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SMALL IRRIGATION PROGRAMME (SIP)



ANNUAL PROGRESS REPORT, JULY 17, 2023- JULY 15, 2024



SIP is implemented by Local Governments (LGs) in collaboration with Ministry of Water Supply, Irrigation and Energy (MoWSIE), Koshi Province and Department of Local Infrastructure (DoLI) representing Ministry of Urban Development (MoUD).

October 2024



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Cover Photo: Matekhola Birauta Kusumbot Kartike Sinchai Yojana, Udayapurgadhi Rural Municipality, Udayapur | Photo taken by: Mina Kumari Shrestha, Rautamai Namanta Krishi tatha Pashupanchhi Bikash Kendra, Udayapur

1. Basic Information

Country	Nepal		
Programme Name	Small Irrigation Programme (SIP) – Phase II		
Sector	Irrigation		
Sub-sector	Small Irrigation		
Advisory Agency at Federal Level	Ministry of Urban Development (MoUD) represented by Department of Local Infrastructure (DoLI) Development		
Coordinating Agency at the Koshi Provincial level	Ministry of Water Supply, Irrigation and Energy (MoWSIE) represented by Irrigation and Energy Division (IED)		
Implementing Agency	Local Governments (LGs)		
Agreement	Bi-lateral Agreement between the Government of Nepal (GoN) and the Government of Switzerland (SDC)		
Programme Goal	Small Farmers, especially from the disadvantaged groups (DAGs) reduce their poverty by increasing their agricultural income		
Programme Outcomes	I. Local Governments respond effectively to the needs of small farmers for irrigated agriculture II. Small farmers especially from DAGs increase agricultural productivity III. Market actors offer innovative supports and products to farmers in irrigated schemes		
Programme Components	I. Institutional strengthening and capacity development of Local Governments II. Improved irrigation infrastructures III. Water Users Associations (WUAs) irrigation system management IV. Agriculture market		
Programme Duration	01.07.2020 – 25.07.2025		
Geographical Coverage	Local Governments of Mid Hills in Koshi Province (See Annex II)		
Total Irrigation Coverage	20'000 Hectares		
Estimated numbers of schemes	Approx. 1'300 Schemes		
Beneficiaries	65'000 Households (Assuming 0.30 Hectare/Household)		
Programme Finances ('000)	Swiss Francs (CHF)	Nepali Rupees (NPR)	Share (%)
SDC	17'600'000	2'024'000'000	35.58%
Federal Government (GoN)	8'860'000	1'018'900'000	17.91%
Koshi Province Government	8'960'000	1'030'400'000	18.12%
Local Governments	9'660'000	1'110'900'000	19.53%
Beneficiary Farmers	4'380'000	503'700'000	8.86%
Total	49'460'000	5'687'900'000	100.00%

Note: Exchange Rate: 1 CHF=NRs. 115.00

2. Strategic Review and Outlook

The Programme Management and Implementation Support Consultant (PMISC) remains actively engaged in supporting Local Government (LGs) and Provincial Ministry of Water Supply, Irrigation and Energy (MOWSIE) with guidance from Department of Local Infrastructure Development (DOLI) for planning, project implementation, and monitoring through dedicated staff stationed as project focal points.

A total of 388 irrigation systems were constructed against the target of 448 schemes; whereas, 55 schemes are carried over to the next Fiscal Year (FY) 2024/25 and 8 schemes were dropped due to social issues and budget deficit. A total of 1,074 irrigation systems were established by this reporting period.

With the continuous engagement of the project team with the LGs, additional 36% of LGs endorsed the Small Irrigation Guidelines (SIG) during the reporting period summing up to 100% endorsement in overall. Of 59 LGs, 53% have published it in the local gazette. Further consultation and dialogues are ongoing with the remaining LGs to publish in the gazette. The guidelines aim to create a one-window harmonized policy framework to plan and implement small irrigation schemes for all LGs in Koshi Province. It will offer services to farmers, including the construction and rehabilitation of irrigation facilities, support for irrigated agriculture, and value chain development, while reducing resource duplication between provincial and federal governments. It is also expected that upfront cash is collected from the farmers for O&M and users fees is regularly collected for routine maintenance of the schemes. However, enforcement of the guidelines is yet to operationalize needing further dialogues with the LGs by agreeing indicators of the enforcement. The application of SIGs is under consideration to replicate in other LGs in the Koshi Province and share with stakeholders at the federal level.

With establishment of the 388 irrigation systems, the LGs have been able to increase year-round irrigation for 5,574 hectares (against the target of 8,029 hectares) of land during the reporting period. The cumulative (through 1,074 schemes) round the year irrigation have reached to 18,227 hectares against the target of 20,000 hectares; with 32% achievement against the targets of 35% in the participating LGs in the project area.

The rural advisory services were provided to 67% of cumulative irrigation systems (717 out of 1,074) with at least one visit by the respective LGs through Agriculture Junior Technicians (JTs) and Junior Technical Assistants (JTAs). With the engagement at the political and programmatic levels, the advisory services were provided to 86% of the completed 388 irrigation systems during the reporting period. While WUAs benefited from both private and public services, the extent of these benefits remains undocumented. The quality and outcomes of these visits are yet to be analyzed based on records of services received by WUAs through the collaboration with Nepal Agriculture Market Development Programme (NAMDP). Analysis of results from these services will be analyzed during the end-line assessment.

A total of 14,870 households were benefited from increased irrigation water in FY 2023/24. The cumulative benefitted HHs have reached to 44,878 HHs (69%) of the total target of 65,000 HHs. Of them, the 20,043 HHs (30.8%) are from Disadvantaged Groups (DAGs) by the reporting period against the target of 26,000 HHs (40%). The DAG HHs have received reliable and increased availability of irrigation water through which they have converted rain-fed and suboptimal irrigated areas under command of the irrigation systems to fully irrigated areas.

Similarly, the project has reached to 28,220 HHs (62%) of the total beneficiary HHs with landholding of less than 0.5 ha as cumulative achievement by this reporting period. More efforts are needed to explore schemes targeting small farmers with landholding of less than 0.5 ha and DAG farmers in the upcoming year with political and programmatic dialogue with the LGs while selecting the schemes. The target is 70% of the total 65,000 HHs by end of the project.

Small farmers especially from the DAGs have increased the productivity of major crops by managing and maintaining the farmers managed irrigation systems. The crop cut survey revealed that the yields of major crops mainly paddy, wheat and spring maize was increased by 33%, 19% and 100% respectively against the target of 30% in average. Field observations have highlighted that the delays in the availability of seeds and fertilizers for wheat cultivation, have significantly hindered productivity. The project needs to engage with the LGs to make availability of quality seeds and fertilizers on time for farmers to increase the yields. Moreover, on an average, cropping intensity in the completed schemes has significantly increased by 47% against target of 30%.

Production of winter vegetables (potatoes, cauliflower and cabbage) were increased by 86% along with improved water reliability, 35% increase in irrigated cultivation area resulting in a corresponding increase in production volume.

A short-term monitoring (STM) survey of 32 schemes completed in FY 2020/21 confirms that 97% of the schemes are fully operational. By a mandatory upfront cash contribution of 1% of the total estimated cost prior to signing agreements with local governments, 100% Water Users Associations (WUAs) have successfully established operational and maintenance funds. These funds will ensure farmers to independently manage and maintain the scheme in the event of minor damages. However, as indicated by the STM survey of schemes completed in FY 2020/21, WUAs do not collect O&M fees regularly as they rely on traditional practices for O&M which include labour-based interventions for periodic maintenance from the beneficiaries especially before the cultivation starts. The beneficiaries will organize meeting at the time of maintenance and they will collectively volunteer for maintenance works as they believe on collaborative efforts among the beneficiaries. O&M training has been planned and being conducted to the remaining schemes to equip farmers with essential skills and knowledge on operation and maintenance and encourage them for raising user's fees regularly.

Under SIP and NAMDP collaboration, six market partners with 45% of WUAs (200 out of 443) provided input services such as seeds, fertilizers, pesticides, plastic tunnels and machinery during the reporting period against the target of 50%. Unfortunately, none of the identified market development potential (MDP) WUAs contracted with traders and whole sellers to buy their crops. Further, collaborating with NAMDP, the project established linkage with 1,715 farmers from 11% WUAs (115 out of 1,074 completed schemes) to markets, resulting in the sale of 720 metric tonnes of agricultural products worth NPR 23.7 million a ripple effects.

Additionally, 99.8% of WUAs is comprised of at least 40% women as committee members with at least one woman or a representative from a discriminated group in leadership position. From the field reflection, it has reported that voices of women are also heard in the decision-making process in the project implementation and hence they are encouraged to contribute their time for community works to challenge the deeply rooted social barriers.

A total of 559,874 person days of employment was generated through the construction works of SIP-II, among which 27% of the person-days employment was offered to women and 77% to discriminated group. Similarly, 62% employment generation in construction works went to disadvantaged group, out of which 20% were from disadvantaged female. The DAGs earned approximately 2.2 million CHF from their participation in irrigation construction work during the reporting period. They primarily used the money for children's education, healthcare, and daily living expenses, with a small portion saved for future emergencies.

In FY 2023/24, a total of NPR 1,753,814,607 (CHF¹ 12,095,273) has been spent, representing 92% of the allocated budget of NPR 1,913,802,634 (CHF 16,641,762).

¹ Exchange rate is used as below;

- For budgeting; 1 CHF=NPR 115
- For expenditure; 1 CHF=NPR 145

A total of 89% of the budget, amounting to NPR 1,589,592,206 (CHF 10,962,705), has been spent on civil works from an allocated budget of NPR 1,782,348,884 (CHF 15,498,686). This represents a significant improvement over previous FYs, where maximum expenditure on civil works was only 67%. All WUAs have contributed equitably for approximate value of NPR 158,959,221 (CHF 1,096,270) contributing at least 10% of the total expenditure of construction works. A total of NPR 20,061,750 (CHF 174,450) was allocated for WUA trainings, along with institutional strengthening of three spheres of governments. Of this allocated budget, 100% has been expended, amounting to NPR 20,311,855 (CHF 140,082). Additionally, NPR 143,910,546 (CHF 992,487) was spent on technical assistance, representing 129% of the allocated budget of NPR 111,392,000 (CHF 968,626).

3. Introduction

3.1 The Background

The SIP II is implemented by the Government of Nepal (GoN) in collaboration with the Government of Switzerland and is built upon the experience of implementing SIP, Phase I. The programme has a target of covering 59 Local Governments (LGs) of mid hills in Koshi Province. It aims to provide year-round irrigation to 20,000 hectares through 1,300 small irrigation systems benefiting 65,000 farmer households.

The expected impact of the programme is to reduce the poverty of small farmers especially from the disadvantaged groups by increasing their agricultural income. This will be achieved through three outcomes: (i) local Governments respond effectively to needs of small farmers for irrigated agriculture; (ii) small farmers especially disadvantaged groups (DAGs) increase agricultural productivity and (iii) market actors offer innovative supports and products to farmers in irrigated schemes.

The main approach of the programme is to consolidate the positive results in development of irrigation infrastructures, thereby creating enabling conditions for the introduction of high value crops and commercialized agriculture. LGs are expected to actively support the farmers for improved agriculture practices with a focus on the production of high value cash crops linked with private sector for market linkages of the farmers.

3.2 Socio-political context

Koshi Province, one of Nepal's seven provinces, experienced a dynamic and often unstable socio-political landscape during reporting period of FY 2023/24. The coalition government was frequently changed due to change in coalition at the federal level. These changes in leadership and governance structures had the potential to impact the continuity and effectiveness of development programs including SIP. However, Nepal's federal structure, which devolves powers to local governments, allowed for their own decision-making and program implementation. While the SIP continued its regular activities without major disruption, the province faced a budget deficit due to a reduction in fiscal equalization grants from the federal government. As a result, approximately 15% of the total schemes had to be carried over to the following FY. However, the shortfall was assured to be compensated in the next FY 2024/25.

Following the successful second-term local elections in the previous FY, newly elected officials have struggled on strengthening the systems and legal frameworks established by their predecessors to enhance public service delivery. However, progress has been slowed due to delays in the endorsement of the Federal Civil Service Act. The absence of this legislation has prevented provincial and local governments from recruiting essential personnel, significantly limiting their administrative and operational capacities.

Despite these challenges, the provincial government has launched its second five-year periodic plan (FY 2024/25–2029/30), emphasizing economic growth, social justice, and good governance. This strategy follows a review of the first periodic plan (FY 2019/20–2023/24),

which faced significant implementation challenges due to political instability and resource constraints, leading to only partial achievement of its targets. By the end of the first plan (2023/24), the agriculture product contributed to 2.7% against the target of 5.6% of the GDP. The second plan has targeted to reach to 4.8% of the GDP by 2029/30.

3.3 Strategic Links

SIP-II adheres to the Swiss Cooperation Programme for Nepal (2023-26) by contributing to its overall goal of “*Women and men improve their socio-economic well-being in an inclusive and accountable federal state.*” More specifically, it aligns with Domain 2 of the cooperation programme, where in “*Women and men, including from disadvantaged groups, find employment and increase their income*” as SIP works in areas with higher DAG concentration as well as prioritizes DAGs and women during project implementation. SIP also partially contributes to Domain 1 of the cooperation programme, Federal State Building (FSB) working through SDC’s approaches on FSB such as project anchoring, institutional set up, funds flow, reform elements and geographical concentration.

At the provincial level, program aligned with the First Periodic Plan of Koshi Province Government (2019/20-2023/24). At the onset of the First Plan, out of the total 783,595 ha cultivable land, only 302,458 ha of land had irrigation facility. Of this, 255,180 ha of land was served by farmers-managed irrigation systems (FMIS). FMIS-served land has been increased to 264,000 ha by the end of the First Plan². Out of this FMIS-served command area, SIP-II has provided year-round irrigation to 18,227 ha till date, and has proposed to add another 5,978 ha in the next FY. Koshi Province Planning Commission has endorsed second periodic plan (FY 2024/25-2029/30) during this reporting period. This plan has aimed to increase irrigation facility 380,000 ha of land in the Koshi province by the end of the plan period³.

At the federal level, the 15th five-year national plan (2019/20-2023/24) had set the goal of rehabilitating irrigation systems of 98,500 ha of land with sustained management⁴. SIP-II has contributed in achieving 18,227 ha of year-round irrigation, and will continue to provide the facility by rehabilitating additional irrigation systems serving 5,978 ha in the next FY.

The 16th five-year plan (2024/25-2029/30) aims to increase agriculture production and productivity through reliable and sustainable irrigation services. Similarly, the Agriculture Development Strategy (ADS), 2013 seeks to make “a self-reliant, sustainable, competitive, and inclusive agricultural sector that drives economic growth and contributes to improved livelihoods and food and nutrition security.” SIP through the expansion of irrigated area by the most economic and equitable means, increases the irrigation efficiency and intensity, and improves irrigation management of existing systems as envisioned by the ADS.

Koshi province government also drafted Small Irrigation Guidelines 2023 and facilitated to enforce in all the LGs under SIP intervention areas. At present, all 59 LGs within the SIP-II working area have endorsed the Guidelines, while 31 LGs have published them in their gazettes. The province aims to replicate the Guidelines among remaining LGs of the Province. The SIG Implementation indicators will be developed and assessed its implementation in the next reporting period.

The Koshi Province government promulgated ‘Irrigation Regulation, 2024’. SIP extended technical assistance to draft the Regulation. This regulation has included important clauses regarding requirement for users' up front cash deposit, threshold for users' contribution and criteria for irrigation scheme selection. Similarly, it also included provision of 'small irrigation' as one of the irrigation types. These core elements are adapted by the province government from the SIP and SIG.

² प्रदेश प्रथम योजना समीक्षा

³ प्रदेश दोस्रो योजना

⁴ पन्ध्रौं राष्ट्रीय योजना

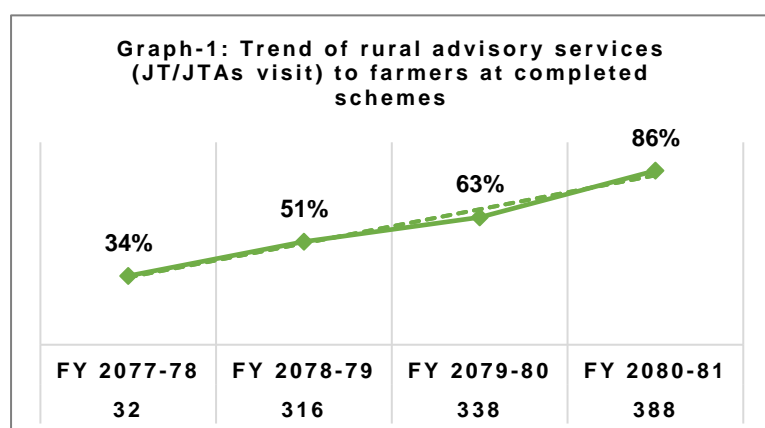
4. Outcomes achieved for FY 2023/24

Outcome 1: Local Governments respond effectively to the needs of small farmers for irrigated agriculture.

During the reporting period, the remaining 36% of LGs endorsed the Small Irrigation Guidelines (SIG), thereby achieving endorsement by 100% LGs. Moreover, 53% of LGs published it in the local gazette after series of political and programmatic engagement. The enforcement of the guidelines to ensure one-window system will be operationalized in FY 2024/25 and onwards. The project team will organize meeting with LGs to discuss implementation of the guideline, including establishing indicators for SIG implementation compliance. Some of the indicators could be establishment of maintenance fund with collection of water service fees, coordination and support from LGs, leverage of funding from LGs for agri-extension services etc. In addition, the team will coordinate with the Ministry of Water Supply, Irrigation and Energy (MoWSIE) to ensure the endorsement of the guidelines in the remaining LGs of Koshi province and support federal government through Department of Local Infrastructure (DoLI) to disseminate the guidelines to other six provinces.

In FY 2023/24, LGs increased the area under year-round irrigation by 10% (5,574 hectares) by rehabilitating 388 schemes. This progress falls short of the target of 14% (8,029 hectares), however, the cumulative round the year irrigation have reached to 18,227 hectares against the target of 20,000 hectares; with 32% achievement against 35% targets in the participating LGs in the project area. Challenges such as schemes have to be carried over due to budget deficits in the province and the drop of five schemes due to technical and social issues contributed to this shortfall. For upcoming FY 2024/25, 76 schemes have been carried over, with 21 completed physically but not yet financially due to budget constraints. The remaining 55 carried over schemes will be completed in the next FY, as funding has been secured from provincial government to cover the full financial liabilities. To minimize future dropped schemes, the project team will engage closely with LGs to ensure the demand-based planning and engage with relevant stakeholders during pre-construction activities, ensuring meaningful participation and effectively addressing any potential disputes on social safeguard issues such as land and water right disputes during the detailed survey and mass meeting of the scheme.

The number of visits from rural advisory service providers during the production cycle has consistently increased each year, supported by the project team's engagement at both political and programmatic levels, despite human resource constraints in LGs. This engagement included facilitating Program Implementation Committee (PIC) meetings to discuss rural advisory services, as well as in-person meetings with political representatives, chief administrative officers, and agriculture section chiefs. Field reflections indicate that the proactive approach of WUAs, which formally requested visits from LGs, significantly contributed to acquiring these services. This engagement also enhanced LGs accountability, as agriculture has become a priority sector.



During the reporting period, 86% of the 388 completed schemes received at least one visit from rural advisory service providers, whereas, the one-time visit was 63%, 51%, and 34% in the previous consecutive three years (Refer Graph-1). On average, 67% of schemes benefited from these services over the same period. These services included visits from Junior Technicians (JTs)

and Junior Technical Assistants (JTAs), who provided technical advice, distributed quality

seeds from LGs and conducted soil testing. While WUAs benefited from both private and public services, the all extent of these benefits remains undocumented. The quality and outcomes of these visits are yet to be analyzed while records of services received by WUAs through the collaboration of Small Irrigation Programme (SIP) and Nepal Agriculture Market Development Programme (NAMDP) have been maintained; however, documentation of services from other private providers will be collected and analyzed during the end-line assessment.

Outcome 2: Small farmers especially from DAGs increase agricultural productivity.

A total of 14,870 households benefited from increased irrigation water during the reporting period with 47% being from the DAGs. They have received reliable and increased availability of irrigation water through which they have converted rain-fed and suboptimal irrigated areas under command of the irrigation systems to fully irrigated areas. Similarly, 69% of the total beneficiaries have landholding of less than 0.5 ha.

There has been increased yield of major food crops as well as the increased cropping intensity due to efficient utilization of irrigation. The increased productivity and cropping intensity have surely increased the agriculture income of the farmers. On an average, cropping intensity in completed schemes was increased by 47% (Baseline 160%; Achieved: 235%). Similarly, on an average, crop yield for monsoon paddy was increased by 33%, (Baseline 3.56 t/h; Achieved: 4.73 t/h), for wheat by 19% (Baseline 2.09, Achieved 2.48t/ha) and for spring maize by 100% (Baseline 2.39 t/h; Achieved 4.77 t).

Table 1: Summary of yields of major food crops and cropping intensity			
Particulars	Baseline	Result	Increased by
A. Yield of major food crops			
Monsoon paddy	3.56 t/h	4.73 t/h	33%
Spring Maize	2.39 t/h	4.77 t/h	100%
Wheat	2.09 t/h	2.48 t/h	19%
B. Winter Vegetable Production			
Total winter vegetable (potato, cauliflower, cabbage)	78,105 t	145,220 t	86%
C. Cropping Intensity	160%	235%	47%

Field observations have highlighted that the delays in the availability of seeds and fertilizers for wheat cultivation significantly hindered productivity. In contrast, the rise in maize yields can be attributed to the availability of reliable irrigation services, which replaced the previous reliance on rainfed methods. PMISC will increase political and programmatic engagement with the ADC of LGs for timely supply of seeds and fertilizer and advisory services.

Production of winter vegetables (winter potatoes, winter cauliflower and winter cabbage) in an average were increased by 86% (Baseline 78,105 t; Achieved 145,220 t) along with improved water reliability, 35% increase in cultivation area resulting in a corresponding increase in production volume. Correspondingly, the production of winter potatoes, winter cauliflower, winter cabbage was increased by 104%, 81% and 74% respectively. Despite the increase in crop productivity and cropping intensity during the reporting period, farmers still remained hesitant to alter their cropping patterns due to insufficient and untimely rural advisory services, less availability of labours for farming, as well as the threat of crop destruction by wild animals. The project team will coordinate with LGs to provide rural advisory services through public and private providers, enhancing farmers' understanding of cropping pattern changes and related challenges. This includes knowledge-sharing, training on production planning, post-harvest management, and market linkages. The team will accomplish the continuous monitoring and feedback for LGs and farmers level to ensure effective service delivery and improvements on it.

A short-term monitoring (STM) survey of 32 schemes completed three years after construction in FY 2020/21 confirms that 97% of the schemes are fully operational against the target of

90%. However, one scheme in Likhu Rural Municipality, Okhaldhunga, is only partially operational due to damage to its intake during road construction. The project team plans to coordinate with LGs official's representatives and respective WUA to restore the intake once the roadwork is finished.

The STM survey of schemes completed in FY 2020/21 reveals that all the 100% WUAs have O&M fund against the target to 80% but majority of them do not collect O&M fees regularly as they rely on traditional practices for O&M. From the field reflection, it was known that the practices include labour-based interventions for periodic maintenance through the beneficiaries especially before the cultivation starts. The beneficiaries will have meeting at the time of maintenance and they will collectively volunteer for maintenance works as they believe on collaborative efforts among the beneficiaries. Apart from more focus on O&M training to encourage raising O&M fund regularly, the project will work with LGs to formulate an O&M policy under project's exit plan, possibly linking it to prerequisite conditions for distributing agriculture related grants to farmers if where possible.

Outcome 3: Market actors offer innovative supports and products to farmers in irrigated schemes⁵.

Market actors have gradually expanded their offers of innovative supports and products to farmers in irrigated schemes. 45% (200 out of 443) WUAs did receive at least one input services such as seeds, fertilizers, pesticides, plastic tunnels and machinery through both private and public service providers during reporting period. The input services were offered by the six market partners under the SIP and NAMDP collaboration. These services included not only the services as above but also additional items such as crates, jute sacks, and soil testing for WUAs. The services received from other input market providers could have been underreported for which the project team will orient WUAs to record the received services on time in next FY and will report it in end-line assessment.

The project sought to better link WUAs to the offtake markets, both local and regional. As it was designed to work closely with the NAMDP to this end, they reached to 1,715 farmers from 11% WUAs (115 out of 1074 completed schemes) with market development potential (MDPs) through business-to-business meetings between farmers and traders and training to facilitate their access to markets for their vegetable production and sold 720 metric tonnes of agricultural products, worth NPR 23.7 million, to seven traders/wholesaler. PMISC in collaboration with NAMDP will maintain comprehensive sales records.

Name of Partner	Working District	WUAs	Total farmers	Female farmers	Sales Qty (Mt)	Sales Amount (NPR)	Local collector engaged
Rautamai Namanta Pashupanchi Tatha Tarkari Kendra Pvt. Ltd.	Udayapur	28	540	219	180	4,500,825	22

⁵ Recommendation 5: Achieve a soft landing and lower the field of observation (Self-evaluation study of SIP II).

The outcome that Market actors offer innovative supports and products to farmers in irrigated schemes remains valid, but the field of observation of the indicators should be lowered.

Indicators 3.1 or 3.2 related to contracts are not relevant in Nepal, and even with a broader understanding of 'contracts', the data these indicators provide is not useful for learning or steering.

This evaluation recommends that under 3.1, rather than give the percentage of WUAs that have contracted a service provider, SIP should provide the number and types of services that input market providers (such as private agro-vets) have offered to WUA members in selected schemes. This information will better inform the LGs about the type of services needed and purchased privately.

The evaluation further recommends that under 3.2, rather than focus on the percentage of schemes establishing contracts, SIP/NAMDP should collect the volume sold from a sample of schemes to output market traders or aggregators. The schemes linked to cooperatives with support from NAMDP could be used as a sample. This will provide insightful information on the type of market linkages that SIP/NAMDP collaboration has facilitated.

Table 2: Market service provided by six market actors to WUAs							
Name of Partner	Working District	WUAs	Total farmers	Female farmers	Sales Qty (Mt)	Sales Amount (NPR)	Local collector engaged
Deumai Multipurpose Cooperative Ltd.	Ilam	12	233	106	100	2,499,125	12
Patlekhola Tarkari Kendra	Dhankuta	10	75	17	107	3,326,368	9
Aqysta Nepal Pvt. Ltd.	Bhojpur, Teharathu m, Dhankuta	30	414	108	139	7,268,213	26
New Bibek Krishi Bhandar	Panchthar	11	90	30	27	1,439,774	7
Kamakshya Vegetable and Fruit Center	Ilam & Panchthar	6	13	3	41	1,028,125	5
Kisan Care Pvt. Ltd.	Ilam & Panchthar	18	350	88	124	3,711,300	19
Total		115	1,715	571	718	23,773,730	100

The six traders partnered with NAMDP helped farmers shift to vegetable production by providing a ready market for their produce. However, WUAs that were not part of this partnership but still transitioned to vegetable farming also found buyers beyond these traders. Additionally, WUAs working with NAMDP did not solely depend on these partners and sold their produce to other market players as well. This indicates that while NAMDP support made trade easier for WUAs, it was not essential since Nepal's markets function independently.

Please see **Annex III** for further information in OMS table.

5. Transversal Themes

Gender Equality and Social Inclusion (GESI) in SIP has been implemented through a gender action plan and adherence to labour laws. Key components include the prohibition of child labour in construction and maintenance, equal pay for equal work regardless of gender, ethnicity, or caste, and a requirement for 40% representation of women in Water Users Association (WUA) executive committees. Additionally, there is a strong emphasis on proportional representation from all levels, ensuring that women hold key leadership positions such as chairperson, secretary, and treasurer within WUA committees. Their leadership has led to notable improvements, including enhanced decision-making, better resource management, and increased participation of women in irrigation activities. The women's voices have been better heard in the meeting while making decisions. However, the intra-group dynamics of the women and DAG members in the WUAs are further needed to explore for future projects.

The gender action plan, attached in **Annex-V** contains specific targets for participation and ensuring project benefits reach women and disadvantaged groups.

The program ensures environmental screening of all irrigation schemes during the survey phase (see **Annex VIII** for details). During the design phase, an environmental checklist is used to ensure that the effects of construction work remain within permissible environmental thresholds.

Conflict Sensitive and Compliance Monitoring (CSCM) is integrated across all activities by incorporating lessons learned from past experiences with fragility. This approach focuses on early detection of potential conflicts, particularly concerning water sharing issues, social

disputes over land and alignment of canal and their resolution on time within the project's initiatives.

6. Outputs achieved for FY 2023/24

Output 1.1: Provincial Government strengthens its capacity to support Local Governments.

Koshi province government, as part of strengthening its capacity to support local governments, continued persuading endorsing the small irrigation guideline to the remaining 36% SIP working LGs. The SIG is intended for one-window system for identification, budgeting, implementation, monitoring, and support of small irrigation, which includes the norms, standards, strategies, and policies for small irrigation. Official endorsement has been completed in 21 LGs as of the current reporting period resulting 100% LGs in total and the enforcement of the guidelines will be planned in next FY.

The Federal government agencies entered the program list of 353 irrigation schemes for FY 2024/25 in Line Ministry Budget Information System (LMBIS) and Provincial LMBIS (PLMBIS) in April and June 2024 respectively so as to arrange to send the program budget authority to 55 LGs by the end of August 2024.

Provincial and local government staff were actively involved in selecting schemes and supervising construction throughout the programme. However, the initiative missed a crucial opportunity to enhance their capacity in detailed survey and scheme design, and the use of the programme's design and project preparation report (PPR) system. This gap has limited the ability of provincial and local governments to independently replicate and sustain the programme, ultimately affecting their ability to fully exercise their constitutional rights in the irrigation sector.

Efforts have been made to introduce a web-based MIS and automated PPR system at the provincial level. The provincial government has allocated funds to procure a server in the next FY, and once acquired, PMISC will begin transferring the PPR system in the PG owned server, followed by imparting technical knowhow to the technical personnel of PG, its divisional offices and LGs. This initiative is expected to strengthen institutional capacity and improve the efficiency of project preparation and implementation. PMISC will organize training sessions on surveying and designing irrigation systems using the online automated PPR system. It will also assist local governments in conducting surveys and designing selected schemes for the next FY. Additionally, PMISC will actively involve LGs in project management tasks, including construction monitoring and supervision.

This year, a learning event on innovations and experiences in small-scale irrigation development could not be organized for local governments. Therefore, it has been planned to organize a national event in the upcoming FY to capture the overall learnings from the SIP.

Output 1.2: LGs strengthen their legislative and executive capacity for implementing small irrigation schemes.

Remining 36% of the LGs (21 LGs) have endorsed small irrigation guidelines with necessary adaptation and endorsement resulting 100% LGs in total and the enforcement of the guidelines will be planned in next FY.

The 55 LGs councils have selected 247 new irrigation schemes for implementation in FY 2024/25 through a demand-driven process in accordance with the Local Government Operations Act-2074. These LGs have appointed a focal person for SIP planning, designing, construction supervision and post construction support. Four LGs namely Haleshi Tuwachung Municipality (Khotang), Aaiselukharka Rural Municipality (Khotang), and Dibrung Chuichumpa Rural Municipality (Khotang) and Limchungbung Rural Municipality (Udayapur) will not have

any schemes in next FY because of limited scope of rehabilitation of surface irrigation schemes in these LGs.



Photo 1: Joint monitoring visit at Puchhar Kulo IP, Falgunanda RM, with the Palika team including the Chair and Vice Chairperson, Engineer (focal person), Ward Chair, and PMISC team, fostering local government ownership and enhancing their project management skills.

Nearly 90% of the working LGs were able to make timely payments to WUAs, i.e., within 30 days of bills submission despite of limited human resource availability. PMISC staff have continued support to WUAs to collect and process the bills for speedy process and ensure LG compliance.

Payment delays in remaining LGs have been attributed to several factors across various LGs. Two LGs in Khotang and one in Panchthar experienced delays of over 30 days due to the late release of federal and SDC funds. In Okhaldhunga, three LGs were unable to process payments on time because signatories were unavailable for more than one-month, support documents were submitted late, and there were disputes regarding wooden formworks payments. Furthermore, in one LG in Udayapur, long holidays by the concerned staff during festival season contributed to additional payment delays.

To address payment delays in next FY, LGs will be coordinated for timely fund releases and establish backup signatories to prevent disruptions. The PMISC will proactively assess the potential delays in payment and coordinate with LGs to ensure timely payment assuring the timely release of funds, alternative arrangement of signatories and timely resolution of disputes at schemes.

Output 1.3: LGs build their capacity to provide support to the farmers in irrigated agriculture development.

Agriculture Development Committees (ADCs) in SIP implemented LGs remained active during the reporting period. The frequency of meeting of the committee members increased significant. The records show that 83% of the ADCs have organized meeting at least once while 58% of the ADCs met twice in FY 2023/24. The key agenda of the meeting were related with the recommendation for selection of irrigation schemes and planning the agricultural extension programme in programme areas. Despite of the significant frequency of the meeting, only 10% of ADCs i.e., 6 LGs could prioritize for agriculture extension and input

support for the selected SIP schemes. PMISC will put efforts to increase engagement of ADCs in the next FY to ensure achieving the agriculture services related targets.



Photo 2: Ms. Angfuti Sherpa from Pukting Shurkhe IP, Okhaldhunga, prepares her field for potato farming with a tracker supported by LG's matching fund. Input services from public and private sectors are boosting farmers' agricultural production and productivity

Field observations have revealed that majority of the WUAs have been accessing and receiving rural advisory services from both private and public entities. However, the records are yet to be systematically established at the WUA levels. The available records show that 34% of 388 WUAs have received at least one visit of technical and advisory support services through LG's JT and JTAs during the production cycle. Moreover, 37% of the WUAs have received at least one input services such as seeds, fertilizers, pesticides and machinery/kit from LGs during the reporting period. The input services received from LGs are mostly at subsidy or grants however the farmers should pay for services acquired from private sectors.

Output 2.1: Small farmers organize themselves inclusively in WUAs.

With 100% WUA committees' representation from head, middle and tail of irrigation system, small farmers have organized themselves inclusively in all completed 388 schemes. Almost 100% of WUAs have at least 40% women committee members, with at least one woman in a leadership position. From the field reflection, it has reported that voices of women are also heard in the decision-making process in the project implementation and hence they are encouraged to contribute their time for community works to challenge the deeply rooted social barriers against the women capabilities. Mostly, treasurers are the female irrespective of their financial skill. There is a general understanding that female is trustworthy in financial matters; hence this role has been given to female. The project will catch up this opportunity to impart financial training/institutional development training to treasurers as part of capacity building of women in the project area.

At the same time, systematic procedures were implemented to promote transparency and accountability across all irrigation schemes. All completed schemes practiced public hearings during the formation of WUAs to disseminate information on total cost, design and estimates, equitable cost sharing by beneficiaries and social principles of the project. During the



Photo 3: Public audit at Bhaisekhet Pipalbot IP, Likhu Rural Municipality, Okhaldhunga

construction phase, it was made mandatory of at least one public review to update and inform the beneficiaries on the physical and financial progress of the schemes. However, given the short period of construction works, only 81% of the total completed schemes managed to conduct at least one public review during the construction phase.

Similarly, post construction public audit was conducted in 100% completed schemes, followed by system testing to ensure well-functioning of the system. The final public audit endorsed the actual expenses and balance of the budget if any and technical completion of the schemes as per the design and estimation. The project has ensured that WUAs complied a minimum of 80% households attending the event, with a minimum of 40% of them are female at public hearing and public audit meetings.

Output 2.2: WUAs build and/or rehabilitate Small Irrigation Systems equitably.

During the reporting period, a total of 388 irrigation schemes against the target of 448 (new 369 and carried over 79) were rehabilitated by WUAs with the technical assistance of PMISC. Of the total 448 schemes, 5 schemes have been dropped due to conflicts over water sources, duplication with schemes implemented by the Irrigation Division Offices, and socio-political reasons. Additionally, 55 schemes with significant budget deficits will be carried over to the next FY for implementation.

Table 3: Project Implemented in FY 2023-24									
Working Area	Red Book Target			Progress				Carried over to FY 2024-25	Dropped schemes
	Total schemes	Carried over FY 2022-23	New Schemes 2023-24	Detail Survey (new)	PPR completed (new)	Agreement Completed (new)	Schemes completed (all)		
Bhojpur	43	2	41	41	43	41	40	4	0
Dhankuta	43	2	41	41	43	41	38	5	0
Ilam	73	17	56	56	73	56	59	13	0
Khotang	94	41	53	53	94	53	87	7	0
Okhaldhunga	65	0	65	65	65	63	63	0	2
Panchthar	58	11	47	47	58	47	46	12	0
Terathum	24	3	21	21	24	21	17	7	0
Udayapur	48	3	45	44	47	42	38	7	3
Total	448	79	369	368	447	364	388	55	5

Additionally, detailed survey and design of 247 new schemes proposed for next FY 2024/25 have been accomplished together with 30 flood-damaged schemes.

A total of 559,874 person days of employment was generated through the irrigation construction works, among which 27% were women and 77% were from discriminated group. Similarly, 62% employment generation in construction works went to disadvantaged group, out of which 20% were from disadvantaged female. The DAGs earned approximately 2.2 million CHF from their participation in irrigation construction work during the reporting period. They primarily used the money for children's education, healthcare, and daily living expenses, with a small portion saved for future emergencies.

The WUAs have contributed equitably for approximate value of NPR 158,959,221 (CHF 1,094,834) contributing at least 10% of the total expenditure of construction works.

Output 2.3: WUAs operate and maintain irrigation systems equitably.

The STM survey of schemes completed in FY 2020/21 reveals that all the 100% WUAs have O&M fund against the target to 80% but majority of them do not collect O&M fees regularly as they rely on traditional practices for O&M. From the field reflection, it was known that the practices included labour-based interventions for periodic maintenance through the beneficiaries especially before the cultivation starts. The beneficiaries will have meeting at the time of maintenance and they will collectively volunteer for maintenance works as they believe on collaborative efforts among the beneficiaries. The STM survey of 316 schemes completed in second year (FY 2021/22) has been planned in next FY and expected to have better results in terms of maintaining the irrigation system up to date.

A total of 484 WUAs (inclusive of schemes completed in previous years, but O&M training pending due to COVID) received training on O&M during this FY. The training not only helped the farmers to prepare plans and cost estimate for recurrent system maintenance but also discussed and agreed on equitable and timely water distribution. The O&M training has been completed in 97% of schemes constructed in FY 2020/21, 77% in FY 2021/22, 81% in FY 2022/23, and 16% in FY 2023/24, resulting in an overall completion rate of 57% across 1,074 completed schemes. PMISC will prioritize the trainings in remaining schemes in next FY.

Apart from more focus on O&M training to encourage raising O&M fund regularly, the project will work with LGs to formulate an O&M policy under project's exit plan, possibly linking it to prerequisite conditions for distributing agriculture related grants to farmers if where possible.

Output 2.4: Farmers access agriculture extension services from LGs.

The training on integrated crop and water management (ICWM), including operation of the distribution system, on farm storage facilities and pressurized water distribution (sprinklers, drip irrigation) was completed in 484 schemes during this FY.

86% schemes have received a visit from LG JT/JTA at least once before the construction began for technical advices, inputs such as seeds, soil testing facilities and other extension services as part of rural advisory services. Visits from rural advisory service providers have consistently increased each year, with project team's political and programmatic engagement, despite LG resource constraints. This included facilitating Program Implementation Committee meetings and discussions with key personnel related to agriculture within LGs. Field observations indicate that the proactive requests from WUAs were crucial in securing these services and improving LG accountability. This FY, 86% of the 388 completed schemes received at least one visit, up from 63%, 51%, and 34% in the previous three years.

Table 4: Summary of advisory services received by WUAs			
Fiscal Year	Total completed schemes	Advisory services received WUAs	% Of advisory service received
FY 2020/21	32	11	34%
FY 2021/22	316	161	51%
FY 2022/23	338	213	63%
FY 2023/24	388	334	86%
Total	1,074	719	67%

Farmers still face significant barriers to accessing quality services due to gaps in competency and limited human resources at local governments. To address this, the project team will assist local governments in identifying private

market actors who can provide technical advisory services. Additionally, the project will support local governments in establishing linkages with these actors to enhance collaboration with WUAs and ensure farmers receive technical support from LG technicians during the remaining project period. 92% and 93% farmers in SIP schemes have contact numbers of LG ward chairs and JT/JTAs respectively, while 76% have the contact numbers of nearby agro-vet providers. Through these contact numbers, WUAs were able to receive agricultural extension services for the irrigated agriculture.

Output 2.5: WUAs plan the production in their FMIS based on commercial opportunities.

23% WUAs in farmers managed irrigation systems (FMIS) supported by the project planned their irrigated commercial crops based on the reliable information on market demand during the FY. This includes the 101 WUAs with market development potential which have received training from LARPs on production planning, post-harvest management and market linkages. The remaining WUAs with potential will be trained in next FY.

33% WUAs have the contact number of traders/buyers and while 27% WUAs have contact number of wholesalers/retailers. The gradual increment in farmers' access to market actors was possible through sharing the results of market actors mapping including information of traders, wholesalers, agro-vets and collectors. Such access is expected to increase in the next FY through discussions with WUAs under joint collaborative activities between SIP and NAMDP such as business to business (B2B) meeting and training on commercial vegetable production, post-harvest and management. The farmers' access to market actors enabled them to sell their agricultural products either directly or through their established networks, ensuring timely market access. During the reporting period, 1,469 farmers from 97 WUAs collectively sold 543 metric tons of agricultural products, generating approximately 19.3 million. This transaction was likely facilitated through support in establishing connections with market actors.

Output 3.1: Input service providers provide maintenance, production advice or embedded services to FMIS.

Aqysta Nepal, in collaboration with NAMDP and SIP, has helped 414 farmers across 30 WUAs reduce post-harvest losses, increase incomes, and expand production. Farmers now use crates, jute bags, and machinery to store and handle produce more efficiently, minimizing spoilage. They sell their crops directly and follow technical advice to improve yields and secure fair prices, boosting their earnings.

With these benefits, farmers are investing more in agriculture. The project will work on expanding services, strengthen post-harvest infrastructure, and develop sustainable market linkages. These efforts will drive significant progress in the upcoming FYs.

Output 3.2: Traders and retailers establish contacts with WUA members.

B2B meetings and training related to commercial vegetable production, post-harvest management and market linkages were continued to establish relationship between traders



***Photo 4:** Ms. Man Kumari Shrestha, a successful farmer from Balaiche Muhan Jalkeni IP in Okhaldhunga, collaborates with her husband to earn an annual income of approximately 2 lakhs. She invests their agricultural earnings to ensure better education for their child and meet the family's daily needs.*

and retailers. 101 WUAs (29%) of market development potential WUAs have been reported to have ongoing discussion with traders/buyers through B2B meetings and trainings on production planning, post-harvest management and market linkages through LARP from last FYs. Five key partners—one in Udayapur, two in Ilam/Panchthar, and two in Dhankuta/Terhathum—have effectively supported WUAs by facilitating business-to-business meetings, providing logistical assistance, and purchasing agricultural products. During the reporting period, 1,469 farmers from 97 WUAs sold cereal crops and vegetables worth NPR 19,378,155 to these partners which was possible with the activities conducted as mentioned.

The Ministry of Industry, Agriculture and Cooperative (MoIAC), has continued and updated the Agriculture Price Information System in collaboration with SIP and NAMDP. The system

was officially launched in March 2023. The system and application have been shared with farmers which aims to provide farmers and concerned stakeholders with up-to-date and relevant pricing information enhancing their decision-making and negotiating capabilities and contributing to the overall development of the agricultural sector.

7. Finance and Management

7.1 Budget and Expenditures

In FY 2023/24, a total of NPR 1,753,814,607 (CHF⁶ 12,095,273) has been spent, representing 92% of the allocated budget of NPR 1,913,802,634 (CHF 16,641,762) for the same FY, reflecting effective budget management and resource allocation.

A total of 89% of the budget, amounting to NPR 1,589,592,206 (CHF 10,962,705), has been spent on civil works from an allocated budget of NPR 1,782,348,884 (CHF 15,498,686). This represents a significant improvement over previous FYs, where maximum expenditure on civil works was only 67%. This success is largely due to PMISC's strong collaboration with LGs and WUAs, enabling the completion of additional schemes against the expected target within the available budget. However, there remains potential for further expenditure, contingent on resolving budget deficiencies in provincial share contributions. This issue has resulted in 76 schemes being carried over and five being dropped due to socio-political reasons, leading to unspent budget allocations.

Farmers have contributed work for approximate value of NPR 158,959,221 (CHF 1,096,270) meaning on an average, WUAs have raised 10% of the total construction cost.

A total of NPR 20,061,750 (CHF 174,450) was allocated for WUA trainings, along with institutional strengthening of three spheres of governments. Of this allocated budget, 100% has been expended, amounting to NPR 20,311,855 (CHF 140,082).

Further disaggregation shows, that out of the total NPR 15,749,250 (CHF 136,950) allocated for WUA/post construction training 102% amounting to NPR 16,029,083 (CHF 110,545) was expensed as O and M trainings were conducted in larger scale in this FY. Similarly, 99% amounting to NPR 2,847,578 (CHF 19,638) was expensed for institutional strengthening of LGs including logistic support against the allocation of NPR 2,875,000 (CHF 25,000) and out of NPR 1,437,500 (CHF 12,500) allocated for provincial capacity strengthening, 100% amounting to NPR 1,435,194 (CHF 9,8298) was expensed.

Additionally, NPR 143,910,546 (CHF 992,487) was spent on technical assistance, representing 129% of the allocated budget of NPR 111,392,000 (CHF 968,626). This increase was due to the hiring of 14 survey and design engineers in November 2023, necessary for implementing schemes in FY 2024/25. This adjustment was approved by SDC in the amended mandate agreement in October 2023.

A detailed program budget and expenditure is presented in **Annex VI**.

7.2 Project Management

The third meeting of the Programme Advisory Committee (PAC) for SIP II was held on June 18, 2024 and it endorsed the yearly plan of operations (YPO) of FY 2024/25 and annual progress report (APR) of FY 2022/23. The PAC instructed DoLI to organize a workshop to discuss the small irrigation guidelines which were endorsed and practiced by Koshi province. The project team will support DoLI to disseminate the guidelines to other provinces.

⁶ Exchange rate is used as below;

- For budgeting; 1 CHF=NPR 115
- For expenditure; 1 CHF=NPR 145

Additionally, PAC agreed to recommend the extension of SIP-II for an additional one year i.e., till July 2026 for the preparation of third phase. (See **Annex VII** for details).

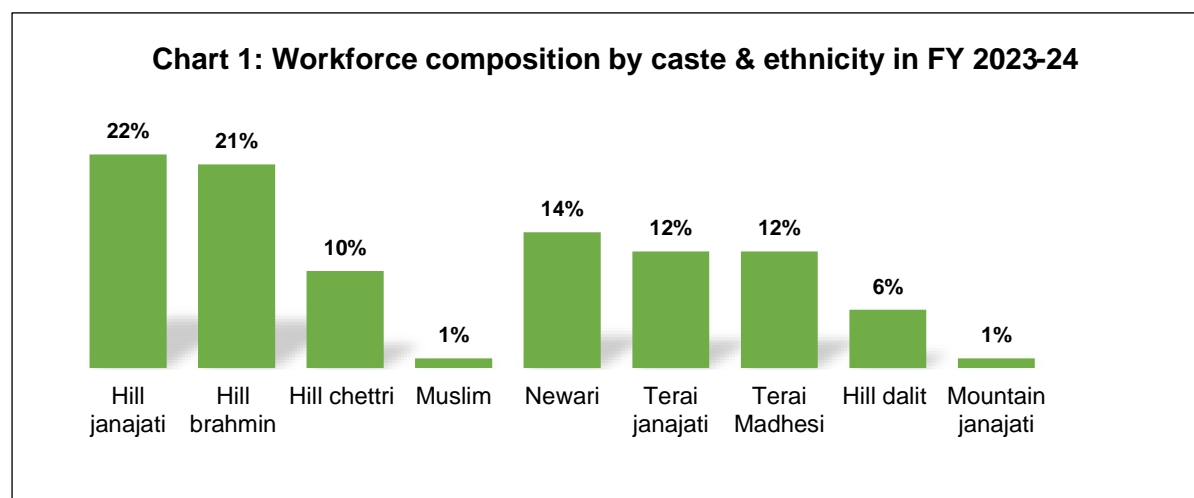
The fourth meeting of the Programme Coordination Committee (PCC) was held on May 6, 2024 and it approved the APR for FY 2022/23 and YPO for FY 2024/25. PCC agreed to recommend the extension of SIP II for an additional one year i.e., till July 2026 for the preparation of third phase. (See **Annex VII** for details).

SIP-II's project document provisions for a Programme Implementation Committee (PIC) at the local level. The task of PIC is to review overall progress of SIP-II, approve the annual plan and budget, review issues and constraints in the implementation of the programme and suggest for the corrective measures for respective LGs. In all working LGs, the annual plan and budget were approved together by PIC and executive committee meeting, but the review of progress and challenges of the programme were discussed in a systematic way at only few LGs. They were only handled at an individual level and PMISC will discuss on review of the program for the next FY to ensure effective roles of PIC at local level.

Program operations continued across 59 LGs in the mid-hills of Koshi Province. The PMISC remains actively engaged in supporting LGs with planning, project implementation, and monitoring through dedicated staff stationed as project focal points.

7.3 Human Resource

The Programme Management and Implementation Support Consultant (PMISC) has continued to provide technical assistance to the Project Coordination Unit (PCU) at the Ministry of Water Supply, Irrigation and Energy (MoWSIE) in Koshi province. PMISC focal persons are stationed across all 59 local governments where the SIP is currently being implemented, offering support in project management and implementation.



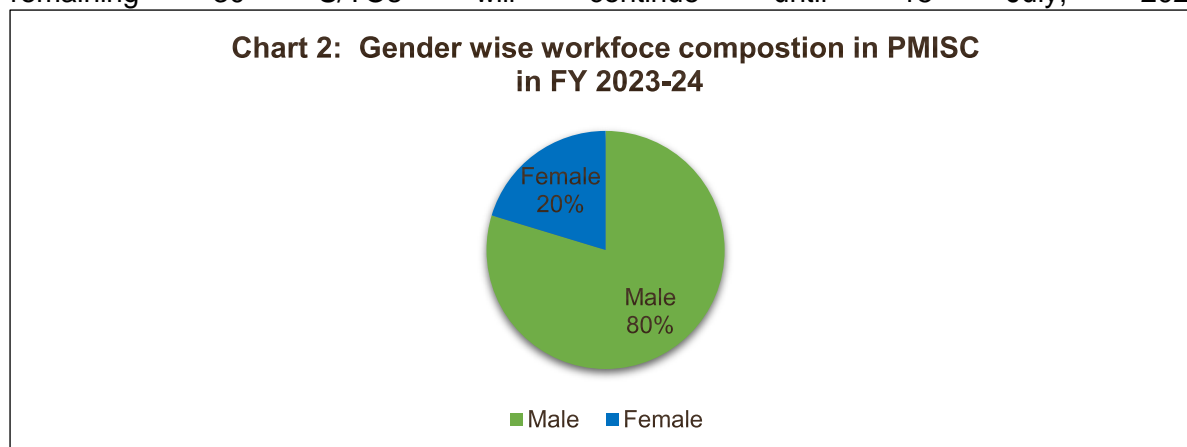
From July 17, 2023, to July 15, 2024, a total of 77 staff members, including regular employees and those in the survey and design team, worked with PMISC/SIP at different times. The staff structure comprised of 64 regular staff, 13 from the survey and design team, and two short-term employees. Of these, 16 were based at PMISC in Biratnagar, while 61 were located across five cluster offices.

As of this reporting period, women constitute 20% of the total staff, up from 15% in the previous FY, largely due to the promotion of female trainees to fill vacancies. Exit interviews indicate that remote work locations are a significant barrier to gender diversity, posing logistical challenges for female employees. The project has introduced several supportive measures, including childcare allowances, preferential duty station allocations, and vehicles for field movement. Despite these initiatives, challenges remain, particularly at the cluster level.

Ongoing efforts are needed to address geographical constraints and enhance gender diversity throughout the organization.

Restructuring Process:

Over the FY 2023/24, a total of 37 senior technical officers (STOs) worked with SIP across 59 LGs. With the reduced number of schemes for implementation in the fifth year, only 30 S/TOs will be required to implement the schemes. Therefore, PMISC initiated a restructuring process during 21st to 30th June 2024, reducing seven STOs effective from 15th August 2024. The remaining 30 S/TOs will continue until 15 July, 2025.



Although the requirement for FY 2024/25 is 30 S/TOs, all 37 have been proposed to remain employed until 15 August, 2024. Since construction work is expected to be completed by the first week of July 2024, it is anticipated that bills preparation and data (both project and financial) compilation will take an additional 3-4 weeks.

Over the course of the FY, 13 staff members joined the team as Survey and Design Engineers effective from February 2024. For a detailed breakdown of workforce diversity, please refer to **Chart 1** and **Chart 2** as above.

Traineeship Opportunity:

In the last FY 2022/23, SIP II initiated a traineeship program aimed at providing opportunities for newly graduated female civil engineers. During this reporting period, an additional 10 female civil engineers were recruited as part of the second cohort, commencing their six-month traineeship from December 2023 to June 2024, stationed at various cluster offices.

This traineeship program aims to allow fresh graduated women civil engineers to work and



Photo 5: Newly graduated female civil engineer trainees monitor construction work on a small irrigation scheme at Phalamkhola IP, Yangwarak RM. This hands-on experience in the irrigation sector, alongside a diverse team, enhances their career prospects in civil Engineering

learn alongside an experienced team in SIP, thereby enhancing their prospects for developing a civil engineering career, specifically focusing on the irrigation sector. SIP has been using a curriculum for the traineeship program that includes a mix of technical and social modules, on-site learning, and engagement with the community and local governments.

Trainees not only acquired practical knowledge in the irrigation sector but also had the opportunity to work within a diverse team, enhancing their skills in teamwork, project management, communication, and leadership. These competencies are anticipated to significantly benefit their future careers. Notably, from the first cohort, two trainee engineers advanced to join SIP as

Senior Technical Officers, while four others took on roles as survey and design engineers, furthering their careers in the irrigation sector.

8. Lessons Learnt

The following lessons were learned during the implementation of SIP in FY 2023/2024:

8.1 Enhancing Capacity Building for Local Government

The missed opportunity was to engage the local government in preparing PPR of irrigation schemes including engaging the technical team of the LGs in survey, design and estimation and MIS systems of the PPR. The external evaluation has also reflected it as a major learning of the project. Taking it as a serious lesson, the project will support MOWSIE to establish PPR in the server and train and engage LGs in the PPR system during remaining period of the project.

Additionally, all the LGs have enforced Small Irrigation Guidelines but its implementation status is difficult to measure in the absence of the indicators. The LGs need support for establishing the indicators and a mechanism for measuring its implementation. During the remaining period of the project, the LGs will be coordinated in this regard and its learning will be shared with federal level stakeholders.

8.2 Promoting Market-Driven Agriculture and Tailored Agricultural Extension Services

The self-evaluation of the Small Irrigation Programme has underscored the importance of fostering market-driven agricultural practices and tailoring agricultural extension services to enhance farmers' livelihoods. Market-driven agriculture is essential for enabling farmers to capitalize on increased production and improve their economic situations. Moreover, while the program offered post harvesting training to WUAs and farmers, it lacked specific guidance on critical aspects such as irrigation patterns, cultivation practices, and pest control for vegetable production. This gap represents a missed opportunity to maximize the benefits of year-round irrigation. Future programs should prioritize the development of specialized training modules that meet the specific needs of farmers, equipping them with the knowledge and skills necessary to adapt their practices to local conditions and market demands.

8.3 Strengthening Intergovernmental Collaboration for Improved Service Delivery

The external evaluation of the Small Irrigation Programme has highlighted the vital role of intergovernmental collaboration in enhancing service delivery. The project's funding model, which requires shared financial contributions from federal, provincial, and local governments, has proven effective in fostering strong intergovernmental relations. This collaborative approach has empowered LGs to fulfil their constitutional roles in irrigation management by providing them with essential resources and support.

The Small Irrigation Guidelines cascading down by the provincial government, has streamlined the processes and established clear frameworks for LGs to operate within. The ongoing coordination among different government spheres has allowed LGs to manage irrigation schemes more effectively.

To build on this success, the provincial government can coordinate with the federal government to disseminate the guidelines with other provinces. Continued engagement among all levels of government will help address emerging challenges and ensure that LGs receive adequate support in their initiatives.

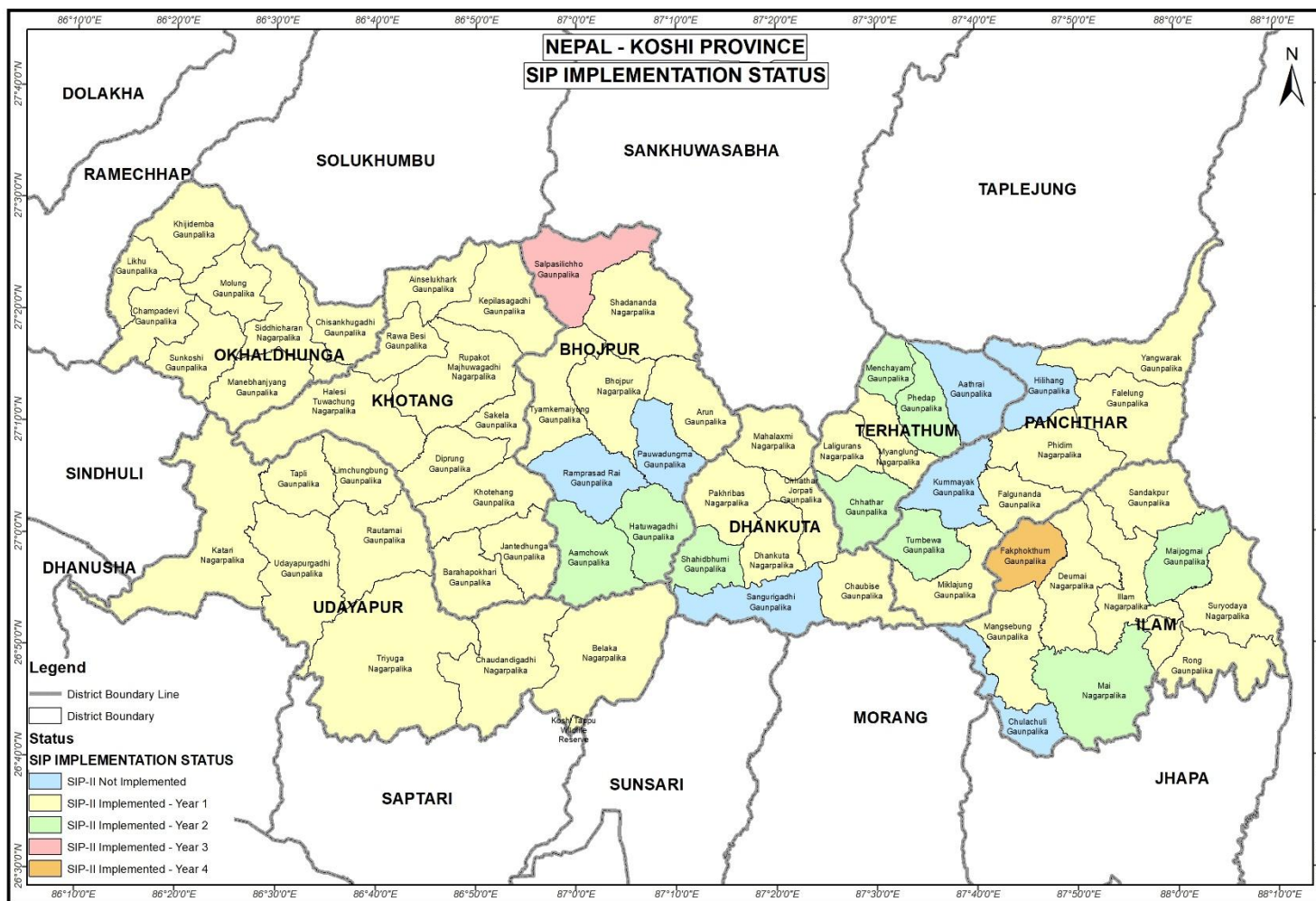
ANNEXES

Annex I: Abbreviations

ADC	:	Agriculture Development Committee
ADS	:	Agriculture Development Strategy
B2B	:	Business to Business
CEDRIG	:	Climate, Environment and Disaster Risk Reduction Integration Guidance
CHF	:	Swiss Franc
DAG	:	Disadvantaged Group
DAGs	:	Disadvantaged Groups
DoLI	:	Department of Local Infrastructure
EDC	:	Economic Development Committee
FMIS	:	Farmer Managed Irrigation System
FSB	:	Federal State Building
FY	:	Fiscal Year
GESI	:	Gender Equality and Social Inclusion
GoN	:	Government of Nepal
ha	:	Hectare
HHs	:	Households
IDEMS	:	Infrastructure Development Environment Management Section
IED	:	Irrigation and Energy Department
JT/JTAs	:	Junior Technician/Junior Technical Assistants
LARPs	:	Local Agriculture Resource Persons
LGs	:	Local Governments
LMBIS	:	Line Ministry Budget Information System
MDPs	:	Market Development Potentials
MIS	:	Management Information System
MoA	:	Ministry of Agriculture
MoIAC	:	Ministry of Industry, Agriculture and Cooperative
MoU	:	Memorandum of Understanding
MoUD	:	Ministry of Urban Development
MoWSIE	:	Ministry of Water Supply, Irrigation and Energy
NAMDP	:	Nepal Agriculture Market Development Programme
NPR	:	Nepalese Rupee(s)
O&M	:	Operation and Maintenance
PAC	:	Programme Advisory Committee
PCC	:	Programme Coordination Committee
PCU	:	Project Coordination Unit
PG	:	Province Government
PIC	:	Programme Implementation Committee
PLMBIS	:	Provincial Line Ministry Budget Information System

PMISC	:	Programme Management and Implementation Support Consultant
PPR	:	Project Preparation Report
SDC	:	Swiss Agency for Development and Cooperation
SIG	:	Small Irrigation Guideline
SIP	:	Small Irrigation Programme
STM	:	Short term monitoring surveys
TA	:	Technical Assistance
ToT	:	Training of Trainers
WUAs	:	Water Users' Associations
YPO	:	Yearly Plan of Operations

Annex II: SIP Working Areas



Annex III: Outcome Monitoring Summary for FY 2023/24

Indicators	Phase Target	Target 2023-24	Result 2023-24	Phase Cumulative results	Key success and constraints	Priority measures/steering decision
Outcome 1: Local Governments (LGs) respond effectively to the needs of small farmers for irrigated agriculture						
100% LGs have established a one window system	100% LGs	36% LGs	36% LGs	100% LGs	<ul style="list-style-type: none"> The draft of the small irrigation guideline that was shared in 2022 by MoWSIE has been adapted and officially endorsed by all working LGs. Project team's continuous engagement at both political and programmatic level resulted in 100% endorsement. However, enforcement of the guideline to ensure one-window system is yet to be operationalized. 	<ul style="list-style-type: none"> Meeting with LGs to discuss implementation of the guideline, including establishing indicators for SIG compliance.
35% increase in additional area under year-round irrigation in participating LGs	35% increase (20,000 ha)	14% (8,029 ha)	10% (5,574 ha)	32% (18,227)	<ul style="list-style-type: none"> 21 schemes are physically completed; however, payment remains pending due to budget deficiency. 51 schemes could not be completed within the fiscal year due to budget deficits of the province government. However, funding for these schemes in the next fiscal year has been secured to cover the full financial liability from respective source. Five schemes (142 ha) were dropped due to socio-political issues. 	<ul style="list-style-type: none"> Consult with all users during pre-construction activities to ensure meaningful participation and effectively address any disputes.

Indicators	Phase Target	Target 2023-24	Result 2023-24	Phase Cumulative results	Key success and constraints	Priority measures/steering decision
100% schemes have received at least one visit of a rural advisory services provider during the production cycle	100% (1,300 schemes)	100% (448 schemes)	86% (333 out of 388 completed schemes)	67% (717 out of 1,074 completed schemes)	<ul style="list-style-type: none"> Engagement at both political and programmatic level has led to an annual increment in access to rural advisory services by WUAs, despite human resource constraints in LGs. Further, WUAs also received advisory services from the partnership under joint collaboration between SIP/NAMDP. WUAs benefited from both private and public services however, this remains undocumented. 	<ul style="list-style-type: none"> Records of services from private sectors will be documented during the end-line assessment.
Outcome 2: Small farmers especially from DAGs increase agricultural productivity						
65'000 HHs benefited from year-round and increased irrigation water	65,000 HHs	17,903 HHs	14,870 HHs	44,878 HHs	<ul style="list-style-type: none"> Delay in project implementation due to budget deficits and socio-political issues has resulted in lower achievement of targets. It is expected that the total beneficiary households for the entire phase will be around 60,360 including households which will benefit in the next FY. This will be 7% lower than the phase target. One of the reasons for this is the assumption of 0.31-hectare average land holding per household in Koshi Province to calculate the phase target of 65,000. SIP database indicates that on an average the landholding of a household is 0.42 hectare of land. 	

Indicators	Phase Target	Target 2023-24	Result 2023-24	Phase Cumulative results	Key success and constraints	Priority measures/steering decision
40% beneficiaries are from DAGs	40% (26,000 HHs)	40% (7,161 HHs)	47% (6,939 HHs)	45% (20,043 HHs)		
70% of the program beneficiaries have a landholding of less than 0.5 ha in SIP command area.	70% (45,500 HHs)	70% (12,532 HHs)	69% (10,188 HHs)	63% (28,220 HHs)	The target on small landholders could not be achieved since criteria of small landholders during schemes selection is not always prioritized by LGs.	The project will engage with LGs during the planning process of next FY to prioritize schemes with small landholders' farmers.
30% increase in the yields of major irrigated food crops in SIP command area.	30% increase	30% increase	<ul style="list-style-type: none"> Monsoon Paddy increased by 33% (Baseline: 3.56 t/h; Achieved: 4.73 t/h) Wheat increased by 19% (Baseline: 2.09 t/h; Achieved: 2.48 t/h) Spring Maize increased by 100% (Baseline: 2.39 t/h; Achieved: 4.77 t/h) 	<ul style="list-style-type: none"> Monsoon Paddy increased by 34% (Achieved : 4.78 t/h) Wheat increased by 26% (Achieved : 2.64 t/h) Spring Maize increased by 82% (Achieved : 4.35 t/h) 	<ul style="list-style-type: none"> This year's result is based on the crop cut survey conducted in 94 schemes for monsoon paddy in November-December 2023, 24 schemes for wheat in March-April, 2024 and 69 schemes for spring maize in June-August, 2024. Unavailability of quality seeds and fertilizers for wheat cultivation was a major constraint. 	Engage with LGs and PG to ensure timely supply of quality seeds and fertilizers to farmers through government grant and private sector sources.

Indicators	Phase Target	Target 2023-24	Result 2023-24	Phase Cumulative results	Key success and constraints	Priority measures/steering decision
30% increase in cropping intensity in SIP command area	30% increase	30% increase	47% increase (Baseline: 160% Achieved: 235%)	Phase average is 221% (38% increase)		
Winter vegetable production and other high value crops increases by a minimum of 50% (by volume) above the current total production in SIP schemes	Min. 50% increase in production volume in completed schemes	Min. 50% increase in production volume in completed schemes	86% increase (Baseline: 78,105 t Achieved: 145,220 t)	Not applicable	<ul style="list-style-type: none"> With improved water reliability, farmers have expanded their winter vegetable crop area by 35% (Coverage: Baseline-20.23%, Achieved-27.21% of 20,000 ha), resulting in a corresponding increase in production volume. The crop cut survey for winter vegetable includes potato, cabbage and cauliflower. 	
90% of the program's irrigation schemes are functioning well three years post-completion.	90% schemes	90% schemes	97% schemes	Not applicable	<ul style="list-style-type: none"> Short term monitoring conducted in the 32 schemes completed in FY 2020/21 validates that 97% schemes are fully operational. One scheme in Likhu Rural Municipality, Okhaldhunga is partially operating as its' intake was damaged during road construction. 	<ul style="list-style-type: none"> Engage with LG to restore the intake once the road construction work is completed.
At least 80% of WUAs establish a fund for Operation & Maintenance and major repairs, through the	80%	80%	100%	100%	<ul style="list-style-type: none"> As there is a mandatory 1% upfront cash contribution for O&M funds, WUAs have established a fund for the same. 	<ul style="list-style-type: none"> Provide timely O&M training to the remaining schemes to equip farmers with essential skills and knowledge on operation and maintenance.

Indicators	Phase Target	Target 2023-24	Result 2023-24	Phase Cumulative results	Key success and constraints	Priority measures/steering decision
equitable collection of water service fees					<ul style="list-style-type: none"> However, as indicated by the STM survey of schemes completed in FY 2020/21, WUAs do not collect O&M fees regularly as they rely on traditional practices for O&M. Field reflections revealed that beneficiaries conduct labour-based periodic maintenance before cultivation. They hold meetings and volunteer collectively, emphasizing collaborative effort. 	<ul style="list-style-type: none"> Work with LGs to establish an O&M policy, linking it to prerequisite conditions for distributing agriculture related grants to farmers.
Outcome 3: Market actors offer innovative supports and products to farmers in irrigated schemes						
50% of WUA that have contracted at least one input provider in the last 12 months	50% (650 out of 1,300 WUAs)	50% (224 out of 448 WUAs)	-	-	<ul style="list-style-type: none"> As recommended by the self-evaluation report, for indicator 3.1 rather than the percentage of WUAs that have contracted a service provider, SIP will provide number and types of services that input market providers (such as private agro-vets) have offered to WUA members in selected schemes. Hence, six market partners under SIP/NAMDP joint collaboration provided input services such as seeds, fertilizer, plastic tunnel, pesticides, machinery/kits, crate, jute sacks, soil testing to farmers and hence, they were able to prevent the post-harvest losses, and increase their production and productivity with the help of proper market-based production planning. From the field reflection, it has noted that the farmers are gradually changing 	<ul style="list-style-type: none"> Orient WUAs to record the received services on time and follow up from PMISC team. Inputs received from traders will be collected during the end-line survey.

Indicators	Phase Target	Target 2023-24	Result 2023-24	Phase Cumulative results	Key success and constraints	Priority measures/steering decision
					<p>the cropping pattern from cereal crops to cash crops.</p> <ul style="list-style-type: none"> However, the services received from other input market providers (such as private agro-vets) at WUA level is yet to be recorded. 	
50% of SIP schemes that have established contracts with traders or wholesalers to buy their crops	50% (650 out of 1,300 WUAs)	50% (224 out of 448 WUAs)	-	Not applicable	<ul style="list-style-type: none"> As recommended by the self-evaluation report, for indicator 3.2, SIP collect the volume sold from sample schemes to output market traders or aggregators rather than the percentage of schemes establishing contracts. Through joint collaboration, till date 1,715 farmers from 115 irrigated schemes with market development potential sold 720 metric tonnes of agricultural products, worth NPR 23.8 million, to seven traders/wholesaler. However, sales records for transactions with other market actors hasn't been recorded. 	<ul style="list-style-type: none"> Comprehensive sales records will be collected during the end-line survey.
70% of beneficiary farmers sell part of their irrigated agriculture production directly to the market	70% farmers	Not applicable	Not applicable	Not applicable	47% sampled beneficiary households sold part of their irrigated agriculture production directly to the market according to the baseline study conducted in FY 2021/22.	The end line survey planned after the phase completion will report the volume of sales and values in NPR received by the farmers.

Annex IV: Output Summary for FY 2023/24

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
Outcome 1: Local Governments (LGs) respond effectively to the needs of small farmers for irrigated agriculture						
Output 1.1: Provincial Government strengthens its capacity to support Local Governments						
Indicator 1.1.1: Norms, standards, strategies and policies for small irrigation are published officially (Baseline # not available)	Not Available	Norms, standards, strategies and policies for small irrigation are published officially	Shared the draft small irrigation guideline in last FY which includes said norms, standards, and strategies.	Not applicable	The published engineering norms, technical specifications, and design manual for small irrigation schemes were compiled from multiple sources, including the Departments of Road, Irrigation, Urban Development, and Building Construction, as well as DoLI. This will help local governments reduce confusion when using the necessary norms and standards for designing small irrigation schemes.	
Indicator 1.1.2: All responsible Federal/Provincial Government Agencies arrange to send the SIP budget authority to the program LGs by the end of August	100% LGs	100% LGs (59 LGs)	93% LGs (55 LGs)	Not applicable		In the FY 2024/25, four local governments do not have schemes: Haleshi Tuwachung M, Aaiselukharka RM, and Diprung Chuichumpa RM in Khotang District, along with Limchungbung RM in Udayapur District.
Indicator 1.1.3: A guideline on one window approach for small irrigation within the LGs is	100% LGs	100% LGs (59 LGs)	100% LGs (59 LGs)	Not applicable		

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
available (Baseline # not available)						
Indicator 1.1.4: An internet-based MIS and automated project preparation system is available and operational for use by the LGs (Baseline # not available)	100% LGs	100% LGs (59 LGs)	Not achieved	Not applicable	Handing over the PPR system to LGs remains a challenge as the system's server is yet to be established at MoWSIE and further, the capacity of the LG officials using this system needs to be built.	The project will work on to establish the server and capacitate the LGs on use and operation of PPR system in next FY
Indicator 1.1.5: At least one learning event is organized every year for LGs included in the program on, innovations and experiences in the development of small-scale irrigation (Baseline # not organized)	4 events (At least 1 per year)	One event	Not Achieved	Not Achieved		A national event will be planned with the objective of capturing overall learnings of small irrigation programme in upcoming FY.
Output 1.2: LGs strengthen their legislative and executive capacity for implementing small irrigation schemes						
Indicator 1.2.1: A one window approach for small irrigation within the LG is available (Baseline # not available)	100% (59 LGs)	36% (21 LGs)	36% (21 LGs)	100% (59 LGs)		

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
<u>Indicator 1.2.2:</u> LG Councils select irrigation schemes for implementation through a demand driven process (Baseline # not done)	100% LGs	100% LGs (59 LGs)	93% LGs (55 LGs)	Not applicable		In the FY 2024/25, four local governments do not have schemes: Haleshi Tuwachung M, Aaiselukharka RM, and Dprung Chuichumpa RM in Khotang District, along with Limchungbung RM in Udayapur District.
<u>Indicator 1.2.3:</u> LGs appoint a focal person ⁷ for SIP planning, designing, construction supervision and post construction support	59 LGs	59 LGs	59 LGs	59 LGs	The focal persons have been supportive during planning and execution; however, they were not involved in the survey and PPR preparation up to the reporting period, which was a missed opportunity for LG's capacity development action for sustainability.	Technical officials from LGs will be trained in survey and PPR system for small irrigation in next FY.
<u>Indicator 1.2.4:</u> 100% LGs prepare and approve the bills within three weeks of the start of the measurement	100% LGs (59 LGs)	100% LGs (59 LGs)	95% LGs (56 LGs)	Not Applicable	<ul style="list-style-type: none"> One scheme in Mahalaxmi M, two schemes in Champadevi RM and one scheme in Aiselukharka RM delayed the submission of bills due to various reasons. According to LG officials, the designated focal person often struggles to prepare and approve bills within the required timeframe due to a shortage of human resources and a high volume of work. 	

⁷ The focal person approves the detail design and cost estimates of the irrigations scheme.

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
					<ul style="list-style-type: none"> At the WUA level, there is a lack of initiative in collecting bills and submitting necessary paperwork on time. 	
Indicator 1.2.5: 100% LGs ensure timely payments to WUA's (within 30 days of bills being recommended for payment by LG Support Unit	100% LGs	100% LGs (59 LGs)	88% LGs (52 LGs)	Not Applicable	<ul style="list-style-type: none"> Due to the late release of federal and SDC funds, two LGs in Khotang and one LG in Panchthar only able to pay after 30 days Three LGs of Okhaldhunga were unable to make payments on time due to absence of signatories for more than three weeks, delay submission of social document and dispute in payment for plywood Furthermore, due to festival time, payment in one LG in Udayapur was delayed. 	The PMISC will proactively assess the potential delays in payment and coordinate with LGs to ensure timely payment assuring the timely release of funds, alternative arrangement of signatories and timely resolution of disputes at schemes.
Output 1.3: LGs build their capacity to provide support to the farmers in irrigated agriculture development						
Indicator 1.3.1: 80% Agriculture Development Committees (ADCs) in SIP implemented LGs meet at-least twice every year	80% ADCs (47 LGs)	80% ADCs (47 LGs)	58% ADCs (34 LGs)	Not Applicable	The actual number of ADC/EDC meetings is underreported because most LGs regularly have executive committee meetings with ADC/EDC members in order to make decisions.	PMISC will put efforts to increase engagement of ADCs in the next FY to ensure achieving the agriculture services related targets.
Indicator 1.3.2: 80% Agriculture Development Committees (ADCs) in SIP implemented LGs recommend the selection	80% ADCs (47 ADCs)	80% ADCs (47 ADCs)	83% ADCs (49 LGs)	Not Applicable		

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
of irrigation schemes for funding in annual budget to the LG councils						
Indicator 1.3.3: 80% ADCs include and assign priority for the agriculture extension and input support for the selected SIP irrigation schemes	80% ADCs (47 ADCs)	80% ADCs (46 ADCs)	10% ADCs (6 LGs)	Not Applicable		
Indicator 1.3.4: LGs provide agriculture extension support and facilitate the provision of agriculture inputs for 80% SIP projects	80% WUAs (1040 schemes)	80% WUAs (310=388*.8 completed schemes)	37% WUAs (143 completed schemes)- input service (34% WUAs) 130 completed schemes- JT/JTA visits	Not Applicable	Due to lack of human resources at LGs, WUAs were unable to receive rural advisory services as required.	Rural advisory services to farmers shall be provided through private sector and systematically recorded.
Indicator 1.3.5: 80 % of the LG address contractual complaints related to irrigation schemes in a satisfactory manner	80% LGs (47 LGs)	80% LGs (47 LGs)	50% LGs (2 out of 4 LGs)	Not Applicable	The contractual complaints remained to address in two LGs are related to deduction of final bill amount in six schemes in Molung RM and misuse of advance amount without carrying out the construction works in one scheme in Diktel M which need to be continued followed up.	<ul style="list-style-type: none"> • Ongoing need for follow-up on unresolved contractual complaints in Molung RM • Issues stemming from advance payments made without corresponding construction activities in Diktel M, which require immediate attention.

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
Outcome 2: Small farmers especially from DAGs increase agricultural productivity						
Output 2.1: Small farmers organize themselves inclusively in Water User Associations						
Indicator 2.1.1: 100% WUA committees have representation from head, middle and tail of irrigation system	100% WUAs (1300 schemes)	100% WUAs (443 schemes)	100% WUAs (443 schemes)	Not Applicable		Five schemes were dropped.
Indicator 2.1.2: 40% WUA committee members are women, with at least 1 woman or a representative of a discriminated group in a leadership position	40% women in WUA committee plus at least 1 woman or representative of a discriminated group in a leadership position (1300 schemes)	40% women in WUA committee plus at least 1 woman or representative of a discriminated group in a leadership position (443 schemes)	40% women in WUA committee plus at least 1 woman or representative of a discriminated group in a leadership position (442 out of 443 schemes)	Not Applicable		One scheme in Okhaldhunga with 33% female, due to low participation of women in the meeting.
Indicator 2.1.3: 100% WUAs practice public hearing, review and auditing & place hoarding board at scheme sites	100% WUAs (1300 schemes)	100% WUAs (417 schemes)	<ul style="list-style-type: none"> 100% WUAs practiced public hearing and placed a hoarding board at a visible location 	Not Applicable		One scheme in Khotang was physically completed but financially incomplete and hence public audit is remained.

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
			in the scheme site <ul style="list-style-type: none"> 99.7% (387 out of 388) public audit 81% (313 out of 388) WUAs have practiced public review 			
Output 2.2: Water User Associations (WUAs) build and/or rehabilitate Small Irrigation Systems equitably						
Indicator 2.2.1: Approximately 1300 irrigation schemes are constructed or rehabilitated	1,300 schemes	448 schemes	388 schemes	1,074 schemes	<ul style="list-style-type: none"> Out of total 448, five schemes have been dropped due to conflict in water sources, overlap with schemes implemented by the Irrigation Division Offices and socio-political reasons while 55 schemes with significant budget deficit have been carried over to next FY for implementation. It is expected that the total irrigation schemes for the entire phase will be around 1,376 including schemes that will be constructed or rehabilitated in the next FY which is more than the phase target (1,300). 	
Indicator 2.2.2: 1'000'000 person –days of employment through the construction of irrigation schemes	1,000,000 p-days	300,000 p-days	559,874 p-days	1,609,105 p-days		

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
Indicator 2.2.3: All WUAs/farmers equitably contribute at least 10% of the project construction cost	100% WUAs (1300 schemes)	100% WUAs (443 schemes)	88% WUAs (388 out of 443 schemes)	100% WUAs (1,074 completed schemes)		
Output 2.3: WUA operate and maintain irrigation systems equitably						
Indicator 2.3.1: 100% WUA have received training for Operations & Maintenance (O&M)	100% WUAs (1300 schemes)	100% WUAs (950 schemes; 1,074-124)	51% WUAs (484 schemes)	57% WUAs (608 schemes)	As O and M training in 124 schemes completed in the last FY, PMISC was able to conduct training in targeted schemes with more than 50% progress this FY.	The project will prioritize O&M training for regular fund collection and collaborate with LGs to develop an O&M policy where necessary, potentially linking it to agricultural grant distribution.
Indicator 2.3.2: All WUAs prepare plans and cost estimate for recurrent system maintenance	100% WUAs (1300 schemes)	100% WUAs (950 schemes; 1,074-124)	51% WUAs (484 schemes)	57% WUAs (608 schemes)		
Indicator 2.3.2: 80% WUAs prepare and implement plans for equitable and timely water distribution.	80% WUAs (1040 schemes)	80% WUAs (760 schemes; (1,074-124)*0.8)	64% WUAs (484 schemes)	71% WUAs (608 schemes)	Due to the limited human resources and time constraints of the PMISC team, it would be challenging to monitor the status of the execution of water distribution appropriately at the farmer level, even though the implementation plans for fair and timely	If the farmers' traditional water distribution system has been operating effectively, then it will be continued.

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
					distribution are discussed and prepared during the O and M training.	
Output 2.4: Farmers access agriculture extension services from LGs						
Indicator 2.4.1: 80% schemes receive training on integrated crop and water management (ICWM), including the operation of the distribution system, on farm storage facilities and pressurized water distribution (sprinklers, drip irrigation) (Baseline #0)	80% WUAs (1040 schemes)	80% WUAs (760 schemes; 80%*950)	64% WUAs (484 schemes)	71% WUAs (608 schemes)	Farmers received training on Integrated Crop and Water Management (ICWM) alongside Operation and Maintenance (O&M) training, facilitated by agricultural officers from local governments. This demonstrates that local governments are gradually building their capacity.	
Indicator 2.4.2: 100 % of SIP supported schemes receive a visit from a LG JTAs at-least once before the construction begins.	100% WUAs (1300 schemes)	100% WUAs (443 schemes)	85% WUAs (377 schemes)	Not Applicable	Despite limited human resources, the increased engagement from PMISC with local governments has led to a gradual rise in visits by agricultural staff to SIP-supported schemes.	The project will help LGs identify agri-extension service providers from private sector and strengthen their collaboration with WUAs, ensuring farmers receive technical support from both LG technicians and private sector during the project period.
Indicator 2.4.3: 80% farmers in SIP schemes have contact	80% WUAs (1300 schemes)	80% WUAs	92% WUAs (408 out of 443) have	Not Applicable		

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
numbers of LG ward chairs, JT/JTAs, nearby agro-vet providers		(354 schemes;0.8*443)	contact number of LG Ward chair <ul style="list-style-type: none"> 93% (410 out of 443) WUAs have contact number of JT/JTA 76% (336 out of 443) WUAs have contact number of Agro-vet 			
Output 2.5: Water User Associations plan the production in their FMIS based on commercial opportunities						
<u>Indicator 2.5.1:</u> 50% Farmers in FMIS supported by the project plan their irrigated commercial crops based on reliable information on market demand	50% WUAs (650 schemes)	50% WUAs (222 WUAs=0.5*443)	23% WUAs (101/443*100=23%) (101 schemes)	Not Applicable	<ul style="list-style-type: none"> The training on production planning, post-harvest management and market linkages to WUAs has been continued in the last FY. Farmers may have planned their crops using other reliable data, as reporting is only reliant on B2Bs and the trainings that SIP/NAMDP provide. 	In collaboration with NAMDP, more B2B meeting and training on production planning, post-harvest management and market linkages will be continued.
<u>Indicator 2.5.2:</u> 50% JT/JTAs and private service providers provide production advice based on market demand	50% WUAs (650 schemes)	50% JT/JTAs	Not achieved.	Not Applicable		
<u>Indicator 2.5.3:</u>	80% WUAs	80% WUAs	<ul style="list-style-type: none"> 76% WUAs (335 out of 443) have 	Not Applicable	Farmers were able to arrange their production and buy/sell agricultural	

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
80% farmers have contact numbers of traders and buyers, whole-sellers and retailers of agriculture products, agri-insurers	(1040 schemes)	(354 schemes: 0.8*443)	contact number of Agrovet <ul style="list-style-type: none"> 33% WUAs (147 out of 443) have contact number of Traders 27% (119 out of 443) WUAs have contact number of Wholesalers/Retailers 		products with the use of these contact numbers.	
Outcome 3: Market actors offer innovative supports and products to farmers in irrigated schemes						
Output 3.1: Input service providers provide maintenance, production advice or embedded services to FMIS						
Indicator 3.1.1: Numbers of input providers offering services to FMIS to maintain or repair irrigation schemes	5 (At least 1 in each cluster)	5 (At least 1 in each cluster)	Aqysta Nepal provided production advice and input services.	Not Applicable	This indicator appears impractical, as the input providers from market actors currently lack services for maintaining or repairing irrigation systems within the construction technology being utilized. However, production advice and input services have been provided to the farmers by the market partner such as Aqysta Nepal.	
Output 3.2: Traders and retailers establish contacts with WUA members						

Indicators	Phase Target	Target FY 2023/24	Result FY 2023/24	Cumulative Phase Result	Key success and constraints	Steering decision
<u>Indicator 3.2.1:</u> 80% of WUA reporting ongoing discussions with traders and buyers	80% WUAs (1040 schemes)	80% WUAs (354 schemes: 0.8*443)	29% (101 WUAs) of MDPs WUAs	Not Applicable	<p>Five key partners—one in Udayapur, two in Ilam/Panchthar, and two in Dhankuta/Terhathum—supported Water User Associations (WUAs) through business-to-business meetings, logistical assistance, and by purchasing their agricultural products.</p> <p>During the reporting period, 1,469 farmers from 97 WUAs sold cereal crops and vegetables valued at NPR 19,378,155 to these partners.</p>	
<u>Indicator 3.2.2:</u> Simple and accurate price information system is developed and operational (Baseline # not available)	1 Job	1 Job	Achieved	Not Applicable	In March 2024, the Ministry of Industry, Agriculture, and Cooperatives (MoIAC) in Koshi Province publicly launched a simple and accurate agricultural price information system.	
<u>Indicator 3.2.3:</u> Farmers consult price information system before bringing produce to the market	Not available	Not available	Not available	Not Applicable	Not available	Not Applicable

Annex V: GESI Action Plan

Project Outputs	Gender Activity/ Measure	Target/Performance Indicators	Data Source and Reporting Mechanism	Responsibility
Outcome 1 Local Governments respond effectively to needs of small farmers for irrigated agriculture				
1.2 LGs strengthen their legislative and executive capacity for implementing small irrigation schemes	Enhancement of women's roles in decision-making positions.	<ul style="list-style-type: none"> equal rights for women in access to services and control over resources Implementation of existing policies to ensure 	Project annual reports	Provincial Government and LGs
1.3 LGs build their capacity to provide support to the farmers in irrigated agriculture development	Agriculture extension addresses the needs and priorities of women, farmers and ensures participation of women, small and marginal farmers in all training events and access to agri-extension activities	<ul style="list-style-type: none"> Women, small and marginal farmers are consulted in the agriculture extension planning process Data on farmer group composition will be collected and maintained disaggregated by sex, caste/ethnicity. 	Project monitoring, programme MIS and annual report	LGs and PMISC
Outcome 2 Small farmers especially from DAGs increase agricultural productivity and shift from subsistence to commercialized agriculture				
2.1 Small farmers organize themselves inclusively in Water User Associations	<p>Beneficiaries' household sample baseline socio-economic and agricultural data</p> <p>Executive committee formation ensures women's representation and reflects the demographic profile of the command area as guided by their constitution.</p> <p>WUA Constitution includes provision for meaningful participation of women.</p>	<ul style="list-style-type: none"> Data available in programme MIS and reported in Annual Reports Minimum 40% representation of women in WUA executive committees Proportional representation from head, middle and tail-enders. All of WUAs have at least one woman holding a key leadership position (chairperson, secretary, treasurer) WUA rules provide for equal pay for men and women for work of equal value; and either the husband or the wife is an eligible member Women executive committee members actively participate in discussions and decision-making related to the operation, 	<p>Review of Minutes of WUA General Assemblies, reported in project annual report</p> <p>Review of WUA constitutions, reported in project annual reports</p>	LGs and PMISC

Project Outputs	Gender Activity/ Measure	Target/Performance Indicators	Data Source and Reporting Mechanism	Responsibility
		management and maintenance of the schemes		
2.2 Water User Associations (WUAs) build and/or rehabilitate Small Irrigation Systems equitably	Ensure meaningful participation of women members of WUA executive committees through leadership and technical training to WUA executive committee members	<ul style="list-style-type: none"> 65% of trained women leaders (where applicable) demonstrate increased ability to perform Women are consulted on the design of scheme construction and/or improvement Design of water distribution systems benefits men and women in an equal manner Constitution provision for equal pay for men and women is applied in under the payable works implemented through WUA contracts 	Public hearings, WUA agreements, construction supervision. Muster roles and WUA payment records	LGs/PMISC
2.3 WUA operate and maintain irrigation systems equitably	Equitable distribution of irrigation water in the scheme command areas, especially with regard to irrigation water supply to plots farmed by women	<ul style="list-style-type: none"> 80% of plot farmed by women in the scheme command areas receive timely water supply in sufficient quantity 	Post construction monitoring and annual reports	WUAs, LGs, PMISC
2.4 Farmers access agriculture extension services from LGs	<p>Promote and develop women leader farmers in the subproject areas.</p> <p>Provide priority access to subsidized agriculture inputs and equipment to women farmers</p>	<ul style="list-style-type: none"> 40% of farmer group members trained are women farmers. 50% of women farmers have adopted improved agriculture technologies and are using improved seen varieties. LGs ensure the WUA's allow equal access of female-headed households, to community owned agriculture equipment 	Post construction monitoring and annual reports	LGs and PMISC
2.5 WUAs plan the production in their production in their FMIS based on commercial opportunities	WUAs will involve all female members in planning of production and inform them on the commercial opportunities	<ul style="list-style-type: none"> 50% of women farmers are plan their production based on commercial opportunities 	Post construction monitoring and annual reports	LGs and PMISC

Project Outputs	Gender Activity/ Measure	Target/Performance Indicators	Data Source and Reporting Mechanism	Responsibility
Outcome 3 Market actors offer innovative supports and products to farmers in irrigated schemes.				
3.1 Input service providers provide maintenance, production advice or embedded services to small irrigation schemes	LGs, WUAs and input service providers will ensure that the services are promoted to women and that women farmers have equal access to these services	<ul style="list-style-type: none"> 80% of women farmers avail of agriculture inputs and services provided by private sector service providers 	Post construction monitoring and annual reports	LGs and PMISC
3.2 Traders and retailers establish contacts with WUA members	WUAs will ensure that all female members will be able to establish contacts with agriculture traders	<ul style="list-style-type: none"> 30% of women farmers sell commercial production to traders 	Post construction monitoring and annual reports	LGs and PMISC

Annex VI: SIP Budget vs Expenditures for FY 2023/24

SIP BUDGET vs EXPENDITURES (As on 15th July 2024)						
SIP BUDGET for FY 2080/81 (2023/24)						
	Total	Federal Government	Province Government	Local Government	SDC	Farmers (WUA)
Civil works	1,782,348,884	373,700,000	292,723,200	372,300,162	557,500,000	186,125,522
	100%	21%	16%	21%	31%	10%
Technical Assistance (100% SDC)	111,392,000	-	-	-	111,392,000	-
Machinery and Equipment (100% SDC)	-	-	-	-	-	-
WUA training, DoLI/Provincial/Local Government strengthening (100% SDC)	20,061,750	-	-	-	20,061,750	-
Total Budget	1,913,802,634	373,700,000	292,723,200	372,300,162	688,953,750	186,125,522
% Share contribution	100%	20%	15%	19%	36%	10%

SIP Expenditures for FY 2080/81 (2023/24)						
	Total	Federal Government	Province Government	Local Government	SDC	Farmers (WUA)
Civil works	1,589,592,206	334,162,275	264,921,326	341,750,444	489,798,941	158,959,221
	100%	21%	17%	21%	31%	10%
Technical Assistance (100% SDC)	143,910,546	-	-	-	143,910,546	-
Machinery and Equipment (100% SDC)	-	-	-	-	-	-
WUA training, DoLI/Provincial/Local Government strengthening (100% SDC)	20,311,855	-	-	-	20,311,855	-
Total Expenditure	1,753,814,607	334,162,275	264,921,326	341,750,444	654,021,342	158,959,221
% Expenditure	92%	89%	91%	92%	95%	85%

Note: All figures presented as expenditures above are unaudited and may be changed after finalization of financial statements by Auditors.

Annex VII: Minutes of PCC and PAC

a. PCC minute (6th May 2024/24th Baishak, 2081)

Minutes of Provisional Program Coordination Committee Meeting of Small Irrigation Program – Phase II		
Date	6 th May, 2024/ 24 th Baishak, 2081	
Time	14:05 PM - 15:45 PM	
Venue	Ministry of Water Supply, Irrigation and Energy (MoWSIE), Koshi Province	
Participants:		
1.	Mr. Pradip Bantawa, Secretary, MoWSIE, Koshi Province	Member
2.	Mr. Krishna Prasad Rajbanshi, Chief, Irrigation and Energy Division, MoWSIE, Koshi Province	Member Secretary
3.	Mr. Aman Jonchhe, Program Management Specialist, SDC	Member
4.	Ms. Arya Sarad Gautam, Team Leader, PMISC/SIP	Permanent Invitee
5.	Tulasi Shrestha, Account Officer, MoWSIE, Koshi Province	Invitee
6.	Rajendra Kumar Majhi, Engineer, MoWSIE, Koshi Province	Invitee
7.	Mr. Satya Man Lama, Planning, Monitoring and Social Safeguard Specialist, PMISC/SIP	Invitee
Proceedings:		
<p>The fourth meeting of Programme Coordination Committee (PCC) for SIP-II was organized on 6th May in the Ministry of Water Supply, Irrigation and Energy, Koshi Province.</p> <p>Mr. Krishna Prasad Rajbanshi, Chief of the Irrigation and Energy Division, MoWSIE, Koshi Province Government (PG), also the member secretary of the PCC facilitated the meeting and shared the objectives along with an opening remark. He informed that as the portfolio of MoWSIE is currently under the Chief Minister of Koshi Province and given the time sensitive nature of this committee's meeting and overlapping work priorities, it was agreed to hold a provisional meeting for the time being. It was also agreed that the decisions of this meeting will be endorsed at a later date by the full committee.</p> <p>Ms. Arya Sarad Gautam, Team Leader of SIP II shared the agenda of the meeting and updated the progress made on the decision taken in the last PCC meeting. She informed that most of the decisions were implemented and the decision on allocating deficit budget in FY 2080-81 for PG's share contribution and independent external review of SIP II were ongoing.</p> <p>1. Presentations on results and YPO</p> <p>a. Annual results of FY 2080-81 (FY 2023-24)</p> <p>Ms. Gautam, presented the annual results of SIP for FY 2080-81, till April 2024 (For details please see Annex 1).</p> <p>Ms. Gautam informed that 59 Local Governments of Koshi Province responded to the needs of small farmers for irrigated agriculture. During this FY, 12 LGs have adapted and endorsed the small irrigation guideline (SIG) shared by MoWSIE for identification, budgeting, implementation, monitoring support of small irrigation. Till date 50 LGs have endorsed the SIG.</p> <p>Till 30th April 2024, a total of 120 irrigation schemes covering 1,517 ha of area have been completed benefiting 4,417 small farming households among which 41% were from the disadvantaged groups (DAG) while 72% have a landholding of less than 0.5 ha (10 ropani). On an average cropping intensity of schemes completed in FY 2079-80 increased by 26% and 33%</p>		

increase in the yields of monsoon paddy was recorded. An additional 247 schemes will be constructed by the end of this FY covering 3,186 ha resulting in a total of 367 schemes providing irrigation to 4756 ha of area. This would further benefit 14,362 households with year-round irrigation, out of which 43% will be from DAG while 61% beneficiaries will have a landholding of less than 0.5 ha.

Further, she informed that 59% of schemes have received at least one visit of a rural advisory services provider during the production cycle. Similarly, six market actors have offered innovative support and products to 801 farmers in 58 irrigated schemes. These farmers have sold 385 mt of agriculture produce to the market actors of the value of NPR 1.19 cores.

Lastly, the financial progress till 12th April 2024 was reported as 35% while overall construction progress was around 68%. It is expected that around 80% of total civil works budget will be spent by the end this FY.

b. YPO for FY 2081-82 (FY 2024-25)

During the presentation of YPO of FY 2081-82, Ms. Gautam informed that 6,344 hectares of area from 323 schemes will be irrigated benefitting 16,450 small farming households in next FY. With the extension of SIP-II till July 2025, she shared that the total command area coverage by the end of the phase will be 23,753 ha. Similarly, 30% LGs will implement the small irrigation guideline for identification, budgeting, implementation, monitoring and support of irrigation schemes. (For details, please see **Annex 2**).

She also shared that four LGs (Haleshi Tuwachung M, Aiselukharka RM, Diprung Chuichumma RM in Khotang and Limchungbung RM in Udayapur) will not take up schemes for implementation due to exhaustion of potential schemes in the next FY. However, other regular activities will be continued in these LGs.

A total budget of NPR 1,674,360,377 has been proposed for FY 2081-82, out of which NPR 1,536,312,797 is allocated for civil works, equivalent to 92%.

3. Discussions:

a. Budget deficit

The last meeting of the PCC had agreed to reduce Province's budget for FY 2080-81 by 12.5% with the assurance that PG will allocate the required budget through revision if there is deficit during implementation. Mr. Krishna Prasad Rajbanshi informed that the Ministry has forwarded the fund request document based on the requests from the LGs to the Ministry of Economic Affairs & Planning (MoEAP) on 3rd May 2024 for further proceedings.

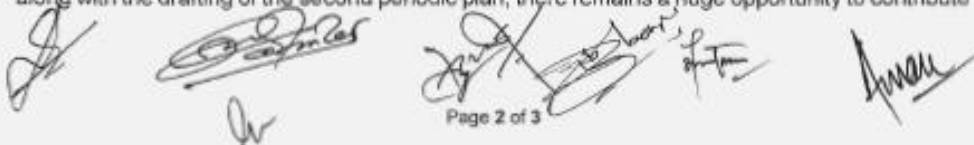
Although the total deficit financial liability of PG is NPR 7.15 cores, only NPR 2.5 cores for 24 schemes has been requested. This is considering the progress made till date and the remaining liability will be transferred to the next FY. However, due to current budgetary constraints, MoEAP has been prioritizing resource allocation. Mr. Pradip Bantawa, Secretary informed that the Ministry has been continuously following up with MoEAP and assured that MoWSIE will allocate PG's total share contribution along with the additional liability from FY 2080-81 in next FY.

b. External Evaluation

Mr. Aman Jonchihe informed about the upcoming independent external evaluation of SIP II which is expected to start in mid-May 2024. He requested the participation of the Division Chief as a focal point from MoWSIE for the same.

c. Request for further extension for SIP-II

Mr. Rajbanshi shared that there is still potential and demand for construction/rehabilitation of small irrigation schemes in the mid-hills of Koshi Province. He acknowledged the contribution of Swiss Government through SIP to contribute towards achieving the irrigation target of the first periodic plan of Koshi province. Further, he added as the review for first periodic plan is ongoing along with the drafting of the second periodic plan, there remains a huge opportunity to contribute


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towards both irrigation and agriculture related targets of the second periodic plan through the implementation of SIP for a third phase.

Mr. Aman Jonchhe shared strategically; three aspects need to be considered at this point in the project's timeline. One, alignment of the project's target and modality as per the second periodic plan currently being drafted would be essential. Secondly, the direction of the project's focus from construction more towards increasing the agriculture income and market linkages is vital. He expressed that while some positive indications of increase in sales and income have been seen, agriculture advisory services and market linkages still remains an area of exploration. As the current phase was designed almost five years back, a fresh outlook based on current socio-economic and political context would be necessary. Thirdly, given that SIP is implemented only in the mid-hills, a review of SIP's geographical coverage focusing on the lower belt of three mountain districts is required.

He suggested that it would be too early to design a third phase of the project, considering the time required to finalize the second periodic plan as well as the recommendations from the external evaluation. Alternatively, he proposed a further extension of one year to the existing phase with realignment as per the recommendation of the external evaluation. Mr. Pradip Bantawa, Secretary, MoWSIE concurred with the proposal.

d. Training on agriculture

Mr. Rajendra Kumar Majhi requested support from the project to include beneficiary farmers from irrigation schemes implemented by MoWSIE on production planning, post-harvest and market linkage trainings. The meeting agreed to take few schemes as pilot for providing such training in next FY in consultation with the LGs.

4. Closing Remarks:

Mr. Aman Jonchhe remarked that the Government of Switzerland has been supporting the PG in implementing various projects in Koshi province along with SIP and the support in the small irrigation sector will continue. He reiterated his proposal for a one-year extension for SIP II which will provide ample time to design the project differently.

Mr. Pradip Bantawa, Secretary remarked that the overall progress made by SIP II is commendable and local governments with support from the Koshi Government have been able to respond to the needs of small farmers for irrigated agriculture. He also commended the timely completion of budget planning for next FY. Further, he assured that the Ministry will continue the effort to release the deficit budget for this FY and also committed to the budget allocation along with this year's deficit for next FY.

Concluding the meeting, the Secretary thanked the Government of Switzerland for their continued support to the PG to achieve the goal of the first periodic plan.

5. Decisions

1. Annual progress report for FY 2079-80 and YPO for FY 2081-82 was approved by the provisional PCC meeting.
2. MoWSIE will follow up with MoEAP for the release of deficit fund to LGs. If the possibility of releasing the deficit fund remains low till the budget entry process, MoWSIE will allocate the PG's shared contribution for FY 2081-82 along with liability from last FY, resulting in a total allocation of NPR 364,272,317
3. PCC agreed to recommend the extension of SIP II for an additional one year i.e., till July 2026 for the preparation of third phase. Based on this decision, MoWSIE will request DoLI/MoUD to initiate the process for one year extension with the federal Ministry of Finance.
4. Division Chief, MoWSIE to be the focal point for external evaluation of SIP II.
5. As a piloting initiative, farmers of five irrigation schemes supported from MoWSIE to participate in the post-harvest and market linkage training along with SIP schemes.



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b. PAC minute (18th June 2024, Tuesday (4 Asar, 2081))



Programme Advisory Committee Meeting of Small Irrigation Programme

Date : 18th June 2024, Tuesday (4 Asar, 2081)
Time : 15:35 PM-16:40 PM
Venue : Ministry of Urban Development, Singha Durbar, Kathmandu

1. Proceedings

The third meeting of the Programme Advisory Committee (PAC) for Small Irrigation Programme, Phase II (SIP-II) was chaired by Mr. Mani Ram Gelal, Secretary, Ministry of Urban Development (MoUD) and co-chaired by Mr. Matthias Meier, Deputy Head of Mission, on behalf of Her Excellency Ambassador Dr. Danielle Meuwly, Embassy of Switzerland.

2. Presentations on Progress and Yearly Plan of Operations

Ms. Maheshwori Khadka, SDE, DoLI presented the progress for FY 2080-81 and yearly plan of operations (YPO) for FY 2081-82.

She shared that all 59 local governments (LGs) have endorsed the small irrigation guideline. A total of 3,361 ha of land has been irrigated through the construction of 249 schemes till 15th June 2024 and a total of 367 schemes will be completed by the end of FY providing round the year irrigation to approximately 4,756 ha of area. Overall financial progress for FY 2080-81 as of 15th Jestha 2081 is 46% with NPR 882,668,073 being spent out of the total allocation of 1,917,299,765.

She also presented the YPO of FY 2081-82 during which 6,344 hectares of land will be irrigated benefitting 16,450 small farming households through the rehabilitation of 353 irrigation schemes. A total budget of NPR 1,675,660,377 has been allocated for FY 2081-82, out of which NPR 1,536,312,797 is for civil works.

3. Sharing of the self-evaluation report

Ms. Arya Sarad Gautam, Team Leader, SIP shared the findings of SIP self-evaluation 2023 and briefly introduced the external evaluation of SIP which is being carried out from June to September 2024.

4. Discussions

- a. Mr. Krishna Prasad Rajbanshi, Ministry of Water Supply, Irrigation and Energy (MoWSIE), Koshi Province thanked SDC and the federal government for their support and contribution towards achieving the goals of the first periodic plan of Koshi province in the irrigation sector. He informed that MoWSIE has allocated the budget for FY 2081-82 along with liability from last FY as agreed during the PCC meeting.
- b. Mr. Aman Jonchhe, Program Management Specialist, SDC remarked that the gradual increment of access to rural advisory services provided by local governments to WUAs is a silver lining and indicates that the project's efforts are resulting in positive outcomes. He further added that the increase in the sales records of agri-products as a result of the joint collaboration between SIP and NAMDP is also commendable.
- c. Mr. Ishwor Chandra Marahatta, Director General, DoLI proposed to organize a workshop led by DoLI to share and discuss the small irrigation guideline with the sectoral ministry of other six provinces and representatives of local governments.
- d. Mr. Bharat Prasad Aryal, Joint Secretary, MoUD inquired about the delayed budget allocation for schemes damaged by flood. Ms. Arya Sarad Gautam, Team Leader, SIP informed that 30 schemes damaged by flood in the previous FYs have been included in the program next year for rehabilitation based on the request from local governments.


Ishwor Chandra Marahatta
Director General


Er. Mani Ram Gelal
Secretary


Page 1 of 2

- e. Mr. Krishna Bahadur Katwal, SDE, DoLI highlighted that SIP is on track, achieving almost 50% of the irrigation sector's target of the first periodic plan in Koshi Province is commendable. He recommended the continuation of the program with a third phase as full coverage of small irrigation schemes in the mid-hills of Koshi Province is yet to be achieved.

5. Closing Remarks

Mr. Matthias Meier, Deputy Head of Mission, Embassy of Switzerland remarked that SIP is a mature project and appreciated it for being a good example of intergovernmental cooperation between the three tiers of governments. He congratulated the local governments, MoUD, MoWSIE for successfully implementing the project and also thanked the federal ministry for providing advisory role to the project. He added that the achievement of more than 300 schemes within this year and the overall achievement under the irrigated land coverage which exceeds the phase target is impressive.

He shared that the upcoming external review of the project gives an opportunity to review the achievements in terms of productivity and cropping intensity. He further added that results of several market actors offering innovative support and product to more than 1,000 farmers are a good example of synergy among SDC projects. Most importantly, he added that SIG is an innovative approach and a good example of Koshi province and it should be shared with other Provinces for establishing one window approach in the small irrigation sector. Lastly, he congratulated all stakeholders and expressed his hope to continue working together.

Mr. Mani Ram Gelal, Secretary, MoUD remarked that SIP remains a popular and successful program because of its simplicity, early returns and easy technicalities. He informed that the ministry is still receiving requests from LGs and provinces for extension for small irrigation schemes and hence requested SDC to consider the phase extension request. He assured that ministry will coordinate for necessary actions required for the extension till July 2026 as recommended by the PCC.

He stressed on the importance of supporting farmers on agriculture extension services through LGs and said that province government can play a crucial role for coordination among various agencies for the same. Further, he hoped that the ongoing external evaluation of SIP will instruct, guide and support the project and its team in the remaining period. Lastly, he appreciated and thanked the Government of Switzerland for their continued support for the development of Nepal.

6. Decisions

- PAC endorsed the yearly plan of operation (YPO) of FY 2081-82 and the annual progress report of FY 2079-80.
- PAC instructed DoLI to organize a workshop to discuss the small irrigation guideline endorsed and practised by Koshi province with the sectoral ministry of other six provinces and representatives of local governments within the next FY.
- PAC agreed to recommend the extension of SIP II for an additional one year i.e., till July 2026 for the preparation of third phase.

 Mr. Ishwor Chandra Marahatta Director General, Department of Local Infrastructure (DoLI)	 Mr. Matthias Meier, Co-chair Deputy Head of Mission, Embassy of Switzerland	 Mr. Mani Ram Gelal, Chair Secretary, Ministry of Urban Development (MoUD)
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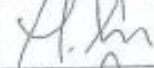
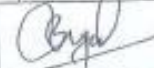
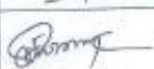
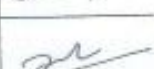
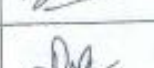




**Joint Meeting of Federal Advisory and Coordination Committee Meeting of
Motorable Local Roads Bridge Programme (MLRBP-IV)
and**






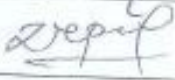


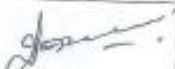

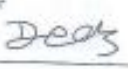
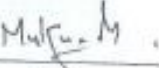



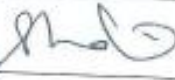
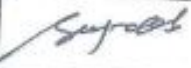
**Programme Advisory Committee (PAC) Meeting of
Small Irrigation Programme (SIP), Phase II**

Date : 18th June 2024, Tuesday (4 Asar, 2081)

Time : 2:30 PM-4:30 PM

Venue : Ministry of Urban Development, Singha Durbar, Kathmandu

SN	Name of participants	Position	Signature
1.	Mr. Manjiam Gelal, Secretary, MoUD	Chairperson	
2.	Mr. Matthias Meier, Charge de Affairs a.i	Co-chairperson	
3.	Mr. Bharat Prasad Aryal, Joint Secretary, MOUD	J-S	
4.	Mr. Ishwor Chandra Marahatta, Director General, DoLI	D.G	
5.	Mr. Mahesh Chandra Neupane, Deputy Director General, DoLI	DDG	
6.	Mr. Raj kumar Goit, Acting Secretary, Madhesh Province		
7.	Mr. Shankar Prasad Pandit, Secretary, Gandaki Province		
8.	Mr. Madhav Prasad Bhattarai, Secretary, Lumbini Province		
9.	Mr. Vishnu Bhandari, Secretary, Karnali Province		
10.	Mr. Surat Kumar Bam, Secretary, Sudurpaschim Province	Province Secretary	
11.	Amran Jondike, SDC	Member	
12.	Jun Hada, SDC	Second. "	

SN	Name of participants	Position	Signature
13.	Rajesh Baber Ghimire (NPC)	P.D.	
14.	Subarna Bahadur Joshi	Project Director JV Construction	
15.	Krishna Prasad Koirala	Section Chief MWSIE	
16.	Amit Kumar Sharma	SDE, Bridge Branch DOR	
17.	Narayan P. Shrestha	SDE, DOL	
18.	Tulasi Nepal	MA, PRBSU	
19.	Rup Narayan Dhakal	MA and Safety instruct officer	
20.	Mukun Shrestha	PM, HMAN	
21.	Krishna Bahadur Karki	DOL/SDE	
22.	Satya Man Lama	PMSS/SIP	
23.	Dipak Bhargava	Sr. Asst. Engineer (Under Sec.) MOABD	
24.	Mukunda Kumar Karki	Engineer, LBS, DOL	
25.	Maheshwori Khadka	DOL/SDE	
26.	Arya Sarat Gautam	SIP	
27.	Ankita Karki	Engineer, LBS, DOL	
28.	Shelal Mondal	Team leader LBSU	
29.	Sajal B. Sh	CBS-MFH	

Annex-VIII: Project Prioritization Criteria

Based upon the learnings from previous fiscal years, the project prioritization criteria have been updated which has been presented as below:

1. Project Eliminating Criteria

The Schemes listed in the approved scheme list obtained from the LGs shall be identified/verified in the field through Scheme Verification. Schemes/Projects found to possess the following characteristics shall be eliminated and no further actions shall be taken upon them.

Criteria	Yes	No
Available source discharge per hectare of command area (CCA) is less than 1.5 lps/ha	Eliminate	
Farmers willing to pay 10% contribution		Eliminate
Conflicts regarding voluntary land donations	Eliminate	
Upstream users have any objection	Eliminate	
Downstream users have any objection	Eliminate	
Active landslides in main canal alignment	Eliminate*	
Command area is in between 5 to 50 hectares		Eliminate**
Overlap with prior schemes of DoI/SIP-I implemented within last 15 years	Eliminate	

Note:

* If landslide in any scheme is found to be unmanageable by, or outside the scope of SIP, it shall be eliminated; otherwise, environmental protection works shall be designed in the scheme, and the scheme included.

** If the command area is less than 5 ha but the presence of DAG is considerable, the scheme may be included after due discussions with PMISC.

2. Project Ranking Criteria

The Schemes thus remaining after the elimination shall be ranked/prioritized for further detail survey/actions. The prioritization shall be based on following criteria; and their weightage shall be as given.

Criteria	Weightage, %
Ratio of Command Area (CCA) to Main Canal Total Length	10
Available Discharge at Source per hectare of CCA	10
Presence of Disadvantaged Groups (DAGs)	40
Presence of Small Farmers	20
Roadhead Distance	10
Distance of Nearest Market	
i) Major Market Hub	5
ii) Local Market Hub	5
Total	100

The detail of each criterion follows.

a. **Ratio of Command Area (CCA in hectare) to Total Length of Main Canal (L in meter)**

The ratio shall be multiplied by 1000 and scoring done as follows. Please refer the attached sample.

1000 x (CCA/L)	Score	Remarks
≥ 20	100	
15-20	75	Including 15
10-15	50	Including 10
5-10	25	Including 5
<5	0	

Note:

i) Command Area is taken as CCA in hectares.

ii) CCA shall be 85% of GCA.

iii) Total Canal Length (L) is taken in meters.

b. Available Source Discharge per Hectare of CCA

Discharge per hectare of CCA (in lps/ha) available at source shall be calculated and scoring done as follows.

Discharge, lps/ha	Score	Remarks
≥ 2.5	100	
2.0-2.5	50	Including 2.0
1.5-2.0	0	Including 1.5

c. Presence of DAGs

The presence of DAGs shall be categorized depending upon the percentage present in schemes as follows.

DAG Range, %	Score	Remarks
≥ 40	100	
30-40	75	Including 30
20-30	50	Including 20
10-20	25	Including 10
<10	0	

d. Presence of Small Farmers

The presence of small farmers shall be categorized depending upon the percentage present in schemes as follows.

Small Farmers Range, %	Score	Remarks
≥ 70	100	
40-70	75	Including 40
20-40	50	Including 20
10-20	25	Including 10
<10	0	

e. Roadhead Distance

Depending on the distance of the Roadhead from the scheme command area, the schemes shall be categorized thus:

Distance of Market, km	Score	Remarks
≤ 1	100	
1 - 2	75	Including 2
2 - 3	50	Including 3
3 - 4	25	Including 4
> 4	0	

f. Distance to Nearest Market from Command Area

i. Major Market Hub

Distance of Major	Score	Remarks
≤ 5	100	
5 - 10	80	Including 10
10 - 15	60	Including 15
15 - 20	40	Including 20
> 20	20	

ii. Distance to Local Market

Distance of Local	Score	Remarks
≤ 1	100	
1 - 2	80	Including 2
2 - 3	60	Including 3
3 - 4	40	Including 4
> 4	20	

Annex-IX: Case Story

Case Story #1: Women Empowerment through Irrigation Project

28 years old, Ms. Hari Maya Kurumbang is a member and beneficiary of Bhotekhola irrigation project. The Project was implemented in Miklajung Rural Municipality of Pachthar district with joint contribution of Swiss government and Nepal government in the year 2022.

Nowadays, Hari maya is working as skilled mason in her village and neighbouring villages too. During conversation, it was found, her journey as mason was started from the Bhotekhola irrigation Project.

At the initial stage of the project, Hari Maya involved in construction work as an unskilled mason of the irrigation project. Later the project invited her quality control training. After the training, she was assigned to work in the masonry works of the irrigation canal for about two months. Subsequently, she well developed skill of construction work and started to work as independent skilled mason in her village for house construction and other civil works. She was so happy to earn good daily wage of skilled masons with her new skill.



Photo 6: Ms. Hari Maya Kurumbang, Bhotekhola IP, Miklajung RM, Pachthar

Hari Maya's success story does not end here. She has succeeded in transferring the skill of mason work to her husband as well. She said "When I was married with Hari Bahadur Kurubang in 2017, our financial situation was very weak." She said, her husband used to work as a daily wage labour and there were managing our livelihood somehow.

One time in 2019, she was suffered from crucial health problem for a long time and her husband was compelled to take a loan for her treatment. She was recovered but the loan loaded their family and her husband had a very tough time to repay the loan. Then her husband went to Arab country for labor work. He had to work for about 14 hours a day in the hot weather place but manage to pay off the loan after one year. But unfortunately, Hari Bahadur's health was deteriorated due to heavy loaded work and could not continue the job and returned back home.

When her husband returned home, Hari Maya started teaching her husband the masonry works. Now a days, both of them are working as masons in the village and started good earning. They both husband and wife working as a skilled mason in village earn adequate money for their livelihood.

Now, Hari Maya and her husband has good earning, good health and sustaining their livelihood. This is one example of women empowerment through the irrigation program as well as indirect positive impact on employment opportunities to returnees from foreign employment too.

Case Story #2: Journey of Commercial Farming from Subsistence Farming

45 years old, Mr. Santa Bahadur Pitakote is permanent resident of Fuyettapaka, village, ward no. 4 of Phakphokthung Rural Municipality of Ilam district. Santa Bahadur used to farm by using the water from traditional irrigation system. Santa's main occupation was agriculture, but his income from farming was only subsistence.

The devastating floods and landslide of 2021 destroyed the irrigation canal of Santa Bahadur's village. He could not continue farming in his twenty ropani land because of scarcity of water, then he started to repair the canal by spending 15/20 days however canal could not become functional for a long time. At that time, Santa Bahadur became very depressed from his own situation.

In 2022, survey of Gurung Khola Gairigau Hoyemba canal was started in Phakphokthung Rural Municipality and completed in 2023 in joint contribution of Swiss government and Nepal Government. Santa Bahadur shared that "When irrigation project implemented in our village, a new hope arose in my life". He started to plantation of vegetable like Garlic, Cauli flower, Carrots, Coriander, Akabare chilli in his 20 ropani farm. After continuous hard work in vegetable farming, Santa Bahadur is now able to earning more than 3 lakh/year. Now, Santa Bahadur remembers the old days and says, "In the earlier days, it was difficult to manage daily need even we did very hard work, now we are earning more than 3 lakhs annually through vegetable of our farms."

Nowadays, Santa Bahadur's wife, Nari Maya goes to sell the vegetable in nearby market "Rabibazar". During conversation, Nari Maya says that, "I feel happy when I get the money by selling the vegetable however, I remember that tough old days." She added that, by vegetable farming, now we can easily full fill our basic need easily and besides that we are able to do some saving from our farming.

Santa Bahadur and his family makes possible to change their subsistence farming to commercial farming by their hard work by proper utilization of irrigation in their farm. In addition, this couple becomes successful to provide the employment opportunities to youth of the village in their vegetable farm. Santa Bahadur and his family has become an example in the village by commercial farming. It is found that, other farmers of the village have also started commercial farming by learning from Santa Bahadur's family.

This is one example of impact of irrigation to improve the livelihood of people, at the same time, this success story of one farmer seems to touch on the main objective of reducing the poverty of small farmers through agricultural production by small irrigation program.

Case Story #3: Instead of buying vegetables, started selling!

Rana Bahadur Shrestha, Users of Rasuwadhunge Tahari Ambote Irrigation project of Rautamai Rural Municipality of Udayapur district. Now, Rana Bahadur is known in the village as a successful farmer however, before implementation of irrigation project Rana Bahadur's story was bit different. Rana Bahadur has four daughters and one son, including his wife there are seven members in his family. Earlier, there was no access of irrigation facility in village, Rana Bahadur and his family was dependent in rain water for the vegetable farming in monsoon. He said that, in the dry season, they used to buy vegetable from Murkuche Bazar for daily consumption.

In 2022, Rasuwadhunge Tahari Ambote Irrigation project was implemented in Rautamai Rural Municipality in joint contribution of Swiss government and Nepal Government through Small Irrigation Program (SIP), which proved to be milestone for Rana Bahadur life to become the successful farmer. He gave his full effort during construction of project by kind contribution for twenty-one days. With the joint initiative of all stakeholder and users, the irrigation scheme was implemented successfully.

In the earlier days, Rana Bahadur grew seasonal vegetables in one Ropani land and earned NPR 45,000 to NPR 48,000 annually from 15-16 quintal vegetable, which was pretty good progress though it was little bit difficult for him to sell the vegetable in market by carrying vegetables to the market by walking for eight hours. Rana Bahadur's spirit was not slow down so he continuously carried out vegetation. Rana Bahadur participated in the business-to-business training provided by Rautamai Namanta Krishi company, where all other farmers of Rasuwadhunge Tahari Ambote Irrigation project also participated. He learned the knowledge

of market-oriented production planning and knew about the access of seeds, fertilizer, spices of vegetable, agricultural tools. Rautamai Namanta company agreed to collect the agricultural production through local collector of the farmers. Rana Bahadur's morale became stronger than earlier, he started planting vegetables on 3 ropani additional land. As a result, he became successful to earn NPR135,000-NPR 165,000 annually. He shared that, due to linkage with Rautamai Namanta Krishi Company, the problem of carrying vegetables on foot to the market is over. Rana



Photo 7: Rana Bahadur and his family working in his vegetable farm land

Bahadur shared that, we are getting home delivery service for seeds, fertilizer and additionally getting information of market price status of vegetable via mobile phone. Now, Rana Bahadur life is being easier for daily expenses and livelihood.

From the Rana Bahadur's story, it can be concluded that, it becomes possible to produce 11 quintal/ropani in dry season because of irrigation and agricultural extension service through market marker service provider. It is genuine impact of irrigation in farmers life for economic growth, as a result it ultimately supports to reduce the poverty.