make the best use of PPA advance as per the financing agreement and in return the GoN source was overspent over the IDA source in FY 2016/17.

The Project submitted withdrawal application for replenishment of US\$ 429,418.27 in 2nd quadrimester and US\$ 1,302,123.11 in 3rd Quadrimester. The World Bank has disbursed the same amount to Designated Account as of 3rd Trimester. The total IDA disbursement till 3rd Quadrimester of FY 2018/19 amounted to 3,731,541.38 (including DA advance of US\$ 2 million). The project has yet to claim for about US\$ 1.5 million disbursements from World Bank for the expenditures incurred in later part of current Fiscal Year 2018/19. Thus, the total disbursement would reach at around 5.2 million for the total project expenditures incurred as of FY 2018/19.

The table 3.9 presented below portrays the updated category-wise total project disbursement and documentation of IDA fund as of 3rd Quadrimester 2018/19.

**Table 3-8: IDA Disbursement / Documentation as of 3rd Quadrimester 2018/19**

In 'NPR Million'

FY	DA	Cat. 1	Cat. 2	Cat. 3	Cat. 4	Total	Remarks
		IDA	IDA	IDA	IDA		
2016/17	0.00	2.82	2.87	0.26	0.00	5.95	PPA funding
2017/18	227.19	0.00	0.00	0.00	0.00	227.19	
2018/19 (1st Trim.	0.00	0.00	0.00	0.00	0.00	0.00	
2018/19 – 2nd Trim.	0.00	38.86	1.46	6.67	0.00	46.99	
2018/19- 3rd Trim.	0.00	116.91	8.45	14.65	0.00	140.01	
<b>Total Disbursement / Documentation</b>	227.19	158.59	12.78	21.58	0.0	420.14	

### 3.5. Planning & Budgeting

The total budget allocation for the project in current fiscal year 2018/19 is NPR 1140.70 million according to the approved LMBIS. Out of the total budget allocation, NPR 94.95 million has been authorized to four DLSUs. Out of the total budget allocation, NPR 2.972 million was reduced and transferred to other program through virement by Ministry of Finance, thus, bringing down the total budget allocation to NPR 1137.784 million. The program of matching grant to grant recipient could not be initiated due to yet to be finalized grant distribution mechanism. Likewise, the civil works construction activities could not be enhanced properly due to late hiring of engineering consulting firm and most of the time was spent on preparing engineering drawing, design and specifications for civil works construction activities. The next Fiscal Year 2019/20 budget has already been announced and NPR 1650 million has been allocated for NLSIP.

### 3.6. Project Financial Accounting

The project has followed the GoN prescribed standard accounting system to record the project financial transactions. Apart from this, the Project has also maintained the essential books of accounts as prescribed by the World Bank especially with regard to the preparation of Internal Unaudited Financial Report (IUFR) and external audit reports. The Treasury Single Account (TSA) has been in operation in Nepal for more than five years that has eased the accounting bookkeeping through online networks. The project has made effective arrangements to prepare Implementation Progress Report along with Internal Unaudited Financial Reports (IUFR) within the deadline prescribed in PAD and Financing Agreement. The Project has made necessary arrangements in sending the Withdrawal Application in time for timely reimbursement to GoN or replenishment to Designated Account. In addition, the Project has also completed PFM orientation and training program during this reporting period for PMU and DLSUs' Officials with regard to financial management system of the Project. Likewise, the detail financial management guidelines shall be prepared and made available to all

DLSUs once the Grants Operating Manual is finalized. In addition, the Project will get all DLSUs to maintain their books of accounts through Computerized Government Accounting System (CGAS) under the Treasury Single Account (TSA) system and will get unedited access to DLSUs CGAS so that project expenditures could be collected online instantly from DLSUs.

### 3.7. Designated Accounts

The Table 3.10 presented below portrays the actual status of DA balance of the project.

**Table 3-9: Status of DA Utilization as of 3rd Quadrimester 2018/19**

In 'US\$'

FY	Advance Received	GoN Transfer	Direct Payment	Refund to IDA	DA Balance
2016/17	100,000.00	57,835.14	0.00	0.00	42,164.86
2017/18	2,000,000.00	412,729.42	0.00	42,164.86	1,587,270.58
2018/19 1st Quadri.	0.00	637.05	0.00	0.00	1,586,633.53
2018/19 2nd Quadrimester	0.00	16,051.80	0.00	0.00	1,570,581.73
2018/19 3rd Quadrimester	1,731,541.38	1,302,123.11	53,140.16	0.00	1,946,859.84
<b>Total</b>	<b>3,831,541.38</b>	<b>1,789,376.52</b>	<b>53,140.16</b>	<b>42,164.86</b>	<b>1,946,859.84</b>

The project has opened US\$ Designated Account with Nepal Rastra Bank A/C No. 1204659. The PPA advance of US\$ 100,000.00 was firstly deposited in DA on 28 April 2017 by the World Bank. This was supplemented by the second instalment of Advance of US\$ 2 million. Out of the PPA advance, US\$ 57,835.14 was documented against the IDA expenditure incurred in Fiscal Year 2016/17 and the remaining amount of US\$ 42,164.86 was refunded back to World Bank on 18 August 2018. As of 3rd Quadrimester of fiscal year of 2018/19, the remaining balance in DA is US\$ 1,946,859.84. During the 1st and 2nd Quadrimester no additional advances were received from World Bank. However, in 3rd Quadrimester, US\$ 1,731,541.38 was received in DA as an additional advance from World Bank. In 1st, 2nd and 3rd Quadrimester US\$ 637.05, US\$ 16,051.80 and US\$ 1,302,123.11 was transferred to GoN Treasury respectively. Likewise, US\$ 53,140.16 was paid to international consultants in 3rd Trimester from DA. As the Project expenditures tend to rise, the ceiling of US\$ 2 million seem to be insufficient and need to be supplemented by more amount of advance to the DA by World Bank. The Project will send withdrawal application for additional advance to DA in next fiscal year 2019/20.

### 3.8. Project Audit/Reporting

The Project is committed to comply with the requirements of Financing Agreement to submit the Unaudited and Audited Project Account to World Bank within the deadline stated in the Financing Agreement.

# CHAPTER 4: PROCUREMENT

This chapter presents brief descriptions on the major procurement and commitments made by the project over the fiscal year 2018-19 and updates on project's procurement as of the reporting period.

## 4.1. General

During FY 2018/19, some major procurements were done including hiring of engineering consultancy for design, estimate and supervision of construction of laboratory, office building, quarters, farm shed etc. Firm has been mobilized for the surveying and estimating purposes. Logistics including vehicles have been procured to facilitate the project in operation. Similarly, to prepare various guidelines, Nepal Environment Protection Centre (NEPC) was selected. Other major procurement includes hiring (RFP issued) consultancy services for Technical assistance to NLSIP and its decentralized unit offices (DLSUs) in implementing and monitoring project activities as per the approved project documents and Project Implementation Manual

Detail status of procurement is attached in Annex 4 of this IPR.

Besides above mentioned, some other procurements completed or initiated during this period are:

- Procurement of FMD vaccine
- Procurement of vaccinators and vaccine box
- Procurement of semen straw filling, sealing and printing machine
- Procurement of ear tags and applicators for animal identification
- Procurement of artificial insemination equipment
- MoU with Nepal Veterinary Council for the preparation of Drug Act, Livestock strategy etc.
- Contract signed for the construction of Nepal Veterinary Council Building
- Contract signed for the construction of Seed processing unit
- Contract signed for the construction of Bull Mother Shed
- Tender published for the construction of Service Centers

Major focus in next fiscal year would be given to complete the remaining procurement activities as per procurement plan. Mainly, construction works are pending. Procurement process has already been initiated to achieve the target of this FY.

**Table 4-I: Procurement Status FY 2018.19**

Category	Method of Procurement	Planned Number of activities	Completed	Pending implementation	Cancelled	Progress %
Goods	RFB	35	9	1	25	25.71
	RFQ	11	8		3	73.00
	Direct	4	2	1	1	50.00

Category	Method of Procurement	Planned Number of activities	Pending implementation	Under Implementation/ Agreement signed	Cancelled	Progress %
Works	RFB	25	5	4	16	16
	RFQ	5	1	3	1	60

Category	Method of Procurement	Planned Number of activities	Hiring Process Completed	Pending implementation	Under Implementation	Cancelled	Under Review	Progress %
Consultancy	QCBS	4			1	3		25
Services	CQS	10	2	1	2	5		20
	INDV	11	9			2		82
	CDS	4	1			3	1	25

Detail status of procurement has been attached as an Annex-4

## CHAPTER 5: IMPLEMENTATION ARRANGEMENT

Ministry of Agriculture and Livestock Development is the implementing agency of the project which is at the apex level. It is supported by Project Steering Committee established on May 18, 2018 and chaired by Secretary. The PSC consists of various members from different government line agencies, civil societies and farmer's organization. The composition of PSC is; Joint Secretaries of MoALD, NPC, MoF, Director Generals of DoLS, DFTQC, ED of NARC, Department of Cooperative, and one representative each from the civil society (farmer's alliance). The project Director of NLSIP is the member secretary of the PSC. The PSC will meet quarterly and will approve the project's annual work plan and budget, monitor NLSIP progress, provide oversight and policy guidance, and resolve any outstanding issues. During the reporting period The PSC has met two times and taken important decision on approving PIM and establishing DLSUs at four different locations.

The PMU is an implementing agency under MoALD. It is established within the complex of Department of Livestock Services at Harihar Bhawan, Lalitpur on July 11<sup>th</sup>, 2018. The PMU is headed by Project Director (GI Level) and supported by well qualified and experienced staffs. In addition to the dedicated government staffs the PMU is also assisted by number of TA team from various discipline. The PMU carries out the following functions; (1) day to day overall project implementation and management, including fiduciary, environmental, social safeguards, communication, monitoring and evaluation (M&E) and reporting. It also provides guidance/assistance to DLSUs in carrying out their assigned work

The PMU is supported by four other Decentralized Level Support Units (DLSUs) as cost centers established on May 03, 2018 one in each of the 4 provinces covering 291 municipalities in the selected clusters. Each DLSUs will provide service an average of 60-70 municipalities. The command districts and municipalities for each of the DLSU is provided below in the Table.

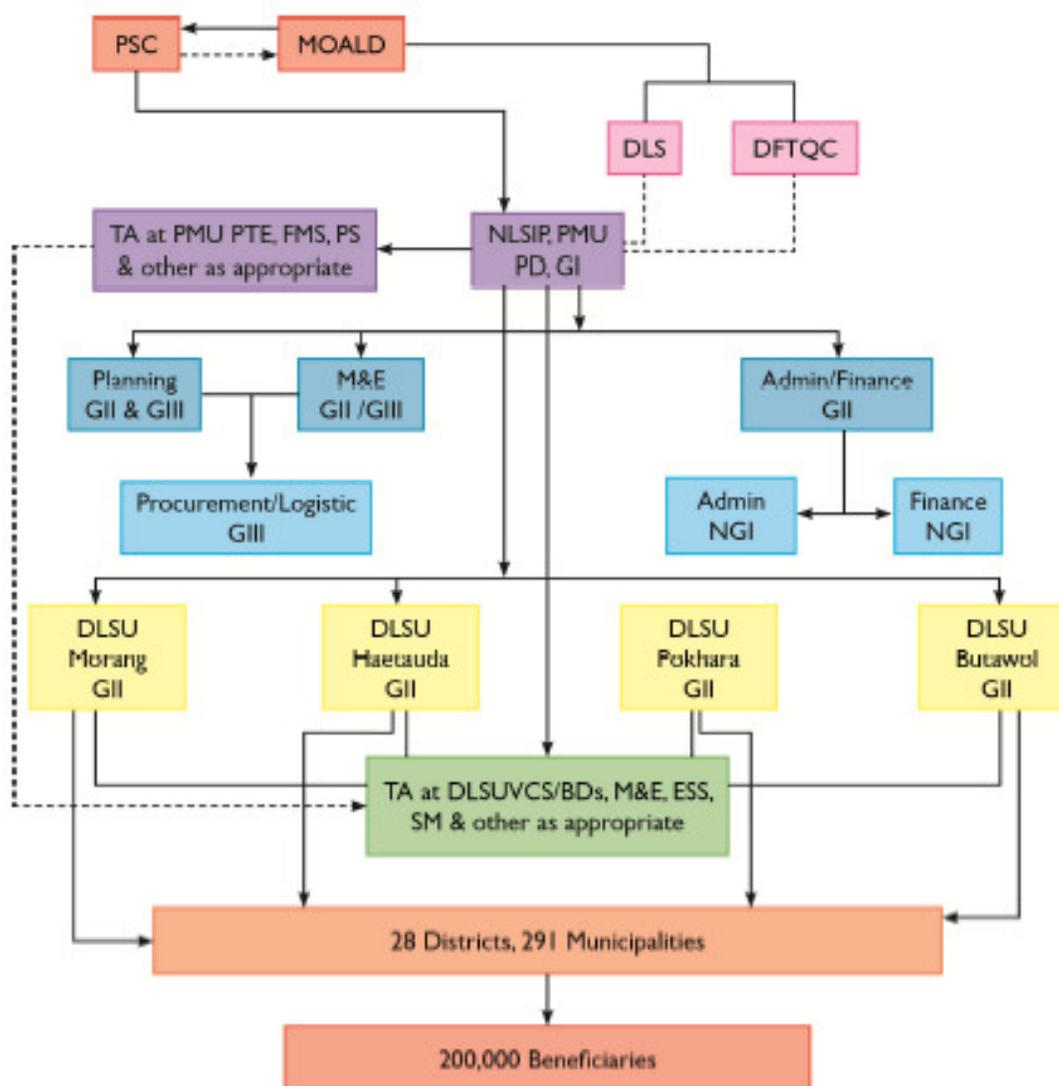
**Table 5-1: NLSIP Coverage Areas**

Geographic coverage	Component A	Component B	Component C	
	Country-wide	Country-wide	All municipalities in project districts/clusters Based on agreed criteria	
No. of Districts	77	77	28	
For the component C				
Province	Districts		Total municipalities	Location of the DLSUs

<b>Province 1</b>	Panchthar, Ilam, Jhapa, Dhankuta, Udayapur, Morang & Sunsari	78	Morang
<b>Province 2</b>	Saptari, Dhanusha & Siraha	51	Haetauda
<b>Province 3</b>	Kavrepalanchowk, Kathmandu, Makawanpur & Chitwan	41	
<b>Province 4</b>	Syangja, Kaski, Mustang, Manang, Tanahu, Myagdi & Nawalparasi (East)	49	Pokhara
<b>Province 5</b>	Rupandehi, Nawalparasi (W), Gulmi, Palpa, Arghakhanchi, Kapilbastu & Bardiya	72	Butwol
<b>Total</b>		<b>291</b>	

The governance structure and deployment of staffs at PMT and DLSUs level is given below

**Figure 5-1: Governance Structure of NLSIP**



## Notes:

MOLD- Ministry of Livestock Development

PSC: Projects Steering Committee

PMU: Project Management Unit

TA: Technical Assistance

PTE: Project Technical Expert

FMS: Financial Management specialist

PS: Procurement Specialist

PD: Project Director

GI: Gazetted First Class

GII: Gazetted Second Class

GIII: Gazetted Third Class

NGI: Non Gazetted First Class

DLSU: Decentralized Support Unit

VCS/BDS: Value chain Specialist/Burins Development specialist

MES:: Monitoring and Evaluation Specialist

ESS: Environment and Social Safeguard Specialist

SM: Social Mobilizer

**Table 5-2: Allocated Human Resources at PMU**

S.N.	Designation	Class	Allocated	Full filed	Status
1	Project Director	GI	1	1	All Full Filled and deployed
2	Senior Livestock Officer	GII	1	1	
3	Senior Veterinary Officer	GII	1	1	
4	Financial Officer	GII	1	1	
5	Planning Officer	GIII	1	1	
6	M&E Officer	GIII	2	2	
7	Administrative Assistant	NGI	1	1	
8	Accountant(Lekhupal)	NGI	1	1	
<b>Total</b>			9	9	

**Table 5-3: Allocated Human Resources at DLSUs**

a) On Government deputation

S.N.	Designation	Class	Morang	Haetauda	Pokhara	Butawol	Total
1	Senior Livestock / Veterinary Officer	GII	1	1	1	1	4
2	Livestock/Veterinary Officer	GIII	2	2	2	2	8
3	Junior Technician	NGI	1	1	1	1	4
4	Accountant	NGI	1	1	1	1	4
5	Admin Assistant	NGI	1	1	1	1	4
6	Sub Total		6	6	6	6	24
<b>b) On Contract</b>							
1	Computer Operator	-	1	1	1	1	4
2	Driver	-	1	1	1	1	4
3	Ka. Sa.		2	2	2	2	8
<b>Total</b>			10	10	10	10	40

## CHAPTER 6: ENVIRONMENT AND SOCIAL SAFEGUARD MEASURES

As the project is in the initial stage of implementation nothing much has happened in this reporting period with regard to the implementation of Environment and Social Safeguard measures. However, the project is very concerned on the implementation of these issues as it triggers number of GoN and World Bank policies on safeguards measure. It will implement, manage, and monitor the mitigation measure as the project activity rolls out over time.

The project is covering potential areas of Mountain, Hills and Terai in four cluster along the road corridor of five provinces. It will work extensively in 291 Municipalities of 28 district that will have at least 12.4 million people of which 6.4 million will be female.

The major areas of intervention of the project are small to medium type of infrastructure development work, support to potential entrepreneurs to run sustainable and viable business in dairy, meat and pashmina value chain providing partial grants and strengthening the existing laboratory and breeding station. All these interventions are likely to generate some kind of negative impacts on the safeguard side.

Against this backdrop, the following are the key activities that are ongoing in order to address the issues described above;

- The project has prepared the Environment and Social Management Frame work. The project will adhere to this document as guidelines to implement all its activities
- The project has updated the Project Implementation Manual, which is approved by the competent authority WB and PSC. The updated PIM has addressed sufficiently on safeguard measures by developing issue based action plan to adopt while the project activities are being implemented
- The project has hired Engineering Consultancy Firm, to design and supervise all the construction works that are approved in the project. The Consultancy Firm has Environmental specialist, who is preparing the guidelines for the implementation of Environment Management Plan developed for each construction work.
- The project will provide capacity building training to all Grant Applicants whose Project Concept Note are accepted and they will be trained in the compliance of safeguards and quality control measure.
- The project has put in place the Grievance Redress Mechanism in all tiers of project implementation. The guidelines for this is already approved by MoALD

- The project while hiring the Technical Assistance Service provider, will hire Social Expert who will take care of all social aspect of the project without compromising the compliance of the GoN and World Bank policy on these issues.
- The project will prepare and will put in place the MIS system to track all these records on a real time basis.

On the other side, the project is also promoting the adoption of climate smart livestock practices and climate smart livestock processing technologies by adopting various activities prescribed by the National Action Plan for Adoption developed by Ministry of Population and Environment. Similarly, on the social safeguards aspect, the project has planned to reach out more than 200,000 beneficiaries of which at least 90,000 will be female. The project is designed to engage larger proportion of beneficiaries to participate in the project activities that would include, farmer's group, cooperatives, producers, processors, input providers through a platform called Stakeholder dialogue Platform. These interventions will generate positive outcome on Environment and social measures. The project has prepared Environmental and Social screening guidelines of project activities especially for the proposal submitted for project partial financing. It is under review of the WB.

All these interventions will be documented and presented in the Implementation Progress Report as the project activities rolls out over time.

The project has attempted to include all type of beneficiaries in the project activities. Since the project is in the initial year of implementation there are not much activities to report. However, the project has prepared the Gender Action Plan (Annex 5) and progress reporting template to ensure gender equity and citizen engagement, the project will make a conscious effort to allow women and other disadvantage group of beneficiaries to participate in all aspects of the project cycle, from planning and implementation to monitoring the results. The table below shows the type of beneficiaries participated in different project activities.

Similarly, the project has prepared Environment and Social Management Plan in consistent with the Environment and social Management Framework for different project activities. They are enlisted in the Annex 7 a & 7 b. Environment and Social Management Plan for all major and minor construction works are prepared, where some need to be added in the contract document, some need to be added in the BoQ and some require no cost simply to abide by the contractor. Similarly ESMP for Livestock Market, ESMP for Dairy processing, and ESMP for meat processing, value chains supported by the project are also prepared, they need to be regularly supervised and monitored by the respective party.

**Figure 6-1: Type of Beneficiaries participating in the project activities**

Type of Activities										Remarks
	Unit	Men	Women	Total	% age of Women	Dalit	Janjati	Others	Total	
Commercial Livestock Training	20	260	82	342	23.98	18	97	227	342	
<b>Project Awareness</b>	16	1052	214	1266	16.90	55	360	851	1266	

<b>Workshop</b>										
<b>Forage Seed Production through Contract Farming (ha)</b>	250	425	174	599	29.05	23	98	478	599	
<b>Group/Committee/Federation Formation (goat)</b>	96	1812	1397	3209	43.53	216	1230	1763	3209	8, Women Headed FG in Goat
<b>Group/Committee/Federation Formation (dairy)</b>	35	922	535	1457	36.72	38	131	1288	1457	2 Women headed Coop in Dairy
<b>Group/Committee/Federation Formation (Chyangra)</b>	40	434	47	481	9.77	6	466	9	481	
<b>Total</b>		4905	2449	7354	33.30	356	2382	4616	7354	

## CHAPTER 7: WORLD BANK MISSION AND ACTION PLAN

This section presents the progress status on action plans of the last WB missions held during Sept 09 to 28, 2018 and the proposed action plan during the 2<sup>nd</sup> Mission held on March 5-15, 2019. The 2<sup>nd</sup> mission<sup>1</sup> was also led by Purna Chhetri (Task Team Leader). The main objective of the 2<sup>nd</sup> mission were to (a) assess the progress made since the first Implementation Review and Support Mission in September 2018, (b) review the updated Project Implementation Manual (PIM), (c) discuss key activities for FY19/20, and (d) ensure that the project is on track to meet the stated disbursement target of US\$ 6 million by June 2019. A draft Aide Memoire (AM) was discussed at the wrap-up meeting on March 14, 2019, which was chaired by Mr. Prakash Mathema, Secretary, Ministry of Agriculture and Livestock Development (MoALD). The meeting was also attended by Faris Hadad-Zervos, Country Manager. The critical actions identified and brought to the notice of the project and MoALD higher Management were as follows;

1. Initiation for the preparation of Livestock Sector Master Plan by June 30, 2019
2. Recruitment of the Technical Assistance Service Provider to support PMU and DLSUs in all project activities by August 31, 2019 and
3. Full operation of Stakeholder Dialogue Platform by June 30, 2019.

During the course of the mission some of the other key issues were also identified, they were discussed at length and mission suggested the following.

1. Accelerate disbursement process to reach at least US\$ 5 million against the targeted US\$ 6 million by June 2019.
2. Put on hold the preparation of Veterinary Drug Act and use the resources to support the development of Animal Welfare Act.
3. Preference be given to the joint proposals developed between the producer and buyers while calling for proposals for matching grant support. Let Stakeholder Dialogue Platform

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<sup>1</sup> Purna Chhetri (Task Team Leader); Pierre Gerber (Senior Livestock Specialist); Karishma Wasti (Agriculture Specialist); Annu Rajbhandari (Environment Specialist); Prakash Awasthi, Environment Specialist; Deepa Shrestha, Social Expert; Timila Shrestha (Financial Management Specialist); Chandra Kishore Mishra (Procurement Specialist); Ishwar Neupane (Social Consultant); Helen Leitch (Veterinarian, FAO CP); Mohammed Shamsuddin, FAO CP

established by the project provide much needed platform for the buyers and producers with an opportunity to form an alliance.

4. Ensure the recruitment of competent consulting firm to carry out baseline survey of the project on time.
5. The Environmental Safeguard Specialist prepare and share a plan for orienting PMU and DLSUs on safeguard requirements
6. The project to recruit Social Safeguard Specialist for DLSUs to further improve the rating.
7. The PMU to report gender and caste/ethnicity disaggregated data in IPR.
8. The PMU to obtain access to CGAS for each DLSU by April 30, 2019 to monitor DLSU expenditure in real time basis and also to maintain accounts on activity-wise expenditures for both PMU and DLSUs by April 30, 2019.
9. PMU as a routine task to update procurement activities in STEP in the first week of each calendar month by uploading bidding/proposal documents, evaluation reports and contract documents and by revising the dates of those activities that are yet to be initiated and/or flagged red.

The mission also held discussion on component wise progress and status of action plan from the last Aide Memoir (September Mission). All together there were 18 different action plans agreed during the last September mission, out of which 12 actions were fully completed within the given deadline and 6 other action were on track. The detail implementation status of the action plan at the time of 2<sup>nd</sup> mission is given below

**Table 7-1: Status of Agreed Action Plan from the last September Mission As of March 01, 2019**

S. No.	Activity	Proposed Timeline	Status (Progress/actions taken as of March 01, 2019)
1.	Preparation of livestock master plan	ToR by October 31, 2018	ToR prepared, revisited and finalized Concept note from ILRI has been received.  International agency such as FAO/ILRI are requested to submit the concept note jointly which has the experience and expertise doing similar job elsewhere.  Concept note received from a consortium of ILRI, FAO and CIRAD  Completed

2.	Memorandum of Understanding (MOU) with Nepal Veterinary Council to draft Infectious Disease Act, Veterinary Drug Act, and Livestock Breeding Policy and hire consultants	MOU by November 30, 2018, Experts hired by Dec 20, 2018	MoU template developed and received no objection from the WB on 26th Nov 2018 MoU with NVC signed on Dec 19, 2018. Expert hired by NVC and Inception Report received on Jan 15, 2019 Gap analysis and Stakeholder analysis report is expected by March 15, 2019 Completed
3.	Initiation of CENA	ToR by November 20, 2018; Firm hired by April 30, 2019	ToR prepared, revisited and finalized International Agency such as FAO/ILRI (which has the experience and expertise) are requested to submit the proposal along with LMP. Joint proposal is expected to receive by March 1st week On track
4.	ToR for ICT Strategy	November 15, 2018	ToR prepared, revisited and finalized International and National consultant will be hired soon Completed
5.	ToR for IEC Strategy	November 15, 2018	ToR prepared, revisited and finalized. Completed
6.	Selection criteria for key Banking and Financing Institutions (BFIs) developed and prospective BMFIs identified for value chain support	Criteria by February 2018; (2019) Selection by April 2018; (2019)	Draft selection criteria prepared and discussed with the World Bank. The criteria developed discussed with BFIs on Jan 04, 2019 where 10 BFIs were present. Only four out of ten attended BFIs submitted their information requested by project. Further discussed with NRB on Jan 14, 2019 and with WB officials on Feb 07, 2019 for possible alternatives. On Track
7.	Update the PIM	February 28, 2019	Consultant hired. Draft Report submitted on Jan 15, 2019. Comment received from all the stakeholders.

			PIM updated with comments received. Ready for discussion with the mission Completed
8.	Road map supporting Peste des petis ruminants(PPR) and FMD and contractual agreement for FMD vaccine import	February 28, 2019	Department has formed two working groups to prepare road map for PPR and FMD on January 23, 2019. The group is following OIE developed road map for PPR and Risk based strategy for FMD, which is currently under preparation. Notice for 2 million dose of FMD vaccine procurement is published on Nov 25, 2018. All procedures completed. Contract for the procurement of vaccine awarded on 21st January 2019. 1st consignment of vaccine delivered. Completed
9.	GRM mechanism in place at all levels	January 30, 2019	Received no objection from the WB with input on GRM guidelines. The Guidelines is approved by MoALD and in place at all levels. Ready for publication both in Nepali and English language for wider dissemination. Completed
10	Recruitment of environmental and social (E&S) safeguard specialists for the PMU	January 31, 2019	The position of Environment Specialist is included in the Engineering Consultancy Firm. EOI of which is already published & short listed. RFP received and evaluated. Negotiated on Feb 27, 2019. Contract agreement signed. The proposed candidate for Environment Specialist from the Firm will join the Mission and take over the responsibility of Safeguard measures. Since Social Safeguard Specialist will be available after the recruitment of TA (which is under review of WB) the Environment Specialist will also take

			responsibilities of social safeguards issues.
11.	Provide orientation on safeguards application at project level	February 28, 2019 (Revised April 15, 2019)	Environment specialist is on board. With guidance from WB Specialist will provide orientation on safeguard at different level of project implementation. On track with revised itinerary
12.	Prepare guidelines/manuals on safeguards planning, implementation, and monitoring	February 28, 2019 (Revised March 15, 2019)	The recruited Environment Specialist is preparing guidelines/manuals an safeguard planning and implementation with guidance from WB Specialist. On track with revised itinerary
13.	Submit amended workplan to the MoF and NPC as per para 23 above.	October 30, 2018	MoF has approved the revised program/work plan submitted by the project through MoALD Completed
14.	Cluster-level offices fully staffed	November 30, 2018	Cluster level staff on board since Nov 19, 2018 Full fledge cluster office are established in all the four locations. Completed
15.	Hiring of financial management and procurement experts	November 15, 2018	FMS and Procurement Expert hired on Nov 19th and Nov 21st 2018 respectively. Completed
16.	Adjust budget and expenditure for current fiscal year	November 30, 2018	Annual Program amended and Budget adjusted through MoF Completed
17.	Submission of external audit report	January 15, 2019	Unaudited Report sent to WB. Audit completed. Report is yet to receive from OAG
18.	Adjustment of funding sources for expenditures of FY17/18 in line with the FA	October 30, 2018	Already adjusted in the books of account (External Audit Report, 1st Trimester IUFR 2018/19) Completed

As usual the 2<sup>nd</sup> WB mission (March 2019) has provided different action plan to be accomplished before the next schedule 3<sup>rd</sup> mission in September 2019. They were as follows.

**Table 7-2: Agreed Action Plan from 2nd AM**

No.	Activity	Time line	Responsibility	Status (Progress/actions taken as of July 16, 2019)
1	Update the framework for Gender Action Plan in the ESMF with GSI AP	April 15, 2019	PMU	GESI Action Plan updated. The updated plan is inserted in the ESMF Chapter 6 sub clause 6.10.4 and published in the NLSIP web site  With the help of WB Gender Specialist Gender Action Plan Progress Reporting template developed, Shared and oriented all 4 DLSUs staffs for regular reporting.  Completed
2	Selection criteria for key Banking and Financial Institution (BFIs) developed and prospective BFIs identified for value chain support	April 2019	PMU	AS per new PIM; NLSIP will open the list of all available Banks. Grant Applicants can choose any bank as per their preference. This has to be discussed with TTL and settle
3	Initiate procurement of services for carrying out the study of CENA as per the developed ToR	April 30, 2019	PMU	Firm short listed, Ready to issue the RFP
4	Prepare list of preparatory activities and subprojects for which ESMPs are to be prepared in near future	March 30, 2019	PMU	With support from WB safeguard specialist prepared the list of project activities where ESMP is to be prepared and applied. ES after filed visit to each proposed site for the construction of Livestock Service Center has proposed the EMP
5	Prepare plan for orientation on ESMF and safeguard requirements to PMU and cluster offices	April 30, 2019	PMU	All DLSUs Staffs were oriented on project's ESMF and more specifically on Environment and Social Screening while implementing different project

				<p>activities. This was done on May 16, 2019 at Hetauda during the progress review meeting of the project.</p> <p>Other orientation will be organized as the project activities roll out.</p> <p>Completed</p>
6	Procure services of a firm/consultants for breeding and nutrition strategy	May 30, 2019	PMU	Preparation of Strategy for Animal Nutrition and Animal Breeding by the International and National Consultants are completed. These Strategies were discussed with Ms. Helen from FAO as mission member on June 30, 2019. And they were validated in a Central Stakeholder Dialogue Platform Committee chaired by Secretary MoALD on July 01, 2019
7	Purchase of goods (fertility materials, laboratory equipment and vaccines)	June 2019	PMU	<p>Purchase of sexed semen and breeding bulls are on hold due to unavoidable reasons</p> <p>Procurement of vaccines for this year completed.</p> <p>Procurement of other laboratory equipment also completed</p>
8	Procurement of services for the preparation of Livestock Master Plan	July 30, 2019	PMU	On receiving of the 2nd AM from the Bank, the project initiated the process to obtain the approval from the MoALD to have MoU with FAO. Approval from the Ministry is awaited
9	Hire TA team for technical support to PMU and DLSUs and to advance mobilization of civil works.	August 30, 2019	PMU	6 firms are short listed. Waiting for the approval of the Bank to issue RFPs to the 6 qualified firms
10	Initiate formulation of animal health policy and one health	August 30,	PMU	Will be initiated soon.

The Mission has further recommended to initiate Rural Alliance Approach using the project already institutionalized Stakeholder Dialogue Platform. There are key recommendations provided to clarify the sequencing of activities and their interrelationship.

The recommendations are as follows;

- Organize key activities on the basis of agreements or conclusions of Stakeholder Dialogue Platforms (SDPs)
  - For this, SDPs need to be carefully focused and managed
    - Separate project governance SDPs from commercial SDPs
    - Hold separate SDPs by value chain, include SDPs for new types of businesses too (for example, non- traditional products)
    - Define which topics will be treated as each SDP level (central, cluster, district) and how the discussion will cascade between levels
    - Clarify SDP expected results
      - Identification of key issues affecting inclusion of smallholders in value chains (for example quality, quantity, consistency)
      - Identification of causes followed by identification of possible solutions at producer level and/or requiring collective action and/or requiring local government intervention (for example local roads, water provision, irrigation) and/or requiring national government intervention (for example monopolies, sector regulations, SPS)
      - Working out of actionable agreements, concrete partnerships between specific producer organizations and buyers, concrete commitments by governments to execute prioritized actions.
  - Link Farmer Field Schools (FFS) and genetic improvement to the priorities identified in SDPs
    - Focus FFS on specific issues identified by downstream actors of value chains (usually quality and consistency); link payments for FFS providers to the specific performance indicators for the focused actions
  - Link input supply development actions to key constraints identified by value chain actors.
  - Link producer organization (PO) strengthening to the services these are expected to provide to their members (for example, Productive: input procurement, quality assurance, aggregation, sorting, packaging; or Managerial: price negotiation, market search including accounting, procurement, and transparency).
  - Link financing of producers and POs to agreements with downstream buyers.

- Use either umbrella SDP agreements or specific PO-buyer agreements as the basis for designing and approving subprojects.

Besides, there were two technical missions carried out to support the project in component B. In the first technical mission Mohammed Sashuddin was with the project from May 20-24 assisting project to prepare FMD vaccination plan. Mr. Mohammed also reviewed the FMD and PPR road map and provided inputs to improve them. In the 2<sup>nd</sup> technical mission Ms. Helen Leitch was in the project on 23, 27 and 30<sup>th</sup> June 2019 and reviewed the Breeding and Nutrition Report and provided input for the implementation of next F/Y program. The next year major work plan and budget is provided in the Annex 6

## **CHAPTER 8: WAY FORWARD AND FUTURE ACTIONS**

This chapter presents key issues and way forward to be considered for the effective implementation of the project for the remaining period of the Project

### **(a) Project's Construction Works**

In the reporting period the project is able to award the contracts towards civil works worth only NPR 72.1 million out of 630 million projected and paid NPR 43.7 million towards the completed structure of Damak livestock market. The three works that were contracted were Nepal Veterinary Council Building, at Tripureswor, Bull Mother Shed at Pokhara and Seed Processing Unit at Sarlahi. Notice were published for the construction of 9 Livestock Service center but they are still under evaluation. This means that there is a huge task pending even for the next F/Y. In addition to the pending works of the current F/Y, there are other 15 different works in the next F/Y 2019/20 for which NPR 354 million is to be spent. They all require acquisition of land, construction approval from the local government and IEE if applicable. All these procedures take time and they are beyond the control of the project. The project has already prioritized this activity, however it requires support and cooperation from all the concerned sectors to be able to complete within this FY otherwise project has to carry over these activity also again in next FY 2020/2021.

### **(b) Approval of Strategies**

The project with support from national and international consultants has developed, Animal Breeding, Animal Nutrition, Animal Identification, LIMS and ICT Platform strategies and one policy document on Laboratory Quality Manual. They all need to be reviewed once by the competent authority of Department of Livestock Services and onward submission to MoALD for the approval.

### **(c) Approval of Policy and Act**

Similarly, with support from Nepal Veterinary Council, the project has developed draft Animal Breeding Policy and Animal Infectious Disease Act. These are two important legislative arrangement for breeding strategy to implement and control of disease when there is an emergencies. They also need to be approved by the cabinet in case of policy; and act by the parliament. This would be a lengthy procedure, hence, it would require continued follow up from the respective unit of the Department.

### **(d) Approval of the Road Maps of FMD and PPR**

FMD and PPR Road Maps have been prepared following the Global Foot and Mouth Control Strategy and Global Strategy for the Control and Eradication of PPR. These two diseases are the target disease of the project. The FMD is aimed at reducing outbreak and impact in endemic areas and eventually control and prevent with vaccination by 2025. And in PPR step up from stage I to stage II by 2021 and later in stage III during the lifetime of the project finally aiming at the eradication by 2030. These documents needs approval and subsequently planning the activities to meet the targets with priority.

**(e) Arrangement of the Resources to implement the Strategies**

The national and international consultants while formulating strategies and action plan have also projected the required resources to be able to implement the recommended strategies. The projected required expenditure is as follows

- |                                      |                    |
|--------------------------------------|--------------------|
| 1. Breeding strategy(dairy and goat) | NPR 1503 million   |
| 2. Nutrition Strategy                | NPR 4490 million   |
| 3. LIMS and ICT Platform             | NPR 49.8 million   |
| 4. Animal Identification             | NPR 13164 Million  |
| 5. Total                             | NPR 19,206 Million |

This is a big challenge to arrange such a huge resources.

**(f) Accelerating the work of Engineering Consultancy Firm:**

The major disbursement of the project depend on how quickly the project can complete the design estimate and contract award for the different construction which the project has prioritized. This major activity is already delayed. Hence the firm quickly advances its work deploying more of its employee and formalize the contract procedures.

**(g) Recruitment of TA Consultancy Firm.**

One of the important element of the project is to recruit the consultancy firm to provide TA services to different layers of the beneficiaries in order to achieve PDO within the given time frame. The three consultants at PMU are already hired and they are on board. But other consultants who are supposed to provide TA services to PMU, DLSUs and Social Mobilizer at District level are yet to be recruited. The project is in the process of shortlisting the consulting firm. There were 18 firms (national 12 and international 6) showing the interest. Out of which 6 were short listed 4 national and 2 international. They are now issued the RFP which will be opened by September 08, 2019. Sooner the project recruit them sooner will be the advance of project activities on the ground level.

**(h) Formation and operationalization of the Stakeholder Platform.**

The projects expects to increase its access to the project targeted beneficiaries down to the operational level through the engagement of different stakeholder with a mechanism of stakeholder dialogue platform. Many of the project activities under component A, B and C will be implemented through this mechanism. The guide lines for this is already prepared and approved

by MoALD. With full functional of Stakeholder Dialogue Platform will ultimately lead or facilitate to the creation of productive alliances.

**(i) Grievance Redress Mechanism.**

The project has developed the guidelines for Grievance Redress Mechanism based on the experience build by the Project for Agriculture Commercialization and trade. The guidelines is approved by the MoALD and in place at all layers. Every grievances related with the project be channelized through this mechanism. This would be a good practice to initiate right from the beginning of the project such that every grievance is heard and settled within the given time frame.

**(j) Base Line Study**

The project requires to undertake base line study in order to establish base line data for the major indicators that are highlighted in the result framework. Absence of which not only hinder the evaluation studies that will be carried out during the course of project period but also to monitor the progress and to report them to the authorities.

**(k) Monitoring Plan.**

The project needs to develop its own monitoring plan acceptable to MoALD and Bank to track the progresses on a real time basis. M & E Plan is the recipe book of M & E System that will describe all elements that are necessary to implement an effective M & E system. The plan will indicate (1) what indicators are measured (What, how, how often and from where?) (2) What indicators data are collected (Baselines, targets, causal assumption, responsibilities, tools) (3) How the data are analyzed or interpreted (how or how often reports on indicators will be developed and distributed; data flows and aggregation; quality assurance). It will also describe how to measure progress and results, otherwise without the effective plan the goal will be just a wish.

The result framework of the project is provided in the Annex 1.

### Annex 1: Result Framework:

**The value for each of the indicator will be reported annual at the end of each calendar year after the base line is established.**

#### ANEX1: RESULT FRAMEWORK AND MONITORING

Project Development Objectives									
PDO Statement									
The Project Development Objectives (PDO) are to increase productivity, enhance value addition, and improve climate resilience of smallholder farms and agro-enterprises in selected livestock value-chains in Nepal									
Project Development Objective Indicators									
Indicator Name	Core	Unit of Measurement	Baseline	Targets					
				2018	2019	2020	2021	2022	2023
Indicator One: Productivity of targeted livestock commodities (milk, goat meat, Chyangra) among beneficiaries	<input type="checkbox"/>	Percentage increase of average milk production per cow/buffalo	Cow = 450 L per year Buffalo: 640 L per year <sup>2</sup>	0	5	15	25	40	40
		Percentage increase in off take rate expressed as carcass weight for goats	0%	0	10	20	30	40	40
		Percentage increase in Chyangra wool	150-170 gm per year per goat <sup>3</sup>	0	10	30	50	80	80

<sup>2</sup> Based on RRA carried out at the time of project preparation. Will be updated with the collection of baseline data in year 1 of the project implementation

Project Development Objectives										
PDO Statement										
The Project Development Objectives (PDO) are to increase productivity, enhance value addition, and improve climate resilience of smallholder farms and agro-enterprises in selected livestock value-chains in Nepal										
Project Development Objective Indicators										
Indicator Name	Core	Unit of Measurement	Baseline		Targets					
					2018	2019	2020	2021	2022	2023
		production								
Indicator Two: Increase sales of value added products in targeted value chains	<input type="checkbox"/>	Percentage increase of sales value (aggregated over all the targeted value chains) <sup>4</sup>	0		0	5	10	20	25	30
Indicators Three: Farmers adopting climate smart agricultural technology (of which female)	<input type="checkbox"/>	Number (in thousands, cumulative) (%)	Total	0	0	10	30	60	75	75
			Female	(0)	(0)	(20)	(30)	(45)	(45)	(45)
Indicators Four:		Number (in thousands,	Total	0	0	25	50	100	150	200

<sup>3</sup> Average production of Chyangra wool is estimated at 150-170 gm per year. Will be updated when the baseline data is collected in year 1 of the project implementation

<sup>4</sup> Rate of increase of sales in targeted value chains; this indicator will be measured for every targeted value chain. However, only the average value over all the targeted value chains will be reported.

Project Development Objectives										
PDO Statement										
The Project Development Objectives (PDO) are to increase productivity, enhance value addition, and improve climate resilience of smallholder farms and agro-enterprises in selected livestock value-chains in Nepal										
Project Development Objective Indicators										
Indicator Name	Core	Unit of Measurement	Baseline		Targets					
					2018	2019	2020	2021	2022	2023
Farmers reached with Agricultural assets or services (of which female) <sup>5</sup>	<input type="checkbox"/>	cumulative) (%)				7.3				
			Female	(0)	(0)	(20) 33.3	(30)	(45)	(45)	(45)

Intermediate Results Indicators										
Component A: Strengthening Critical Regulatory and Institutional Capacity										
A.1 Livestock Master Plan updated and endorsed	<input type="checkbox"/>	Yes/No	No		----	----	---	yes	yes	yes
A.2 Client days of training provided ( of which female)	<input type="checkbox"/>	Number (cumulative) (%)	Total	0	500	1,500 342	2,500	3,500	4,500	5,500
			Female	0	(35)	(35) 24	(35)	(35)	(35)	(35)

<sup>5</sup> This includes the farmers who would benefit from the vaccination campaign supported by the project.

A.3 Livestock Management information System (LMIS) developed and operational	<input type="checkbox"/>	Yes/No	No	---	---	yes	yes	yes	yes	
Component B: Promoting Sector Innovation and Modernizing Service Delivery										
B.1 number of Producer Organizations/Cooperatives newly established or formalized and offering an increased range of services to members	<input type="checkbox"/>	Number (cumulative)	0	0	500 184	1,500	2,500	3,000	3,000	
B.2 Incremental number of animals vaccinated against PPR and FMD through the project	<input type="checkbox"/>	FMD for cattle and buffalo (Number in thousands, cumulative)	0	1,500	2,500 1005	3,500	4,500	5,000	5,000	
		PPR for small ruminants(Number in thousands, cumulative)	0	5,000	6,500 7000	7,500	8,500	9,600	9,600	
B.3 Beneficiary satisfaction rate with relevance, timeliness and effectiveness of services provided by the project for the livestock sector( of which female)	<input type="checkbox"/>	%	Total	---	---	---	35	---	---	75
			Female	---	---	---	35	---	---	75
Component C: Promoting Inclusive Value Chains for Selected Livestock Commodities										

C.1 Dialog platform between actors of the targeted value chain established and operational at national and Municipality levels	<input type="checkbox"/>	Number (National)	0	Target	1	1	1	1	1	
		Number(Municipalities)	0	Achiev	1	15	25	25	25	
C.2 Number of business plans financed by the project on a matching grant basis	<input type="checkbox"/>	Number	0	Target	5					
				Achiev	10					
C.3 Share of project beneficiaries with a livestock risk insurance policy (of which female)	<input type="checkbox"/>	%	0	0	5	20	40	60	60	
		(%)	(0)	(0)	(20)	(30)	(45)	(45)	(45)	
Component D: Project Management and Knowledge Generation										
D.1 Grievances registered related to delivery of project benefits satisfactorily addressed	<input type="checkbox"/>	%	Total	0	50	55	60	65	70	75
				100						

Indicator Description

Project Development Objective Indicators					
Indicator Name	Description (Indicator Definition and so on		Frequency	Date Sources and Methodology	Responsibility for Date Collection

<p>Indicator One: Productivity of targeted livestock commodities (milk, goat meat, Chyangra) among beneficiaries</p>	<p>Percentage increase of milk production per cow/buffalo</p>	<p>This indicator measures the productivity of dairy animals (cow and buffalo) at herd level, among project participants, It is computed as the total volume (liters) of milk produced in a year divided by the standing animal population (including males and females not in production) It reflects both productivity at animal and herd levels, for example, the share of animals that are in production.</p>	<p>Annual</p>	<p>Progress report, annual project report, Household Survey, and technical and economic monitoring</p>	<p>NLSIP PMU as well as LMIS function of MoLD</p>
	<p>Percentage increase in off take rate expressed as carcass weight for goats</p>	<p>This indicator measures the productivity increase of meat goats among project participants, It is computed as the total volume (kg) of carcass weight produced in a year, divided by the standing goat population (all cohorts). It reflects productivity at animal (daily weight gains) and herd levels (reproduction performance and improved health), as well as improvement in dressing performance.</p>			
	<p>Percentage increase in Chyangra wool production</p>	<p>This indicator measures the productivity of Changra goats. Grams of Chyangra wool produced per year/ baseline value x 100</p>			
<p>Indicator Two: Increased sales of value added products in targeted value chains</p>		<p>This indicator measures the relative increase in the value of sales in targeted value chains. For each targeted value chain, the increase in the value of sales is calculated as the ratio of the</p>	<p>Annual</p>	<p>Progress report, annual project report, Household Survey, and technical</p>	<p>NLSIP PMU as well as LMIS function of MoLD</p>

		value of incremental sales of value added livestock products during the reporting year (the total value of sales by direct beneficiaries during the reporting year minus the total value of sales in the baseline year) and the value of sales at baseline.		and economic monitoring	
Indicator Three: Farmers adopting improved climate smart agricultural technology (of which female)	Total Female	This indicator measures the number of beneficiaries in target Municipalities who have adopted a CSA technology promoted by the project and described in the PIM. The baseline value for this indicator will be Zero.	Annual	Progress report, annual project report, Household Survey, and technical and economic monitoring	NLSIP PMU as well as LMIS function of MoLD
Indicator 4: Farmers Reached with agriculture assets or services (of which female)	Total Female	This indicator measures the number of beneficiaries in target Municipalities who were provided with agricultural assets or services by the project.. The baseline value for this indicator will be Zero.			
Intermediate Results Indicators					
Component A: Strengthening Critical Regulatory and Institutional Capacity					
A.1 Livestock Master Plan updated and endorsed		This indicator ensures that the existing LMP that was prepared more than a decade ago has been updated and endorsed by the concerned authorities for effective implementation.	Once	Final updated and endorsed plan	NLSIP PMU in consultation with the concerned ministries and stakeholders
A.2 Client days of training provided (of which female)		This indicator measures the number of client days of training provided, that is, the number of clients who completed training multiplied by	Annual	Progress report and annual project report	NLSIP PMU and LMIS

		the duration of training in days (including the percentages of female beneficiaries who received the training).			
A.3 Livestock Management Information System (LMIS) developed and operational		This indicator measures whether the LMIS has been developed and is in operation to support the collection and dissemination of livestock information from the project through ICT platform.	Third year and yearly afterward	Progress report and annual project report	NLSIP PMU and M&E team at NLSIP
Component B: Promoting Sector innovation and Modernizing Services Delivery					
B. 1 Number of Producer Organizations/ Cooperatives newly established or formalized and offering an increase range of services to members	Number	Formalized POs are registered entities. This includes the community-based groups for the management of rangelands and pastures. New services may include technical training and extension, wholesale acquisition of inputs, microfinance, and so on.	Annual	Progress report, annual project report, and Household Survey	NLSIP PUM and M&E team at NLSIP
B.2 Incremental number of animals vaccinated against PPR and FMD through the project	Number	Number of animals effectively vaccinated for the two diseases	Annual	Progress report, and annual project report	NLSIP PMU and M&E team at NLSIP
B.3 beneficiary satisfaction rate with relevance, timeliness and effectiveness of services provided by the project for the livestock sector ( of which female)	Percentage	Number of surveyed beneficiaries satisfied with services as a proportion of surveyed target beneficiaries. This includes services provided by Government, producers groups, cooperatives, and private practitioners.	Every 2 year	Household Survey	NLSIP PUM and M&E team at NLSIP

Component C: Promoting Inclusive Value Chains for Selected Livestock Commodities					
C.1 Dialog platform between actors of the targeted value chains established and operational at national and Municipality levels	Number	This indicator measures the total number of dialog platforms established at national and Municipality levels for consultation between the Government and key stakeholders (POs, buyers, traders, processors, and participating BFIs)	Annual	Progress report and annual project report	MOLD and NLSIP PUM
C.2 Number of business plans financed by the project on a matching grant basis	Number	This indicator measures the cumulative number of contracts signed and SPs completed under the MG scheme.	Annual	Progress report and annual project report	NLSIP PMU
C.3 Share of project beneficiaries with a livestock risk insurance policy (of which female)	Percentage	This indicator measures annually the percentage of total project beneficiaries who have taken up a livestock risk insurance policy (including the percentage of female beneficiaries)	Annual	Progress report and annual project report	NLSIP M&E and PMU
Component D: Project Management and Knowledge Generation					
D.1 Grievances registered related to delivery of project benefits satisfactorily addressed		This indicator measures the proportion of grievances received by the GRM set up by the project that are satisfactorily addressed within the standard time frame set up by the GRM system	Semi-annual	Progress report, annual project report, and frequent surveys using ICT (tablet, and so on)	NLSIP as well as M&E function of MOLD through LMIS

**Annex 2.1: (a) Progress of the FMD Vaccination Campaign 2018/19**

S. N	Districts	Total Targets	V. Targets for F/Y 2018/19	V.Coverage	Cool Box distribution	Automatic Vaccinator	Remarks
1	Pachthar	40,000	20,000	20,000	40	11	
2	Illam	68,000	30,000	34,000	60	0	
3	Jhapa	235,000	75,000	117,000	216	0	
4	Morang	250,000	80,000	125,000	100	53	
5	Sunsari	200,000	75,000	100,000	184	60	
6	Dhankuta	40,000	20,000	20,000	40	11	
7	Udayapur	80,000	40,000	40,000	60	15	
8	Saptari	200,000	80,000	50,000	80	40	
9	Siraha	107,000	50,000	148,000	60	20	
10	Dang	100,000	40,000	50,000	0	0	
11	Bake	160,000	50,000	50,000	0	0	
12	Berdiya	130,000	50,000	50,000	0	0	
13	Kailali	200,000	80,000	100,000	0	0	
14	Kanchanpur	150,000	50,000	60,000	0	0	
15	Dadeldhura	40,000	20,000	40,000	0	0	
16	Okhaldhunga	0	-	1,500	0	0	Post Out Break
	<b>Total</b>	<b>2,000,000</b>	<b>760,000</b>	<b>1,005,500</b>	<b>840</b>	<b>210</b>	

**Annex 2.1 (b): Distribution of Vaccine, Cool Box and Vaccinator**

S. N	Total Procured/stock	NLSIP	NBPL Tripureswor	RVL Dhangadi	RVL Biratnagar	Total
1	FMD Vaccine procured	1,941,152	0	0	0	1,941,152
2	Stock FMD Vaccine	0	828,652	43,000	64,000	935,652.0
3	Cool Box Procured	2,332	0	0	0	2,332
4	Cool Box Stock	0	1,492	0	0	1,492
5	A. Vaccinator Procured	563	0	0	0	563
6	Stock Vaccinator	0	353	0	0	353

## Annex 2.2: PPR Vaccination Coverage

S.No	Province	Districts	Total Coverage in (100 doses)	Remarks
1	Province 1	Illam	1000	
		Jhapa	1700	
		Morang	1900	
		Sunsari	1600	
		Dhankuta	1200	
		BhoJpur	660	
		Solukhumbu	560	
		Udayapur	1700	
	Sub Total	8	10320	
2	Province 2	Saptari	1400	
		Siraha	1500	
		Dhanusha	1400	
		Mohattari	1000	
		Sarlahi	1100	
		Rautahat	1000	
		Bara	1100	
		Parsa	820	
	Sub Total	8	9320	
3	Province 3	Sindhuli	1300	
		Ramechhap	1000	
		Dolakha	1000	
		Sindhupalchowk	1000	
		Kavre	1500	
		Lalitpur	490	
		Bhaktapur	190	
		Kathmandu	290	
		Nuwakot	1700	
		Rasuwa	230	

S.No	Province	Districts	Total Coverage in (100 doses)	Remarks
		Dhading	1300	
		Makwanpur	1600	
		Chitwan	1500	
	Sub Total	13	13100	
4	Gandaki	Gorkha	2600	
		Lamjung	900	
		Tanahu	1300	
		Kaski	900	
		Myagdi	540	
		Parbat	320	
		Baglung	740	
		Syangja	1000	
		Nawalparsai (Purba)	700	
	Sub Total	9	9000	
5	Province 5	Gulmi	910	
		Palpa	1200	
		Nawalparasi (Paschim)	1000	
		Rupendehi	1600	
		Kapilbastu	1500	
		Arghakhanchi	770	
		Pyuthan	900	
		Rolpa	920	
		Rukum (Purba)	450	
		Dang	1620	
		Banke	1400	
		Bardia	1400	
	Sub Total	12	13670	
6	Karnali	Surkhet	1700	
		Dailekh	1300	
		Salyan	1250	

S.No	Province	Districts	Total Coverage in (100 doses)	Remarks
		Jajarkot	780	
		Jumla	680	
		Kalilot	500	
		Humla	520	
		Rukum (Paschim)	500	
	Sub Total	8	7230	
7	Sudur Pashim	Bajura	580	
		Bajhang	700	
		Accham	750	
		Doti	1000	
		Kailali	1200	
		Kanchanpur	980	
		Dadeldhura	850	
		Baitadi	750	
		Darchula	550	
	Sub Total	9	7360	
	All Total	67	70000	
	Stock	1000	RVL, Biratnagar	
	Stock	1000	EVL, Janakpur	
	Stock	1000	RVL, Surkhet	
	Stock	1000	RVL, Kailali	
	Sub Total	4000		
	Stock	6009	NVPL	
	All Total	80009	Vaccine Production	

**Annex: 2.3: (a) Distribution list of project procured Vehicles**

S N.	Offices	Vehicles	Motor Cycles	Scooters	Remarks
1	DLSU, Biratnagar	2	2	-	1 in 074/75
2	DLSU, Hetauda	2	2	-	1 in 074/75
3	DISU, Pokhara	2	2	1	1 in 074/75
4	DLSU, Butwol	2	2	-	1 in 074/75
5	RVL, Surkhet	1	-	-	
6	VH & SLSC, Jhapa	1	-	-	
7	VH & SLSC, Morang	1	-	-	
8	VH & SLSC, Sunsari	1	-	-	
9	VH & SLSC, Chitwan	1	-	-	
10	VH & SLSC, Kapilbastu	1	-	-	
11	LBO, Lahan	1	-	-	
12	GDF, Buditola	1	-	-	
13	Livestock Dir, State 4	1	-	-	
14	CRVH, Tripureswor	-	1	-	
15	CVL	-	1	-	
16	DLS	-	1	-	
17	NVC	1	-	-	
18	MoALD	1 (SUV)	3	3	SUV, 074/75
19	NLSIP	5+1(SUV)	8	5	Vehicle: 3+1 (SUV), Motor Cycle 5 & Scooter 2 in 074/75
	Total	25	22	9	

### Annex 2.3: (b) Procurement of Computer

F/Y	Name of Items	Unit	Total Procured	Location	Remarks
073/74	Lab Top Computer	Piece	7	NLSIP, PMU	
074/75	Lab Top Computer	Piece	10	NLSIP, PMU	
074/75	Desk top Computer	Piece	8	4 DLSUs	
074/75	Printer	Piece	6	4-DLSUs & 2 PMU	
075/76	Desk top	Piece	20	4- Morang and Pokhara each; 3 – Hetauda, Butwal 2; 7 - PMU	
075/76	Printer	Piece	22	4- Morang and Pokhara each; 3 – Hetauda, Butwal 2; 9 - PMU	
075/76	Photo copy Machine	Piece	4	1 each DLSU	
075/76	Lab top	Piece	12	Yet to be decided	

### Annex 2.3: Procurement of Equipment

S.N.	F/Y	Name of Items	Unit	Total Procured	Location	Remarks
1	075/76	Visual Air Tag Couple (40 mm)	Set	1,58,350	PMU	To be distributed in the district
2	075/76	Tip Tag (for goat & sheep)	Set	53,500	PMU	To be distributed in the district
3	075/76	Air Tag Applicator (for all species of animals)	Pcs	400	PMU	To be distributed in the district
4	075/76	Multi-Channel (8) Micro-Pipette (0.5-10 µl)	Pcs	8	NBPL	
5	075/76	Multi-Channel (8) Micro-Pipette (10-100 µl)	Pcs	8	NBPL	
6	075/76	Automatic Bacteria Identification Machine	Pcs	1	CVL	
7	075/76	Semen Straw Filling, Sealing and Printing Machine	Pcs	1	NLBO Pokhara	

**Annex 2.3: (d) Procurement of AI Equipment's**

S.N	Name of the Item	Unit	Total Procured	Total distributed				
				BRT	Haetauda	Pokhara	Butwol	Total
1	LN Container (50 Ltr)	Pcs	45	10	10	10	15	45
2	LN Container (30 Ltr)	Pcs	140	35	35	35	35	140
3	AI Referee (2 Ltr)	Pcs	450	115	110	115	110	450
4	AI Gun	Pcs	600	150	150	150	150	600
5	Thawing Kit	Pcs	45	10	10	10	15	45
6	Straw Cutter	Pcs	900	250	200	200	250	900
7	Alpha Sheath	Pkt	4500	1200	1200	1000	1100	4500
8	AI Sheath	Pkt	5000	1500	1200	1300	1000	5000
9	AI Sensitive Gloves	Box	3500	900	900	900	800	3500
10	Super Sensitive AI Gloves	Box	3500	900	900	900	800	3500

### Annex 2.4: Officers Provided with PCR Training

Name	Position	Office
Dr. <i>Tulasi Ram</i> Gompo	Veterinary Officer	Central Veterinary Laboratory, Tripureshwar Kathmandu
Dr. Shristi Shrestha	Veterinary Officer	National Vaccine Production Laboratory, Tripureshwar Kathmandu
Dr. Luna Gongal	Veterinary Officer	Central Veterinary Laboratory, Tripureshwar Kathmandu
Mr. Krishna Kumar Tamang	Veterinary Officer	FMD and TADs Investigation Laboratory, Budhanilkantha Kathmandu
Mr. Sita Ram Marahatta	Veterinary Officer	National Avian Disease Diagnostic Laboratory, Bharatpur Chitwan.
Dr. Nandkishor Yadav	Veterinary Officer	Veterinary Standards and Drug Regulatory Laboratory, Budhanilkantha Kathmandu
Mr. Shashidhar Sedhai	Veterinary Officer	Veterinary Standards and Drug Regulatory Laboratory, Budhanilkantha Kathmandu
Dr. Suraj Subedi	Veterinary Officer	Veterinary Standards and Drug Regulatory Laboratory, Budhanilkantha Kathmandu.
Dr. Manoj Oli	Veterinary Officer	Veterinary Standards and Drug Regulatory Laboratory, Budhanilkantha Kathmandu.

**Annex 2.5 (a) : Officers provided with MToT FFS-Dairy**

<b>Name</b>	<b>Position</b>	<b>Office</b>
Mr. Sushil Khadka	Planning Officer	Nepal Livestock Sector Innovation Project
Dr. Sabina Koirala	Livestock Officer	Nepal Livestock Sector Innovation Project
Mr. Bodha Raj Khanal	Officer Sixth	Suddodhan Rural Municipality
Dr. Bhagbati Sharma	Veterinary Officer	DLSU, Kaski
Dr. Sharmila Kumal	Livestock Officer	DLSU, Hetauda
Dr. Sanjaya Dhungana	Veterinary Officer	VH & LSEC, Jhapa
Mr. Lok Raj Bhusal	Veterinary Officer	DLSU, Butwal
Mr. Mani Prasad Sapkota	Officer Seventh	Panauti Municipality, Kavre
Mr. Basu dev Natha	Livestock Officer	National Livestock Resource Management and Promotion Center
Dr. Khimananda Khanal	Livestock Officer	DLSU, Butwal
Mr. Thakur Dayal Shah	Livestock Officer	Bansgadi Municipality, Berdiya
Mr. Hum Nath Aryal	Livestock Officer	DLSU, Kaski
Dr. Ragvendra Tiwari	Veterinary Officer	VH & LSEC, Morang
Mr. Laxmi Prasad Paudel	Veterinary Officer	Beni Municipality, Myagdi
Mr. Yogendra Prasad Sharma	Veterinary Officer	DLSU, Morang
Dr. Bharat Kafle	Veterinary Officer	VH & LSEC, Rupendhi
Dr. Prabesh Sharma	Veterinary Officer	DLSU, Hetauda

**Annex 2.5: (b) Technicians provided with MToT (FFS-Goat)**

<b>Name</b>	<b>Position</b>	<b>Office</b>
Bishnu Ghimire	JTA	Musikot Municipality, Gulmi
Rukmini Poudel	JTA	VH & LSEC, Rupandehi
Gita Nepali	JT	Tansen Municipality, Palpa
Yubraj Yadav	JT	Sakhuwanankarkatti Rural Municipality, Siraha
Sunil Thapa	JTA	Chame Rural Municipality , Manang
Khem Prasad Paudel	JT	Kawasoti Municipality, Nawalparasi
Mukti Ram Poudel	JT	DLSU, Pokhara
Keshar Bahadur Karki	JTA	Katari Municipality, Udaypur
Bidhya Devi Adhikari	JT	VH & LSEC, Dhankuta
Baikuntha Adhikari	JTA	Bharatpur Metropolitan, Chitwan
Balkumar Lungeli	JTA	Mahabharat Rural Municipality, Kavrepalanchowk
Dolraj Gaihre	JTA	VH & LSEC, Syangja
Pusparaj Adhikari	JT	Machhapuchhre Rural Municipality, Kaski
Fulmaya Pariyar	JTA	Gharjhong Rural Municipality, Mustang
Ramji Poudel	JT	DLSU, Biratnagar

### Annex 2.6: (a) Grievance/Complaints Received

S. No.	Nature of Grievance/Complaints	Received Number of Grievance/Complaints			Number of Heard Grievance/Complaints			Remarks
		Till last reporting	This reporting	Total	Till last reporting	This reporting	Total	
1	Grievance/Complaints of Possible Irregularity							
2	Delay/Late actions (gaps in standards of services expected and actual services rendered, delay in decision making)							
3	Behavior of Employees/Staff)							
4	Noncompliance of the code of conduct							
5	Grievances against merits of decision taken by the decision makers	0	12	12	0	12	12	
6	Any irregularities in transparency, payments and reporting							
7	Environmental Issues							
8	Social Issues							
9	Miscellaneous							

### Annex 2.6: (b) Details of Complaints received

Complaint number	Name and address of the Complaint including telephone/mobile number	Date of lodging complaints	Nature of grievance/complaints	Short description
	Tech Line International Pvt.Ltd; Lalitpur Phone: 01-5010641	2075/11/19	Complaint against the decision of the PMU	Reasons for not being selected in the supply of Semen Filling, Sealing & Printing Machine though the specification offered were right.
2	Tech Line International Pvt.Ltd; Lalitpur Phone: 01-50106	2076/1/16	Complaint against the decision of the PMU	Requested for attested copies of all procurement related documents on the procurement of Semen Filling, Sealing & Printing Machine
3	Shishas Trading Concern Pvt. Ltd	2076/1/11	Complaint against the decision of the PMU	Requested to provide the reasons for not being selected in the supply of Automatic Bacteria Identification Machine
4.	Minitube International, Germany	2076/1/16	Complaint against the decision of the PMU	Requested to provide reasons with evidence for not being selected in the supply of Semen Sealing, Filling and Printing Machine
5.	Pragatishil Agriculture Multipurpose Company Limited, Sarlahi; Phone 9854036418 (7 complaints)	Different Dates 2076/1/23 , 1/27, 2/5, 2/10, 2/13 & 2/15	Complaint against the decision of the PMU	Requested to provide all evidences for not being selected in the supply of sexed semen
6	ADAPT Nepal, Lalitpur; Phone 01-5261066	076/2/15	Complaint against the decision of the PMU	Requested to include in the shortlisting of the Firms to provide consultancy services under TA

<b>Complaint number</b>	<b>Name and address of the Complaint including telephone/mobile number</b>	<b>Date of lodging complaints</b>	<b>Nature of grievance/complaints</b>	<b>Short description</b>
7	ERMC (p) Ltd, Kathmandu; Phone 01-4465863	076/2/27	Complaint against the decision of the PMU	Requested to include in the shortlisting of the Firms to provide consultancy services under TA

### Annex 2.6 (c): Details of Complaint resolved

Grievance/ Complaint number	Name and address of the Complaint	Date of Registration	Nature of grievance/ complaints	Short description of redressal mechanisms	Was the complaint satisfied with the response/reply? Give reason.
1	Tech Line International Pvt. Ltd; Lalitpur Phone: 01-5010641	2075/11/19	Complaint against the decision of the PMU	Evaluation committee verified the compliance of the specification including third party evaluation	Satisfied. The Company did not meet the compliance in three parameters
2	Tech Line International Pvt.Ltd; Lalitpur Phone: 01-50106	2076/1/16	Complaint against the decision of the PMU	Documents that were demanded by the clients were provided through the Nodal Officer	Satisfied
3	Shishas Trading Concern Pvt. Ltd	2076/1/11	Complaint against the decision of the PMU	Verified the complaints and responded appropriately	Satisfied
4	Minitube International, Germany	2076/1/16	Complaint against the decision of the PMU	Third party evaluation and found non responsive in the given specification	Responded accordingly and satisfied
5	Pragatishil Agriculture Multipurpose Company Limited, Sarlahi; Phone 9854036418 (6 complaints)	Different Dates 2076/1/23 , 1/27, 2/5, 2/10, 2/13 & 2/15	Complaint against the decision of the PMU	Third Party Evaluation and followed the recommendations	Bid cancelled; satisfied
6	ADAPT Nepal, Lalitpur; Phone 01-5261066	076/2/15	Complaint against the decision of the PMU	Verified the claim and found non responsive	Replied accordingly, satisfied
7	ERMC (p) Ltd, Kathmandu;	076/2/27	Complaint against the decision of the PMU	With WB suggestions and advises as per the guidelines reviewed and found responsive	Included in the short list. Satisfied.

### Annex 2.7: Consultants/consulting firm hired by NLSIP

SN	Name of consultant/consulting firm	Purpose	Duration		Remarks
Individual Consultant					
1	Dr. Prabhakar Pathak, PTE (Lead)	Overall facilitation	Nov-18	Dec-22	48 Months
2	Mr. Yograj Pokharel-FMS	FM	Nov-18	Dec-22	Intermittent
3	Er. Satish Chandra Jha, PS	Procurement	Nov-18	Dec-22	48 Months
4	Dr. Kamlesh Trivedi (International)	Breeding	Apr-19	Jul-19	50 PD, Intermittent
5	Dr. Krishna Paudel (National)	Breeding	Apr-19	Jul-19	3 Person Month
6	Dr. M.R. Garg(International)	Nutrition	Apr-19	Jul-19	50 PD, Intermittent
7	DR. Chet Raj Uppretti (National)	Nutrition	Apr-19	Jul-19	3 Person Month
8	Mr. Novikov Andrei (International)	ICT	Apr-19	Jul-19	30 PD, Intermittent
9	Mr. Suresh Basnet (National)	ICT	Apr-19	Jul-19	65 PD, Intermittent
10	Dr. Surya Bahadur Singh (National)	PIM	Nov-18	May-19	
11	Dr. Krishna Paudel (National)	PIM	Nov-18	May-19	
12	Dr. Baikunth Parajuli (National)	PIM	Nov-18	May-19	
13	Dr. Damodar Sedhai(National)	Lab Quality Manual	Apr-19	Jul-19	60 PD, Intermittent
14	Dr. Parshuram Bhusal (National)	Lab Protocol	Apr-19	Jul-19	60 PD, Intermittent
Firms/Consultancy					
15	Apex-Inclusive JV	Engineering Services	Mar-19	Mar-22	36 Months
16	Nepal Veterinary Council	Policy and Acts	Dec-18	Jul-19	
17	Nepal Environment Protection Centre	Assignments with Seven different tasks.	Apr-19	Jul-19	2.4 Months

## Annex 2.8: Progress of Construction Works as of July 16, 2019

Project: Consulting Services for Design, Estimate and Supervision of Civil Works

Contract ID: NP-MOLD-72652-CS-CQS

Consultant: Apex- Inclusive J/V

S. N	Name of Project	Location	Estimated Amount (NPR)	Approval from Local Municipalities (date) Land Acquisition	Name of Contractor	Agreement Date	Total Agreement amount (NPR)	Duration (in months)
1	Construction of Nepal Veterinary Council Building	Tripureshwor, Kathmandu	51,274,834.50	Land within Venterinary Complex	New Draigan Nirman Sewa Pvt. Ltd.	11 July, 2019	34,254,632.47	18
2	Construction of Modern Forage Storage Unit and Forage Seed Processing Unit	Ranjitpur, Sarlahi	31,200,631.46	Land within Seed storage Complex, Sarlahi	E.G. Infra Pvt. Ltd.	14 July, 2019	29,005,134.47	11
3	Construction of Bull Mother Shed	Pokhara, Kaski	9,857,485.48	Land within Livestock Breeding Center Pokhara.	Bright Multi Construction Pvt/. Ltd.		8,902,221.31	11

### Annex 3.1. Summary of Sources and Uses of Funds

Government of Nepal  
Ministry of Agriculture and Livestock Development  
Nepal Livestock Sector Innovation Project  
Fiscal Year: 2018/19 (2075/76)  
IUFR Period: 15 March - 16 July 2019

Budget Head: 3121673/74

Description	Notes to Account	Cumulative upto FY 2017/18 (2074/75)	FY: 2018/19 (2075/76)				Cumulative-to- Date
			1st Trimester	2nd Trimester	3rd Trimester	Year-to-Date	
Approved Budget Allocation:		471,363,000.00	-	-	-	1,140,700,000.00	1,612,063,000.00
A	Opening Cash/Bank Balance:						
	Cash Balance of Previous Trimester	-	-	-	-	-	-
B	Sources of Funds						
	GoN Fund	21,224,233.72	2,323,153.00	10,907,476.59	59,387,093.66	72,617,723.25	93,841,956.97
	GoN Reimbursable Fund	1,902,497.58	1,762,941.20	27,874,393.30	126,499,416.02	156,136,750.52	158,039,248.10
	IDA Credit	5,953,548.94	-	46,993,186.29	140,013,522.99	187,006,709.28	192,960,258.22
	DA Replenishable	45,090,688.70	75,000.00	(45,165,688.70)	10,991,993.52	(34,098,695.18)	10,991,993.52
	MG Recipient Contribution	-	-	-	-	-	-
	Bank Contribution	-	-	-	-	-	-
	Sub Total B: Sources of Funds	74,170,968.94	4,161,094.20	40,609,367.48	336,892,026.19	381,662,487.87	455,833,456.81
	C. Total - Sources of Funds (A + B)	74,170,968.94	4,161,094.20	40,609,367.48	336,892,026.19	381,662,487.87	455,833,456.81
D	Uses of Funds:						

Description	Notes to Account	Cumulative upto FY 2017/18 (2074/75)	FY: 2018/19 (2075/76)				Cumulative-to-Date
			1st Trimester	2nd Trimester	3rd Trimester	Year-to-Date	
Goods & Works	Report 3	51,493,276.33	-	13,957,211.62	233,640,091.72	247,597,303.34	299,090,579.67
Non-consulting & Consultant's Services, Training & Workshops		8,189,579.00	171,500.00	10,789,952.00	70,544,256.20	81,505,708.20	89,695,287.20
Incremental Operating Costs		14,488,113.61	3,989,594.20	15,862,203.86	33,774,157.52	53,625,955.58	68,114,069.19
Matching Grants		-	-	-	-	-	-
MG Recipient Contribution		-	-	-	-	-	-
Bank Contribution		-	-	-	-	-	-
Sub Total D: Uses of Funds		74,170,968.94	4,161,094.20	40,609,367.48	337,958,505.44	382,728,967.12	456,899,936.06
E Closing Balance (Freezed Amount - Deposited to Irregularity Account)		-	-	-	(1,066,479.25)	(1,066,479.25)	(1,066,479.25)
F Grand Total - Uses of Funds (D + E)		74,170,968.94	4,161,094.20	40,609,367.48	336,892,026.19	381,662,487.87	455,833,456.81

Designated (USD) Account Reconciliation Statement:(A/C No:1204659) - IN US DOLLAR								
S. N.	Particulars	Note	Cumulative upto FY 2017/18 (2074/75)	FY 2018/19 (2075/76)				Cumulative to Date
				1st Trimester	2nd Trimester	3rd Trimester	Year to date	
1	1. Opening Cash Balance	Report 2	-	1,587,270.58	1,586,633.53	1,570,581.73	1,587,270.58	-
2	Add : Receipt of Funds		2,100,000.00	-	-	1,731,541.38	1,731,541.38	3,831,541.38
3	Add: Exchange Gain Loss (+ / -)		-				-	-
4	Total Cash Balance (1 + 2 + 3)		2,100,000.00	1,587,270.58	1,586,633.53	3,302,123.11	3,318,811.96	3,831,541.38
5	Less: Refund Back to IDA from DA	Report 2	42,164.86	-	-	-	-	42,164.86
6	Less : Transfer to GON Treasury		470,564.56	637.05	16,051.80	1,302,123.11	1,318,811.96	1,789,376.52

Description	Notes to Account	Cumulative upto FY 2017/18 (2074/75)	FY: 2018/19 (2075/76)				Cumulative-to-Date
			1st Trimester	2nd Trimester	3rd Trimester	Year-to-Date	
7	Less Direct Payment from Designated Account	-	-	-	53,140.16	53,140.16	53,140.16
8	Closing DA Balance at the End of the Reporting Period (4 - 5 - 6 - 7)	1,587,270.58	1,586,633.53	1,570,581.73	1,946,859.84	1,946,859.84	1,946,859.84

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 (Surya P. Aryal)  
 Under Secretary - Accounts

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 (Dr. Dilli Ram Sedai)  
 Project Director

## Annex 3.2: GoN Fund, GoN Reimbursable Fund & DA Replenishable Fund

Government of Nepal  
Ministry of Agriculture and Livestock Development  
Nepal Livestock Sector Innovation Project  
As of 3rd Trimester - 2018/19 (2075/76)  
IUFR Period: 15 March - 16 July 2019

Budget Head: 3121673/74

IDA Credit: 61490

In "NPR"

Particulars	Reference	Cumulative Upto Fy 2017/18 (2074/75)	Fy 2018/19 (2075/76)				Cumulative To Date
			1st Trimester	2nd Trimester	3rd Trimester	Year to Date	
1.1. GON Fund							
A	GON Fund Released	23,051,731.31	2,323,153.00	10,907,476.59	59,602,344.15	72,832,973.74	95,884,705.05
B	Add: Source to be changed from IDA to GoN	-	-	-	-	-	-
C	Less: Source to be changed from GoN to IDA	1,827,497.59	-	-	-	-	1,827,497.59
D	Less: Freeze / Unspent Amount	-	-	-	215,250.49	215,250.49	215,250.49
1.1. Net GoN Fund (A+B-C-D)		21,224,233.72	2,323,153.00	10,907,476.59	59,387,093.66	72,617,723.25	93,841,956.97
1.2. Reimbursable Fund (IDA)							
A	GON Reimbursable fund Release (IDA Source)	51,119,237.63	1,837,941.20	29,701,890.89	272,526,461.78	304,066,293.87	355,185,531.50
B	Add: Source to be changed from GoN to IDA	1,827,497.59	-	-	-	-	1,827,497.59
C	Less: Source to be changed from IDA to GoN	-	-	-	-	-	-
D	Less: Transferred to GoN Treasury from DA	Report 2	51,044,237.64	75,000.00	1,827,497.59	145,175,817.00	198,122,552.23
E	Less: Direct Reimbursement to GoN Treasury from IDA	-	-	-	-	-	-
F	Less: Freeze / Unspent Amount	-	-	-	851,228.76	851,228.76	851,228.76
1.2. Net GON Reimbursable (IDA) (A-B-C-D-E-F)		1,902,497.58	1,762,941.20	27,874,393.30	126,499,416.02	156,136,750.52	158,039,248.11
1.3. Total Fund (1.1. + 1.2.)		23,126,731.30	4,086,094.20	38,781,869.89	185,886,509.68	228,754,473.77	251,881,205.08

Particulars	Referenc	Cumulative Upto Fy 2017/18 (2074/75)	Fy 2018/19 (2075/76)				Cumulative To Date
			1st Trimester	2nd Trimester	3rd Trimester	Year to Date	

Particulars		Cumulative upto FY 2017/18 (2074/75)	FY 2018/19 (2075/76)				Cumulative to Date	
			1st Trimester	2nd Trimester	3rd Trimester	Year to Date		
1.4. DA Replenishable								
1	Transfer to GoN Treasury Account from DA	Report 2	51,044,237.64	75,000.00	1,827,497.59	145,175,817.00	147,078,314.59	198,122,552.23
2	Direct Payment from DA	Report 2	-	-	-	5,829,699.51	5,829,699.51	5,829,699.51
A	Total payment from DA (1+2)		51,044,237.64	75,000.00	1,827,497.59	151,005,516.51	152,908,014.10	203,952,251.74
B	DA Replenished / Liquidation (Documented)	Note 2	5,953,548.94	-	46,993,186.29	140,013,522.99	187,006,709.28	192,960,258.22
1.4. Net IDA Replenishable (A-B)			45,090,688.70	75,000.00	(45,165,688.70)	10,991,993.52	(34,098,695.18)	10,991,993.52

Particulars		Cumulative upto FY 2017/18 (2074/75)	FY 2018/19 (2075/76)				Cumulative to Date	
			1st Trimester	2nd Trimester	3rd Trimester	Year to Date		
1.5. IDA Credit (Documented from IDA)								
A	Documented from IDA (DA Liquidation)	Note 6	5,953,548.94	-	46,993,186.29	140,013,522.99	187,006,709.28	192,960,258.22
B	Documented from IDA (Direct Reimbursement))		-	-	-	-	-	-
1.5. Total IDA Credit			5,953,548.94	-	46,993,186.29	140,013,522.99	187,006,709.28	192,960,258.22

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(Surya P. Aryal)  
Under Secretary - Accounts

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(Dr. Dilli Ram Sedai)  
Project Director

### Annex 3.3: Designated Account Reconciliation Statement & Cash Projection

Government of Nepal

Ministry of Agriculture and Livestock Development

Nepal Livestock Sector Innovation Project

US Dollar A/C No: 1204659

FY 2018/19 (2075/76)

IUFR Period: 15 March - 16 July 2019

Budget Head: 3121673/74

IDA Credit: 61490

In "NPR"

S.N	Particulars	Cumulative upto FY 2017/18 (2074/75)	FY 2018/19 (2075/76)				Cumulative to Date	Remarks
			1st Trimester	2nd Trimester	3rd Trimester	Year to date		
Amount in NPR								
1	Opening Cash Balance	-	173,552,165.22	182,272,459.93	174,271,748.76	173,552,165.22	-	
2	Add : Receipt of Fund	227,190,000.00	-	-	192,132,704.82	192,132,704.82	419,322,704.82	
3	Add: Exchange Gain / Loss (+ / -)	1,721,976.28	8,795,294.71	(6,173,213.58)	(2,490,344.97)	131,736.17	1,853,712.45	
4	Total Cash Balance (1 + 2 + 3)	228,911,976.28	182,347,459.93	176,099,246.35	363,914,108.61	365,816,606.20	421,176,417.27	
5	Less: Refund Back to IDA from DA	4,315,573.42	-	-	-	-	4,315,573.42	
6	Less : Transfer to GON Treasury	51,044,237.64	75,000.00	1,827,497.59	145,175,817.00	147,078,314.59	198,122,552.23	
7	Less: Direct Payment from DA	-	-	-	5,829,699.51	5,829,699.51	5,829,699.51	
8	Closing DA Balance at the End of the Reporting Period (4 - 5 - 6 - 7)	173,552,165.22	182,272,459.93	174,271,748.76	212,908,592.10	212,908,592.10	212,908,592.11	

Amount in USD								
S.N.	Particulars	Cumulative upto FY 2017/18 (2074/75)	FY 2018/19 (2075/76)				Cumulative to Date	Remarks
			1st Trimester	2nd Trimester	3rd Trimester	Year to date		
1	1. Opening Cash Balance	-	1,587,270.58	1,586,633.53	1,570,581.73	1,587,270.58	-	
2	Add : Receipt of Funds	2,100,000.00	-	-	1,731,541.38	1,731,541.38	3,831,541.38	
3	Add: Exchange Gain Loss (+ / -)	-	-	-	-	-	-	
4	Total Cash Balance (1 + 2 + 3)	2,100,000.00	1,587,270.58	1,586,633.53	3,302,123.11	3,318,811.96	3,831,541.38	
5	Less: Refund Back to IDA from DA	42,164.86	-	-	-	-	42,164.86	
6	Less : Transfer to GON Treasury	470,564.56	637.05	16,051.80	1,302,123.11	1,318,811.96	1,789,376.52	
7	Less Direct Payment from Designated Account	-	-	-	53,140.16	53,140.16	53,140.16	
8	Closing DA Balance at the End of the Reporting Period (4 - 5 - 6 - 7)	1,587,270.58	1,586,633.53	1,570,581.73	1,946,859.84	1,946,859.84	1,946,859.84	

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 (Surya P. Aryal)  
 Under Secretary - Accounts

.....  
 (Dr. Dilli Ram Sedai)  
 Project Director

### Annex 3.4: Statement of Expenditure

Government of Nepal  
Ministry of Agriculture and Livestock Development  
Nepal Livestock Sector Innovation Project  
Statement of Expenditure  
As of 3rd Trimester - 2018/19 (2075/76)  
IUFR Period: 15 March - 16 July 2019

Budget Head: 3121673/74

IDA Credit: 61490  
In "Thousand NPR"

Budget Item No.	IDA Cat. No.	Description	Total Project Cost (NPR)	Cumulative Expenditure upto FY 2017/18 (2074/75)			Annual Budget Allocation	Expenditure- 2018/19												% Exp.	Balance Budget		Cumulative Expenditure to Date			
								1st Trimester			2nd Trimester			3rd Trimester			Year-to-Date									
				GoN	IDA	Total		GoN	IDA	Total	GoN	IDA	Total	GoN	IDA	Total	GoN	IDA	Total		Total	%	GoN	IDA	Total	
A. Category 1: Goods and Works																										
22521	1	Production Materials / Services		0	0	0	54,500	0	0	0	16	89	104	244	1,383	1,627	260	1,472	1,731	0	52,769	0	260	1,472	1,731	
22522		Program Expenses		0	0	0	48,800	0	0	0	600	3,400	4,000	5,318	30,361	35,679	5,918	33,761	39,679	0	9,121	0	5,918	33,761	39,679	
29221		Building Construction		0	0	0	483,488	0	0	0	0	0	0	9,196	52,113	61,309	9,196	52,113	61,309	0	422,179	0	9,196	52,113	61,309	
29231		Capital Improvement - Building		0	0	0	1,100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,100	0	0	0	0
29311		Furniture & Fixtures		1,947	1,795	3,742	7,500	0	0	0	495	2,805	3,300	563	2,356	2,919	1,058	5,161	6,219	0	1,281	0	3,005	6,956	9,961	
29411		Vehicles		2,825	40,483	43,308	87,100	0	0	0	836	4,735	5,570	7,551	42,791	50,342	8,387	47,525	55,912	0	31,188	0	11,212	88,008	99,220	
29511		Plants & Machinery		3,419	1,024	4,443	175,840	0	0	0	147	836	983	12,265	69,499	81,764	12,412	70,335	82,747	0	93,093	0	15,831	71,359	87,190	
29712		Software Development and Purchase		0	0	0	30,300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	30,300	0	0	0	0
Sub Total A: Category 1			-	8,191	43,302	51,493	888,628	0	0	0	2,094	11,864	13,957	35,137	198,503	233,640	37,230	210,367	247,597	0	641,031	0	45,422	253,669	299,091	
B. Category 2: Non-Consulting and Consultants' Services, Training & Workshops																										
22411	2	Services & Consultancy Expenses		3,605	2,871	6,476	119,100	172	0	172	452	3,533	3,985	6,509	36,891	43,400	7,132	40,424	47,556	0	71,544	0	10,738	43,295	54,033	
22512		Skill Development & Training		1,507	207	1,713	13,200	0	0	0	804	4,558	5,363	903	5,118	6,020	1,707	9,676	11,383	0	1,817	0	3,214	9,882	13,096	
22522		Program Expenses		0	0	0	8,125	0	0	0	0	0	0	913	5,174	6,087	913	5,174	6,087	0	2,038	0	913	5,174	6,087	
27211		Scholarship		0	0	0	8,710	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,710	0	0	0	0

26413		Conditional Recurrent Grants		0	0	0	24,500				216	1,226	1,442	2,256	12,782	15,037	2,472	14,008	16,480	0	8,020	0	2,472	14,008	16,480	
Sub Total B: Category 2			-	5,112	3,078	8,190	173,635	172	0	172	1,473	9,317	10,790	10,580	59,964	70,544	12,225	69,281	81,506	0	92,129	0	17,336	72,359	89,695	
C. Category 3: Incremental Operating Costs																										
21111	3	Salary		1,000	0	1,000	18,100	822	0	822	4,184	0	4,184	4,823	0	4,823	9,828	0	9,828	0	8,272	0	10,828	0	10,828	
21113		Dearness Allowance		31	0	31	546	40	0	40	232	0	232	272	0	272	544	0	544	0	2	0	575	0	575	
21119		Other Allowance		204	0	204	950	0	0	0	187	0	187	110	0	110	297	0	297	0	653	0	501	0	501	
21121		Uniform		23	0	23	310	0	0	0	0	0	0	295	0	295	295	0	295	0	16	0	317	0	317	
22111		Water & Electricity		19	0	19	1,000	7	20	27	38	96	134	107	238	345	152	354	506	0	494	0	171	354	525	
22112		Communication		437	0	437	1,000	27	66	93	91	237	329	88	230	318	206	533	740	0	260	0	644	533	1,177	
22121		House Rent		1,035	115	1,150	2,400	0	0	0	34	88	122	538	1,402	1,940	572	1,490	2,062	0	338	0	1,607	1,605	3,212	
22122		Other Rent		608	850	1,458	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	608	850	1,458	
22211		Fuel		594	0	594	3,300	162	241	403	169	610	780	471	1,210	1,681	803	2,062	2,865	0	435	0	1,397	2,062	3,459	
22212		Operation & Maintenance		449	0	449	1,900	92	4	96	160	643	803	249	642	891	501	1,290	1,790	0	110	0	950	1,290	2,239	
22213		Insurance		47	0	47	600	0	0	0	3	7	9	117	302	419	120	308	428	0	172	0	167	308	476	
22311		Office Materials		1,145	938	2,084	7,200	534	77	611	575	2,775	3,350	890	2,287	3,178	1,999	5,139	7,138	0	62	0	3,145	6,077	9,222	
22313		Books & Materials		20	0	20	300	14	5	19	-6	13	7	32	81	113	39	99	138	0	162	0	59	99	158	
22314		Fuel for Other Use		18	0	18	400	5	0	5	5	25	30	32	83	115	42	108	150	0	250	0	60	108	167	
22321		Repair & Maintenance of Public Property		150	0	150	1,000	0	0	0	265	682	948	2	5	7	267	688	955	0	45	0	417	688	1,105	
22412		Other Services		1,869	0	1,869	6,400	253	650	903	432	1,112	1,545	827	2,111	2,938	1,512	3,874	5,386	0	1,014	0	3,381	3,874	7,255	
22522		Program Expenses		664	239	903	21,675	52	400	452	350	635	985	3,900	8,375	12,275	4,303	9,410	13,712	0	7,963	0	4,967	9,649	14,616	
22611	Monitoring & Evaluation		365	110	476	5,840	116	229	346	451	1,229	1,680	933	2,399	3,332	1,500	3,857	5,357	0	483	0	1,865	3,967	5,832		
22612	Travelling Expenses		806	2,360	3,166	1,500	0	0	0	48	124	172	56	143	199	104	267	371	0	1,129	0	910	2,627	3,537		
22711	Miscellaneous		265	126	391	1,100	29	145	174	123	246	368	141	380	521	293	771	1,064	0	36	0	558	896	1,455		
Sub Total: Category 3			-	9,749	4,739	14,488	75,521	2,152	1,838	3,990	7,341	8,521	15,862	13,885	19,889	33,774	23,378	30,248	53,626	0	21,895	0	33,127	34,987	68,114	
D. Category 4: Matching Grants																										
26413	4	Conditional Recurrent Grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub Total: Category 4			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
E. MG Recipient & Bank's Contribution																										
26413	4	MG Recipient		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	

		Contribution																							
26413		Bank Contribution																							
		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub Total: MG Recipient & Bank's Contribution		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C+D+E) Including GR & Bank's Contribution		0	23,052	51,119	74,171	1,137,784	2,323	1,838	4,161	10,907	29,702	40,609	59,602	278,356	337,959	72,833	309,896	382,729	0	755,055	0	95,885	361,015	456,900	
Grand Total (A+B+C+D) Excluding GR & Bank's Contribution		0	23,052	51,119	74,171	1,137,784	2,323	1,838	4,161	10,907	29,702	40,609	59,602	278,356	337,959	72,833	309,896	382,729	0	755,055	0	95,885	361,015	456,900	

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 (Surya P. Aryal)  
 Under Secretary - Accounts

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 (Dr. Dilli Ram Sedai)  
 Project Director

## Annex 3.5: Disbursement Report

Government of Nepal  
 Ministry of Agriculture and Livestock Development  
 Nepal Livestock Sector Innovation Project  
 Disbursement Report  
 FY 2018/19 (2075/76)  
 IUFR Period: 15 March - 16 July 2019

IDA Credit: 61490

In "NPR"

Particulars		WAP No.	Value Date	Advance Received	Documented				Grand Total
					Category 1	Category 2	Category 3	Category 4	
A. Cumulative as of Last FY 2017/18				227,190,000.00	2,818,921.82	2,871,080.00	263,547.12	-	5,953,548.94
B. Current Fiscal Year 2018/19 (2075/76)									
1	1st Trimester			-	-	-	-	-	-
2	2nd Trimester	0002	14-Mar-19	-	38,862,203.15	1,456,249.75	6,674,733.39	-	46,993,186.29
3	3rd Trimester	0003	15-May-19	-	11,863,629.88	3,533,043.70	10,358,968.01	-	25,755,641.59
		0004	21-May-19	-	105,049,634.67	4,921,629.70	4,286,617.03		114,257,881.40
		Sub Total		-	116,913,264.55	8,454,673.40	14,645,585.04	-	140,013,522.99

Particulars	WAP No.	Value Date	Advance Received	Documented				
				Category 1	Category 2	Category 3	Category 4	Grand Total
Total: B - FY 2018/19			-	155,775,467.70	9,910,923.15	21,320,318.43	-	187,006,709.28
C. Cumulative as of Reporting Period (A + B)			227,190,000.00	158,594,389.52	12,782,003.15	21,583,865.55	-	192,960,258.22

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 (Surya P. Aryal)  
 Under Secretary - Accounts

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 (Dr. Dilli Ram Sedai)  
 Project Director

### Annex 3.6: Statement of Expenditure

Government of Nepal

Ministry of Agriculture and Livestock Development

Nepal Livestock Sector Innovation Project

Statement of Expenditure

As of 3rd Trimester - 2018/19 (2075/76)

IUFR Period: 15 March - 16 July 2019

Budget Item No.	IDA Cat. No.	Description	Annual Budget			Virement (+ / -)			Adjusted Budget			Expenditure- 2018/19												% Exp.	Balance Budget				
			GoN	IDA	Total	GoN	IDA	Total	GoN	IDA	Total	1st Trimester			2nd Trimester			3rd Trimester			Year-to-Date				GoN	IDA	Total	%	
												GoN	IDA	Total	GoN	IDA	Total	GoN	IDA	Total	GoN	IDA	Total						GoN
A. Category 1: Goods and Works																													
22521	1	Production Materials / Services	8,200	46,300	54,500	0	0	0	8,200	46,300	54,500	0	0	0	16	89	104	244	1,383	1,627	260	1,472	1,731	0	7,940	44,828	52,769	96.82	
22522		Program Expenses	4,812	43,988	48,800	0	0	0	4,812	43,988	48,800	0	0	0	600	3,400	4,000	5,318	30,361	35,679	5,918	33,761	39,679	0	-1,106	10,227	9,121	18.69	
29221		Building Construction	68,000	385,500	453,500	1,952	28,036	29,988	69,952	413,536	483,488	0	0	0	0	0	0	9,196	52,113	61,309	9,196	52,113	61,309	0	60,756	361,423	422,179	87.32	
29231		Capital Improvement - Building	200	900	1,100	0	0	0	200	900	1,100	0	0	0	0	0	0	0	0	0	0	0	0	0	0	200	900	1,100	100.00
29311		Furniture & Fixtures	1,100	6,400	7,500	0	0	0	1,100	6,400	7,500	0	0	0	495	2,805	3,300	563	2,356	2,919	1,058	5,161	6,219	0	42	1,239	1,281	17.08	
29411		Vehicles	13,100	74,000	87,100	0	0	0	13,100	74,000	87,100	0	0	0	836	4,735	5,570	7,551	42,791	50,342	8,387	47,525	55,912	0	4,713	26,475	31,188	35.81	
29511		Plants & Machinery	31,300	177,500	208,800	-4,924	-28,036	-32,960	26,376	149,464	175,840	0	0	0	147	836	983	12,265	69,499	81,764	12,412	70,335	82,747	0	13,964	79,129	93,093	52.94	
29712		Software Development and Purchase	4,500	25,800	30,300	0	0	0	4,500	25,800	30,300	0	0	0	0	0	0	0	0	0	0	0	0	0	0	4,500	25,800	30,300	100.00
Sub Total A: Category 1			131,212	760,388	891,600	-2,972	0	-2,972	128,240	760,388	888,628	0	0	0	2,094	11,864	13,957	35,137	198,503	233,640	37,230	210,367	247,597	0	91,010	550,021	641,031	72.14	
B. Category 2: Non-Consulting and Consultants' Services, Training & Workshops																													
22411	2	Services & Consultancy Expenses	17,900	101,200	119,100	0	0	0	17,900	101,200	119,100	172	0	172	452	3,533	3,985	6,509	36,891	43,400	7,132	40,424	47,556	0	10,768	60,776	71,544	60.07	
22512		Skill Development & Training	2,000	11,200	13,200	0	0	0	2,000	11,200	13,200	0	0	0	804	4,558	5,363	903	5,118	6,020	1,707	9,676	11,383	0	293	1,524	1,817	13.77	

Budget Item No.	IDA Cat. No.	Description	Annual Budget			Virement (+ / -)			Adjusted Budget			Expenditure- 2018/19												% Exp.	Balance Budget			
			GoN	IDA	Total	GoN	IDA	Total	GoN	IDA	Total	1st Trimester			2nd Trimester			3rd Trimester			Year-to-Date				GoN	IDA	Total	%
												GoN	IDA	Total	GoN	IDA	Total	GoN	IDA	Total	GoN	IDA	Total					
22522		Program Expenses	1,219	6,906	8,125	0	0	0	1,219	6,906	8,125	0	0	0	0	0	0	913	5,174	6,087	913	5,174	6,087	0	306	1,732	2,038	25.09
27211		Scholarship	1,400	8,200	9,600	-890	0	-890	510	8,200	8,710	0	0	0	0	0	0	0	0	0	0	0	0	0	510	8,200	8,710	100.00
26413		Conditional Recurrent Grants	3,700	20,800	24,500				3,700	20,800	24,500				216	1,226	1,442	2,256	12,782	15,037	2,472	14,008	16,480	0	1,228	6,792	8,020	32.74
Sub Total B: Category 2			26,219	148,306	174,525	-890	0	-890	25,329	148,306	173,635	172	0	172	1,473	9,317	10,790	10,580	59,964	70,544	12,225	69,281	81,506	0	13,104	79,025	92,129	53.06

C. Category 3: Incremental Operating Costs

21111	3	Salary	18,100	0	18,100	0	0	0	18,100	0	18,100	822	0	822	4,184	0	4,184	4,823	0	4,823	9,828	0	9,828	0	8,272	0	8,272	45.70
21113		Dearness Allowance	500	0	500	46	0	46	546	0	546	40	0	40	232	0	232	272	0	272	544	0	544	0	2	0	2	0.37
21119		Other Allowance	200	600	800	150	0	150	350	600	950	0	0	0	187	0	187	110	0	110	297	0	297	0	53	600	653	68.74
21121		Uniform	300	0	300	10	0	10	310	0	310	0	0	0	0	0	0	295	0	295	295	0	295	0	16	0	16	5.00
22111		Water & Electricity	300	700	1,000	0	0	0	300	700	1,000	7	20	27	38	96	134	107	238	345	152	354	506	0	148	346	494	49.38
22112		Communication	300	700	1,000	0	0	0	300	700	1,000	27	66	93	91	237	329	88	230	318	206	533	740	0	94	167	260	26.03
22121		House Rent	700	1,700	2,400	0	0	0	700	1,700	2,400	0	0	0	34	88	122	538	1,402	1,940	572	1,490	2,062	0	128	210	338	14.06
22122		Other Rent	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22211		Fuel	900	2,400	3,300	0	0	0	900	2,400	3,300	162	241	403	169	610	780	471	1,210	1,681	803	2,062	2,865	0	97	338	435	13.20
22212		Operation & Maintenance	500	1,400	1,900	0	0	0	500	1,400	1,900	92	4	96	160	643	803	249	642	891	501	1,290	1,790	0	-1	110	110	5.78
22213		Insurance	200	400	600	0	0	0	200	400	600	0	0	0	3	7	9	117	302	419	120	308	428	0	80	92	172	28.63
22311		Office Materials	2,000	5,200	7,200	0	0	0	2,000	5,200	7,200	534	77	611	575	2,775	3,350	890	2,287	3,178	1,999	5,139	7,138	0	1	61	62	0.86
22313		Books & Materials	100	200	300	0	0	0	100	200	300	14	5	19	-6	13	7	32	81	113	39	99	138	0	61	101	162	53.95
22314		Fuel for Other Use	100	300	400	0	0	0	100	300	400	5	0	5	5	25	30	32	83	115	42	108	150	0	58	192	250	62.53
22321	Repair & Maintenance of	300	700	1,000	0	0	0	300	700	1,000	0	0	0	265	682	948	2	5	7	267	688	955	0	33	12	45	4.51	



### Annex 3.7: Statement of Budget Release as per FCGO Record

Government of Nepal  
Ministry of Agriculture and Livestock Development  
Nepal Livestock Sector Innovation Project  
Statement of Budget Release as per FCGO Record  
FY 2018/19 (2075/76)  
IUFR Period: 15 March - 16 July 2019

Budget Head: 3121673/74

IDA Credit: 61490

In NPR

S. N.	Budget Head	Source	Approved Annual Budget	Virement (+/-)	Adjusted Budget	Released Amount NPR					Balance Budget	
						1 <sup>st</sup> Trimester	2 <sup>nd</sup> Trimester	3 <sup>rd</sup> Trimester	Year-to-Date	%	Amount	%
1	3121673	GON	68,087,750.00	-	-	2,323,153.00	9,429,516.90	30,027,362.39	41,780,032.28	61.36	26,307,717.72	38.64
2	3121673	IDA Reimbursable (Loan)	227,012,250.00	-	-	1,837,941.20	21,326,785.96	105,767,608.68	128,932,335.85	56.80	98,079,914.15	Annex 3.7
3	3121673	IDA Direct Payment (Loan)	8,500,000.00	-	-	-	-	5,829,699.51	5,829,699.51	68.58	2,670,300.49	31.42
Subtotal			303,600,000.00	-	-	4,161,094.20	30,756,302.86	141,624,670.58	176,542,067.64	58.15	127,057,932.36	41.85
4	3121674	GON	123,012,250.00	-	-	-	1,477,959.69	29,574,981.76	31,052,941.46	25.24	91,959,308.54	74.76
5	3121674	IDA Reimbursable (Loan)	714,087,750.00	-	-	-	8,375,104.93	166,758,853.10	175,133,958.02	24.53	538,953,791.98	75.47
6	3121674	IDA Direct Payment (Loan)	-	-	-	-	-	-	-	-	-	-

NLSIP ANNUAL PROGRESS REPORT

Subtotal		837,100,000.00	-	-	-	9,853,064.62	196,333,834.86	206,186,899.48	24.63	630,913,100.52	75.37
Grand Total (Budgetary Contribution)		1,140,700,000.00	-	-	4,161,094.20	40,609,367.48	337,958,505.44	382,728,967.12	33.55	757,971,032.88	66.45
7	MG Recipient Contribution	-	-	-	-	-	-	-	-	-	-
8	Bank Contribution	-	-	-	-	-	-	-	-	-	-
Total (Beneficiary and FIS Contribution)		-	-	-	-	-	-	-	-	-	-
Grand Total (Including Budgetary, Beneficiary & Bank Contribution)		1,140,700,000.00	-	-	4,161,094.20	40,609,367.48	337,958,505.44	382,728,967.12	33.55	757,971,032.88	66.45

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 (Surya P. Aryal)  
 Under Secretary - Accounts

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 (Dr. Dilli Ram Sedai)  
 Project Director

### Annex 3.8: Details of Disbursement of Prior Review Contracts

Government of Nepal

Ministry of Agriculture and Livestock Development

Nepal Livestock Sector Innovation Project

Details of Disbursement of Prior Review Contracts

FY 2018/19 (2075/76)

IUFR Period: 15 March - 16 July 2019

SAP Number	Contract Number	Supplier	Contract Date	Contract Amount	Date of WB's No Objection to Contract	Payment Type	Amount Paid to Supplier During Reporting Period	WB's Share of Amt Paid to Supplier during Period	Payment Date	Remarks
1570675	NP-MOLD-50334-CS-Indv.	Satish Chandra Jha - Procurement Specialist	22-Nov-18	9,330,000.00	22-Nov-18	Local Currency (LC) - March - April - May - June - July 2019				
						Invoice Amount	676,161.40	574,737.19	3 June, 4 July & 15 July 2019	
						Add: TDS & other Taxes	119,322.60	101,424.21		
						Add: Advance	-	-		
Total Invoice Amount	795,484.00	676,161.40								

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 (Surya P. Aryal)  
 Under Secretary - Accounts

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 (Dr. Dilli Ram Sedai)  
 Project Director

### Annex 4.1: NLSIP Activity Wise Procurement Status FY 2018/19

Government of Nepal

Ministry of Agriculture and Livestock Development

Nepal Livestock Sector Innovation Project

NLSIP Activity Wise Procurement Status FY 2018/19

SN	Goods/ Works/ Consultacy	Activity	Method of Procurement	Tender Amount	Agreement Amount	Status of Procurement	Expenditure in FY 2018/19
1	Goods	Procurement of Vehicles (Double Cab Pick-ups- 15)	RFB	51,227,786.11	46,341,000.00	Completed	46,341,000.00
2		Procurement of FMD Vaccine	RFB	32,999,550.00	22,944,393.00	Completed	22,944,393.00
3		Procurement of two-wheelers Slice 1- Motorcycle (17 numbers) Slice 2- Scooters (7 numbers)	RFB	5,305,214.20	4,000,800.00	Completed	4,000,800.00
4		Procurement of Semen straw sealing, filing and printing machine for Animal Breeding Office, Lahan	RFB	14,999,821.00	14,633,500.00	Completed	14,633,500.00
5		Procurement of automatic vaccinators and vaccine boxes.	RFB	13,491,000.00	10,519,057.00	Completed	10,519,057.00
6		Procurement of ear tags, applicators, pins etc. for animal identification system	RFB	14,999,700.00	9,861,679.50	Completed	9,861,679.50

7	Procurement of equipment for field Artificial Insemination centers and technicians: Slice 1: Liquid nitrogen containers, Referees, etc. Slice 2: Guns, Sheaths, Gloves, Accessories, etc	RFB	60,716,310.00	41,171,725.00	Completed	41,171,725.00
8	Automatic bacteria identification	RFB	5,184,296.00	3,558,370.00	Completed	3,558,370.00
9	Procurement of sexed semen	RFB	8,847,286.73		Cancelled	
10	Procurement of Equipment for National Vaccine Production Laboratory Equipment	RFB	41,798,438.97	-	Cancelled	
11	Procurement of Desktop computer, Laptop, Printer and Photocopy	RFB	4,848,980.00	3,703,010.00	Completed	3,703,010.00
12	Procurement of consumables for vaccine production	Direct	1,700,000.00	1,627,200.00	Completed	1,627,200.00
13	Procurement of Hard Top Jeep for NVC	Direct	5,989,000.00	5,570,000.00	Completed	5,570,000.00
14	Procurement of computer, printer and photocopy machine	RFQ-Limited	1,068,763.04	983,100.00	Completed	983,100.00
15	Procurement of consumables for PCR	RFQ-Limited	1,497,402.55	1,436,493.86	Completed	1,436,493.86
16	Procurement of furniture and	RFQ-Open	1,692,733.32	709,075.00	Completed	709,075.00

		Fixtures.					
	Total of Goods			266,366,281.92	167,059,403.36		167,059,403.36
17	Works	Bull mother shed	RFB	9,800,000.00	8,902,221.32	Agreement Signed	0
18		Construction of service centre	RFB	194,830,396.19		Under Evaluation	0
19		Construction of Veterinary Council	RFB	51,200,000.00	34,254,632.47	Agreement Signed	3,000,000.00
20		Seed Processing Unit	RFB	31,200,631.46	29,005,134.47	Agreement Signed	2,560,000.00
21		FMD TADs	RFB	137,700,000.00	-	Cancelled	
22		<i>Payment to Livestock Market, Damak</i>				Completed	43,700,000.00
	Total of works			424,731,027.65	72,161,988.26		49,260,000.00
23	Consulting Services	TA for preparing Guidelines	CQS	16,800,840.00	16,562,692.50	Completed	16,313,037.83
24		Engineering Services	CQS	32,865,000.00	32,105,560.00	Ongoing	7,394,569.00
25		Preparing Acts and Regulation by NVC	Direct	3,300,000.00	4,500,000.00	Completed	3,223,640.00
26		PTE, FMS and PS	INDV	13,898,800.00	13,898,800.00	Ongoing	4,326,765.00
27		Breeding Assessment	INDV	5,790,730.00	5,173,000.00	Completed	4,421,483.85
28		Nutrition assessment	INDV	5,790,730.00	4,957,000.00	Completed	4,446,006.50
29		ICT Strategy	INDV	3,958,735.00	3,094,500.00	Completed	2,614,812.64
30		Lab SOP	INDV	924,000.00	924,000.00	Completed	868,965.00
31		PIM update	INDV	2,900,000.00	2,858,300.00	Completed	2,665,000.00
32		Laboratory quality manual	INDV	1,179,000.00	1,179,000.00	Completed	1,064,485.00

33		Technical Assistance	QCBS	218,069,160.00	-	RFP issued	0
34		Capacity need assessment	CQS	7,995,880.00	-	EoI Evaluation	0
	Total of Consultancy service			313,472,875.00	85,252,852.50		47,338,764.82
		Grand Total		1,004,570,184.57	324,474,244.12		263,658,168.18

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 (Surya P. Aryal)  
 Under Secretary - Accounts

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 (Dr. Dilli Ram Sedai)  
 Project Director

## **Annex 5 (a): GESI Action Plan**

### 1. Overview of Gender issues in development sector

In Nepal, institutional and structural barriers exist to exclude women from playing a meaningful and equitable role in society. For example, women are subjected to the dominance of patriarchal values including, in practice, the denial of rights to landed property, despite the Constitution and law gave women equal rights over ancestral property. In reality, the property is inherited to men in particular land, house and other assets. This limits woman in accessing loans from formal banking institutions by putting the assets as collateral. Division of labor by gender within households is also inequitable as women shoulder more responsibility than men, particularly regarding household chores including farm activities. Likewise, traditionally, participation, control and mobilization of public activities falls within the domain of men and thus minimize the mobility of women to participate in community meetings, capacity-building exercises and other opportunities provided by development organizations, including those offered by the project that they are associated with.

Applying a “gender lens” to identify and address women’s and men’s different needs and constraints related to relevant livestock production systems and value chains is important for determining the most optimal outcomes as well as the most effective use of resources.

### 2. Livestock sector specific gender issues:

The livestock sector has a strong gender dimension in that women contribute some 70 percent of the livestock farming work but usually have no significant role in livestock marketing and finance. Gender balance is therefore a critical issue which should be addressed in the National Livestock Policy. Migration of men from rural areas has resulted in growing feminization of rural households, which increases the burden to women who also face vulnerability due to lack of access to financial and educational resources and restriction on their social roles and mobility.

### 3. Access to and control of livestock and other assets:

Controlling assets such as land, water, livestock, and agricultural implements has a direct impact on whether men, women, boys, and girls can forge life-enhancing livelihood strategies. Because of several factors that relate particularly to a lack of human capital (for example, knowledge, capacity, political commitment) and financial capital (for example, lack of funds, decentralization constraints), many countries including Nepal still face challenges in translating legislation related to women’s access to and control of resources into action at the community and household levels. This impacts women’s capacity to control and benefit from livestock.

### 4. Roles, responsibilities, and decision making:

In general, women, men, boys, and girls provide labor for different livestock-related tasks. However, gendered roles are not set in stone and are open to change for different social, economic, environmental, and health-related reasons. Although differences, of course, exist within and between different livestock production systems and across regions, women are almost universally recognized for their role as the main actors in poultry, and micro-livestock production as well as dairying, including the processing and marketing of milk and milk products. In Nepal, rural women’s dominant role in livestock activities is so far limited to livestock rearing, including fodder/ forage collection,

feeding, herding, breeding and animal-health care. Women are largely denied any role in and access to economic returns from the livestock. Instead, men in the family solely handle the sales of livestock outputs including milk, wool, manure, and the livestock themselves and hold the proceeds.

#### 5. Restructuring livestock sector:

As services are increasingly privatized, women face disproportionate challenges compared to men in accessing livestock services and information for reasons mentioned above. Women's poor access to assets, markets, services, technologies, information, and credit decreases their ability to improve productivity and benefit from a growing livestock sector.

#### 6. Gender aspects in livestock projects:

Livestock projects are mainly oriented towards production issues such as breeding, feeding and animal health. More attention is needed to incorporate women farmers into project design to guarantee women's active participation and involvement in the different project phases and activities.

#### 7. Gender Action Plan

Nepal has been moving towards feminization of agriculture with men migrating to urban areas and abroad in search of more remunerative employment opportunities. The proportion of labor force in the agriculture sector fell from 76 percent in 1998/99 to 74 percent in 2008, and women workers occupied a majority (84 percent) of that share (Central Bureau of Statistics 2011). However, women continue to face extremely low gains when it comes to ownership over assets, access to resources, ability to take part in decision-making processes in development initiatives, benefit from capacity building, and economic gains. To ensure gender equity and citizen engagement, the project will make a conscious effort to allow women and beneficiaries to participate in all aspects of the project cycle, from planning and implementation to monitoring the results.

Under the scope of this project women will constitute at least 45 percent of the 200,000 livestock producers as the primary beneficiaries<sup>6</sup>. Given that a bulk of the agricultural operations is being carried out by women and their engagement is increasing with the migration of males in search of employment opportunities outside of their homes, the proposed project will ensure greater engagement of women in decision making in all planning and implementation of project activities. Effort will be made to introduce agricultural tools and equipment that are women friendly besides deliberately focusing on women cooperatives, groups, and entrepreneurs to benefit from project interventions. The MIS will help track the progress on gender by producing gender-segregated data to inform the project. Female native social mobilizers will further help the project in reaching the women at the grassroots level.

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<sup>6</sup> KPI #4 - Farmers reached with agricultural assets or services (of which female) measured through the cumulative number of farmers, including the share of women, and small and medium entrepreneurs, who benefit from one or more project activities. (Corporate Results Indicator: "Farmers reached with agriculture assets or services")

### Annex 5 (b): Gender Action Plan (GAP)

Issues	Activities	Targets and Indicators	Responsibility	Time (months)
<b>Project Development Objective Indicators</b> To increase productivity, enhance value addition, and improve climate resilience of smallholder farms and agro-enterprises in selected livestock value-chains in Nepal.				
Women have less access to credit, technology, wage markets, and training compared to men.	Women farmers adopt improved climate-smart agricultural technology	Number of women farmers reached including, women headed HHs (45% of the total reached). Introduce gender friendly climate-smart technology.	NLSIP-PMU, DLSUs	Throughout the project period
	Women farmers are provided with agricultural assets or services	Farmers, including women, particularly women headed HHs provided assets as beneficiaries (45% of the total reached) Introduce agricultural tools and equipment that are user (women) friendly.	NLSIP-PMU, DLSUs	Throughout the project period
Component A: Strengthening Critical Regulatory and Institutional Capacity				
Nepal still face challenges in translating legislation related to women’s access to and control of resources into action at the	Form working groups and conduct stakeholder consultations to support a comprehensive policy review, modification, updating, or developing of new policies, including gender friendly provisions.	At least 33% women representation in the policy working group and stakeholder consultation.  Review policies from gender lens and	NLSIP-PMU, DLSUs, Social Safeguard Team	Throughout the project period

community and household levels.		formulate gender friendly policies.		
While the proposed 753 Municipalities are expected to provide better outreach and services, they will likely take significant time to become fully operational.	Strengthen the institutional capacity of government agencies to support the development of the sector, including training on gender.	Efforts will be made to reach women participation by 33% as trainee from the government officials Government agencies engaged in livestock will be made aware on gender mainstreaming.	NLSIP-PMU, DLSUs, Social Safeguard Team	Throughout the project period
Component B: Promoting Sector Innovation and Modernizing Service Delivery				
Despite women's involvement in livestock production, their contribution is still under-appreciated in Nepal.	Conduct mapping to identify women cooperatives, groups (including informal groups), and entrepreneurs as the target groups and beneficiaries to be supported by the project.	Report to include data disaggregated by sex, social groups and geographic. Number of Producer Organizations formed with proportion of women led groups. At least 33% women members in Producer Organizations	NLSIP DLSUs PMU,	Throughout the project period
In a livestock value chain, the number of men compared to women - in terms of representation and control - rises with increases in household wealth	Enhance the capacity of key stakeholders along the selected livestock supply chains on GESI.	Number of trainings conducted on GESI with at least 45% women trainees.	NLSIP-PMU, DLSUs, Social Safeguard Team	Throughout the project period
Time and venue are more binding for women than men	Ensure a GESI-friendly training environment for trainees	Separate toilet and accommodations for female and male trainees, coverage of essential transportation	NLSIP DLSUs PMU,	Throughout the project period

		costs, child care support where needed, and flexible training time and location, where feasible		
Trainings miss striking balance between the development of technical and methodological skills, and creating a social awareness for putting gender strategies into action.	Conduct gap analysis with stakeholder groups to revise and/or develop new training curriculums for a range of target groups, including: DLS staff, producers, technical staff in cooperatives, and service providers.	Women stakeholders consulted for gap analysis. (At least 45% of total stakeholders)  Curriculum enhanced/ developed including gender tools.	NLSIP-PMU, DLSUs , Social Safeguard Team	Throughout the project period
Extension services always occurs within a specific socio-cultural setting, and as such is subject to the same power dynamics that shape gender relations and often limit women’s access to resources and support.	Establish municipality-level service centers (MLSCs) to provide extension services to producers that do not belong to cooperatives and producer groups and in remote areas, and include resource materials on gender and livestock.	Number of women beneficiaries reached through MLSCs.	NLSIP, PMU DLSUs,	Throughout the project period
Women face disproportionate challenges compared to men in accessing livestock services and information	Women beneficiaries reached through Producer Organizations/Cooperative s newly established or formalized and ensure they are offered an increased range of services	At least 45% of the total beneficiaries are women.	NLSIP PMU, DLSUs	Throughout the project period
Component C: Promoting Inclusive Value Chains for Selected Livestock Commodities				
Smallholders engage in many interrelated markets, but also face	Developing selection criteria, taking into account gender and youth dimensions to	Number of women smallholders’ access to markets enhanced.	NLSIP-PMU, DLSUs	Throughout the project

challenges in securing market access. Women smallholders frequently have less opportunities in accessing markets	improve smallholders' (including women) access to market			period
Consultations in dialogue platforms are primarily focused on pricing, norms, and regulations, and less on gender issues.	Discuss gender issues in the dialog platform, a forum for consultation between the Government and key stakeholders (POs, buyers, traders, processors, and participating BFIs).	Number of discussions held on gender issues.	NLSIP-PMU, DLSUs, Social Safeguard Team	Throughout the project period
Women are largely denied any role in and access to economic returns from the livestock.	Facilitate the inclusive development of the targeted value chains	At least 45% of business plans financed by the project on a matching grant basis will be women in the areas of project support.  Share of project beneficiaries with a livestock risk insurance policy (of which female is at least 45%)	NLSIP-PMU, DLSUs	Throughout the project period
<b>Component D: Project Management and Knowledge Generation</b>				
	Mainstream GESI in project management.	Beneficiaries are empowered and gender mainstreaming initiated in all project activities. All project staff attended gender	NLSIP-PMU, DLSUs, Social Safeguard Team	Throughout the project period

<p>Limited engagement of women into project design, thus less participation and involvement of women in different project phases and activities.</p>		<p>orientation training.                  Six monthly meetings of gender committee to review progress.                  Sex, caste-ethnicity disaggregated data is collected and reported in all progress reports                  The projects' achievements are evaluated on the basis of Gender.                  Gender assessment tools developed and utilized for improved project implementation.                  Rely on the partnership with the local civil groups/organizations such as women groups, producer associations, producer groups, and cooperatives and engage in a variety of citizen engagement activities.</p>		
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### Annex 5 (c): NLSIP Gender Action Plan (GAP) Progress Report as of July 16, 2019

Note: If reporting on implementation status on certain components or activities is not relevant in the reporting period please write “Not Applicable”

Project Components	Actions Questions	Responsibility	Implementation Status	Issue/ Challenges	Correction/ Action taken
Project Development Objective Indicators: To increase productivity, enhance value addition, and improve climate resilience of smallholder farms and agro-enterprises in selected livestock value-chains in Nepal.					
Women farmers adopt improved climate-smart agricultural technology	How many women farmers including women headed HHs have adopted improved climate-smart agriculture technology? What % of total beneficiaries are women?	NLSIP-PMU, DLSUs	Not Applicable		
Women farmers are provided with agricultural assets or services	How many farmers, including women and women headed HHs provided assets as beneficiaries? What % of total beneficiaries are women? Has user (women) friendly agricultural tools and equipment been introduced? If yes, what are those? If no, why?		Not applicable		
Component A: Strengthening Critical Regulatory and Institutional Capacity					
Form working groups and conduct stakeholder	What is the status of women representation in the policy	NLSIP-PMU, DLSUs, Social	In the policy working group there are	Often women are not sent for	Trying to increase the women

<p>consultations to support a comprehensive policy review, modification, updating, or developing of new policies, including gender friendly provisions.</p>	<p>working group and stakeholder consultation? How many policies were reviewed and where those policies also reviewed from gender lens? Do the modified, updated or new policies include gender friendly provisions?</p>	<p>Safeguard Team</p>	<p>enough women representation. In FMD road map group 3 out of 7 and in PPR road map preparation group 2 out of 7 were women member. Similarly in NVC committees which lead the formulation of policy and Act also have women representation. In policy and Stake holder consultation out of 546 consulted 82 were women One policy, one Act, and 4 strategies and 2 road maps were formulated. Women friendly provisions were included as applicable</p>	<p>participation from their organization even though it is made mandatory by the project.</p>	<p>participation by making it mandatory while sending the invitation</p>
<p>Strengthen the institutional</p>	<p>Has women participation, as trainee from the government officials, been</p>		<p>In Master ToT for running FFS in goat</p>	<p>Few women employee in</p>	

<p>capacity of government Agencies to support the development of the sector, including training on gender.</p>	<p>increased? If so by what %?</p> <p>Are personnel engaged in NLSIP activities made aware on gender mainstreaming? How many and who?</p>		<p>and Dairy 8 out of 32 were women</p> <p>Yes; Participation in the Gender Clinic at WB; Dedicated Focal Point on Gender at PMU and hiring of Gender Expert at PMU are some of the examples of mainstreaming.</p>	<p>government sector</p>	
<p>Component B: Promoting Sector Innovation and Modernizing Service Delivery</p>					
<p>Conduct mapping to identify women cooperatives, groups (including informal groups), and entrepreneurs as the target groups and beneficiaries to be supported by the project.</p>	<p>Has mapping been conducted to identify women cooperatives, groups (including informal groups), and entrepreneurs as the target groups and beneficiaries to be supported by the project? Has the data of the target group and beneficiaries been disaggregated by sex, social groups and geographic area?</p> <p>How many Producer Organizations (POs) have been formed? What %</p>	<p>NLSIP – PMU DLSUs , TA team</p>	<p>Yes, the study carried out. All GESI aspects have been ensured during mapping. But yet to receive the report</p> <p>Around 184 POs are formed where 1,979 were women out of total 5,147 member; i.e around 38 % were women members.</p>		

	<p>of the POs are women led groups? Do the POs have at least 33% women members?</p>		<p>8 POs are women headed See Figure 4: in the text</p>		
<p>Enhance the capacity of key stakeholders along the selected livestock supply chains on GESI.</p>	<p>Have trainings GESI been conducted for key stakeholders? How many? What % of the trainees are women? (Project to ensure at least 45% women trainees)</p>	<p>DLSUs, Social Safeguard Team and TA</p>	<p>This will be conducted after GESI Expert will be on board</p>		
<p>Ensure a GESI-friendly training environment for trainees</p>	<p>Are there separate toilet and accommodations for female and male trainees? Have essential transportation costs, childcare support where needed been covered? Has flexible training time and location been ensured to motivate more women participation?</p>	<p>DLSUs</p>	<p>Yes. All these facilities are ensured at the training venue.</p>		
<p>Conduct gap analysis with stakeholder groups to revise and/or develop new training curriculums for a range of target groups, including: DLS staff, producers, technical staff in cooperatives, and service</p>	<p>Are women stakeholders consulted for gap analysis? Note: At least 20% of total stakeholders should be women. Does the curriculum include gender tools? What tools are included?</p>	<p>NLSIP-PMU, DLSUs , Social Safeguard Team and TA</p>	<p>Yes; the report is yet to receive</p>		

providers.					
Establish municipality-level service centers (MLSCs) to provide extension services to producers that do not belong to cooperatives and producer groups and in remote areas, and include resource materials on gender and livestock.	How many women beneficiaries are reached through MLSCs?	DLSUs and TA team	Data yet to be collected		
Women beneficiaries reached through Producer Organizations/Cooperatives newly established or formalized and ensure they are offered an increased range of services	What % of total beneficiaries are women? Note: At least 45% of the total beneficiaries should be women. Are the services easily accessible by women?	DLSUs and TA team	At the moment only 38 % of the women are reached. Efforts are being made to increase by 45 % For detail see Figure 4 in main text	Often women are not send for participation from their organization even though it is made mandatory by the project.	Trying to increase the women participation by making it mandatory while sending the invitation
Component C: Promoting Inclusive Value Chains for Selected Livestock Commodities					
Developing selection criteria, taking into account gender and youth dimensions to improve smallholders' (including women) access to market in project supported	What gender dimensions are covered in the selection criteria? How many women smallholders' access to markets has been	NLSIP-PMU, DLSUs	Criteria for reaching out to the women beneficiaries are being considered		

districts	enhanced?				
Discuss gender issues in the dialog platform, a forum for consultation between the Government and key stakeholders (POs, buyers, traders, processors, and participating BFIs).	How many discussions have been held on gender issues in the dialog platform?	NLSIP-PMU, DLSUs, Social Safeguard Team and TA team	Until now 10 consultations were held. In each consultation gender aspect is discussed with priority.		
Facilitate the inclusive development of the targeted value chains	Is at least 33% of business plans financed by the project on a matching grant basis for women in the areas of project support?  Is share of project beneficiaries with a livestock risk insurance policy of which female is at least 33%)?	NLSIP-PMU, DLSUs and TA team	Business plan not awarded until now		
Component D: Project Management and Knowledge Generation					
Mainstream GESI in project management.	Are beneficiaries empowered and gender mainstreaming initiated in all project activities?	NLSIP-PMU, DLSUs, Social Safeguard Team	Gender main streaming initiated in all project activities		

		and TA team	See Chapter 6.1 in main text		
	Have all project staff attended gender orientation training?		After the Expert will be on board will be initiated		
	Has sex, caste-ethnicity disaggregated data been collected and reported in all progress reports?		Yes; For detail see table in 6.1 the main text		
	Has projects' achievements been evaluated on the basis of Gender?		Not Applicable now		
	Has the gender assessment tools developed and utilized improved project implementation?		The Expert after his hiring will carry out		
	Has the PMU relied on the partnership with the local civil groups/organizations such as women groups, producer associations, producer groups, and cooperatives and engage in a variety of citizen engagement activities?		Yes		
	Has six monthly meetings been conducted to review progress on GAP?		Yes		

### Annex 6: Major Work Plan Budget for F/Y 2019/20

S.N	Activities	Unit	Annual Target	Total Budget	Quadri mester 1st	Quadri mester 2nd	Quadri mester 3rd
1	LMIS Development and Server system installation	Times	1	9.95	0	0	1
2	Construction of veterinary service training building in Karnali State	%	1	10	10	40	50
3	Construction of Veterinary Lab at State 5	%	1	9.97	10	40	50
4	Construction of Livestock Service Center in Local Municipalities	No.	28	153.97	0	0	28
5	Construction of BSL2 or above Laboratory	%	1	60	5	40	55
6	Construction of NVC Office Building	%	1	20	10	40	50
7	Construction of Livestock Collection Centre at Golbazar, Siraha	No.	1	5	0	0	1
8	Construction of model meat training center, Duhabi, Sunsari	No.	1	5	0	0	1
9	Construction of Livestock Collection Center	No.	3	4.5	0	0	3
10	Construction of compound wall and fencing for rotational grazing at goat farming chitlang	Times	1	10	0	0	1
11	Construction of goat shed at goat farm, Budhitola	No.	1	10	0	0	1
12	Construction of Seed Processing and Storage Unit at Ranjitpur, Sarlahi	No.	2	15	0	0	2
13	Construction of Model Forage Training Unit	No.	1	5.05	0	0	1
14	Construction of additional Story in Experimental Lab Animal House	No.	1	3	0	0	1

S.N	Activities	Unit	Annual Target	Total Budget	Quadri mester 1st	Quadri mester 2nd	Quadri mester 3rd
15	Construction of Poultry Rearing Shed (cage System)	No.	1	3	0	0	1
16	Construction of Bull shed for Quarantine at NLBO, Pokghara	No.	2	20	0	0	2
17	Construction of Molecular Laboratory at CVL	No.	1	20	0	0	1
18	Procurement of Vehicles for Monitoring	No.	1	7.004	0	1	0
19	Procurement of two Wheelers	No.	56	14.03	0	56	0
20	Procurement of Fully Automatic Bomb Calorimeter	No.	1	5.5	1	0	0
21	Procurement of Bio Safety Cabinet	No.	5	10	0	5	0
22	Procurement of Automatic Bio-Chemical Analyzer	No.	5	12.5	0	5	0
23	Procurement of USG -20 and X-ray -10 for VH & SLSC (project Areas)	No.	30	49.5	0	30	0
24	Procurement of Hematological Analyzer for VH & SLSC	No.	20	19.99	0	0	20
25	Procurement of Fume Hood for VSDRL	Times	1	1	0	1	0
26	Establishment of Cold Room for Vaccine Storage	No.	7	14	0	0	7
27	Payment to the Equipment purchased for NVPL	Times	1	38.3	1	0	0
28	Procurement of Kgeldahl Digestion, Distillation and Titration System	No.	1	3.5	0	1	0
29	Procurement of Field AI Program (AI gun, Sheath, Gloves and Straw Cutter)	Times	1	50	0	1	0
30	Procurement of equipment's for farm mechanization of Budhitola	No.	1	5	0	1	0

S.N	Activities	Unit	Annual Target	Total Budget	Quadri mester 1st	Quadri mester 2nd	Quadri mester 3rd
	Farm						
31	Procurement of Silage Machine for Farmer field School-4 Nos	No.	4	3.4	4	0	0
32	Procurement of water supply and irrigation equipment including installation at Goat Farm, Chitlang	No.	1	5	0	0	1
33	Software Development for Documentation and Registration of Veterinarians at NVC	No.	1	0.5	0	1	0
34	Construction of Livestock Market	No.	4	100	0	0	4
35	Procurement of Video-2, Camera-3, projector-3	No.	8	1.2	0	8	0
36	Procurement of AC in the office	No.	8	0.8	0	8	0
37	Procurement of Machinery Equipment for Animal Quarantine Check posts	Times	1	20	0	0	1
38	Software Development for store use	No.	1	0.4	0	1	0
39	Update of NLSIP Web Site and provision of portal for DLSUs	Times	1	0.25	1	0	0
40	Procurement of Furniture's and Fixers	Times	1	1.17	0	0	1
41	Preparation of Livestock Master Plan	Times	1	23.98	0	0	1
42	Preparation of Animal Health and One Health Policies and Action Plan	No.	2	0.8	1	1	0
43	Observation Study on the use of Policy Tool Kit for the preparation of LMP	Times	1	3.63	0	1	0
44	Procurement Training for Staffs (Foreign Study)	Times	1	0.81	0	1	0

S.N	Activities	Unit	Annual Target	Total Budget	Quadri mester 1st	Quadri mester 2nd	Quadri mester 3rd
45	Bachelor and Master Degree Study for Livestock officials	Times	1	7.1	0	0	1
46	Maintenance of Office Building	No.	3	1.1	0	1	2
47	Hiring of Bio-Medical Engineer	No.	1	1	0	1	0
48	PPRS Training (Officer Level)	Times	1	0.63	0	0	1
49	PPRS Training (Field Level)	Times	1	0.47	0	1	0
50	TOT for FFS	Times	2	7.2	0	1	1
51	Dairy Diversification Training	Times	1	2.4	0	0	1
52	Basic Vaccine Testing Training	Times	1	1.4	0	0	1
53	Training to the Insurance Agents	Times	2	0.6	0	1	1
54	Animal Health Training	Times	3	1.57	1	1	1
55	Livestock Keeping, Animal feed and Management Training	Times	3	1.57	1	1	1
56	Procurement of Reagents and Chemicals for testing Milk, Meat and Vaccines	Times	1	2	1	0	0
57	Consumer's Food Safety Awareness Program	No.	1	0.4	0	0	1
58	Transportation of vaccines and equipment's	Times	2	1.5	0	1	1
59	Procurement of Embryo for Embryo Transfer	Times	1	5	1	0	0
60	Orientation of ESM and procurement	Times	4	0.4	1	2	1
61	Stakeholders consultations	Times	4	1	1	2	1
62	Procurement of FMD Vaccine	No.	?	20.39	0	?	0
63	Animal Tagging and Registration	Times	3	1.05	1	1	1
64	Evaluation of the Business plan (Remuneration to the Experts)	Times	2	7	0	1	1
65	Partial Grant for Dairy, Meat and Pashmina	No.	40	80	0	0	40

S.N	Activities	Unit	Annual Target	Total Budget	Quadri mester 1st	Quadri mester 2nd	Quadri mester 3rd
66	Allowances for the Evaluation Committee	Times	30	0.45	10	10	10
67	Allowances for PSC, CGRM, Stakeholder Platform	Times	10	0.52	4	4	2
68	Internet Cost	Months	12	0.096	4	4	4
69	Fuel for monitoring Vehicle	Litre	15000	1.49	5000	5000	5000
70	Light Vehicle Maintenance	No.	6	1.2	2	2	2
71	Guidelines Printing for distributing	Times	12	3.56	4	4	4
72	Notice Publications	No.	50	2	20	20	10
73	Payment for TA	LS	1	59.99	0	0	1
74	Hiring of Consulting Firm for orientation to the Grant Applicant	Times	2	4.8	0	1	1
75	PTE, PE and FMS	No.	3	9	3	3	3
76	Base Line Study	Times	1	3.3	1	0	0
77	CENA Study	No.	1	8	0	0	1
78	Video Documentary and Publications	Times	3	1.5	1	1	1
79	Hiring of GESI Expert	No.	1	0.72	1	0	0
80	Payment to the consulting Firm Carrying out the study with seven different tasks including Mapping of POs	Times	1	2.5	1	0	0
81	Hiring of Experts for PPRS Implementation	No.	1	4.5	0	0	1
82	Orientation to the Social Mobilizers	Times	4	1.23	4	0	0
83	Planning and progress Review Workshop	No.	4	0.6	1	2	1
84	Organization of WB Review Mission	No.	2	0.6	1	1	0
85	Publication of Annual Report	Times	1	0.15	1	0	0

S.N	Activities	Unit	Annual Target	Total Budget	Quadri mester 1st	Quadri mester 2nd	Quadri mester 3rd
86	Support to Agriculture Fair, Exhibition and Demonstration	Times	3	0.8	0	2	1
87	Support to Self-Declaration programs by the Local authorities in Milk, Meat and Pashmina	Times	1	0.5	1	0	0
88	Monitoring of Project Activities in project districts	Months	6	2.97	2	2	2
89	Monitoring of all construction works as per the work plan	Times	30	1.5	5	10	15
90	Vehicle Insurance	No.	6	0.27	0	0	6
91	Two Wheeler Insurance	No.	12	0.07	0	0	12
92	Miscellaneous	Times	3	0.3	1	1	1
93	House Rent for office purpose	Times	1	1	1	0	0
94	Hiring of Vehicles for Field Verification	Times	10	0.5	4	3	3

Total Budget (PMU)	NPR 1030 Million
Total Budget (DLSUs)	NPR 515.4 Million
All Total	NPR 1545.4 Million USD 14 Million USD

### Annex 7 (a) : ESMP for all NLSIP Construciton Works

Project Activity	Environmental Impact	Mitigation Measures	Enhancement cost	Responsible Agency
Health/ Safety and Sanitation (unsafe working conditions, accidents, fire hazard, transmission of communicable diseases etc.)	Unhygienic sanitary conditions like absence of toilet and sanitation measures in the construction camp will increase the risk of prevalence of diseases not only to the construction workers but also to the surrounding communities.  Standard Operating Procedures (SoPs) with best practices need to be adopted.	Establishment of Labor camps following the GoN prescribed provision in Labor Law with the provision of toilets (M/F) in the construction labor camps with safety tank and soak pit with water supply facilities. Self-sustaining system should be build up locally by encouraging the management of this public property, installation of firefighting system, first aid requirements	Included in contract	Contractor
		Provision of solid waste and liquid waste collection and management facilities. Disposal of camp solid and liquid waste at the designated sites as indicated by the supervising engineer	Included in contract	Contractor
		Provision of personal Protection Equipment (gloves, caps, boots, jackets, masks, etc.) to the workers.	Included in BoQ	Contractor/NLSIP
Community Safety	The influx of a project staffs and laborers could pose a safety threat to the local.	Safety sign and hoarding boards should be installed at construction areas community and workers safety.  The project staff and workers should be instructed to avoid unnecessarily interacting with the local residents when outside the camp enclosure	No any cost is required.	Contractor

Project Activity	Environmental Impact	Mitigation Measures	Enhancement cost	Responsible Agency
		through establishing code of conduct, regular awareness and training programs.		
		Boundary fencing should be constructed to ensure outsiders from the project site and to monitor the activities of the project related staff and ensure no disturbance to the local residents takes place. The project site shall be cordoned to avoid thoroughfare inside the project area to avoid accidents and other construction related risks to the adjoining community.	Included in BoQ	Contractor/NLSIP
		Work areas outside the project site, especially where machinery is involved should be roped off and should be constantly monitored to ensure that local residents, particularly children stay away. Also, no machinery should be left unattended, particularly in running condition. Heavy machinery during its operation shall be demarcated with safety ribbon and in the presence of safety assistant.	No cost is required.	Contractor
		Community should be briefed on traffic safety, especially to women who are the main care providers to children.	No cost is required.	CSC/Contractor

Project Activity	Environmental Impact	Mitigation Measures	Enhancement cost	Responsible Agency
		<p>Speed limit of 20 km/hr should be maintained by all project related vehicles on the section of the roads and passages adjacent to the houses near the project boundary and nighttime driving of project vehicles should be limited where possible.</p> <p>Traffic signage for safety should be erected at critical junctions, bends along the road if required</p>	No cost is required.	CSC/Contractor
Employment Conflict	The issue of provision of jobs can become particularly problematic if it is perceived by the local communities that a significant number of construction-related jobs opportunities are not given to people from the local community. This can result in friction between local residents and construction workers from outside of the community.	The contractor should adopt a transparent hiring policy. Prior to the commencement of the construction activity, the local communities in the project area should be informed of the employment policy in place and number of people that can be employed for this project.	No any cost is required.	CSC/Contractor
		Women should be encouraged and given priority for employment	No any cost is required.	CSC/Contractor

<b>Project Activity</b>	<b>Environmental Impact</b>	<b>Mitigation Measures</b>	<b>Enhancement cost</b>	<b>Responsible Agency</b>
Impact on Social Service Facilities	Health, sanitation, drinking water supply system will get pressure due to influx of workers.	Basic health facilities should be provided by contractor First aid for minor injuries, for proper sanitation and hygiene, drinking water supply to project or camp.	No any cost is required.	CSC/Contractor
Noise	The construction equipment used and its distance from the receptors, the community and the workers may typically be exposed to intermittent and variable noise levels	Blowing of horns by the construction vehicles should be prohibited on the access road and project site Noise generating activities prohibited in the night Equipment noise should be reduced at source by proper design, maintenance and repair of machinery, vehicles and equipment. The working hours should be confined to day time. Noise from vehicles and power generators should be minimized by use of proper silencers and mufflers.	No any cost is required.	CSC/Contractor
Dust Emissions	Particulate matter emission during construction activities dirt or debris pushes and grading, exposed surfaces, exposed	Regular sprinkling of water in the roads and construction site to minimize the fugitive dusts Traffic Speed should maintain a maximum speed limit of 20 km/h on roads within the project site. A minimum distance of 100 m should be	Included in Contract	CSC/Contractor

Project Activity	Environmental Impact	Mitigation Measures	Enhancement cost	Responsible Agency
	storage piles, dumping, hauling, vehicle movement, combustion of liquid, land excavation, and concrete mixing.	maintained between potential sources of dust such as material stockpiles & batching plants from the community residence. Cover the source of dust by plastics sheet		
Source of Water	Construction activity and the daily requirements of water for project staff and labor could result in scarcity of water	The preferred source of water should be existing municipal water supply. If required tube well should be installed for the project considering the fact that quality of water is also important. The water quality used for construction should be equivalent to potable standard free from silt, mud and chemical contamination.	Included in Contract	Contractor
Soil Contamination	During the project construction, spills of fuel, lubricants and chemicals can take place while transferring from one container to another or during refueling. Also, during maintenance of equipment and vehicles, through leakages from equipment and containers.	Regular inspections should be carried out to detect leakages in construction vehicles and equipment and all vehicles should be washed in external commercial facilities where a wastewater disposal facility is available. Fuels, lubricants and chemicals should be stored in covered bounded areas, underlain with impervious lining. Appropriate arrangements, including shovels, plastic bags and absorbent materials should be available near fuel and oil storage areas.	No any cost is required.	CSC/Contractor

<b>Project Activity</b>	<b>Environmental Impact</b>	<b>Mitigation Measures</b>	<b>Enhancement cost</b>	<b>Responsible Agency</b>
Solid Waste Management	Generation of solid and sanitary waste, kitchen waste which intern pollute Agriculture land, and water of adjoining area.	<p>Ensure all the solid wastes are placed in the designated collection pits.</p> <p>Establishment of separate bounded areas for the collection and storage of all the toxic material wastes including batteries, oil filters, Mobil, burnt oils etc. at the project site</p> <p>Disposal of different waste with consultation of environmentalist.</p>	No any cost is required.	Contractor
Waste water management	Significant health and environmental hazard, resulting in development of a breeding ground of disease vectors and deterioration of living conditions for inhabitants of the area while contaminating the existing surface and groundwater sources, with the effluent discharge without treatment.	All liquid effluent should be disposed in the soak pit.	Included in contract	Contractor/NLSIP

<b>Project Activity</b>	<b>Environmental Impact</b>	<b>Mitigation Measures</b>	<b>Enhancement cost</b>	<b>Responsible Agency</b>
Water resources	Uncontrolled extraction of water due to poor management and/or wastage of the water drawn will result in possible shortage of water for communities' other stakeholders in the project area.	Rainwater harvesting can be applied in order to recharge the ground water.	Included in BoQ	Contractor/NLSIP
Solar energy	Solar is a safe alternative which can replace the electricity	Solar power will be used for the lighting purpose	Included in BoQ	Contractor/NLSIP
Site clearance	Bushes, machinery equipment and construction materials in the site.	Site clearance will be done before the construction work is started and after the construction work is completed. Layer of top soil shall be preserved for reclamation of site after completion of construction activities	Included in BoQ	Contractor/NLSIP

### Annex 7 (b) ESMPs for Livestock Market and Collection Centers

Project Activity	Environmental Impact	Mitigation Measures	Enhancement Cost	Responsible Agency
Socio-Economic Impact	Influx of different persons on a daily basis to the market for purchasing and selling of goods. This could cause a considerable number of issues such as security issues for residents in proximity to the project site such as women and children. Crime rate could increase in the area while frictions between the traders and operators of the project and the existing residents of the area could take place and lead to issues in the day-to-day operation of the project	<p>An interface between community and the management of the market shall be formed through the development of a Committee. This platform should jointly develop standard operating practices and strategies to operate the project in a manner that is acceptable to the communities in the project area with a focus on the critical sensitivities to be considered.</p> <p>This Committee should discuss and resolve any potential issues and/or concerns raised by the local communities regarding the day-to-day operation of the wholesale market.</p> <p>Local government consultations should be made as and when required.</p> <p>Mechanism to ensure only healthy animals will enter the livestock center.</p>	No additional Cost required	Local Government / NLSIP
Entrance and exit gate	Separate gate is required for entry and exit	The height of gate should be designed to allow a truck to pass. At the main entrance, a guard post should be placed to control the entry and issue tickets.	To be included in design	NLSIP/ MMC

<b>Project Activity</b>	<b>Environmental Impact</b>	<b>Mitigation Measures</b>	<b>Enhancement Cost</b>	<b>Responsible Agency</b>
Animal Shed	Issues of drainage, waste water, solid waste management, space area for animals	Separate Shed is required for bigger and smaller animals for the safety purpose. Shed with proper drainage system, urine, dung, fodder storage and its management, height, direction and per animal space requirement should be included in designed.	To be included in design	NLSIP/ MMC
Public Toilets	Unhygienic sanitary conditions like absence of toilet and sanitation increase the risk of prevalence of diseases	Separate toilets for male, female and disabled person with septic tank and soak pit with the assurance of 24 hour water supply. Management committee may be formed for operation of toilets.	To be included in design	NLSIP/ MMC
Drinking water	Drinking water supply system for purchaser and seller.	Provision of drinking water for all the visitors and the animals in the market should be done.	To be included in design	NLSIP/ MMC
Solar energy	Solar is a safe alternative which can replace the electricity	Solar power should be used for the lighting purpose	To be included in design	NLSIP/ MMC
Dung	Excreta of the animals	A collection yard for the dung should be constructed. Dung should be collected in the collection yard. Provision of bio gas can be the suitable mitigation measures	To be included in design	MMC
Forage management	Impact on the community forest etc. Need to feed the livestock	Farmers need to manage the forage for their livestock themselves. Stall grazing to be adopted.	No additional cost is required	MMC

Project Activity	Environmental Impact	Mitigation Measures	Enhancement Cost	Responsible Agency
Load / unload	Loading and unloading of animals in the market	Separate space should be allocated for loading and unloading of the livestock.	No additional cost is required	MMC
Solid Waste Management	Disposal of large volume of 'green waste' and cattle manure will lead to the development of breeding grounds for disease vectors, foul smells from decaying waste and a deterioration in the aesthetic value of the entire area.	<p>An efficient and effective solid waste management and disposal mechanism should be established and implemented.</p> <p>Segregation of waste generated from market/collection center should be carried out from source.</p> <p>A separate collection area should be maintained and assure that area is always clean.</p> <p>The main equipment for waste disposal such as garbage collection bins, disposal trucks, sewerage lines, etc. should be maintained by the market.</p> <p>Waste prevention strategy from the source should be adopted.</p> <p>Green waste, straws etc. which can be reuse should be sold on contract basis via contract award to interested venders.</p>	To be included in design	NLSIP/ MMC

<b>Project Activity</b>	<b>Environmental Impact</b>	<b>Mitigation Measures</b>	<b>Enhancement Cost</b>	<b>Responsible Agency</b>
Effluent and Sewage	Significant health and environmental hazard, resulting in development of a breeding ground of disease vectors and deterioration of living conditions for inhabitants of the area while contaminating the existing surface and groundwater sources, with the effluent discharge without treatment.	All liquid effluent including sewage should be disposed properly. No liquid effluent or sewage should be disposed-off in any other water body in the project area. Construction of soak pit or waste water treatment should be constructed according to the volume of water.	To be included in design	NLSIP/ MMC
Noise Level	Large number of traders as well as vehicular movement will take place on a daily basis to deliver and transport away the fruits and vegetables being bought and sold. This could result in disturbance due to high noise levels to communities residing in the project area, particularly those living in proximity to the project site.	Monitoring of noise levels should be conducted on a periodic basis at working day at the communities and key receptors in the project area. Blowing of horns by the vehicles should be prohibited at the project site. Fit mufflers in vehicles to control noise. Limit the speed of vehicles.	No additional cost is required	MMC
Air Quality	The dust and exhaust emissions from vehicular movement and use of generators for power generation will cause a degradation of air quality in the	Regular sprinkling of water in the roads and site to minimize the fugitive dusts Traffic Speed should maintain a maximum speed limit of 20 km/h on roads within the project site.	MMC will provide the required cost	MMC

Project Activity	Environmental Impact	Mitigation Measures	Enhancement Cost	Responsible Agency
	<p>project area. This is a potential health hazard and could lead to different respiratory illnesses amongst the residents in the project area over a prolonged period of time.</p>	<p>Health hygiene and sanitation in and around the market center and livestock market.</p>		
<p>Traffic Congestion / Parking</p>	<p>During the operation phase traffic congestion in and around the project site may have traffic congestion Movement of public vehicles along the road may be disturbed.</p>	<p>At the entrance, separate route of entry and exit for vehicles moving in and out from the project area should be established. No horn sign boards should be erected near to the project site. Traffic management Procedure should be prepared since the design phase of the project.</p> <p>The layout of the roads should be designed in such a way that it allows two-way movement of vehicular traffic to and from and within the premises.</p> <p>A system of graded parking fee on the basis of parking time should be introduced. Minimum parking fee will allow the vehicles to be parked in the market for four hours. In case of additional parking time, additional fee of similar amount for every 4 hours of additional duration should be charged. The introduction of such a system will ensure lesser congestion within the market area.</p>	<p>No additional cost is required</p>	<p>MMC</p>