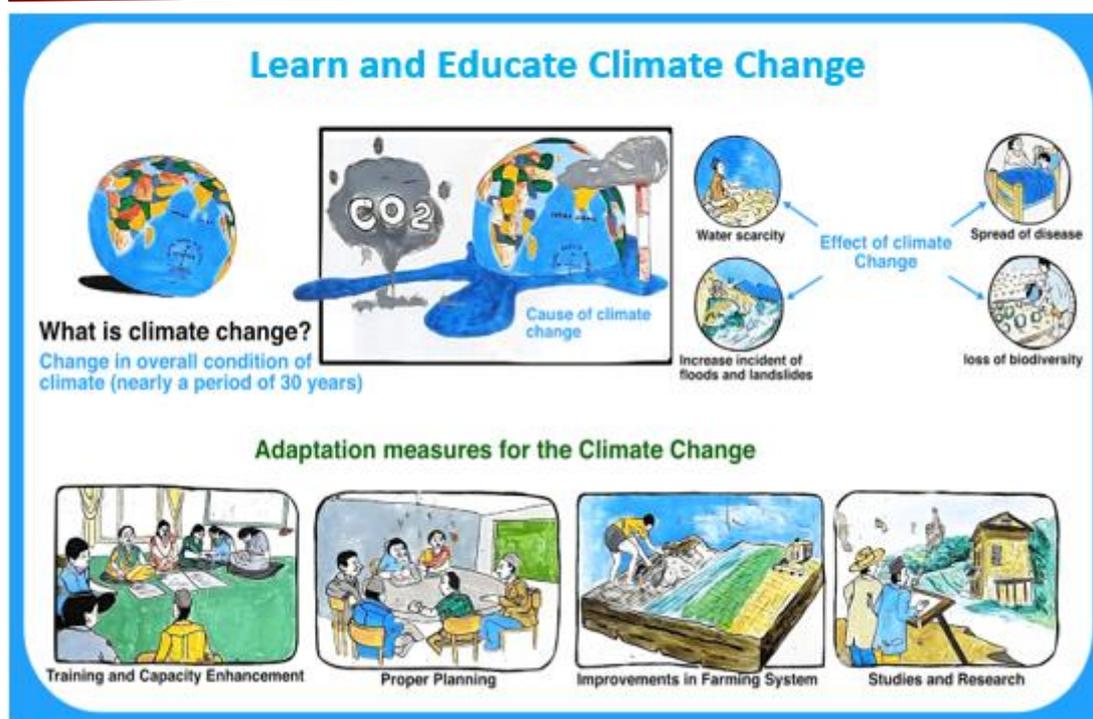


**MID TERM REVIEW REPORT,
“ADAPTING TO CLIMATE INDUCED THREATS TO FOOD
PRODUCTION AND FOOD SECURITY IN THE KARNALI
REGION OF NEPAL”
(2018-2022)**

**SUBMITTED TO
WORLD FOOD PROGRAMME
NEPAL COUNTRY OFFICE, PULCHOK, LALITPUR, NEPAL**



12 December 2021



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**MID TERM REVIEW REPORT
(Final)**

**ADAPTING TO CLIMATE INDUCED THREATS TO FOOD
PRODUCTION AND FOOD SECURITY IN THE
KARNALI REGION OF NEPAL**

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TABLE OF CONTENTS

ACRONYMS AND ABBREVIATIONS	V
EXECUTIVE SUMMARY	VI
1. INTRODUCTION TO PROJECT	1
1.1 BACKGROUND.....	1
1.2 OBJECTIVES OF THE PROJECT.....	1
2. PURPOSE, OBJECTIVES AND SCOPE OF THE MIDTERM REVIEW	3
2.1 PURPOSE	3
2.2 SCOPE	3
2.3 OBJECTIVES OF THE REVIEW	3
3. METHODOLOGY	4
3.1 DESK REVIEW	7
3.2 KEY INFORMANT INTERVIEWS	7
3.3 FOCUS GROUP DISCUSSION.....	7
3.4 STUDY STRENGTHS.....	8
3.5 STUDY LIMITATIONS.....	8
4. MTR RESULTS AGAINST OUTCOME INDICATORS	9
4.1 OBJECTIVE 1: STRENGTHENED LOCAL CAPACITY TO IDENTIFY CLIMATE RISKS AND DESIGN ADAPTIVE STRATEGIES	9
Indicator 1: Percentage of target population aware of predicted climate change impacts; and of appropriate responses.....	9
Indicator 2: Percentage of Women within Target Population Aware of Predicted Impacts	11
4.2 OBJECTIVE 2: DIVERSIFIED LIVELIHOODS AND STRENGTHENED FOOD SECURITY FOR CLIMATE VULNERABLE POOR IN TARGET AREAS.....	12
Indicator 3: Percentage of target households with stable and climate resilient sources of income.....	12
Indicator 4: Number of women engaged in new income generating ventures.....	13
4.3 OBJECTIVE 3: INCREASED RESILIENCE OF NATURAL SYSTEMS THAT SUPPORT LIVELIHOODS TO CLIMATE CHANGE INDUCED STRESSES	14
Indicator 5: Proportion of households with improved access to water for agriculture.....	14
Indicator 6: Proportion of Households with Improved Access to Water for Drinking Purpose.....	15
Indicator 7: Percent of households engaged in/benefitted from Multi-Use Water Systems (MUS) technology.....	16
Indicator 8: Percent of households have access to forest products and improved soil quality	17
Indicator 9: Status of Forest Resources	18
4.4 OUTCOME 1.1: CLIMATE VULNERABLE AND FOOD INSECURE POOR ACTIVELY PARTICIPATE IN DEVELOPING CLIMATE RISK REDUCTION STRATEGIES AND ACTIONS	19
Indicator 10: Number and type of climate adaptation strategies identified and implemented at local level.....	19
4.5 OUTCOME 1.2: STRENGTHENED OWNERSHIP AND MANAGEMENT OF CLIMATE RISK REDUCTION ACTIVITIES AND REPLICATION OF LESSONS IN KEY LIVELIHOOD ASSETS.	21
Indicator 11: Targeted institutions and community groups have increased capacity to reduce climate change risks in development practice	21
4.6 OUTCOME 2.1: DIVERSIFICATION AND STRENGTHENING LIVELIHOODS, LIVELIHOOD ASSETS, AND IMPROVED ACCESS TO FOOD FOR CLIMATE VULNERABLE HOUSEHOLDS.....	22
Indicator 12: Number of households with increased income (Annual average income)	22
Indicator 13: Number of Women Led Enterprise	23
Indicator 14: Percentage decrease in Negative Coping Strategies	23
4.7 SUMMARY AND CONCLUSIONS	25
5. IMPLEMENTATION ARRANGEMENTS, COORDINATION AND INTERGOVERNMENT COORDINATION	27
5.1 IMPLEMENTATION MODALITY AND STRUCTURE	27
5.2 FINANCIAL MANAGEMENT	29
5.3 MTR FINDINGS AND CONCERNS	30
5.4 SUMMARY AND CONCLUSIONS	31

6.	PROJECT PERFORMANCE REVIEW	33
6.1	ASSUMPTIONS	33
6.2	RELEVANCY	35
6.3	EFFECTIVENESS	37
6.4	EFFICIENCY	39
6.5	IMPACT	39
6.6	SUSTAINABILITY	41
6.7	SUMMARY AND CONCLUSIONS	42
7.	PRACTICES AND LESSONS LEARNED	44
7.1	BEST PRACTICES	44
7.2	STRENGTHS	44
7.3	WEAKNESSES	44
7.4	LESSONS LEARNED	45
8.	RECOMMENDATIONS	46
8.1	WFP	46
8.2	MOFE	46
8.3	PSU	46
8.4	MOITFE	46
8.5	TARGET RURAL MUNICIPALITY	47
	ANNEXES	48
	ANNEX 1.1: CAFS-KARNALI KEY EVENTS AND DATES	49
	ANNEX 1.2: CAFS K RESULT INDICATORS	50
	ANNEX 3: CSP- OUTCOME MONITORING SURVEY METHODOLOGY	52
	2.4 LIMITATIONS	55
	ANNEX 4.1: PERCENT OF HHs AWARE OF AT LEAST ONE PREDICTED CLIMATIC CHANGE AND IMPACT	56
	ANNEX 4.2: NEW INCOME GENERATING VENTURES PROMOTED BY DISTRICTS	56
	ANNEX 4.3: WOMEN ENGAGED IN INCOME GENERATING VENTURES BY DISTRICTS	57
	ANNEX 4.4: PROPORTION OF FULLY IRRIGATE LAND TO TOTAL LAND AREA	57
	ANNEX 4.5: PROPORTION OF HHs WITH ACCESS TO WATER FOR AGRICULTURE	57
	ANNEX 4.6: PERCENTAGE OF HHs WITH ACCESS TO DRINKING WATER	58
	ANNEX 4.7: PROPORTION OF HHs WITH ACCESS TO DRINKING WATER BY SUPPORTING AGENCY	58
	ANNEX 4.8: PROPORTION OF HHs BENEFITTED FROM MUS TECHNOLOGY	58
	ANNEX 4.9: PROPORTION OF HHs WITH ACCESS TO FOREST PRODUCTS	59
	ANNEX 4.10 ACCESS TO FOREST AND COLLECTION OF DEAD PLANTS/DEBRIS/FORAGES	59
	ANNEX 4.11: RESPONDENTS' PERCEPTION ON THE STATUS OF THE FOREST COVER	59
	ANNEX 4.12: DETAILS OF COMPLETED AND UNDER CONSTRUCTION PHYSICAL INFRASTRUCTURES IN DISTRICTS THROUGH CAFS	60
	ANNEX 4.13: NUMBER AND TYPE OF CLIMATE ADAPTATION STRATEGIES IDENTIFIED AND IMPLEMENTED AT LOCAL LEVEL	61
	ANNEX 4.14: SHARE OF FARM INCOME TO TOTAL INCOME OF HOUSEHOLDS	63
	ANNEX 4.15: NUMBER AND TYPES OF ENTERPRISES IN THE PROJECT DISTRICTS	64
	ANNEX 4.16: PROJECT'S MTR VALUES AGAINST TARGET AND BASELINE VALUES	66
	ANNEX 6: DETAILS OF PROJECT BENEFICIARIES	70

Acronyms and Abbreviations

ADO	Agriculture Development Office
ADS	Agriculture Development Strategy
AFB	Adaptation Fund Board
BLS	Baseline Survey
CAFS-Karnali	Adapting to Climate Induced Threats for Food Production and Food Security Project in the Karnali Region of Nepal
CBT	Cash-Based Transfer
CCMD	Climate Change Management Division
CSP	World Food Programme/Country Strategic Plan 2019-23
DFO	Division Forest Office
GoN	Government of Nepal
Ha	Hectare
HH	Household
HPI	Human Poverty Index
IGA	Income Generating Activities
FAO	Food and Agriculture Organization
KII	Key Informants Interview
LAPA	Local Adaptation Plan of Action
LCP	Local Cooperating Partners
LG	Local Government
LGOA	Local Government Operation Act 2017
LPCU	Local Project Coordination Unit
MoFE	Ministry of Forest and Environment
MoITFE	Ministry of Industry, Tourism, Forest, and Environment
MoLMAC	Ministry Land Management, Agriculture and Cooperatives
MREKM	Monitoring Review Evaluation and Knowledge Management
MTR	Mid-Term Review
NAPA	National Adaption on Programme of Action
NGO	Non-government Organization
NPSC	National Project Steering Committee
OMS	Outcome Monitoring Survey
PPCU	Provincial Project Coordination Unit
PPR	Project Performance Report
PSU	Project Support Unit
RDC	Remote Data Collection
RF	Result Framework
RM	Rural Municipality
SDG	Sustainable Development Goal
SO	Strategic Outcome
ToR	Terms of Reference
WFP	World Food Programme

Executive Summary

1. The Ministry of Forest and Environment (MoFE)/Government of Nepal and the United Nations World Food Programme (WFP), with the financial support of the Adaptation Fund (AF), have been jointly implementing "Adapting to Climate Change Induced Threats for Food Security and Food Production in the Karnali Region of Nepal (CAFS-Karnali)" project since October 2018 for four years. This project aims to increase the adaptive capacity of climate-vulnerable and food insecure poor households by improving the management of livelihood assets and natural resources in seven rural municipalities of Jumla, Kalikot, and Mugu districts. The total budget of the project is US\$ 9,527,160.
2. The mid-term review (MTR) assessed the (a) initial outputs and results of the project; (b) quality of implementation, including financial management; (c) assumptions made during the preparation stage, specifically objectives and agreed upon indicators, against current conditions; (d) factors affecting the achievement of objectives; and (e) M&E systems and their implementation.
3. The report presents the findings, conclusions, and recommendations of the mid-term review (MTR).
4. The evaluation followed a mixed-method approach, comprised of quantitative and qualitative. Given that CAFS-Karnali was one of four contributory projects of the WFP Country Strategic Plan (CSP) (2019-24), the quantitative data was drawn from the Outcome Monitoring Survey (OMS) conducted in December 2020. The OMS was entirely conducted remotely due to the COVID-19 pandemic by NARMA Consultancy Pvt. Limited, an independent research firm, applying WFP's "minimum monitoring requirements during COVID-19".
5. Qualitative data was also received from the same OMS survey. However, further data and information were collected during the field visit in September 2021 through the extensive review of the project related documents and reports, including project/programme proposal document (PPD), inception report, standard operating procedures (SOP), project performance reports (PPRs), annual progress reports, and annual project completion reports of the three local cooperating partners (LCPs) and further interactions/interviews with key stakeholders in all the three districts.

Key Findings

6. The MTR has found that the CAFS-Karnali is aligned with the federal governance system embraced by the Constitution of Nepal 2015, the National Climate Change Policy 2019, the targets set under the Sustainable Development Goal (SDG) 2 for zero hunger and 13, which is about taking urgent action to combat change and its impacts, as well as Nepal's 15th Development Plan (2019/20-2023/24) and WFP CSP (2019-2023). The findings of the MTR confirm that the project under implementation is highly relevant to the need of the targeted geographic areas.
7. When the mid-term results were assessed against the baseline values, of the 14 outcome indicators distributed within three objectives and three outcomes, the MTR found

positive trends (improvement) in ten indicators, a slight negative trend (decline) in one indicator due to impact of COVID-19 socio-economic impact, and good progress in the three indicators having no baseline values (women undertaking at least one adaptive measure for mitigating climate change impacts, number, and types of climate adaptation strategies identified and implemented at the local level, and percentage of women within the target population aware of predicted impacts).

8. Out of four key result areas, the project has achieved targets in two and partially achieved two results areas, as shown in the table below:

SN	Result area	MTR results against project-end target	Reasons/remarks
1	80 % of target population aware of predicted climate change impacts; and of appropriate responses, of which at least 40% are women	On track	The community sensitization, training/workshop and mass gathering related activities have been partially impacted by COVID-19 Pandemic
2	60% of target households have stable and climate resilient sources of income, of which at least 50% women are engaged in income generating ventures with improvement in food and income availability by 40%	Achieved	Implementation of productive and resilient community assets/infrastructure which led to increased agricultural production and productivity, livelihoods diversification through agribusiness, rural enterprises, and employment generation. The Baseline Survey (BLS), which is supposed to set measurement criteria and guide the project for the implementation has not properly defined the climate resilient income.
3	50% of target households have improved access to water for agriculture and drinking water through Multi-Use systems (MUS) technology and they have access to forest products	Achieved	Data provide sufficient evidence to suggest increased resilience of natural systems support livelihoods
4	75% of target households report reduction in number and frequency of negative coping strategies	On-track	Target set high, Partially impacted by COVID-19 Pandemic

9. The MTR team acknowledges the leadership and commitments of the local cooperating partners (LCPs) to the project activities. The review revealed that the project's

performance would have been much better than what it is currently had the project did not encounter the third risk stated in WFP’s CSP, that is, "No natural disaster of large impact occurs". The global COVID-19 pandemic has impacted the project's activities, although LCPs have attempted to work amidst this pandemic, applying every possible health and safety measures and following the protocols instructed by GoN in coordination with the local governments.

10. The project has worked with and through the rural municipalities, which have been highly supportive of the project. In fact, the rural municipalities appreciated the project much for carrying their loads and constructing/rehabilitating costly physical infrastructures that they would not have undertaken without project budget and support.
11. Both the WFP and MoFE have demonstrated responsiveness to the federal governance system instituted by the Constitution of Nepal. The project modified its operational modality substantially through the project implementation agreement signed between MoFE and WFP, inception workshop and SOP to align the project implementation coordination and governance with the federal governance system. However, since the project was designed and approved prior to the introduction of federal system in late 2017, the project has been federally managed, hence, provincial government has only the coordinating role and the local governments have been engaged actively in implementation of the project as per constitutional role and responsibility whereas federal government (MoFE) has been engaged in oversight, policy guidance and execution role.
12. The Provincial Project Coordination Unit (PPCU) is supposed to coordinate between the three project districts if there are any conflicts and monitor project activities. However, the mission did not find effective coordination among project implementers at the provincial level, mainly due to the lack of adequate engagement of the provincial government in project planning, implementation, and monitoring. This was due to the agreed governance mechanism of the project, which was impacted by movement restriction caused by COVID-19 pandemic in 2020 and 2021, and no inter-districts and inter-local-governments conflicts have occurred until now.
13. The Table below summarizes the MTR assessment on the five standard evaluation criteria based on the evidence collected during the field visit and CSP-OMS study/CAFS-MTA results. The overall assessment of the MTR is that the project is progressing satisfactorily.

Evaluation criteria	Mid-term review assessment	Remark
Relevancy	High	<ul style="list-style-type: none"> • CAFS-Karnali activities are aligned with SDGs’ three dimensions (economic, social and environment) • Karnali province is the most food insecure province of Nepal and relevant to project districts. • This project contributes to the following four of the seven objectives of the national climate change policy

		<ul style="list-style-type: none"> ○ enhance climate change adaptive capacity of target groups, vulnerable to and at risk of climate change ○ Build resilience of ecosystems that are at risk of adverse impacts of climate change ○ Promote green economy ○ mobilize national and international financial resources for climate change adaptation
Effectiveness	Effective	<ul style="list-style-type: none"> ● Most of the outcomes have been achieved ● 64% of targets achieved ● identified and implemented eleven different climate change adaptation strategies ● Impact of COVID-19 outbreak observed
Efficiency	Efficient	<ul style="list-style-type: none"> ● 95% target beneficiaries reached within less than a two-year period ● With 52% expenditure, the project reached 95% beneficiaries ● Outbreak of the COVID-19 pandemic has affected the project's efficiency
Impact	Likely	<ul style="list-style-type: none"> ● Results of any intervention for climate change adaptation are not visible within few years, and they can only indicate the likely future direction
Sustainability	Likely	<ul style="list-style-type: none"> ● Most of the physical infrastructure development related works are likely to be continued for an extended period after project completion ● High level of cooperation and ownership among the beneficiaries and the local governments

Recommendations

10. Having presented MTR's findings through the best practices, strengths, weaknesses, and lessons learned, this report has provided recommendations for the executing agency, implementing agency and key stakeholders like Ministry of Industry, Tourism, Forest, and Environment (MoITFE) of the Province Government and Rural Municipalities as follows:

WFP

- (a) Work with the Ministry of Forest and Environment (MoFE) and the National Project Steering Committee (NPSC) to strengthen intergovernmental linkages and leverage resources and expertise of the provincial government agencies as well.

MoFE

- (a) Explore the possibility of effective engagement with provincial government ministries, specifically the Ministry of Industry, Tourism, Forestry and Environment (MoITFE) and the Ministry Land Management, Agriculture and Cooperatives (MoLMAC) in project's planning and execution as to the spirit of federal governance system.
- (b) Strengthen inter-government coordination and linkages.

Project Support Unit - PSU

- (a) Make sure that PPCU meets regularly.
- (b) Mobilize and use PPCU in order for them to contribute substantially to the project outcomes and results, own and monitor the project activities and results, and scale-up in other similar projects.
- (c) Operationally define/specify key terminologies and concepts related to the projects such as given below
 - a. Direct Beneficiaries/target beneficiary HHs
 - b. Climate resilient income
 - c. Indicators for measuring climate resilient adaptive capacity.
- (d) Produce and disseminate the lessons learned document on climate adaptation based on CAFS-Karnali results/outcomes.
- (e) To the extent possible, mobilize the Division Forest Office (DFOs) to ensure local communities appropriately benefit from project support in managing forests, raising plantations, and promoting forest and non-timber forest products (NTFPs) based enterprises to build climate resiliency.
- (f) Ensure that the three LCPs prepare and submit annual project completion report following the uniform format.

Ministry of Industry, Tourism, Forest and Environment/Province Government

- (a) Make sure that Provincial Project Coordination Unit (PPCU) meets regularly and reviews the project progress.
- (b) Coordinate with the provincial government ministries inter *alia* Ministry of Land Management, Agriculture and Cooperatives (MoLMAC) to integrate the experience and results of CAFS-Karnali in the programmes and projects implemented with its funding in the Karnali province and incorporate in the related guidelines, directives, and work procedures.
- (c) Assist the target municipalities to implement the Local Adaptation Plan of Action (LAPA) with conditional grant.
- (d) Ensure formal involvement of grassroots level forestry and climate change line agencies at the implementation level, the LPCU.

Target Rural Municipality

- (a) Select the projects during local level planning and budgeting process from the LAPA.
- (b) Ensure that the projects are monitored as per the Local Government Operation Act 2017 (BS 2074).

- (c) Explore the possibility of extending CAFS-Karnali project activities in other wards/geographic areas where the project has not covered currently.

1. INTRODUCTION TO PROJECT

1.1 Background

1. The Project, Adapting to Climate Induced Threats to Food Production and Food Security in the Karnali Region of Nepal (CAFS-Karnali) is a four-year project implemented by the United Nations World Food Programme (WFP) Nepal Country Office since October 2018 in three districts of Karnali Province (Jumla, Kalikot and Mugu). The project is financed by the Adaptation Fund (AF).
2. The CAFS-Karnali targets seven rural municipalities of three districts of the mountainous region of the Karnali Province, which, over the years, have experienced the worst poverty and food security impacts of climate change. Of the seven provinces in Nepal, Karnali is the most impoverished province with the highest poverty rate. Karnali region is highly exposed to changing temperature and precipitation.
3. Designed to address issues of poverty, food insecurity, malnutrition, and climate-induced threats to food production and food security, the Adaptation Fund Board (AFB) approved the CAFS-Karnali in 2015. However, the implementation was delayed due to the great earthquake in April 2015, followed by the promulgation of the Constitution of Nepal (CoN) in September 2015, federal, provincial, and local elections, and subsequent state restructuring, including restructuring of the executing entities- the Ministry of Environment, Science and Technology, and the Ministry of Federal Affairs and Local Development. After the federalism system, which is being implemented since 2017; the Ministry of Forests and Environment (MoFE) has been assigned as focal point for climate change sector, the UN Framework Convention on Climate Change (UNFCCC), Adaptation Fund, Green Climate Fund, and other mechanisms. Hence, the MoFE has been working as executing entity for the project from Government of Nepal.
4. The project commenced after signing of the operational agreement between the GoN and WFP in May 2018. Annex 1.1 presents the project's key events and dates. Annex 1.2 shows project's result indicators and targets by objectives and outcomes.

1.2 Objectives of the Project

5. The overall objective of the CAFS-Karnali is to increase adaptive capacity of climate vulnerable and food insecure poor households by improved management of livelihood assets and natural resources in seven rural municipalities of Jumla, Kalikot and Mugu districts. Specific objectives of this project are to:
 - (a) strengthen local capacity to identify climate risks and design adaptive strategies
 - (b) diversify livelihood and strengthened food security for climate vulnerable poor households in target areas and,
 - (c) increase resilience of natural systems that support livelihoods and reduces climate change induced stresses.

6. The project comprises the following two mutually reinforcing outcomes:

Component 1: Develop local, district and national capacity to plan, implement and monitor adaptation and risk reduction actions,

Component 2: Build household and community resilience and increase adaptive capacity of climate vulnerable poor in targeted areas

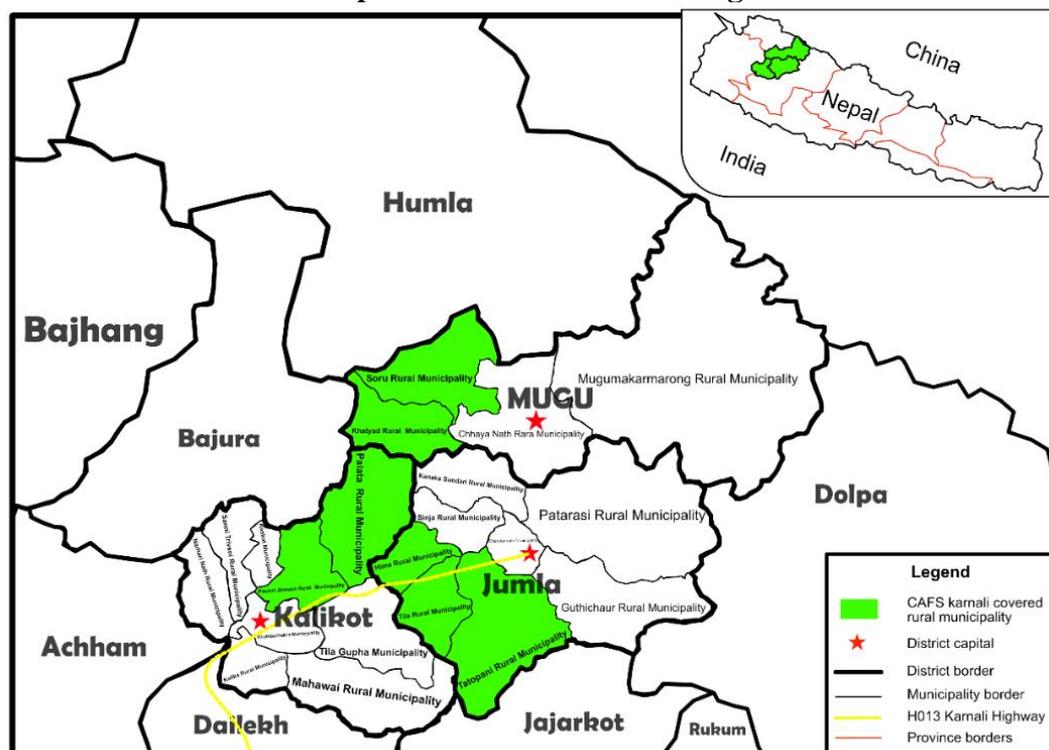
7. Table 1.1 below shows targeted beneficiary households by rural municipalities. Map 1.1 shows the project coverage.

Table 1.1: Project Location and Beneficiaries

District	Rural municipality	Service wards	Number of target households
Mugu	1. Soru	1-5 and 8-11 (9 wards)	4050
	2. Khatyad	1-5, 7,8, 10 and 11 (9 wards)	
Kalikot	3. Palata	1 to 9 (9 wards)	4140
	4. Pachaljharana	3 to 9 (7 Wards)	
Jumli10a	5. Tila	1,2,6,7,8, 9 (5 Wards)	2660
	6. Tatopani	7 and 8 (2 Wards)	
	7. Hima	6 and 7 (2 Wards)	
Total (7- RM)		43 Wards	10,850

Sources: Project Document 2015, Inception Report, 2018, SOP 2018.

Map 1: CAFS-Karnali Coverage



2. PURPOSE, OBJECTIVES AND SCOPE OF THE MIDTERM REVIEW

2.1 Purpose

8. The purpose of the mid-term review (MTR) is to measure the degree of achievement of the outcome indicators included in CAFS-Karnali result framework, inform operational decision-making, support learning, and inform adjustments to the ongoing activities.

2.2 Scope

9. As per the terms of reference, this MTR, among others, was required to assess
 - initial outputs and results of the project.
 - quality of implementation, including financial management.
 - assumptions made during the preparation stage, particularly objectives and agreed upon indicators, against current conditions.
 - factors affecting the achievement of objectives; and
 - M&E systems and their implementation.
10. In addition, the MTR presents five major aspects in relation to this project as below:
 - Relevance: in relation to local and national sustainable development plans, priorities, and policies; poverty alleviation plans; national communications or adaptation programmes, and other relevant instruments; objectives of the Adaptation Fund.
 - Effectiveness: the extent to which the intended outcome(s) has (have) been achieved or how likely it (they) will be achieved.
 - Efficiency: a measurement of how economically the funds, expertise, time, etc. provided by the AF have been converted into results.
 - Impact: the positive/negative and unforeseen changes to, and effects produced by, the project.
 - Sustainability: the likelihood that benefits will continue for an extended period after project completion.

2.3 Objectives of the Review

11. The overall objective of the MTR is to provide evidence-based information on whether the project is on the right track. It provides evidence on how changes are taking place, and the strengths and weaknesses of the design of the projects, programmes, or corporate strategies embedded in the result-based management adopted by the tenth meeting of the AF Board. Specifically, this review intends to
 - (a) review the project related reports, data; and conduct key informant interview/focus groups discussions to collect and validate the quantitative and qualitative information for the assessment of results, effectiveness, processes, and performance of project activities and their contribution to project/AF objectives; and
 - (b) Suggest or recommend appropriate adjustments, as the final decision on which changes will be made by WFP and the project steering committee.

3. METHODOLOGY

12. This MTR was carried out using a mixed-method approach that combines quantitative and qualitative techniques. The data for the quantitative method was retrieved from the outcome monitoring survey of the WFP Country Strategic Plan (2019-23) (CSP). One of the four projects¹ included in the CSP-OMS was CAFS-Karnali. Likewise, the qualitative data was also taken from the same OMS but later enriched through in-depth desk reviews of the project-related documents, reports, and field visits.
13. The OMS was carried out with the following two objectives:
 - (a) provide the status on selected outcome indicators related to Strategic Outcome 2, and Strategic Outcome 3 of the WFP Country Strategic Plan (2019-2023), selected SDG related indicators, and WFP corporate and custom indicators, and
 - (b) Identify effects of WFP interventions on direct and indirect beneficiaries and entities.
14. Given that the OMS provided the status on all 14 outcome indicators of this project, it was decided that the quantitative data for this MTR will be used from the CSP-OMS result. However, the field visit was deemed utmost necessary for the MTR because the OMS was carried out through the remote data collection (RDC) technique using telephone calls in December 2020. The OMS comprised the responses of the randomly sampled CAFS-Karnali beneficiaries of 7 RMs of the three project districts. Annex 3 briefly presents the CSP-OMS methodology.
15. Figure 3.1 below shows the sequential steps followed in the MTR. As presented in the figure, this MTR starts with the review of the project/programme proposal document (PPD), inception reports, project performance reports, project completion reports of the local cooperating partners (LCPs), CSP-Outcome Monitoring Report and moves forward interviewing with key stakeholders, KII and FGDs with beneficiaries (face to face).

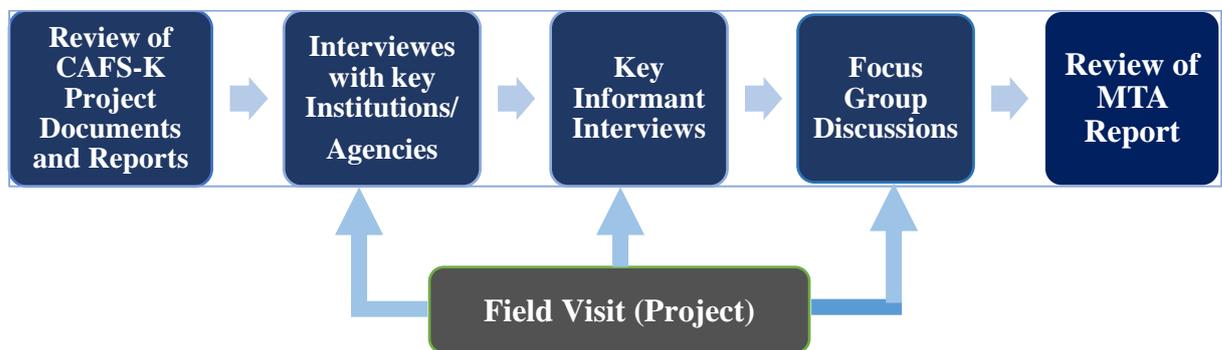


Figure 3.1. Steps followed in the MTR.

16. Table 2 summarizes the MTR data collection methodologies by project objectives and outcomes and outcome indicators.

¹ The remaining three projects comprising CSP-OMS were (a) Maternal and Child Health and Nutrition Project (b) School Meals Programme and (c) :Post-Earthquake Recovery Project-Purnima.

Table 2: Summary of MTR data collection methodology

SN	Indicator	Measurement criteria used in the MTR	Data collection methodology	Data source
Objective 1: Strengthened local capacity to identify climate risks and design adaptive strategies				
1	Indicator 1: Percentage of target population aware of predicted climate change impacts; and of appropriate responses – CAFS	Of the total randomly selected respondents, number of the respondents who are aware and have implemented at least one adaptation strategy from among the five major climate-related problems common to the project areas (food security, natural resources-related) <ul style="list-style-type: none"> ○ Decline in crop productivity ○ Drying of natural springs, well, ditches (water scarcity) ○ Lack of fodder/forages ○ Decline in land productivity (soil fertility) ○ Pest and diseases occurrence 	Quantitative -Beneficiary Survey	WFP-CSP- Outcome Monitoring Survey, July 2021
2	Indicator 2: Percentage of women within target population aware of predicted impacts	Of the total randomly selected women respondents, number of the respondents who are aware and have implemented at least one adaptation strategy from among the five major climate related problems common to the project areas (food security, natural resources related) <ul style="list-style-type: none"> ○ Decline in crop productivity ○ Drying of natural springs, well, ditches (water scarcity) ○ Lack of fodder/forages ○ Decline in land productivity (soil fertility) ○ Pest and diseases occurrence 	Quantitative -Beneficiary Survey	WFP-CSP- Outcome Monitoring Survey, July 2021
Objective 2: Diversified livelihoods and strengthened food security for climate vulnerable poor in target areas				
3	Indicator 3: Number of women engaged in new income generating ventures	Of the total randomly selected respondents, number of the respondents who reported at least one woman of their household engaged in new income generating ventures	Project record Quantitative -Beneficiary Survey	WFP-CSP- Outcome Monitoring Survey, July 2021

SN	Indicator	Measurement criteria used in the MTR	Data collection methodology	Data source
4	Indicator 4: Percentage of target households with stable and climate resilient sources of income.	Of the total randomly selected respondents, number of the respondents reporting at least one stable and climate resilient source of income	Quantitative -Beneficiary Survey	WFP-CSP-Outcome Monitoring Survey, July 2021
Objective 3: Increased resilience of natural systems that support livelihoods to climate change induced stresses				
5	Indicator 5: Proportion of households with improved access to water for agriculture	Of the total randomly selected respondents, number of the respondents reporting access to water for agriculture	Quantitative -Beneficiary Survey	WFP-CSP-Outcome Monitoring Survey, July 2021
6	Indicator 6: Proportion of households with improved access to water for drinking purpose	Of the total randomly selected respondents, number of the respondents reporting access to water for drinking purpose	Quantitative -Beneficiary Survey	WFP-CSP-Outcome Monitoring Survey, July 2021
7	Indicator 7: Number of households engaged in/benefitted from Multi-Use Systems (MUS) technology	Of the total randomly selected respondents, number of the respondents reporting to have benefitted from MUS technology	Quantitative -Beneficiary Survey	WFP-CSP-Outcome Monitoring Survey, July 2021
8	Indicator 8: Percent of households have access to forest products for improving soil quality	Of the total randomly selected respondents, number of the respondents reported having access to forest products to improve soil quality.	Quantitative -Beneficiary Survey	WFP-CSP-Outcome Monitoring Survey, July 2021
9	Indicator 9: Status of Forest Resources	Perception of randomly selected respondents on the status of forest resources from where they generally collect forest resources	Quantitative -Beneficiary Survey	WFP-CSP-Outcome Monitoring Survey, July 2021
10	Indicator 10: No and type of climate adaptation strategies identified and implemented at local level	No and type of climate adaptation strategies reported to have been implemented by the project at local level through the cooperating partners	Project report	MTR
11	Indicator 11: Targeted institutions and community groups have increased capacity to reduce climate change risks in development practice (<i>Local level (VDC and below)</i> <i>District (DDC and agencies)</i>)	Number and type of institutions reporting increased their capacity to reduce climate change risks in development practice	Key Informant Interview	WFP-CSP-Outcome Monitoring Survey, July 2021, and MTR

SN	Indicator	Measurement criteria used in the MTR	Data collection methodology	Data source
	<i>Regional and National).</i>			
12	Indicator 12: No of households with increased income	Of the total randomly selected respondents, number of the respondents reporting to have increased income (farm and non-farm)	Quantitative -Beneficiary Survey	WFP-CSP- Outcome Monitoring Survey, July 2021
13	Indicator 13: Percentage decrease in negative coping strategies	Of the total randomly selected respondents, number of the respondents reporting decrease in negative coping strategies (crisis, stress, and emergency)	Quantitative -Beneficiary Survey	WFP-CSP- Outcome Monitoring Survey, July 2021
14	Indicator 14: No of women-led enterprises established	Number of enterprises established through project support, which are led by women	Project Report	WFP-CSP- Outcome Monitoring Survey, July 2021, and MTR

17. As stated earlier, this MTR goes beyond assessment on the project's status by outcome indicators but to present the mid-term status on five standard evaluation criteria (relevance, effectiveness, efficiency, impact, and sustainability). Hence, the methodology included desk review, field visits, and further KII interviews, as shown in the above table and briefly discussed below.

3.1 Desk Review

18. Before visiting CAFS-Karnali project districts, the team reviewed the project proposal, baseline survey report, inception report, outcome monitoring report 2021, SOP, PPRs, and available progress reports. Likewise, the team also reviewed the 2019 National Climate Change Policy, the Agriculture Development Strategy (2015-35), WFP's CSP (2019-23), and 15th Development Plan (2019/20-23/24).

3.2 Key Informant Interviews

19. An inclusive list of key informants, including the project officials, managers, coordinators, service providers, and relevant stakeholders, was prepared by the CSP - OMS team in consultation with the WFP Nepal office for the KII. However, given that the CSP-OMS was carried out through the RDC technique and interviewed those available in the telephone calls, some of them were again contacted during the field visit to confirm and clarify their statements, and interview those who were not available or missed to interview.

3.3 Focus Group Discussion

20. The focus group discussions were carried out with beneficiary groups in project districts to assess (a) the knowledge of the project beneficiaries on different issues related to

climate change, (b) quality of the services delivered by the cooperating partners (c) relevancy of the project activities/interventions from the climate change and adaptation dimensions and (d) sustainability prospects. Although beneficiaries were invited by the service providers, questions and follow-up questions were put before them in such a way that there could have least chances for overstatement, guided statements, and counterfeit statements. During the FGDs, results/findings/conclusions of MTR-first were also triangulated.

3.4 Study Strengths

21. This study was carried out in a short period of time but enjoyed a lot of support and cooperation of all key project stakeholders and officials at all levels - federal, provincial, and local. Even at the time of spreading COVID-19 and prolonged monsoon period, the field study could take place, and project sites were visited for the MTR. Moreover, the team had all the access to the CSP-OMS survey data and results.
22. Review team directly observed many completed and ongoing physical assets such as NTFP collection centers, community service centers, irrigation canals, and farmers' fields, and interacted with local government representatives, beneficiaries, women's groups, entrepreneurs, and key informants which helped to get a true picture of the project implementation.

3.5 Study Limitations

23. The short period available to the study and the prolonged monsoon period caused travel obstacles in the rugged, hilly earthen roads. This situation limited the team to conduct FGDs as planned. However, the team could reach all three districts, interact with key stakeholders, and conduct most of the FGDs in Jumla district. Had there been good weather and fair roads, the team would have covered larger areas and collected more information.

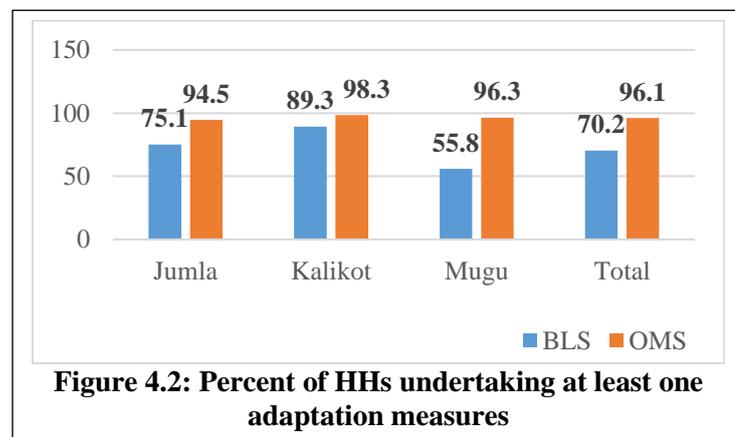
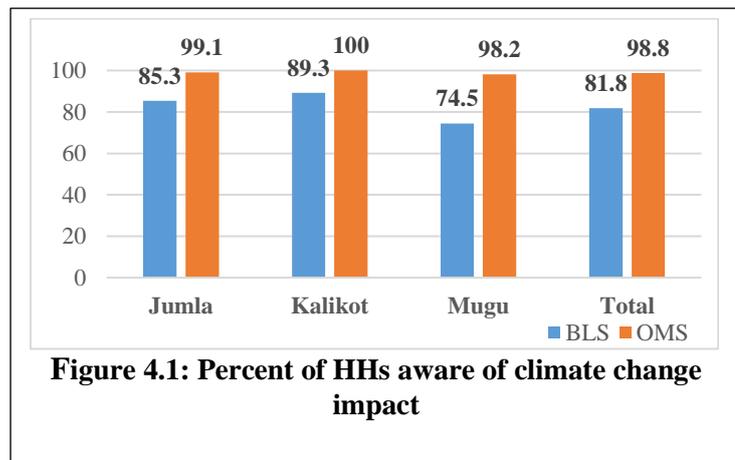
4. MTR RESULTS AGAINST OUTCOME INDICATORS

24. Focused on initial results and outputs, this section assesses the performance of CAFS-Karnali against project targets and baseline values for 14 indicators by the three objectives and two outcomes. This analysis provides a basis for assessing the project’s effectiveness and inputs to assess other evaluation criteria, specifically efficiency, impact, and sustainability. As discussed earlier, most of the data and information presented in this chapter are retrieved from the CSP OMS from July 2021.

4.1 Objective 1: Strengthened local capacity to identify climate risks and design adaptive strategies

Indicator 1: Percentage of target population aware of predicted climate change impacts; and of appropriate responses

25. According to the OMS, of the total HHs surveyed (337 respondents²-Jumla 112, Kalikot 61 and Mugu 164), 98.8% (Figure 4.1), and 96.1% (Figure 4.2) were aware of predicted climate change and capable to indicate at least one adaptive measure, respectively. These results were estimated based on two questions put to the respondents. The first question referred to whether the respondents had any experiences on any changes in their localities/ families/ households due to climate change, and the second asked “if they had undertaken any type of adaptation measures to respond to the negative impact of climate change experienced by these.



26. The data shows that, in overall, 98.8% of percent respondents could state one impact, followed by 2 impacts (23.1%), 3 impacts (26.7%), 4 impacts (24.6%) and 5 impacts (20.8%). The higher the number of impacts reported by respondents suggested a higher awareness on climate change.

² The sampling population included those respondents/households who were the primary beneficiary of the WFP_CSP activities of CAFS-Karnali with an assumption of an anticipated rate of 50 percent, with a margin of error of 5 percent and confidence level of 90 percent assuming for the infinite number of the beneficiary,

27. When the households, who were aware of the climate change impacts, were followed up with a question on the nature of the problems which they have faced (Table 4.1), the majority of the respondents replied drought as the main climatic problems (48.6%), followed by a decrease in crop productivity (46.2%), increased water scarcity (45.9%) and floods (40.8%). Other problems reported by more than 10% respondents are drying of natural springs, wells and ditches (36.6%), increased pest and disease infestations (27%).

28. The survey found the difference between the OMS and BLS³ for awareness and undertaking at least one adaptive measure by 17% and 25.9%, respectively (Figure 4.1 and 4.2). These results suggest positive trend in the increase of awareness of the target population of predicted climate change impacts. Annex 4.1 provide proportion of HHs aware of at least one predicted climatic change and impact by districts, gender, and household head.

29. The OMS further reported that most households have adopted two adaptive measures (43.9%), followed by one measure (41.5%), whereas very few households followed more than two practices. Construction of the irrigation facility, especially irrigation canal from the river/stream, is the adaptation strategy practiced by 36.4% of respondents, followed by changes in cropping calendar (28.0%), changes in crop variety (20.6%), and establishment/use of multiple water use system (Table 4.2)

Table 4.1: Nature of the climatic problems faced

Climatic problems	Percent
Drought problems	48.6
Productivity of crops decreased	46.2
Increased water scarcity	45.9
Increase flood problems	40.8
Drying of natural springs, wells, ditches	36.6
New pest/pest problems in crops increased	27.0
Pest/insect resistant capacity of crops decreased	13.2
Landslide/soil erosion	12.9
Frequent sickness	12.3
Disease problem increased	11.1
Biodiversity decreased (local land races)	6.9
New diseases observed	6.0
Livestock productivity decreased	2.7
Others	4.8

Source: OMS

Table 4.2: Climatic change impact adaptation measure practiced by respondent

Adaptation actions	Percent (n=321)
Construction of irrigation facility/ irrigation canal	36.8
Change in cropping calendar	28.0
Change in crop variety/crops	20.6
Establishment / use of multiple use water system (MUS)	15.3
Improve farming practices/ organic farming	13.1
River control/check dams	7.5
Improved land management practices (terrace improvement)	6.9
Use of improved stoves (ICS)	5.9
Livestock insurance	4.4
Use of dip, sprinkler irrigation	3.7
Shift occupation/non-farm activities	3.4
Integrated pest mgmt. techniques	2.2
Crop insurance	1.6
Establishment/use of Rustic store	1.6
Others	4.4

Source: OMS

³ Given that the BLS was conducted through a face-to-face survey, questions could be a slightly different and conducted in different setting, the results of the two surveys may not be compared. This review compared the two to assess the trend only.

30. Above results confirmed that the awareness level of the target beneficiaries has increased after the project interventions, which, according to the key informants, is due to the project activities such as training, interactions, and discussion forums organized by the CAFS-Karnali. The project has placed hoarding boards in the premises of the target municipalities and in public places for information dissemination and to sensitize and enhance the knowledge of community people, local planners, and different stakeholders.

Indicator 2: Percentage of Women within Target Population Aware of Predicted Impacts

31. Of the total respondents, number of women respondents was 46. The OMS survey results revealed all women were aware of negative impacts of climate change. However, when they were further asked to depict the negative impacts, the number of women who could depict the negative impact decreased substantially with 2 impacts depicted by 32.6% respondents, followed by 3 impacts (26.1%), 4 impacts (26.1%) and the lowest 5 impacts (15.2%). This finding suggests that awareness level should be measured not solely in terms of yes/no response or one response. The actual field situation could be masked when the analysis is based on awareness on just one response. Therefore, the MTR suggests measuring the awareness level in terms of number of negative impacts depicted by the respondents and their analysis based on aggregation or cumulative.

32. When the women respondents who were aware of the climate change impacts, were followed up with a question on the nature of the problems which they have faced (Table 4.3), the majority of the respondents replied drought as the main climatic problems (48.6%). As seen from table 4.3, drought problems (63.0%), water scarcity (54.3%) and decrease in crop productivity (43.5%) are the major climatic problems faced by women. Other problems include flood, drying of natural spring, wells, and landslides/erosion.

Table 4.3: Negative climatic impacts faced by women

Climatic impacts	Percent (n=46)
Increased drought problems	63.0
Increased water scarcity	54.3
Productivity of crops decreased	43.5
Increase flood problems	41.3
Drying up natural springs, wells, ditches	23.9
Landslide/soil erosion	21.7
New pest/pest problems in crops increased	17.4
Pest/insect resistant capacity of crops decreased	10.9
New diseases observed	8.7
Frequently illness of children	8.7
Increase disease problem	6.5
Biodiversity decreased (local land races)	6.5
Livestock productivity decreased	2.2

Source: OMS

33. Although the project aims to include at least 40% of women as respondents while assessing the awareness of the predicted impacts, the respondents in the survey was less than 40% .

34. Despite the increase in awareness level as reported earlier based on the OMS results, the MTR team recommends the project to focus on those activities that would enhance the capacity of the target population to identify climate change risks and undertake appropriate adaptive measures. The team's observation and interactions with the project beneficiaries and local stakeholders confirm that target beneficiaries' awareness is mixed. They have experienced the impact of climate change, but adaptation capacity is limited.

4.2 Objective 2: Diversified livelihoods and Strengthened Food Security for Climate Vulnerable Poor in Target Areas

Indicator 3: Percentage of target households with stable and climate resilient sources of income

35. The project targets for at least 60% of target HHs report greater livelihood security compared to the baseline, which was 30.9%. As seen below in Table 4.4, the CSP survey results show, overall, 69.1% HHs have a stable and climate resilient livelihood/income with an annual average of NRs. 56,024, exclusives of salary, pension, and remittance income. This is 37.5 % of the total annual income generated by the households.

Table 4.4: Proportion of HHs having stable and climate resilient income

District	Survey household	HHs having climate resilient income		Average annual household income (NRs) HHs		
		No	%	Total income	Climate resilient income	% of climate resilient to total income
Jumla	112	73	65.2	132817.0	51899	39.1
Kalikot	61	57	93.4	125641.0	89,320	71.1
Mugu	164	103	62.8	169666.5	46457	27.4
Total/ Average	337	233	69.1	149450.8	56024	37.5

Source: OMS

36. Key reasons for the increase in the proportion of HHs with resilient climate income, according to the KII sources, are the construction of several community infrastructures, which provided opportunities for the households to earn wage labour through community asset building activities and initiation of enterprises, diversification of agricultural activities and livelihoods options, and increased agricultural productivity and production.
37. As seen in Table 4.5, the main source of stable and climate resilient income of nearly 61.3% of the HHs is non-farm wage labour, followed by business/enterprise/trade (38.7%).

Table 4.5: Sources and amount of stable climate resilience income

Source of income	Average SCRI income of HHs by amount and source		Share of the SCRI to total income, %
	Average Income, NRs.	%	%
Non-farm wage labour	34355	61.3	23.0
Business/enterprises/trade	21669	38.7	14.50
Average climate resilient income	56024	100.0	37.5

38. The livelihoods of Karnali people depend mostly on agriculture and no other promising source of income than farming is visible in near future. But, as seen from the data presented above in the table, the stable climate resilient income sources do not include farm income, despite that the project has been undertaking several activities to transform farm income into climate resilient through the adoption of climate smart agriculture technologies and innovations. The OMS data does not provide evidence of how farm-related livelihoods have become more resilient in project areas through project interventions. However, the team observed that the project activities such as the rehabilitation of irrigation facilities, construction of water harvesting tanks and agro-enterprises, rustic stores, are likely to contribute to making farm-livelihoods more resilient in the years to come. Most of the facilities are not only to be completed and come into full operation at present, but target beneficiaries need be capacitated to use them efficiently and supported by other essential complementary services and inputs such as technology, farm inputs, extension, and marketing.
39. Enterprises have a great prospect, but geography and other socio-economic conditions add several challenges. When entrepreneurs' access to expert service providers is enhanced and ensured in terms of quality, quantity, and timeliness, enterprises could bring prosperity to the people of this region if they operate in a planned way and with a business model. Enterprises enable people to diversify their livelihoods and earn income through climate resilience sources. As stated earlier, the team found the project moving on right direction and on track by supporting the target beneficiaries specifically women, the results are yet to come. The share of income from enterprises to the total income at present is minimal (14.5%), and this, indeed, is encouraging in the present context.

Indicator 4: Number of women engaged in new income generating ventures

40. The CAFS-Karnali record revealed that 830 women are engaged in new income granting ventures focused on skills development training/orientations and enterprises such as entrepreneurship promotion, business development, kitchen gardening support, vegetable farming, food processing, and poultry and livestock management. Of the total ventures targeted to women, more than 87% of enterprises are implemented in Kalikot district, followed by 9.5% in Jumla and 3.3% in Mugu. Although the team did not specifically inquire about the surprisingly high difference in Kalikot district reasons for such a big difference, there are multiple reasons. Of these, high accessibility, responsiveness, and receptiveness of the target groups and the proactive support of the local governments are a few of them. The first five ventures, which covered 89.7% of ventures include commercial vegetable farming (36.5%) followed by poultry support

21.6%, Solar Dryer and food processing equipment support (22.2%), rabbit farming support (7.0%) and Potato chips enterprise (3.3%). This suggests that micro-enterprises established in the project areas through project's support are likely to improve livelihoods of the vulnerable people suffering from climate induced threats such as drought, landslides, flash floods, land degradation and increased infestations of plant and animal diseases. Annex 4.2 provides details of new income generating ventures by districts.

41. According to the PPR (26 October 2019 to 26 October 2020), out of 5,399 vulnerable people who had participated in around 1,664 different types of skills development trainings/orientations such as entrepreneurship promotion, business development, kitchen gardening support, vegetable farming, food processing and poultry and livestock management trainings, 52% were female. The MTR results showed that the number of women participants taking part in the establishment and operation of the enterprises had increased to 830 when the BLS had reported 63 just a year ago. The result is excellent.

42. According to the OMS results, 30.5% of the surveyed households in project areas reported one or more members of their households engaged in new income generating activities (IGAs), varying from 44.3% in Kalikot to 20.1% in Mugu and 38.4% in Jumla. Of those women engaged in IGAs, 43.7% are engaged in fruit cultivation, followed by commercial vegetable (37.9%). Proportion of HHs engaged in other enterprises such as raising rabbit, *Sisnoo* (nettles) processing was small. Annex 4.3 shows the proportion of households

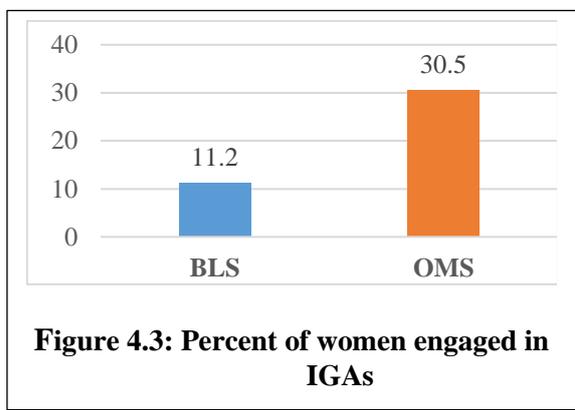


Figure 4.3: Percent of women engaged in IGAs

whose one or more women members were engaged in new income generating ventures. Figure 4. 3 shows the proportion of women's engagement between the OMS and BLS, which also confirms increased participation of women in IGAs due to project interventions.

4.3 Objective 3: Increased resilience of natural systems that support livelihoods to climate change induced stresses

Indicator 5: Proportion of households with improved access to water for agriculture

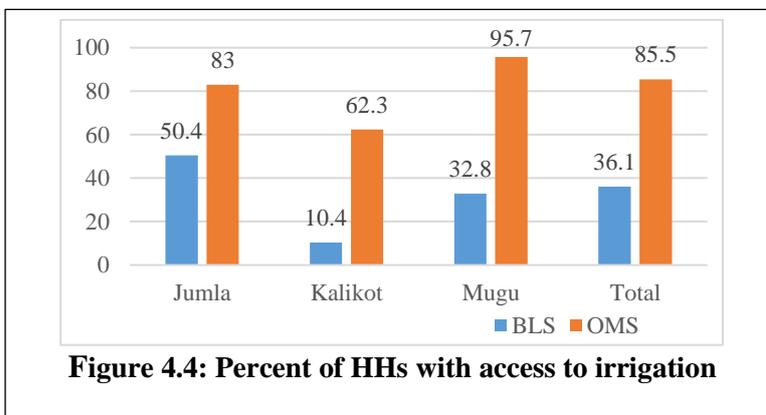
43. Multiple factors reduce farmers' access to water for agriculture. Some factors emerge from climate change and others are man-made and non-climatic factors. These factors, among others, include frequent drought, drying up of water sources, erratic rainfall, flash floods, inadequate irrigation facilities, inefficient management of irrigation water and difficult/steep terrain. Water, a critical input, and a climatic factor for agricultural production, is life for the farmers. It plays an important role in food security. Therefore, the project has given a high priority to increase farmers' access to irrigation facility as part of assistance to asset creation through activities such as construction of rainwater harvesting ponds, construction of irrigation canals, and community multiple use water

system (MUS). According to the project report, it has already created irrigation facility for the 184 Ha of agricultural land in 2020 benefitting 1678 households (CAFS-progress report), and others are underway.

44. According to the OMS, 85.5% of the surveyed HHs have irrigation facilities (water for agriculture/irrigation). The proportion of farmland with total irrigation facility is 41.4% (see Annex 4.4 and 4.5 for details by district, respondent types and caste/ethnicity). During MTR team’s visit to the project sites, local government representatives and community leaders hailed the CAFS-Karnali for increasing people’s access to water for agriculture. Likewise, project beneficiaries expressed satisfaction to the project for assisting them to repair the old system with cement and concrete structures, increase irrigation coverage, relieve from the old earthen structures and for getting frequent engagement in repair and maintenance.

Box 4.1: Access to safe drinking water
Tap water (Personal)-24.0%
Tap water (community)-72.1%

45. Figure 4.4 compares the proportion of HHs having access to water for irrigation (farm irrigation) between the OMS and the BLS. Overall, the proportion of HHs with access to water for irrigation has increased by 39.1%, with the highest increase in Mugu (62.9%), followed by 51.9% in Kalikot 32.6% in Jumla. The proportion of HHs with access to water for irrigation has increased. However, it is not likely that all of the lands owned by a household



are irrigated because a household may have many pieces of land in several places of the same village⁴, and generally, surface irrigation does not provide year-round irrigation. During the FGDs, beneficiaries stressed the need to increase concomitantly their access to other essential production inputs (e.g., seeds, improved technologies) and services such as technology transfer (extension) and marketing in order to benefit from the improved facilities and shift from subsistence to the commercial agriculture. Besides, they underscored the shortage of water at the source, difficult terrain, and long-distance required for conveying water posing several challenges.

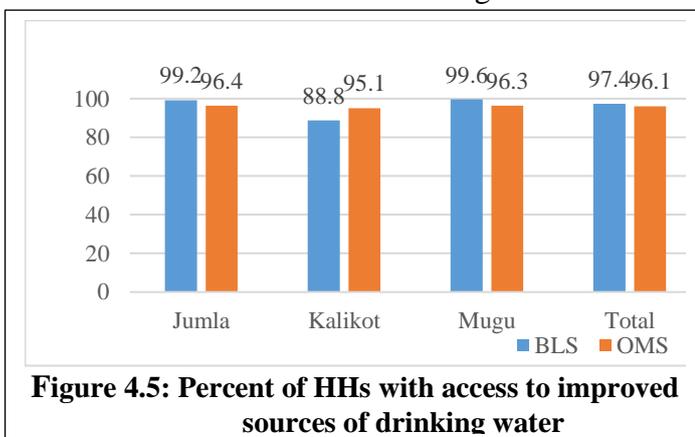
Indicator 6: Proportion of Households with Improved Access to Water for Drinking Purpose

46. Improved source of water for drinking purpose, as per UNICEF guidelines, includes piped water into a dwelling; piped to yard/plot; public tap/standpipe; stone tap; tube well or borehole; protected well; protected spring; rainwater; tanker truck. Water from unprotected well, water holes, unprotected spring; and surface water is unsafe to drink. Therefore, access to drinking water implies access to safe drinking water, specifically

⁴ Keeping many pieces of land in several places, though small in size, is one of the peoples' strategies, specifically in mountains and hilly regions, as a part of livelihood security.

piped water. OMS survey results show that 96.1 percent HHs have access to drinking water, as per the UNICEF definition of safe water (Box 4.1). The data further revealed that, overall, the proportion of HHs with access to drinking water in all the three districts was almost equal with 96.4% in Jumla, followed by 96.3% in Mugu and 95.1% in Kalikot (see Annex 4.6 for detail data).

47. The BLS had reported earlier that 97.4 % HHs had access to drinking water. While the proportion of HHs reported by the OMS is slightly lower by 1.3% than BLS (Fig 4.5), the data confirms that the proportion of HHs with safe drinking water in the project area is higher than the country average, which is 91.5% (Economic Survey 2020/21, Ministry of Finance). The OMS reported that some drinking water taps were not operating during the survey period due to delays in repair and maintenance caused by the spread of the COVID-19 pandemic.

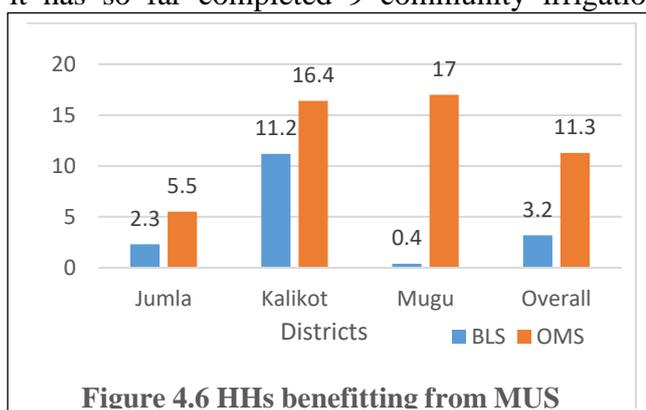


48. Of those HHs who reported getting drinking water through improved sources, 12% HHs credited WFP/CAFS-Karnali for increasing their access to the drinking water (see Annex 4.7).

Indicator 7: Percent of households engaged in/benefitted from Multi-Use Water Systems (MUS) technology

49. A multiple-use water system (MUS) has been proven useful for providing drinking water, electricity facility, and water for irrigation for smallholder farmers in the hilly areas of Nepal. The CAFS-Karnali promoted MUS to use scarce water sources for multiple purposes such as irrigation, drinking water, improved water mills, micro-hydro, kitchen garden, and install drip/sprinkle irrigation facility to small farms through a single scheme.

50. According to the CAFS-Karnali, it has so far completed 9 community irrigation projects, and 35 are under construction (see Annex 4.7). The CAFS-MTR result shows that 11.3% households have benefitted from MUS scheme (Figure 4.6). Compared to the baseline situation, OMS reported an increase in the proportion of HHs benefitting from the MUS by 8.1%, with the highest in Mugu by 16.6%, followed by 5.2% in

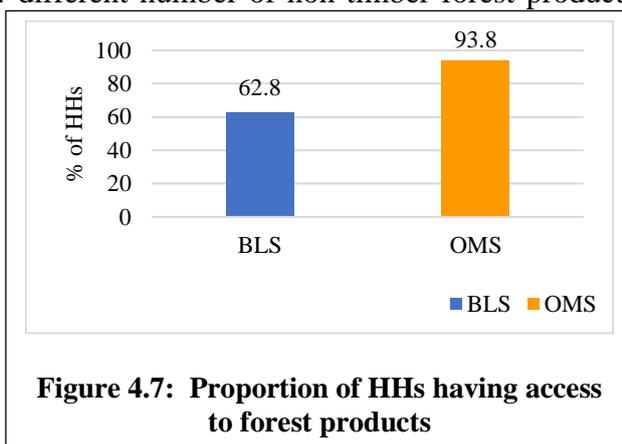


Kalikot and 3.2% in Jumla (Annex 4.8). Key reasons for the highest increase in Mugu are: (a) the number of irrigation projects and water harvesting tanks and ponds completed and under-construction is the highest in Mugu (see also Annex 4.12), and (b) the number of respondents was the highest in Mugu.

Indicator 8: Percent of households have access to forest products and improved soil quality

1. *Access to the forest products*

51. Under the forest resource management theme, CAFS-Karnali supports activities such as plantations, agroforestry practices, the establishment of nurseries, renewal of operational plans, and undertaking forest-based enterprises. The project has already supported the plantations of 153,364 different number of non-timber forest products (NTFPs), fruits, and fodder plant species in degraded sites and community forestry to support the conservation and management of the forest ecosystem. Similarly, the project supported the establishment of 6 multi-purpose community nurseries and updating/renewal of 14 community forestry operational plans.



52. The CSP-OMS survey results (Figure 4.7) showed that 93.8% of sampled HHs have access to forest products/forests with the highest proportion of the beneficiaries in Jumla (96.3%), followed by Mugu (93.8%) and Kalikot (86.9%). The primary forest products used by the respondents were timber, pole, firewood, NTFPs and bedding materials. Annex 4.9 presents the proportion of HHs collecting forest products by districts, gender of the HH head, and ethnicity/caste.

53. As seen in figure 4.3, the MTR shows that the proportion of HHs (beneficiaries) reporting increased access to forest products increased substantially over one year by 31.0 %. There may be multiple reasons for this increase in access to forest cover. However, one of the reasons often reiterated by the respondents during the survey and substantiated by KIIs is the support and initiatives of the forest user groups to ensure equitable access of all HHs/users to the Community Forest (CF) resources motivated and incentivised by CAFS-Karnali. Other reasons for this high access were the increased responsiveness of Community Forest Users Groups (CFUGs) to all HHs as users in the community forests, increased knowledge of the beneficiaries about the benefits of increasing soil organic matter and improved forest condition in recent years.

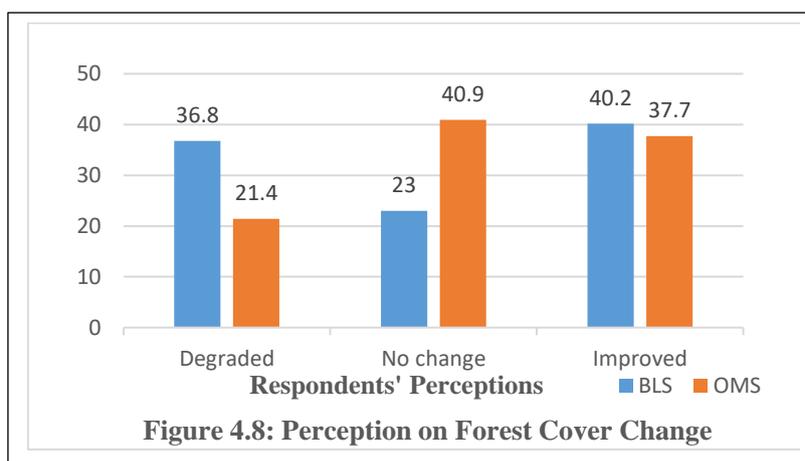
1. *Access to Improved Soil Quality*

54. According to the OMS report, 86.4% of the target beneficiaries regularly collect forest litter from forests to produce farmyard manure (FYM). The survey data further showed that 87.2% of male-headed HHs collected forest litter against 79.3% of female-headed

HHs. This lower proportion of women being engaged in collecting forest litter is due to the high workload of women in household chores, followed by no male member in the family to support them. Access of the target population to forests for improving soil quality has substantially increased after the CAFS-Karnali interventions, as revealed by the baseline result (62.8%). Annex 4.10 presents the proportion of HHs collecting forest debris and bedding materials products by districts, gender of the HH head, and ethnicity/caste

Indicator 9: Status of Forest Resources

55. Despite increased access of the beneficiaries to the forest products, the OMS reported beneficiaries mixed perceptions on the status of forest resources (Figure 4.8). Of the surveyed HHs, 37.7%, 40.9%, and 21.4% of respondents perceived forest status improved, no significant change, and degraded respectively. Annex 4.11 presents the data by district, gender of the HH head and ethnicity/caste.



56. Data presented in Annex 4.11 shows respondents' mixed perceptions on the forest cover state over the BLS and OMS with (a) the higher proportion of HHs reporting the improved status of the forest cover in Jumla but decrease in Kalikot and almost no change/constant in Mugu, and (b) increase in the proportion of respondents reporting degraded status in Jumla and Mugu but decrease in Kalikot.

57. Responses of individuals differ by what they observe every day around their environment and tend to state without carefully assessing the past conditions. Therefore, it is important to triangulate the perceptual responses through other comparative processes and tools. In this regard, several participatory rural appraisal tools could also be used.

58. However, it needs to be reiterated that improvement in the forest cover takes a relatively long period. A large majority of the HHs hailed CAFS-Karnali's support for the promotion of Improved Cook Stoves (ICS) , plantations, and CF operational plan revision, which in the future, could positively contribute to improving forest cover.

4.4 Outcome 1.1: Climate vulnerable and food insecure poor actively participate in developing climate risk reduction strategies and Actions

Indicator 10: Number and type of climate adaptation strategies identified and implemented at local level

59. Box 4.2 presents eleven climate change adaptation strategies identified and implemented by the CAFS-Karnali in collaboration with the respective rural municipalities and community institutions, such as cooperatives, community forest user group level. Given different geography, local opportunities, and local demands and needs, the number of interventions varies by district and rural municipalities.

Box 4.2: Climatic adaptation strategies followed by the CAFS

1. Expansion and Promotion of improved cooking stoves (ICS)
2. Plantation of different fodder and fruit species along with the medicinal plants.
3. Creation of short-term employment opportunities targeting to the climate change vulnerable HHs through, Asset Building, “Physical and Natural Livelihood Assets” Such as irrigation facilities, MUS, water harvesting tanks
4. Distribution of solar dryers
5. Support to construct/rehabilitate improved/efficient water mills
6. Support on establishment of NTFP building and Seed collection centers, including minimization on post-harvest losses
7. Support in the establishment and operation of the different Agri enterprises
8. Introduction of improved livestock management
9. Expansion of risk transfer mechanism through introduction of crop and livestock insurances
10. Establishment of municipal agricultural information centers
11. Support on building climatic resiliency through preparation of local adaptation plan.

Source: CAFS-Karnali Annual progress reports, 2019 and 2020

60. Above strategies were found appropriate to (a) enhance capacity of the targeted institutions and communities to reduce climatic risks of the households through community infrastructure and assets creation (b) support project beneficiaries to generate additional income and create employment opportunities and diversify livelihood opportunities, specifically during agricultural lean season and (c) promote sustainable management and conservation of the forest resources and (d) minimize the post-harvest loss of the agricultural commodities.
61. The LCPs were found very active and responsive to their jobs and what they were doing and why. They had maintained good public relationships and contacts with the chairpersons of the targeted wards in order to receive timely support and cooperation from them in selecting and identifying appropriate activities and physical infrastructure development projects to contribute to the project outcomes. This further helped them to receive approval of the rural municipality chairpersons via Local Project Coordination Unit (LPCU).
62. Table 4.6 below shows major climate adaptation strategies identified by the project and the number of interventions (completed and under construction/mid-way) in the three districts through the management support of the LCPs in collaborations with the respective local governments. Annex 4.12 presents details of physical infrastructures and their current status- completed and under construction by districts. These schemes,

according to the CAFS-Karnali officials have been selected after environmental and social screening method/process provided by the WFP, whether non-regret (NR) type of intervention like irrigation or trail which requires environment and social screening (ESS). Annex 4.13 presents' details on the adaptation strategies/schemes identified and implemented at local level.

Table 4.6: Adaptation Strategies/Schemes (Completed and Under Construction)

SN	Activities	Strategy type	Number of infrastructures/adaptation measures implemented		Total	%
			Completed	Under construction		
1	Irrigation	PID/NR	14	12	26	17.1
2	Irrigation pond/water harvesting tank	PID/NR	22	3	25	16.4
3	Rehabilitation of micro hydro project	PID/NR	3	2	5	3.3
4	Landslide control	SWC/NR	2	2	4	2.6
5	Drinking water	PID/NR	3	3	6	3.9
6	Rustic store	PID/NR	5	2	7	4.6
7	Nursery	Ag enter/NR	2	4	6	3.9
8	Water mill (local)	PID/NR	0	7	7	4.6
9	Trail	PID/ESS required	2	1	3	2.0
10	Community service center	PID/ESS required	1	6	7	4.6
11	Apple Farming	Agr Ent/NR	15	0	15	9.9
12	Citrus Farming	Agr Ent/NR	10	0	10	6.6
13	Fodder Plantation	Agr Ent/NR	11	0	11	7.2
14	NTFPs Collection Centre	PID/ESS Required	2	0	2	1.3
16	PBS/sweet potatoes Farming	Agr Ent/NR	6	0	6	3.9
17	Others (seed bank, collection center, fencing, dipping tank)	Misc/ NR	2	10	12	7.9
	Total		100	52	152	100.0

Note: NR- Non-regret type, PID- Physical Infrastructure Development, Ag- Agriculture, Ent- Enterprise, ESC- Environment and Social Screening Source: CAFS-Karnali Project, Analysis by the MTR Team

Apart from the above, the project has supported all 7 RMs to prepare the local adaptation plan of actions (LAPA) which have been recently endorsed by the RMs and they have allocated some budget to implement the LAPA identified activities starting from the current fiscal year.

63. Discussions with the LCPs revealed that, generally, they have been following the local government’s participatory planning process for endorsement of project’s activities and budget in local government’s annual programme and budget; and which are further approved by the National Project Steering Committee (NPSC). For regular project activities planning, review and coordination, the LCPs in Jumla and Mugu have formed local project support units (LPSUs) chaired by the respective RM chairperson, however, in Kalikot, the RM Chief Executive Officer chairs the LPSUs with respective chairpersons and deputy chairpersons participating as special invitees. According to the LCPs, this mechanism has been quite helpful to undertake quick decisions and implement the project timely with little objections from others. Further to this, the MTR team could observe LCPs working closely with the respective ward chairpersons and getting their assistance as and when required.

4.5 Outcome 1.2: Strengthened ownership and management of climate risk reduction activities and replication of lessons in key livelihood assets.

Indicator 11: Targeted institutions and community groups have increased capacity to reduce climate change risks in development practice

64. Targeted institutions, for the purpose of the CAFS-Karnali, refers to the institutions like rural municipalities, community forestry user groups, and user’s committees involved in the community infrastructure construction, such as drinking water, multiuse irrigation systems or rustic stores. The CSP-OMS measured the capacity to identify climate change risk, and then design, implement, and monitor programmes to respond to climatic risk including coordination, collaboration, and partnership with other institutions.
65. Table 4.7 shows the institutions participating in KIIs and reporting their perception on their capacity to respond to the climatic risks. Data in table shows that the proportion of targeted institutions reporting to have increased capacity to reduce climate change risks was highest among forest user groups (92.3%), followed by local governments and local groups (85.7% in both cases). These exclude Divisional Forest Office (DFO), Agriculture Development Office (ADO) and Partner Organizations because these are not the targeted institutions of the project. Overall, KII revealed that 73 percent have increased capacity to reduce climate change risks (49 out of 67).

Table 4.7: Capacity of the targeted institutions and community groups to address climate risks

Targeted institutions	Number of respondents	Number of respondents perceiving that capacity to address climatic risks		
		Increased	Similar	Decreased
Local government	14	12	2	-
Divisional forest office (DFO)	3	3	0	-
Agriculture Development Offices	3	3	0	-
Forest user groups	13	12	1	-
Local leaders/local groups	14	12	2	-
Women entrepreneurs	12	10	2	-
Cooperatives	5	3	2	-
Local cooperating partners	3	3	0	-
Total	67	58	9	-

Source: OMS, July 2021

66. Discussions with district-level divisional forest office and agriculture development offices during the field visit revealed that their capacity to reduce climate risks has increased in recent years, not because of their collaborations and engagement with the CAFS-Karnali and LCPs but due to the programme and activities, approved by their respective line ministries such as support to the small irrigation system, drip and sprinkler irrigation, special programme for food security, the establishment of high tech nursery. In the federal context, the project has no planned activities to engage the district agencies, as all the functions have been delegated to local governments, hence, all project activities are concentrated at local level, but sometimes district level government officials are invited as resource persons or experts.
67. At the local government level, agriculture and livestock service providers work under the respective rural municipality and administratively controlled by the CEO. Therefore, their inputs to the project are ensured but the Divisional Forest Offices being under the provincial jurisdiction (and province is not responsible for this project implementation), are not directly engaged and associated with the project operation although their input is sought in the form of experts as and when required. This has implications in both capacity building of and service provision from the local level forestry offices to the project, and for the replication of the project results now and post project period.
68. Although elected members of the RMs, line agency staff, leader farmers, have sufficiently understood the phenomena and have realized the consequences of climate change, large proportion of women and vulnerable communities still do not fully understand the climate change related risks and coping strategies, indicating that more time and effort is required to fully realize the complex phenomena of climate change and likely consequences.
69. The recent field visit also confirmed that all 7 RMs have prepared their respective Local Adaption Plan of Action (LAPA) through the good support of the CAFS-Karnali. They acknowledged project's contribution and showed commitments to implement them in the future.

4.6 Outcome 2.1: Diversification and Strengthening Livelihoods, Livelihood Assets, and Improved Access to Food for Climate Vulnerable Households

Indicator 12: Number of households with increased income (Annual average income)

70. According to the Annual Project Progress Reports submitted by the three LCPs working at seven RMs of three districts, the project has been able to increase income of 2,548 HHs as of December 2020. This is 23.5% of the targeted beneficiaries (Box 4.3).

Box 4.3: Number of HHs with Increased Income

- Jumla- 822 HHs
- Kalikot-990 HHs
- Mugu-1336

71. Number of HHs with increased income could also be substantiated by the fact, the proportion of HHs with stable and climate resilient income reported in BLS was 30.9 percent (193 out of 625 HHs), whereas such proportion of HHs has now increased to 74.5% (278 out of 337 HHs). This further confirms that the project has been effective to increase the number of HHs with increased average income.

72. A high contribution of the non-farm income to the total average income (Rs 149,451) also suggests the diversification of income generating activities and non-farm activities. Of the total income, non-farm income and farm income comprised NRs 124,963 (83.6%) and NRs 24,448 (16.4 %), respectively. Annex 4.14 presents share of farm income to total income of households by districts.

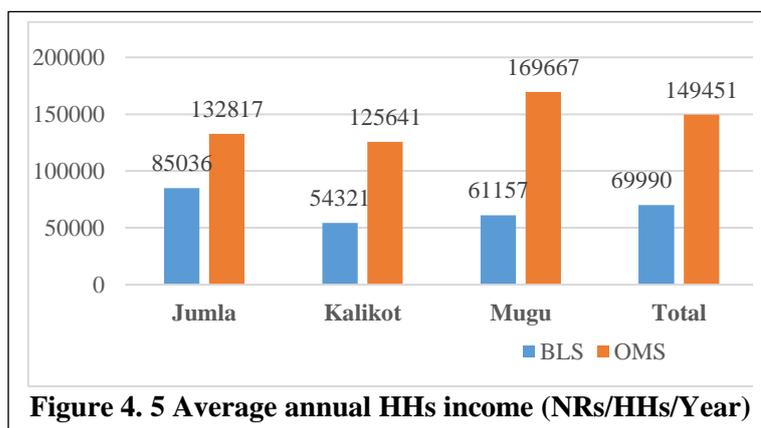


Figure 4. 5 Average annual HHs income (NRs/HHs/Year)

73. Despite the COVID pandemic, household income has increased substantially compared to the BLS from NRs 69,990 in the BLS to NRs 149,451 during OMS (see Figure 4.5).

74. According to the CSP-OMS report, of the total HHs surveyed from CAFS Karnali, 87.8 % HHs were under acceptable food consumption score (FCS)⁵, followed by the prevalence of the HHs with borderline food consumption score (12.2%). None of the HHs were having poor food consumption score. The study further reported that nearly 90% of the households have economic capacity to meet essential needs (ECMEN). Male headed and higher cast households were relatively better off in meeting the ECMEN compared to their counterparts. These two results show that annual income of a large majority of the target HHs have increased.

Indicator 13: Number of Women Led Enterprise

75. Updated data provided by the project through three LCPs reveals that the project had supported the establishment of 63 enterprises as of September 2021, out of which 53 (84%) have been completed and operating. Ten are under construction/preparations. Of the total enterprises, 46 (73 %) are led by women, 23% more than the target. Annex 4.15 presents details of enterprises by districts and the number of enterprises led by women.

76. This suggests that women in great numbers are taking part in the establishment and operation of the enterprises. These enterprises could enhance their livelihood security and add to the income from climate-resilient sources.

Indicator 14: Percentage decrease in Negative Coping Strategies

77. Experience has shown that when livelihoods are negatively affected by a stress /crisis/emergency, households may adopt various mechanisms which are not usually adopted in a normal day-to-day life to cope with reduced or declining access to food.

⁵ WFP’s corporate indicator for measuring food insecurity is the food consumption score (FCS) used to define categories of households (HH) with food insecurity. These categories include poor food consumption, borderline food consumption and acceptable food consumption.

78. In the OMS, respondent households were asked if anyone in their households had to engage in any of the nine negative coping strategies (Table 4.8) because there was not enough food or money to buy food during the past 30 days. Of nine strategies, as shown in the table below, the first four refer to the stress strategies, second three strategies refer to crisis strategies and the last three refer to the emergency strategy. Purposefully, this survey did not ask 10th emergency strategy, “begging” because of the remote data collection using telephone survey could be offensive to some respondents and decline to respond, further because this is a social taboo. Moreover, the last “begging” strategy is not common in Nepal, and legally not permitted⁶.

Table 4.8: Negative coping strategies characterized by nature of strategy

SN	Action/response/activity to respond to food shortage	Strategies
1	Sell household assets/goods	Stress
2	Purchase food on credit or borrowed food	
3	Spend savings	
4	Borrow money	
5	Sold productive assets such as (sewing machine, plough, ox, cart etc.)	Crisis
6	Consumed seed stocks that were to be held/saved for the next season	Crisis
7	Withdraw children from School	Crisis
8	Sell house or land	Emergency
9	Sell last female animals (female goat, female cow etc.)	Emergency
10	Begging	Emergency

79. The data reveals that nearly half of the households are following stress coping strategies such as purchasing food in credit, sale of household assets, spend saving and borrowing, whereas nearly two fourth of the HHs have not followed any negative coping strategies, revealing that the households had enough food or money to buy food during the past 30 day. The proportion of HHs following any negative strategies under crisis and emergency was low, at 1.5% and 1.8% respectively. This reveals that households coping capacity is relatively better off and can respond the challenges.

80. Figure 4.6 compares the OMS results with the BLS to examine changes in the coping strategies of the households. As seen from the data presented in the figure, the proportion of HHs with no need to adopt any coping strategies has increased by 11.9 %, and the proportion of HHs in other negative

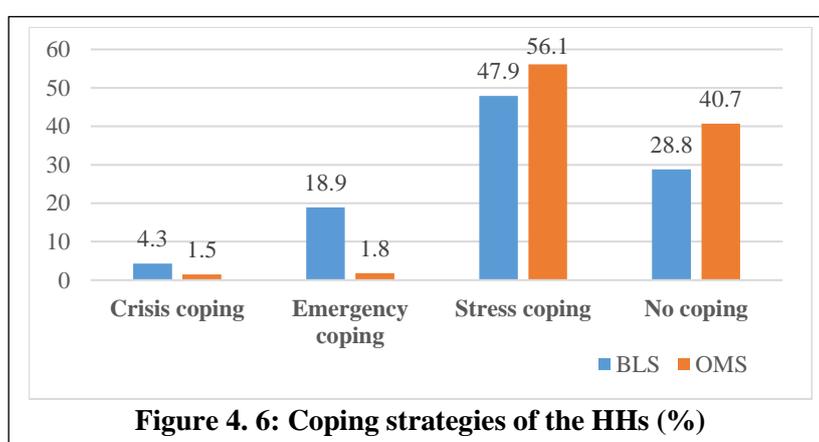


Figure 4. 6: Coping strategies of the HHs (%)

⁶ The **Begging** (Prohibition) Act, 1962 is a piece of **Nepalese** legislation. It was passed by Parliament on 11 April 1962 and prohibits people from **begging** or encouraging children who are under the age of 16 to **beg**. The **law** came into effect in 2018

strategies has been reduced by 17.1% and 2.8% in emergency coping and crisis coping, respectively.

81. The data shows a slight increase in the proportion of HHs in stress coping increased slightly from 47.9% to 56.1%, by 8.1 percent point.
82. The major stress coping strategy of the households include purchase of food on credit, spent saving and borrowed money, which occurred mostly due to the COVID pandemic. The seasonal migration to India and the urban centers of Nepal for employment the Karnali region people have been doing, has been disturbed and they have been forced to return to their places, but no work opportunities are available in their villages. This, in turn, has made them to seek loan to purchase food by borrowing money from the informal sources at a high interest rate.

4.7 Summary and Conclusions

83. The MTR found a positive trend for ten indicators and a negative trend for one indicator. In addition, the values for the three indicators having no baseline values show good progress. These include indicators such as women undertaking at least one adaptive measure for mitigating climate change impacts, number, and types of climate adaptation strategies identified and implemented at the local level, and percentage of women within the target population aware of predicted impacts. Overall, MTR reveals the performance of CAFS on track to the target, with project-end targets achieved for 10 out of 14 indicators (71%) by mid-term.
84. Out of four key result areas envisaged by the project, the project has already achieved targets in two and other two are on track to the targets, as shown below in Table 4.9 Annex 4.16 for detail analysis and summary by objectives, outcomes, targets and baseline and mid-term values and remarks.

Table 4.9: Summary of MTR results

SN	Result area	MTR results against project-end target	Reasons/remarks
1	80% of target population aware of predicted climate change impacts; and of appropriate responses, of which at least 40% are women	On track	The community sensitization, training/workshop and mass gathering related activities have been partially impacted by COVID-19 Pandemic
2	60% of target households have stable and climate resilient sources of income, of which at least 50% women are engaged in income generating ventures with improvement in food and income availability by 40%	Achieved	Implementation of productive and resilient community assets/infrastructure which led to increased agricultural production and productivity, livelihoods diversification through agribusiness, rural

SN	Result area	MTR results against project-end target	Reasons/remarks
			enterprises, and employment generation. BLS, which is supposed to set measurement criteria and guide the project for the implementation has not properly defined the climate resilient income.
3	50% of target households have improved access to water for agriculture and drinking water through Multi-Use systems (MUS) technology and they have access to forest products	Achieved	Data provide sufficient evidence to suggest increased resilience of natural systems support livelihoods
4	75% of target households report reduction in number and frequency of negative coping strategies	On-track	Partially impacted by COVID-19 Pandemic

5. IMPLEMENTATION ARRANGEMENTS, COORDINATION AND INTERGOVERNMENT COORDINATION

85. This chapter assesses the project's implementation arrangements and quality of implementation. The implementation arrangements contribute to the project's efficiency, effectiveness, impact, and sustainability.
86. The SOP includes most of the necessary provisions and requisites which will align the project implementation arrangements with the federal governance system stipulated by the Constitution of Nepal 2015.
87. A three-year delay in the project implementation, as discussed earlier, provided not only an opportunity for this project to align with the federal governance structure and adhere to the new institutional setup of the local governments, but also benefit from two major WFP CSP assumptions, namely (a) existence of a stable elected government body at national, provincial, and local level and (b) strong ownership and capacity of the government. Both the Ministry of Forest and Environment (MoFE) and rural municipalities (local governments) owned the project activities. To them, the project's performance and outcomes are highly satisfactory, however this was not deemed the same way by the Ministry of Industry, Tourism, Forest, and Environment (MoITFE) of the Provincial Government. The MoITFE assessed its performance mixed. This provincial-level ministry reiterated that it could minimally contribute to the project outcomes and show the presence in the project activities, except representation at the National Project Steering Committee (NPSC) chaired by the Secretary of the MoFE. Organizationally, the CAFS-Karnali is under the MoFE, the federal government, which is also the executing agency. The project has provided a high priority to the local governments. The role of the local governments is immense to this project, and the local governments have adequate say and control over the project activities. Therefore, the provincial government (MoITFE) showed the discontent with the project activities.
88. According to the SOP, project activities are prioritized and reflected in the annual work plan following the agreed planning process at the national and sub-national/local levels.

5.1 Implementation Modality and Structure

89. MoFE is the executing entity (EE), and WFP is a multilateral implementing entity (MIE) and co-executing entity. The overall responsibility for the coordination and implementation of the project components lies with MoFE, whereas WFP facilitates joint planning, supervision, M&E and provides overall oversight of all the activities.
90. A National Project Steering Committee (NPSC) has been established at the federal level under the Chairmanship of the Secretary of MoFE with representation from various agencies including the WFP, MoFAGA, MoALD, MoEWRI, MoF, NPC, etc. The NPSC has been providing the oversight of and policy guidelines for the project, approving Annual Workplans (AWP) and budget, and reviewing the progress and overall project coordination.

91. To support the NPSC, a project support unit (PSU) has been established at the MoFE. The PSU is headed by the Joint Secretary of the Climate Change Management Division of MoFE, who is designated as the Project Director. One of the key roles of the PSU is to coordinate with other ministries at the federal level and ensure national level and sub-national level coordination and collaboration with other GO and NGO bodies. Further to this, an Under-Secretary level officer has been assigned to the project as Programme Manager, who is responsible for coordinating with provincial and local level management structure and mechanisms for coordinated and coherent project implementation. PSU is also mandated to coordinate between donors and development partners working in the project area with same or complementary purpose.
92. At the provincial level, the Province Project Coordination Unit (PPCU) has been formed under the leadership of the secretary of the provincial Ministry of Industry, Tourism, Forest, and Environment (MoITFE) with representatives from other relevant ministries which, among others, include the Ministry of Land Management, Agriculture and Cooperatives (MoLMAC).
93. Likewise, at the rural municipality level, a Local Project Coordination Unit (LPCU) has been established to be led by the Chairperson or Chief Executive Officer of the concerned municipality. SOP prescribes the LPCU to (a) provide overall guidance for project planning and implementation, (b) ensure the multi-stakeholder engagement and (c) provide feedback to MoFE-PSU and WFP with regards to the project execution.
94. The roles and responsibilities of LPCU are crucial to the implementation of the project activities at the grassroots level. Major roles and responsibilities of LPCUs as described in the SOP are follows:
 - (a) Ensure the alignment and synergy of project activities with local-government's policies, priorities and plans and procedures.
 - (b) Endorse the project activities and recommend for inclusion into local-government's annual plan/programme.
 - (c) Conduct regular review, monitoring and coordination of project activities and integrated mobilization of resources from different sources.
 - (d) Coordinate and consult with local-level civil society organizations, private sector, community user groups, community-based organizations, indigenous and ethnic groups, and research and academic institutions etc, during project planning and implementation.
95. As stated in the United Nations Development Assistance Framework (2018-22), the UN Country Team in Nepal seeks to apply a multi-dimensional approach to managing disaster risks and climate change impact with a specific focus on building resilience from community levels through to Government systems. This further raises the importance of LPCU, PPCU and PSUs.
96. Besides instituting government agencies at three tiers of the Nepalese governance system (federal, provincial, and local levels) to manage, coordinate and oversee the implementation of the project activities, CAFS-Karnali follows a non-government organization (NGO)⁷ service delivery model to deliver the services at the grassroots

⁷ An NGO is a citizen-based, non-profit-making agency that operates independently of the government, established under the Associations Registration Act 1977. The World Bank classifies NGOs as either operational NGOs, primarily concerned with development projects, or advocacy NGOs, which are primarily concerned with promoting a cause. However, in Nepal, the differences between the two characterizations are often blurred. An NGO is often found operating in both the areas.

level. Table 5.1 shows the implementation structures/mechanisms at the three governance levels.

Table 5.1: Implementation Structure

SN	Government Level	Planning & Implementation		Coordination/ Monitoring	Cooperating Partner
		MoFE	WFP		
1	Federal/Central	PSU		NPSC chaired by MoFE Secretary	-
2	Provincial	-	Sub-Office	PPCU chaired by MoITFE Secretary	-
3	Local	-	Field Units	LPCU chaired by Chairperson/Chief Executive Officer	Jumla: RCDC Kalikot: HuRENDEC Mugu: RCDC

97. As seen from the above, all activities are carried out at selected wards of the 7 rural municipalities through local NGO partners with coordination and monitoring support provided by WFP field units. The success and the sustainability of the project results depend highly on the scale of initiatives (quality and quantity), efforts, and activities of the local cooperating partners (LCPs) and collaborations, synergy and mutual interrelationship between the local levels and cooperating partners, and multi-stakeholder engagement as appropriately envisaged by the project.

5.2 Financial Management

98. The project follows “on budget off treasury mechanism⁸” of the Government of Nepal to manage the grant provided by the Adaptation Fund. This on budget off treasury mechanism has provided adequate flexibility to the WFP, control the budget and expenditure system, and maintain financial discipline as well with necessary transparency, as per the agreement between AF, the agreement between WFP and MoFE and WFP and the approved Project Document.
99. Targeted beneficiaries have been receiving the costs (cash transfer) even for digging pits for planting fruits and forage saplings on the top of 100% subsidy on the saplings. Given that the project was implemented in some of the most poverty rampant areas and targeted severely vulnerable groups categorized by V1 and V2 groups, most notably during the COVID-19 infection period, the project required just engagement of the target groups, and they received cash transfer even for digging pits to plant fruit saplings on their orchards. This intervention process would be no doubt appreciated by the people. However, this has created the dependency of the beneficiaries that they started demanding labor costs via cash transfer even for the collection of stones and construction of the wall to protect plants from wild and domestic animals.

⁸ The system is called “on budget off treasury” when the project budget is reflected/shown in the Government of Nepal budget system (red book) annually as per government’s fiscal calendar, but the fund is not channelized through government’s treasury, in the case of this project, the grant provided by AF to WFP is managed by WFP for implementation of the project activities as per the agreement signed with AF and MoFE.

100. Discussions with the LG officials and LCPs revealed that the project's current financial management system is highly transparent and efficient. Payments to the workers (skilled and non-skilled labourers) are made directly through the respective Bank accounts of the workers/beneficiaries, not like the conventional method of paying through the user committees. This process was highly appreciated by the LG officials. However, they seemed reluctant to transfer or scale-up this system into their agencies by depicting several challenges such as listing of households, non-availability of bank accounts and other management difficulties including temporary nature of the user's committees formed by these agencies.
101. WFP procures non-food items/goods directly through its regular procurement system and delivers them at sites. Neither beneficiaries nor local government authorities and other stakeholders raised any issues regarding both, (a) mismanagement of the fund and (b) poor quality of the works (sub-standard). The team found all stakeholders highly satisfied with the quality of works and transparent financial management system, particularly labour payment in cash through Bank.
102. While the WFP has shouldered full responsibility for the public infrastructure development (PID) works, other costs for capacity development and enterprises development are carried out through the LCPs with direct and on-site communication, reporting, and monitoring by the WFP staff stationed at the respective districts. This arrangement has made the LCPs receive payments timely- no compromise to the quality and quantity of works. This on-site financial management has undoubtedly added costs to the WFP, but very effective and necessary when the project sites are remote with poor communication due to connectivity problems and where monitoring activities are challenging.

5.3 MTR Findings and Concerns

103. Three local cooperating partners (LCPs) recruited by the project are district-based and quite experienced in project implementation. Because of their good understanding of the local conditions, socio-economic situation, district geography, and access to the local government bodies and leaders, the project has achieved most of the results as envisaged by it.
104. The MTR team highly acknowledges LCPs' leadership and commitments to the project activities. Indeed, the project's performance would have been much better than what is at the current level provided that the project would not have encountered the third risk stated in the WFP-CSP, that is, "No natural disaster of large impact occurs.". The Project's activities have been impacted by the global COVID-19 pandemic. Yet, the LCPs have attempted to work amidst this pandemic, applying health safety measures and protocols instructed by GoN and in coordination with the local governments.
105. However, since the project was designed and approved prior to the introduction of federal system in late 2017, the project has been federally managed, hence, provincial government has only the coordinating role. Local governments, on the other hand, have been engaged actively in the implementation of the project as per the constitutional role and responsibility, whereas federal government (MoFE) has been engaged in oversight,

policy guidance and execution role. PPCU is supposed to coordinate between the three project districts and monitor project activities.

106. More communication, coordination, and participation with the MoITFE is required by the NPSU in project's planning and execution in the spirit of federal governance system.
107. The Local Project Coordination Units (LPCU) are led by RM Chairpersons in Jumla and Mugu districts whereas it is chaired by the RM Chief Executive Officer in Kalikot district with presence of Chairperson and vice-chairperson as special invitees, for the overall guidance for project planning, and implementation and multi-stakeholder engagement. No difference and implication have been observed due to this different practice in terms of chairing the PPCUs.

5.4 Summary and Conclusions

108. Both WFP and MoFE have demonstrated responsiveness to the federal governance system envisaged by the Constitution of Nepal. The project modified its operational modality substantially through MoFE-WFP agreement, inception workshop and SOP in line with federal set-up. However, since the project was designed and approved prior to the implementation of federal system in late 2017, the project is federally managed and MoFE is the official executing entity, hence, there is limited role of provincial government (MoITFE), whereas local governments have a primary role in implementation and monitoring of the project activities. The MoLMAC Karnali has produced several directives and guidelines (Box 5.1) for the activities which are being carried out by the Agriculture Development Sections of the three project districts, they can provide policy guidance to the CAFS-Karnali activities as well.

Box 5.1 Similarities between MoLMAC Guidelines and CAFS-Karnali Activities

1. High tech Nursery Work Procedures 2018
2. Repair and Maintenance of farm irrigation Work Procedures, 2018
3. Agriculture Pocket Area Directives 2018
4. Karnali Province, Organic Act 2019
5. Incentives for local level for organic production Work Procedures, 2018
6. Any many others

109. The project submits quarterly and annual reports to the MoFE. However, should these reports also be shared with other related ministries such as Ministry of Agriculture and Livestock Development (MoALD) and the Ministry of Federal Affairs and General Administration (MoFAGA) at the federal level, and with MoLMAC and MoITFE at the provincial level, and periodic LCPS' district reports in Nepali to the seven RMs, coordination could be further strengthened.
110. Despite the project would have been one of the model projects in Nepal to strengthen the relationship and interlink ages between the three levels of governments (federal, provincial, and local), with a key focus on measures towards climate change adaptation as envisaged by the SOP, the project outcomes and results are just appreciated by the MoFE and RMs, but minimally by the province level authorities at the province and

district levels. This may be the dissatisfaction of provincial government due to nature of their role and limited role provided to them in policy engagement and engagement in diplomatic affairs, international development assistance and with international organizations compared to federal government, and in activities execution compared to local governments. Therefore, to avoid possible duplications, achieve synergistic and greater impacts and sustainability of the project results, the MTR suggests the project (NPSU) to work closely with the provincial authorities as well, and engage related federal and provincial line agencies by sharing project reports and frequent interactions and meetings.

111. In terms of financial management, the project is efficient and transparent. Its direct payment to the workers/beneficiaries for their labour works through respective Bank Account (cash transfer) was highly appraised by all stakeholders- LGs, LCPs, and beneficiaries. The cash transfer via bank account has minimized the chances/opportunities for some to earn more at the cost of others who may qualify to work in the project but miss their chances due to the limited or no access to the LGs and LCPs. Likewise, when the wage labour is paid through Bank account, the double-counting of the household can be traced easily.

6. PROJECT PERFORMANCE REVIEW

112. This chapter provides a review of the project based on the five standard evaluation criteria: relevancy, effectiveness, efficiency, impact, and sustainability. Before assessing the project's performance based on these criteria, this section briefly looks into assumptions made during the preparation stage, particularly objectives and agreed upon indicators, against current conditions.
113. Given that different agencies have different requirements and indicators to evaluate the project, this report is fundamentally based on AFB Evaluation Framework (see Box 6.1)

Box 6.1: Expectations from the MTR

- **Relevance:** in relation to local and national sustainable development plans, priorities, and policies; poverty alleviation plans; national communications or adaptation programmes, and other relevant instruments; objectives of the Adaptation Fund.
- **Effectiveness:** the extent to which the intended outcome(s) has (have) been achieved or how likely it (they) will be achieved.
- **Efficiency:** a measurement of how economically the funds, expertise, time, etc. provided by the AF have been converted into results.
- **Impact:** the positive/negative and unforeseen changes to, and effects produced by, the project.

6.1 Assumptions

114. Table 6.1 below presents assumptions and risks identified by the project during the project development by project objectives and outcomes. After this, the following paras assess these assumptions, particularly objectives and agreed upon indicators, against current conditions.

Table 6.1: Project's Assumptions by Objectives and Outcomes

SN	Component/Areas	Assumptions/Risks
1	Objective 1: Strengthened local capacity to identify climate risks and design adaptive strategies	1. The community development priorities and adaptation priorities are easily combined to one plan
	Objective 2: Diversified livelihoods and strengthened food security for climate vulnerable poor in target areas	2. <i>Current and immediate climate risks do not undermine planned improvements in production</i>
2	Objective 3: Increased resilience of natural systems that support livelihoods to climate change induced stresses	3. Livelihood diversification efforts are complemented by markets and technology
3	Outcome 1: Climate vulnerable and food insecure poor actively participate developing climate risk reduction strategies and actions	4. All sections of community participate in identifying and designing risk reduction strategies

SN	Component/Areas	Assumptions/Risks
		<p>5. <i>The prioritizing of adaptation options is free of elitist bias but have concurrence of all groups in rural municipalities.</i>⁹</p> <p>6. Local governments recognize and prioritize climate risks as a development threat</p>
4	Outcome 2 Livelihoods are diversified and strengthened, and livelihood assets and access to food for climate vulnerable households are improved	<p>7. Asset creation and production increase will result in greater incomes</p> <p>8. Increased income will reduce the need to engage in uncertain livelihoods</p>

Source: Project/Proposal Document, May 2015.

115. Of those 8 assumptions and risks, number 2, and number 5 (statements in italics) are risks. These are valid and will need to be fully taken into consideration. Therefore, this section assesses the remaining six assumptions.
116. A review of the adaptation strategies, interventions, and enterprises implemented by the project reveal that the project assumptions underlying the combination of the community development and adaptation priorities is valid and likely to enhance the capacity of the target beneficiaries to adapt to the climate change. Irrigation system improvements, drinking water system development, seed banks, and rustic stores could be linked to community development and adaptation strategies. Local adaptation plan of actions (LAPAs) prepared recently prepared by all seven RMs supported by the project combine community development and adaptation strategies.
117. Beneficiaries increased demands for enhancing their access to the markets and support for livelihoods diversifications through varied types of enterprises endorses that the project's assumption is valid till today and will remain so in the future.
118. The project has successfully demonstrated that all sections of the community participate in identifying and designing risk reduction strategies. Following health and safety measures and COVID-19 protocols, communities continued their participation to identify and design risk reduction strategies.
119. Proactive support of the local governments to the project activities, participation in LPSUs and in drafting LAPA suggest that the local governments have given a high priority reduce climate risks.
120. Last but not least, the project has successfully raised the income of the target beneficiaries within a short period through asset building and operation of enterprises, despite the project has not been able to operate due to several hurdles fully. These hurdles, among others which were noted in the field, were (a) limited understanding of the local government officials regarding the spirit and the concerns of the federal system

⁹ VDCs changed to rural municipalities

of governance, which is indeed different from the unitary system of governance, and (b) the COVID-19 pandemic.

121. The assumptions of WFP-Country Strategic Plan (2019-23)¹⁰ (see Box 6.2) are also applicable to this project since it is one of the contributory projects¹¹ to its strategic outcome 3 (SO3), which states, “Vulnerable communities in remote food-insecure areas have improved food security and resilience to climate and other shocks by 2030.”. SO3 is designed to enable people in areas vulnerable to climate shocks to develop resilience to environmental change.

Box 6.2: CSP (2019-23) Assumptions

- (a) A stable elected government body at national, provincial, and local level exist.
- (b) Strong ownership and capacity of the government exist.
- (c) No natural disaster of large impact occurs

122. During the OMS in December 2020, stable elected government bodies existed at the national, provincial, and local levels. The project’s performance remained satisfactory. However, since mid-July 2021, the national government has been unstable, and a five-party coalition government has been formed by replacing a single-party government. It took nearly three months for the current government to expand and give a full shape to it.

123. Change in the federal level has impacted the provincial governments, and a new coalition has replaced Karnali Province Government. This necessitates the project (PSU) to reorient the province government and seek its further support. Its impact at the local level is not known but necessary to be vigilant.

6.2 Relevancy

124. The project was relevant in 2015 and is highly relevant in 2018 and 2021 as well, specifically considering SDGs, a universal call by the United Nations (UN) to end poverty, protect the planet and ensure that all people enjoy peace and prosperity, and Nepal’s commitment to it as a member of the UN, and National Climate Change Policy 2019.
125. While the 14th Plan embedded SDGs, these are being internalized and localized in the federal, provincial, and local development programmes as per the commitment of leaving no one behind in all dimensions of development under the current 15th Plan (2019/20-23/24). CAFS-Karnali activities are aligned with key SDGs (SDG 1, SDG 2, SDG 5, SDG 8, and SDG 13).
126. **Impact of climate change and food security conditions.** The impact of climate change is more concentrated and more evident at high altitudes than it is in the Mid-hills and the Tarai Districts. Karnali region falls under the mountain ecosystems which

¹⁰Nepal Country Strategic Plan 2019-23, Second Regular Session of Executive Board, 28-29 November 2018, Rome, Italy.

¹¹ In 2019, SO3 was achieved through four main interventions, namely (1) CAFS-Karnali, (2) the Rural Women Economic Empowerment (RWEE) programme, (3) the Post-Earthquake Access Infrastructure Rehabilitation (Purnima) and (4) the Build Back Better programme (Annual Country Report/WFP, 2019)

are susceptible to global warming¹². This region has a low population density and is remote. Some higher elevations of these districts are habitable only during the summer months. A vulnerability analysis conducted as part of the NAPA (National Adaptation Program of Action) formulation in 2010 had revealed that the region is highly exposed to changing temperature and precipitation and face the risk of both drought and landslides. The mountain systems are inherently prone to natural hazards and climate change has exacerbated their vulnerability; government's efforts have been inadequate.

127. Very appropriately, CAFS-Karnali has targeted the three most impoverished districts of mountain ecosystems in Nepal. Of the seven provinces established by the Constitution of Nepal 2015, Karnali has been experiencing the worst poverty and food security impacts of climate change over the years. No other province in Nepal has topographies as rugged, degraded, and diverse as Karnali province.
128. Karnali Province had the highest MPI (Multi-Dimensional Poverty Index) of all provinces in Nepal, at 0.230 in 2018. This is well above the national MPI of 0.127 (NPC 2018). The headcount ratio of multidimensional poverty in Karnali Province is 51.2%, meaning that more than half of the population of the province is multi-dimensionally poor. The intensity of poverty is 44.9%, which means that those identified as multidimensional poor are deprived, on average. According to the Human Development Report 2020, Karnali Province has the highest level of gender inequality. The situation rather than improving substantially, has worsened as indicated by MPI 2021.
129. Karnali province is the most food insecure province of Nepal with 24.1 percent of households consuming inadequate diet. Out of 10 districts forming Karnali province, the poverty, food insecurity and livelihoods conditions in Jumla, Kalikot and Mugu, are the worst. Successful implementation of the CAFS-Karnali would significantly contribute to achieve the SDG 2 targets.
130. Land, water, and forests are Karnali region's key natural resources. But the quality of land is poor, drought is a regular phenomenon, and the condition of the forests are being degraded due to mismanagement of community forests, unsustainable harvesting of forest products and NTFPs, peoples' habit of keeping many unproductive animals, over and rapid and unplanned increase in rural settlements, urbanization, and unplanned rural road construction. This project envisages to provide an opportunity for the impoverished and vulnerable peoples of the three targeted districts to build their own villages and improve their livelihoods and food security situation through timely, reliable, and quality services of the three districts based non-government organizations.
131. **Increased roles and responsibilities of alternative service providers.** Following the state restructuring after the enactment of new constitution of Nepal, everywhere in Nepal including Karnali Province, general complaints of the people have been the lack of technical support and services from the government service providers and looking forward to receiving timely and quality services from the alternative service providers. This, project, rather than attempting to work with and through the public sector service

¹² Sources: [CSA Profile Nepal.pdf- world bank.pdf](#); Climate Change Scenarios of Nepal, National Adaptation Plan, MoFE, 2019. ;

providers, has given a high priority to the alternative service providers, but also strengthen the capacity of the public service providers for sustainability and enhancing impact.

132. **Contribution to National Climate Change Policy 2019.** Consistent with the National Climate Change Policy, the project envisions improved livelihoods of the Karnali region people isolated from the adverse impacts of climate change. This project directly contributes to the following four of the seven objectives of the national climate change policy 2019:
- (a) To enhance climate change adaptation capacity of persons, families, groups, and communities vulnerable to, and at risk of, climate change.
 - (b) To build resilience of ecosystems that are at risk of adverse impacts of climate change.
 - (c) To promote green economy by adopting the concept of low carbon emission development.
 - (d) To mobilize national and international financial resources for climate change mitigation and adaptation in just manner.
133. Learnings and experiences from this project could also be helpful to support Government’s current initiatives towards the development of National Adaptation Plan (NAP) process. Likewise, its support to the formulation of Local Adaptation Plan of Action will help to ensure a stronger integration of local governments into the NAP process.

6.3 Effectiveness

134. As indicated earlier, the CAFS-Karnali has two components which are embedded in three objectives and two outcomes. Chapter 4 assessed the project targets and the achievements. Table 6.2 below summarizes the results. Instead of local, district and national capacity, the project is currently focused on local, province and national capacity development.

Table 6.2: Project target vs. results

Details	Mid-term progress	Remarks
Objective 1: Percentage target population aware of predicted climate change impacts; and of appropriate responses (2 Targets)	On-track	The community sensitization, training/workshop and mass gathering related activities have been partially impacted by COVID-19 Pandemic
Objective 2: Diversified livelihoods and strengthened food security for climate vulnerable poor in target areas (2 Targets)	Achieved	Suggested to operationally define climate resilient income, livelihood security etc following “SMART” principle
Objective 3: Increased resilience of natural systems that support livelihoods to	Achieved	Increasing resilience is a slow process and would require continuous efforts.

Details	Mid-term progress	Remarks
climate change induced stresses (5 Targets)		
Outcome 1.1: Climate vulnerable and food insecure poor actively participate in developing climate risk reduction strategies and Actions (1 Targets)	Achieved	Climate adaptation programmes/activities have been documented in the LAPAs which are endorsed by all RMs
Outcome 1.2: Strengthened ownership and management of climate risk reduction activities and replication of lessons in key livelihood assets (1 Targets)	On track	Project is carrying out environment and social screening based on WFP guidelines, local governments and community groups have increased capacity to reduce climate change risks in development practice and LAPA activities are started to be funded from local government's regular development programmes/annual budget.
Outcome 2.1: Diversification and Strengthening Livelihoods, Livelihood Assets, and Improved Access to Food for Climate Vulnerable Households	Two achieved and 1 not achieved	COVID-19 pandemic increased stress coping strategy

135. Based on the data presented in above table, the MTR rated the project effective and that most of the outcomes have been achieved. The OMS reports that 98.8% HHs are aware of climate change impacts and 96.1% HHs have adopted at least one adaptation measure. The project may need to emphasize on increasing the proportion of women aware of the negative impacts of climate change.
136. Apart from the above, MTR further commends the project for reaching 95.3% of the total target household. According to the recent data provided by the project, due to the demographic change (increased population, migration, and separation of HHs etc), the current actual number of HHs in the project area is 13,201 HHs (see Annex 6).
137. The MTR suggests defining beneficiaries since the project support and services are delivered to the beneficiaries by categorizing them into four groups- V 1, V2, V3, and V4¹³. The project inception report¹⁴ has estimated the beneficiaries by targeted rural municipalities and gender (male and female). However, the MTR suggests a few steps further down while defining the beneficiaries by vulnerable group V1, V2, V3, and V4 and ethnic groups/caste (Brahmin/Chhetri, Janajati, Dalits), household heads as well (male -headed and female- headed) in order that the project could reach beneficiaries following the SDG principle- leaving no one behind. This may facilitate LCPs the LCPs to channel project support accordingly, and for the project (PSU) to monitor.

¹³ V1, V2, V3, V4 refers to scale of vulnerability with one highly vulnerable to V4 to the least vulnerable.

¹⁴ Project Inception Report, October 2018, CAFS-Karnali.

138. Our review of the project documents, annual project completion reports, OMS and baseline reports, and discussions with key stakeholders during the field observations reveal that its activities are relevant, and assumptions are realistic, and results are convincing. The project has done most of the activities required at the entry-level, specifically productive assets creation, natural resource management and livelihoods diversification and enterprises development activities. However, it will need now to focus on those activities which will contribute to greater impact and sustainability of the project results in the future and address those shortcomings which have emerged recently due to some difficulties and weaknesses during the project implementation:
- (a) Sensitizing stakeholders to the impacts of climate change and adaptation options, which is an essential starting (entry) point for adaptation planning, but the mass gathering, and training activities have been limited due to the COVID pandemic, which can be gradually resumed depending on the evolving COVID situation.
 - (b) Extend support to internalize the LAPA and to mainstream budget in line with the LAPA and receive provincial and federal budgetary support (conditional grant) to implement the activities and interventions identified in the LAPA.
139. Review of the Project Progress Report (PPR) reveals that the project has been quite responsive to gender and social inclusion issues. Inclusion of the following three indicators has contributed to the following results as seen from the responses of the beneficiaries during the survey:
- (a) Number of women engaged in new income-generating ventures
 - (b) Percentage of women within target population aware of predicted impacts
 - (c) Number of enterprises led by women
140. The survey result revealed 95.7% of women respondents acknowledged support provided to them by the CAFS-Karnali.

6.4 Efficiency

141. This MTR rates the project efficient in terms of utilizing funds, expertise, and time for successfully reaching more than 95% target beneficiaries within less than a two-year period.
142. As per Annual Project Performance Report (APPR) 2019-2020 (October 2020), the amount of US\$ 2,796,431 is an accumulative expenditure amount. However, until the time of third APPR (October 2021), the project has spent additional fund. As per rough estimate of the budget expenditure, of the total amount spent so far by the project, nearly 52% (estimated at NPR 25,000 per HHs)¹⁵ have been directly received by beneficiaries through direct bank transfer for providing skilled and unskilled labour works.

6.5 Impact

143. Project locations suffer increasing drought, declining crop productivity and erratic rain/snowfall. Landslides in the steep slopes and floods in the riverbanks are

¹⁵ Estimated based on data available from Kalikot district (Unskilled labour payment NPR 17,012,852 (721 Persons))

pronounced and lack of or drying of water sources in the high mountains is common across all the seven Rural Municipalities (RM) of three project districts. Given that the project interventions are directed to respond such types of problems, the MTR views that, the impact of the project activities, in the future could be expected high, though it is too early to assess the impact in quantity and qualitative terms.

144. MTR Mission's visit to Bhitrikhola Multipurpose Irrigation Project Site in Ward 7 of Tila Rural Municipality, one of the highly successful irrigation projects, revealed that the beneficiaries of this project have begun to think of not only how to maximally utilize water and shift to agricultural commercialization from the subsistence farming, but also carry out other community development activities in order to remain united. They have understood that social cohesion and unity will help them to receive support from other agencies in the future. While the promotion of agricultural commercialization is an intended impact of the project, the inspiration for maintaining unity can be considered an unintended impact. Furthermore, many beneficiaries in the FGD recalled that earlier they lived with the worry that very soon they would be forced either to resettle elsewhere or observe their beautiful village ended by the landslide. Now, they are free of this fear. They were thankful to the CAFS-Karnali.
145. Climate change is a slow process. Results of any intervention for climate change adaptation are not visible within few years, and they can only indicate the likely future direction. As stated, it is too early to predict and realize the project's positive impact on climate adaptation and ecosystem resilience. Nevertheless, the project has indicated sufficient promises towards adaptation to climate change and building resilience of the most vulnerable communities and the ecosystem. Some of the evidence includes the possibility of increasing year-round production of food crops in additional hundreds of hectares of land through the community irrigation rehabilitation projects in the three districts, and bringing into the operation of micro-hydro projects initiated to construct through the collaborations of Alternative Energy Promotion Centre (AEPC) and the respective local governments. The micro-hydro projects initiated by the AEPC but remained incomplete have been rehabilitated through the project's small support. This activity further brought the project and LGs closer to each other.
146. Similarly, the project disseminated the necessary information on existing crops and livestock insurance including weather-index based insurance of apple fruit among the communities/farmers, sensitized the farmers/beneficiaries and facilitated the process for beneficiaries to access crop and livestock insurance schemes at various communities which has insured households from crop failure and livestock death; establishment of forest/fodder plantations (over 300,000 in total), management of community forests and plantation of over 70,000 saplings of apple in 525 HH in Mugu district have lasting and positive environmental impacts. The plants thus planted will, in the longer run, contribute to carbon sequestration, fruit production, and lead to employment and income generation. Construction of 22 water harvesting tanks in Mugu district has contributed to irrigating 307 ha farmland thereby increasing productivity of existing apple orchards. Likewise, construction of conservation ponds, source protection and supply of drinking water facilities at various other settlements in the project sites has contributed to water availability (122 taps), ground water recharge, protecting food production systems and reduce the risk of crop failure.

147. Production and use of renewable energy and distribution of ICSs has, in general, contributed to family health, education and enterprise operation in one hand and discouraged cutting of trees for lightening, cooking, heating thus contributed to forest conservation and reducing emission of GHGs.
148. Despite the project aimed to raise the massive awareness and enhance the capacity of the beneficiaries on climate change adaptation and related issues, and reach 10,850 targeted households, much remained to be done due to the COVID-19 pandemic. Yet, the beneficiaries have been sensitized by one or more activities to plan for the adaptation actions. While elected members of the RMs, line agency staff, leader farmers, have sufficiently understood the phenomena and have realized the consequences of climate change, large proportion of women and vulnerable communities still do not fully understand the climate change related risks and coping strategies indicating that more time and effort is required to fully realize the complex phenomena of climate change and likely consequences by all community members.
149. Learning from the current and past projects has been reflected in the LAPA documents of each RMs and all the RM chairpersons have expressed their commitment to implement the LAPA in their respective territories. It is anticipated that the project will continue efforts towards increased awareness and educate sectors of the community in need, and push for the successful implementation of the LAPA, prepared during the remaining life of the project, for greater impacts.

6.6 Sustainability

150. Among various activities initiated/conducted by the project, productive community assets creation related activities such as construction/maintenance of numerous irrigation canals (14 completed, 12 under construction); conservation ponds; drinking water supply; renewable energy production; construction of solar-powered community service centres (CSCs), construction of NTFP collection and primary processing centers; establishment of high tech nurseries; skills to produce forest and horticulture seedlings, establishment for forest plantations and apple orchards; skills developed through hands-on training; microenterprises established; are likely to be continue for an extended period of time after project completion as there is high level of cooperation and ownership among the beneficiaries and the local governments.
151. The MTR mission met with Chairmen and Chief Administrative Officers of the Soru RM of Mugu district, Hima and Tatopani RMs of Jumla district and Chairman of Pachal Jharna RM of Kalikot district and had a checklist-based interaction with them. The mission was highly impressed with the level of understanding, support and cooperation extended towards the project. RCDC in Mugu district was rewarded by the local government many times for its outstanding performance. In fact, all the chairmen we met expressed the views that the project has shared their burden and shouldered the responsibility of the local government to construct and rehabilitate PID related works. All RMs were prepared to share cost of heavy construction works such as irrigation, building construction, water storage etc. Pachal Jharna RM of Kalikot is prepared to contribute up to 25% of the total of 40 million Rupees for the completion of Tallo Kolthe irrigation project, a project of pride of the RM. The Chairman of the same RM Mr. Khadka Raj Sejuwal however also mentioned that the project like this must

continue for some more years to keep momentum and achieve a level where climate vulnerable communities and ecosystem build resilience.

152. Moreover, there is trust among local government and the project implementing partners, and no serious complains against project operation, irregularity on fiduciary matters, and quality of construction works were reported, indicating the smooth and quality implementation of the project in the target communities.
153. However, the project's approach such as payment of 100% for working labour, costs towards the construction of physical infrastructures without matching grant provision from other sources, particularly Rural Municipality, and high level of quality inputs service delivery from the LCPs but no contribution required from the beneficiary side may not sustain long and replicated elsewhere. Likewise, promotion of technologies such as high-tech nursery, promotion of Boer Goats in mountainous region, without limited or research backup may be difficult to scale-up. Hence, the project activities may be socially and environmentally sustainable but challenging from the financial dimension.
154. Project activities listed below will have a long-term effect and likely to be sustained by the local people in the future. However, its limited coordination and collaboration with district/provincial line agencies may reduce its wider replicability.
 - (a) Promotion of Climate-Smart Agriculture
 - (b) Construction/rehabilitation of irrigation facilities
 - (c) Establishment/use of MUS-which is directly related to the drought problem experienced by most of the respondents (66.89%)
 - (d) Support to rehabilitate micro-hydropower plants
 - (e) Construction, repair, and maintenance of the drinking water system.
 - (f) Water collection ponds
155. Since the project was designed and approved prior to the implementation of federal system in 2017 and the geographic locations of 22 Village Development Committees (VDCs) were finalized based on which activities, target beneficiaries and budget were planned. But those 22 VDCs have been merged into Rural Municipality including other VDCs hence the geography of each Rural Municipality has become wider. Due to resource constraints, the project could not cover the geography beyond the 22 VDCs, hence leaving some parts of the rural municipality without assistance. Therefore, the adaptation interventions and resilience level of the communities in project areas and other areas are different. The communities in project areas are more resilient but the communities in other locations need similar level of interventions to make the whole rural municipality resilient.

6.7 Summary and Conclusions

156. Table 6.6 below summarizes MTR assessment on the five standard evaluation criteria based on the evidence collated during the field visit and CSP-OMS study/CAFS-MTA results. The overall assessment of the MTR is that the project is progressing satisfactorily.

Table 6.6. Summary of MTR against five standard evaluation criteria

Evaluation Criteria	Mid-term Review Assessment	Remark
Relevancy	High	<ul style="list-style-type: none"> ○ SDGs, specifically SDG 1, SDG 2, 6, 8 and 13 align with CAFS-Karnali activities ○ Karnali province is the most food insecure province of Nepal ○ This project contributes to the following four of the seven objectives of the national climate change policy 2019
Effectiveness	Effective	<ul style="list-style-type: none"> ○ Most of the outcomes have been achieved ○ 64% of targets achieved ○ identified and implemented eleven different climate change adaptation strategies ○ Impact of COVID-19 outbreak observed
Efficiency	Efficient	<ul style="list-style-type: none"> ○ 95% target beneficiaries reached within less than a two-year period ○ With 52% expenditure, the project reached 95% beneficiaries ○ Outbreak of the COVID-19 pandemic has affected the project's efficiency
Impact	Likely	<ul style="list-style-type: none"> ○ Results of any intervention for climate change mitigation and adaptation are not visible within few years, and they can only indicate the likely future direction
Sustainability	Likely	<ul style="list-style-type: none"> ● Most of the PID related works are likely to be continue for an extended period after project completion ● High level of cooperation and ownership among the beneficiaries and the local governments

7. PRACTICES AND LESSONS LEARNED

157. Prior to providing a few but important recommendations, this last section presents best practices and lessons learned. These are drawn from the strengths and weaknesses of the project.

7.1 Best Practices

158. Best practices of this project, among others, contributing to its performance are given below:
- (a) Work opportunities (unskilled labour) provided to the target groups after careful and accountable vulnerability assessment
 - (b) Engagement of the rural municipality/local governments to provide final nod to the project activities, but the selection processes started from the ward level committee and direct beneficiaries
 - (c) Direct payment to the labourers through respective bank accounts and unique registration number provided to each HHs to avoid duplications
 - (d) WFP staff fielded at the headquarters of LCPs which provided an opportunity for day-to-day monitoring, reporting and coordination between WFP and LCP

7.2 Strengths

159. Major strengths of this project are as follows:
- (a) Work with and through the local government
 - (b) High quality construction works- no compromise to the quality
 - (c) Good public relations with local government and other stakeholders
 - (d) Initiatives to address climate related shocks and stresses, specially related to water scarcity
 - (e) Working with highly climatic vulnerable households
 - (f) Diversification of livelihoods opportunities- increased climate resilient income
 - (g) Financial flexibility of the project based on “on budget off treasury mechanism”
 - (h) Recruitment of district based, highly experienced, committed, and qualified local cooperating partners, i.e. mobilization of alternative service provider
 - (i) Stronger focus on climate risks (drought) with concomitant high investments in irrigation infrastructure (36 % of the total infrastructures supported by the project-completed and under-construction)

7.3 Weaknesses

- (a) The project was designed in 2013, approved in 2015 and implemented since 2019, and all the structures were envisioned to operate in the former political regime that doesn't fit well with the new federal structure
- (b) Delay in the formulation and implementation of LAPA, as the national LAPA framework was finalized only towards end of 2019
- (c) Partial coverage of targeted rural municipality areas due to resources constraints
- (d) Weak coordination with the provincial project coordination unit (PPCU) and province government, specifically MoITFE and MoLMAC and their district line agencies, as the project is federally managed.

7.4 Lessons Learned

160. Key lessons learned from the outcomes and implementation of CAFS-Karnali are depicted below based on the review of the CSP-OMS report, baseline survey report, and interactions/FGDs with key stakeholders of the project during the field visit, and more importantly, from the key findings and conclusions of this MTR:

- (a) The country adopted a federal constitution. However, its implementation could be challenging because changing behaviour and practices of the staff working previously under the previous unitary system of governance takes a long time. Therefore, innovative projects like CAFS-Karnali should introduce innovative mechanisms and processes to change their behaviour and practices, and work with the federal concept as prescribed in the Project SOP.
- (b) Instead of implementing PID-related works in parallel with capacity development, PID activities should be implemented in second stage (at least 3 to 4 months later after implementing social mobilization) focused on enhancing the complexities of climate change and adaptive practices.
- (c) Delivery of NFI directly by vendors has ensured the quality of the infrastructure, and transparency with efficient use of the resources.
- (d) Local governments may not contribute or provide a matching fund to the project works unless they are made to do so through an institutional mechanism. For sustainability and enhancing impact, receiving matching funds from the LGs is necessary. This will make them follow the Local Government Operation Act as well.
- (e) Project support units be based as close to the implementing site as possible, at least at the provincial headquarters in such a project, however, this project is federally managed, hence, the PSU is located within the MoFE at federal level.
- (f) The project has prioritized the small irrigation canals and multi-use water system (MUS) related community assets as the project areas are historically drought-prone and the problem has been compounded by changing climate and irregularity of rain and snow and the agriculture has been hampered due to lack of irrigation and timely precipitation. Hence, the promotion of irrigation-based multi-use water systems, and increased availability of water through construction of water harvesting/collection ponds, water source protection, water recharge ponds, etc have been proven effective to deal with the water scarcity and the situation of drying out of water sources impacting productive and domestic use, and to increase water use efficiency which has led to sustainable improvement in productivity and income of the local communities.
- (g) Crop and livestock insurance is an effective climate risk-mitigating measure. Climate vulnerable peoples would be motivated to buy appropriate packages when they find and observe that the insurance companies pay compensation/claims with no hurdles when claimed.

8. RECOMMENDATIONS

161. This section provides major recommendations to the WFP, MoFE, project/PSU, MoITFE and RMs, and to further implement the project effectively and enhance further prospects for its sustainability and impact in the future.

8.1 WFP

- (a) Work with the MoFE and NPSC to strengthen intergovernmental linkages and leverage resources and expertise of the province government agencies as well

8.2 MoFE

- (a) Explore possibility of provincial government's (MoITFE) meaningful engagement in project's planning and execution in the spirit of federal governance system. Learnings from the project implementation be discussed at the PSC meetings consider the possible matching funds for the sustainability of such initiatives.
- (b) Strengthen inter-governmental coordination and linkages

8.3 PSU

- (a) Make sure that PPCU meets regularly and report to the NPSC via PSU
- (b) Mobilize and use the PPCU in order that they could contribute positively to the project outcomes and results, and own and monitor the project activities and results, and scale-up in other similar projects in the province and later contribute to sustain good results and outcomes of the project.
- (c) Operationally define/specify key terminologies and concepts related to the projects such as given below
- Direct Beneficiaries/target beneficiary HHs
 - Climate resilient income
 - Indicators for measuring climate resilient adaptive capacity
 - Revise project result framework by reviewing the targets for some of the indicators which may not be achieved during the project period and those which have already been achieved
- (d) Produce and disseminate lessons learned document on climate adaptation based on CAFS-Karnali results/outcomes
- (e) Mobilize Division Forest Office (DFOs) to ensure local communities appropriately benefit project's support in managing forests, raising plantations, and promoting forest and NTFP based enterprises to build climate resiliency
- (f) Ensure that the three LCPs prepare and submit annual project completion report using the same format.

8.4 MoITFE

- (a) Make sure that PPCU meets regularly and review the project progress
- (b) Coordinate with the MoLMAC to integrate the experience and results of CAFS-Karnali to the programmes and projects implemented with its funding in Karnali province.
- (c) Assist the target municipalities to implement LAPA with conditional grant

- (d) Ensure formal involvement of grassroots level forestry and climate change line agencies at the implementation level, the LPCU

8.5 Target Rural Municipality

- (a) Select the projects for the annual planning and budgeting from the LAPA
- (b) Ensure that the projects are monitored as per LGOA 2017.
- (c) Explore the possibility of extending CAFS-Karnali project activities in other wards/geographic areas where the project has not covered currently.

ANNEXES

Annex 1.1: CAFS-Karnali Key Events and Dates

Key Events	Dates
1. Submission of Project Proposal to the Adaptation Fund Board (AFB)	August 2013
2. Agreement between AFB and WFP	April 2015
3. Approval of Project/Programme Proposal by the AFB	May 2015
4. Operational Agreement signed between the MoFE and the WFP	21 May 2018
5. Establishment of a National Project Steering Committee (NPSC)	September 2018
6. First Meeting of the NPSC	7 October 2018
7. Establishment of the Project Support Unit	October 2018
8. Inception Workshop	26 October 2018
9. Date of Project Implementation	26 October 2018
10. Field Level Agreement with the Local Cooperating Partner (Contract Date)	1 January 2020
11. Baseline Survey Report	August 2020
12. Mid-term Assessment	December 2020
13. Third Meeting-NPSC	26 February 2021

Annex 1.2: CAFS K result Indicators

Indicator	Project Target
Objective 1: Strengthened local capacity to identify climate risks and design adaptive strategies	
1. Percentage target population aware of predicted climate change impacts; and of appropriate responses	80% of all target households (respondents) display greater awareness on impacts and adaptive strategies
2. Percentage of women within target population aware of predicted impacts	More than 40% respondents are women
Objective 2: Diversified livelihoods and Strengthened Food Security for Climate Vulnerable Poor in Target Areas	
3. Percentage of households with stable and climate resilient income	At least 60% of target HHs report greater livelihood security
4. Number of women engaged in new income generating ventures	50% of new income avenues created are women based ¹
Objective 3: Increased resilience of natural systems that support livelihoods to climate change induced stresses	
5. Proportion of households with improved access to water for agriculture	50% of women surveyed report better access natural resources ¹ and 50% of women surveyed report better access natural resources
6. Proportion of households with improved access to water for drinking purpose	
7. Percent of households engaged in/benefitted from Multi-Use Systems (MUS) technology	
8. Percent of households have access to forest products in soil quality Status of forest resources	
9. Status of Forest Resources	
Outcome 1.1: Climate vulnerable and food insecure poor actively participate in developing climate risk reduction strategies and Actions	
10. No and type of climate adaptation strategies identified and implemented at local level	80% of target households have skills and knowledge to adopt adaptation strategies such as greater and more stable livelihood diversity, increased food storage and consumption, improved soil management, improved water management, post-harvest technologies, resistant crop varieties, knowledge of climate risk and adaptation strategies, responding to early warning and forecasting ¹
Outcome 1.2: Strengthened ownership and management of climate risk reduction activities and replication of lessons in key livelihood assets	

Indicator	Project Target
11. Targeted institutions and community groups have increased capacity to reduce climate change risks in development practice	Capacity for adaptive action planning, design, implementation, and monitoring developed of all types of mentioned institutions
	40% of the priority actions remaining by year 3 of the project are funded by regular development programme
Outcome 2.1: Diversification and Strengthening Livelihoods, Livelihood Assets, and Improved Access to Food for Climate Vulnerable Households	
12. Number of HHs with increased income	Target population report food and income availability improved by 40%
13. No of women-led enterprises established	At least 50% enterprises are led by women
14. Percentage decrease in negative coping strategies	75% of target households report reduction in number and frequency of negative coping strategies

Source: Project Proposal and PPR

Annex 3: CSP- Outcome Monitoring Survey Methodology

This study was undertaken using the remote data collection (RDC) technique since a traditional face-to-face survey was not possible due to the risks of spreading the COVID-19 pandemic.

Study Approach

The assessment adopted *a non-experimental design* drawing on both quantitative and qualitative data guided by WFP's corporate Monitoring, Review, and Evaluation Policy. The *non-experimental approaches* address the cause-and-effect questions by examining the situation before the intervention's implementation, i.e., the baseline scenario and the current situation¹⁶.

Methodology

A three-pronged approach was used to collect data and information for the indicators provided by the WFP based on the principle of "minimum monitoring requirement during COVID-19," which includes (1) review of secondary sources of data and information (2) telephonic interview with the sampled respondents and (3) key informant interviews with the key stakeholders of the candidate projects which included CAFS-Karnali, as well

(a) Review of the Secondary Data

The data and information related to the project were collected and provided by the project.

(b) Telephonic Interview

The quantitative data required for this study was collected from the using the RDC technique (telephonic survey). The sample size was estimated with an assumption of an anticipated rate of 50 percent, with a margin of error of 5 percent and a confidence level of 90 percent, assuming the infinite number of beneficiaries/populations. The number of samples required for the project was estimated at 271. Despite common telephonic survey problems such as connectivity, electricity, telephone sharing among household members, transfer of ownership to other persons, this study succeeded in interviewing a higher number of respondents than the required sample size. This had become possible because of repeated calls to the same persons and proactive follow-up and changing of strategies every day. The study surveyed a higher number of respondents than the required sample to ensure the completeness of the filled questionnaire and remove the outlier responses during the data analysis phase.

To ensure the credibility of the telephonic interview, the survey was carried out applying following three sequential steps to reach and interview the sampled beneficiaries:

Step 1: Verification of respondents

Step 2: Administrating survey

Step 3: Monitoring, mentoring and quality control

¹⁶ For details, Decentralized Evaluation Quality Assurance System: Technical Note on Evaluation Methodology; Version August 2016, WFP Office of Evaluation

The samples for this survey were selected randomly from the list of households, beneficiaries, and population with contact details provided by the WFP MEKM unit.

Sample Size and Selection of Respondents

The sampling population included those households or respondents who were the primary beneficiary of the WFP_CSP activities which included the project CAFS-Karnali as well, but the analysis was carried independently from the project to the project, so there was not any mismatch in the interview, data analysis and reporting.

Program	Province	Survey districts	Target group/ Beneficiary	Sampling Population
CAFS-Karnali	Karnali	Seven Rural Municipalities of Jumla, Kalikot, and Mugu districts	Poor food-insecure and vulnerable people, women household heads in target rural municipalities	Beneficiary household

Sample size estimation: This study used the most common sampling formula (given below) to determine the sample size for each of the three projects (MCHN, CAFS-Karnali, and Purnima) with an assumption of an anticipated rate of 50 percent, with a margin of error of 5 percent and confidence level of 90 percent assuming for the infinite number of the beneficiary,

$$n = \frac{Z^2 \times p \times (1 - p)}{e^2}$$

Where:

n = estimate sample size

Z = the normal variable (area of the standard normal curve under certain confidence limit at 90%) with

p = percentage or population benefited from the program (0.5)

e = margin of error (5%)

Based on the above assumptions, the study estimated the sample size for each project at 271. However, considering the possibilities of the non-responses, low connectivity, and the recalling rate in the remote telephonic interview, the study intended to call at least 435 persons from each project with the addition of 60.5% in each case to ensure interviewing at least 271 individuals successfully for each project. This number was determined based on 50% non-response rate¹⁷ and 10% recalling rate. Contrary to the initial assumption of 1305 calls, the survey successfully interviewed 973 persons but having spent 2928 calls, as shown below in the table 2 below:

Key informant interview

Besides interviewing randomly selected respondents, this study conducted key informant interview (KII) with the different categories of the respondents by activity/project (see table below), but again

¹⁷ The non-response rate in a telephone interview is often remarkably high. Most of the studies have reported a non-response rate between 10-80 %. A survey by the WFP that assessed the impact of the Covid-19 on food security in Nepal had reported an 85% non-response rate. However, estimating the number of respondents with a 50% non-response rate is the standard practice. Non-response rate might be low when interviewees/respondents clearly understand the subject (context of the study)

through the telephonic interview. The WFP MEKM unit provided the list of the key informants and their contact numbers. Despite network connectivity problems and the busy schedules of many key informants, interviewing them was comparatively easy, though repeated call attempts and follow-up were required. The KIIs focused on (a) awareness on WFP's projects and its roles and activities (b) key outcomes of the specified interventions (c) reasons for changed situation (d) issues and challenges (e) coordination and linkages with key stakeholders (f) impact of COVID-19 on the program and (g) areas for improvement. During the interview, some of the respondents recommended interviewing another person who was more knowledgeable about the project activities; hence, the respondent number was slightly higher than the targeted number. The study could not reach the required number in few cases since the respondent was unavailable during the survey period.

Number of key informants interviewed by project

SO Activity	Projects/ Activities	Respondent category	Target	Achieved
5	CAFS-Karnali	Local government representatives/official	14	14
		Government line agencies (agriculture, forest)	6	6
		Community leaders (Leaders of the asset building groups, user committees etc.)	14	13
		Community forest user groups' leader/member	14	14
		Women Entrepreneurs/ Enterprises	14	12
		Cooperatives	5	5
		Cooperating Partners	3	3
Sub-total			70	67

Data Analysis

The data were analyzed using simple descriptive statistics, such as number, mean, percentage as applicable. The results from the current survey, i.e. outcome monitoring survey (OMS) were compared with the baseline survey (BLS) of the (CSP) (as applicable) and possible reasons for the change situation were discussed. The OMS adopted WFP **Programme Compendium Indicators (2017-2021)** for the definition of the indicators, including collection and data analysis methods¹⁸.

The survey data were later disaggregated by the sex of the household head (male and female), by project districts and ethnicity/caste. The ethnicity is classified into three groups as follows:

- Brahmin, Chhetri Thakuri, and Sanyasi (BCTS): The mother tongue of these groups is the Nepali language.
- Janajati is that community which has its own mother tongue and traditional culture. This includes Newar, Magar, Gurung Rai, Limbu, Sherpa, Sunuwar, Bhote, etc
- Dalits: This includes Kami, Damai, Damai, Badi and Gaine

Table below presents the key characteristics of the respondents from each three different projects/activities (CAFs-Karnali, MCHN and Purnima).

¹⁸ 2017-021 Programme Indicator Compendium, revised corporate results framework, January 2019 Update, WF

2.4 Limitations

Although the study was undertaken with an understanding of several challenges and constraints of the RDC technique, specifically the telephone survey, this study comprises some limitations which could not be avoided:

- (a) Limited opportunities for cross-checks and triangulation, and follow-up questions to minimize the interview period.
- (b) Limited opportunities to validate findings and responses because of limited interactions with key project stakeholders, including project official.
- (c) The survey took more time than planned to safeguard the study/results from the responses of the wrong/bluff respondents who may have temporarily or permanently used the mobile of the persons to be interviewed (prospective respondent).
- (d) The survey required to change the sampling strategy every day from the fourth day onwards since the proportion of randomly sampled HHs was about to be exhausted and reaching the minimum sample size requirement seemed far from the earlier sampled respondents, due to the problems such as low connectivity, network problems and respondents not available in their residence.
- (e) While the survey succeeded in interviewing more than the required sample size, the distribution of the sample size proportionate to the number of beneficiaries by district, sex, or nature of interventions could not be maintained. The number of phone-picked up guided the number of respondents.
- (f) The survey questionnaire, specifically in CAFS, became unintentionally long due to many indicators. It is not possible to rule out the impact of long questions on this survey results.

Annex 4.1: Percent of HHs aware of at least one predicted climatic change and impact

Area	Number of households	Percent of households	
		Aware of at least one predicted climatic impact	Undertaking a-least one adaptive measure against the climatic impact
Total	337	98.8	96.1
District			
Kalikot	61	100.0	98.3
Mugu	164	98.2	96.3
Jumla	112	99.1	94.5
Household Head			
Male	308	99.0	96.4
Female	29	96.6	93.1
Ethnicity			
Dalit	63	100.0	100.0
BCTS	274	98.5	95.2

Source: OMS

Annex 4.2: New Income Generating Ventures promoted by Districts

SN	District	New Income Generating Venture	Total	%
1	Jumla	Sisno Processing enterprise (Nettle's processing)	15	1.8
2		Potato chips enterprise	29	3.3
3		Dale Chuk (Sea buckthorn) Processing Plant ¹⁹	3	0.4
4		Herbal tea enterprise	11	1.3
5		Apple processing enterprise	21	2.5
6		Bee keeping enterprise	1	0.1
7		Startup support for Radipakhi enterprise (Woolen Carpet)	5	0.6
8		Dhupi (<i>Juniperus spp.</i>) processing enterprise	9	1.1
Jumla district total			47	9.5
1	Kalikot	Enterprise/Commercial Vegetable Farming	303	36.5
2		Poultry Support	179	21.6
3		Rabbit Support	58	7.0
4		Solar Dryer and food processing equipment support	184	22.2
Kalikot District Total			724	87.2
5	Mugu	Bakery industry	7	0.8
6		Herbal tea processing	5	0.6
Mugu District Total			12	1.4
Total (Three districts)			830	100.0

Source: Computed from official records from CAFS-Karnali, 2020

¹⁹ A native wild bush (*Hippophae spp*) found in hillside regions of Nepal, from Mugu to Taplejung in Nepal

Annex 4.3: Women engaged in income generating ventures by districts

Respondent categories	Sample size (Number)	% of HHs reporting women engaged in IGAs	
		No of HHs reporting	%
Total	337	103	30.5
District			
Jumla	112	43	38.4
Kalikot	61	27	44.3
Mugu	164	33	20.1
Ethnicity	337	103	30.5
Dalit	63	16	25.4
BCTS	274	87	31.8

Annex 4.4: Proportion of Fully Irrigate Land to Total Land Area

Area	Survey HHs (No)	% of HHs with access to farm irrigation	% of farmland fully irrigated to total land area
Total	337	85.5	66.3
District			
Jumla	112	83.0	78.4
Kalikot	61	62.3	88.8
Mugu	164	95.7	58.3
Household Head			
Male	308	85.1	66.6
Female	29	89.7	63.0
Ethnicity			
Dalit	63	81.0	84.0
BCTS	274	86.5	64.2

Annex 4.5: Proportion of HHs with Access to Water for Agriculture

Area	Survey HHs (No)	% of HHs with access to water for agriculture	% of farmland fully irrigated to total land area owned by the HHs			
			Year-round irrigation	Seasonal	Un-irrigated	Total
Total	337	85.5	20.4	21.4	58.2	100.0
District						
Jumla	112	83.0	16.1	25.7	58.2	100.0
Kalikot	61	62.3	20.4	16.0	63.6	100.0
Mugu	164	95.7	23.7	19.6	56.8	100.0
Household Head						
Male	308	85.1	20.4	20.8	59.7	100.0
Female	29	89.7	19.5	21.4	58.2	100.0
Ethnicity						
Dalit	63	81.0	23.1	15.4	61.5	100.0
BCTS	274	86.5	20.0	22.3	57.7	100.0

Annex 4.6: Percentage of HHs with Access to Drinking Water

Area	Survey HHs (No)	% of HHs with access to water for drinking	Sources of drinking water			
			Piped water (private)	Piped water (public)	Unimproved sources	Total
Total	337	96.1	24.0	72.1	3.9	100.0
District						
Jumla	112	96.4	33.9	62.5	3.6	100.0
Kalikot	61	95.1	26.2	68.9	4.9	100.0
Mugu	164	96.3	16.5	79.9	3.7	100.0
Household Head						
Male	308	96.1	24.4	71.8	3.9	100.0
Female	29	96.6	20.7	75.9	3.4	100.0
Ethnicity						
Dalit	63	96.8	14.3	82.5	3.2	100.0
BCTS	274	96.0	26.3	69.7	4.0	100.0

Source: OMS

Annex 4.7: Proportion of HHs with Access to Drinking Water by Supporting Agency

SN	Supporting Agencies	Jumla (n=108)		Kalikot (n=58)		Mugu (n=158)		Overall (n=324)	
		No	%	No	%	No	%	No	%
1	WFP/CAFS-Karnali	12	11.1	5	8.6	22	13.9	39	12.0
2	Palika (Municipality	13	12.0	18	31.0	29	18.4	60	18.5
3	Other NGO/CBO	31	28.7	17	29.3	45	28.5	93	28.7
4	DWSO/Government	19	17.6	3	5.2	28	17.7	50	15.4
	Community initiative	33	30.6	15	25.9	34	21.5	82	25.3
	Total	108	100.0	58	100.0	158	100.0	324	100.0

Source: OMS

Annex 4.8: Proportion of HHs benefitted from MUS technology

Respondent categories	Sample size (Number)	Number of HHs benefiting from MUS technology	% of HHs benefitted from MUS technology
Total	337	38	11.3
District			
Jumla	112	6	5.5
Kalikot	61	10	16.4
Mugu	164	28	17.0
Household Head			
Male	308	31	10.1
Female	29	7	24.1
Ethnicity			
Dalit	63	6	9.5
BCTS	274	32	11.7

Source: Household survey, CASF-Karnali, 2020

Annex 4.9: Proportion of HHs with access to forest products

Respondent categories	Sample size (Number)	% of HHs with access to forest products	% of HHs collecting dead plants/dead leaves from the forests
Total	337	93.8	86.4
District			
Jumla	164	96.3	87.2
Kalikot	61	86.9	82.0
Mugu	112	93.8	87.5
Household Head			
Male	308	95.2	87.0
Female	29	93.4	79.3
Ethnicity			
Dalit	63	94.5	88.9
BCTS	274	86.2	85.8

Source: Household survey, CASF-Karnali, 2020

Annex 4.10 Access to Forest and Collection of Dead Plants/Debris/forages

Area	Number of households	% of HHs with access to forest	% of HHs collecting dead plants/forages
Total	337	93.8	86.4
District			
Jumla	164	96.3	87.2
Kalikot	61	86.9	82.0
Mugu	112	93.8	87.5
Gender of Household Head			
Male	308	95.2	87.0
Female	29	93.4	79.3
Ethnicity/Caste			
Dalits	63	94.5	88.9
BCTS	274	86.2	85.8

Source: OMS

Annex 4.11: Respondents' Perception on the Status of the Forest Cover

SN	District	Mid-term Assessment (n=337)			Baseline Survey (n=621)			Perception change, %		
		Respondents' Perceptions			Respondents' Perceptions			Improved	No change	Degraded
		Improved	No change	Degraded	Improv ed	No change	Degraded			
1	Jumla	40.2	34.1	25.6	18.1	10.	71.5	122.1	227.	-64.20
2	Kalikot	29.5	41.0	29.5	86.1	13.9	0.0	-65.7	195.0	-144.88
3	Mugu	38.4	50.9	10.7	42.5	41.0	16.5	-9.6	24.1	-35.15
	Overall	37.7	40.9	21.4	40.2	23.0	36.8	-6.2	77.8	-41.85

Source: OMS

Annex 4.12: Details of completed and under construction physical infrastructures in districts through CAFS

CAFS- Karnali												
Mid-term Review (August-October 2021)												
Table: Details of completed and under construction physical infrastructures in districts through CAFS												
SN	Sectors	Jumla			Kalikot			Mugu			Total no of infrastructures	
		Completed		Under Constructio	Completed		Under constructio	Completed		Under Constructio		
		No.	Expenditure (NPR) ('000)	No.	No.	Expenditure (NPR) ('000)	No.	No.	Expenditure (NPR) ('000)	No.	Completed	Under constructio
1	Irrigation	5	29483	1	1	8360	5	8	38,563	6	14	12
2	Irrigation pond/water harvesting tank	0	0	0	0	0	3	22	2,134	0	22	3
3	Rehabilitation of micro hydro project	1	2000	0	1	7290	0	1	2,223	2	3	2
4	Landslide control	1	3649	1	0	0	1	1	5,114	0	2	2
5	Drinking water	1	8405	1	1	9909	0	1	2,465	2	3	3
6	Rustic store	2	6402	1	1	3079	1	2	5,859	0	5	2
7	Nursery	0	0	1	2	3561	2	0	0	1	2	4
8	Water mill (local)	0	0	1	0	0	3	0	0	3	0	7
9	Trail	2	3503	1	0	0	0	0	0	0	2	1
10	Community service center	0	11791	3	0	0	2	1	15000	1	1	6
11	Apple Farming	0	0	0	0	0	0	15	17839	0	15	0
12	Citrus Farming	0	0	0	0	0	0	10	7861	0	10	0
13	Fodder Plantation	0	0	0	0	0	0	11	7742	0	11	0
14	NTFPs Collection Centre	0	0	0	0	0	0	2	5233	0	2	0
16	PBS/sweet potatoes Farming	0	0	0	0	0	0	6	1007	0	6	0
17	Others (seed bank, collection center, fencing, dipping tank)	2	5214	5	0	0	1	0	522	4	2	10
	overall total	14	70447	15	6	32199	18	80	111,562	19	100	52

Source: CAFS-Karnali Project Data provided to the MTR team

Annex 4.13: Number and type of climate adaptation strategies identified and implemented at local level

SN	Climate Change Adaptation Strategies	Purpose	Progress so far (December 2020)
1	Expansion and Promotion of improved cooking stoves (ICS)	Reduce use of firewood at the HHs level	217 ICS distributed in 7 Palikas (Jumla, Kalikot, Mugu)
2	Plantation of different fodder and fruit species along with the medicinal plants.	Increase vegetation cover (area under tree and support to generate income and employment opportunities from plantation)	More than 325,000 plants planted in all three districts. Generated short term employment opportunities to the community people
3	Building Physical and Natural Livelihood Assets.	Create short term employment opportunities to the climate change vulnerable community people to meet the food requirement during the agricultural lean seasons: July - August and January-March Minimize adverse consequences of the climate change and decrease pressure on nature resource (forests)	<ul style="list-style-type: none"> • 8 community infrastructures schemes such as Multi Use Water System (MUS) based irrigations canals have been completed. (1678 HH benefitted, irrigating 184 Ha of agricultural land). 5 community infrastructures related to MUS (3 irrigation canals and 136 water supply/taps) are under construction. • 122 drinking water taps have been completed in drought village of Kalikot district. • 22 water collection ponds have been constructed in Mugu. • 501 HHs benefitted by lightening their house as 52 KW electricity generated by rehabilitation of 2 Micro hydro project in rural villages of Jumla and Kalikot districts. • 2 retaining walls/gabion walls constructed in Jumla and Mugu. • 20 community infrastructures are under construction and 3254 HHs are expected to benefit from these infrastructures <p>A total of 3795 community people were provided with the short-term employment.)</p>
4	Distribution of solar dryers to community groups	Reducing the wastage and generate income (reduce climatic vulnerability)	535 community people benefitted from Jumla and Kalikot
5	Support on construction of improved/efficient water mills	Increase the efficiency of the traditional water mills resulting in increased energy output and saving time of the community people which can be used in more productive works	149 people benefitted from Kalikot and Mugu district

SN	Climate Change Adaptation Strategies	Purpose	Progress so far (December 2020)
6	NTFP/Agri-products/seed collection/storage facilities, rustic store construction project and introduction of Domestic Seed Preservation Bank by supporting metal bin/super grain plastic/neem-based insecticide	Establishment of NTFP building and Seed collection centers support to preserve the seeds, food crops and NTFPs produced locally and sale at high price, it also provides short term employment. Support of super grain bags, metal bins help to store the less quantity of seeds at the individual HHs for longer duration and maintaining the viability of the germinal seeds and decreasing the risk of less production)	2200 domestic seed storage bins distributed 10 storage facilities constructed in all three districts)
7	Support in the establishment of the different Agri enterprises and other locally available resource-based enterprises with training	Increase the capacity of the community people in livelihood activities to sustain their lives by generating income and reduce the seasonal migration	A 2087 community people are benefitted from different activities conducted in all three schools
8	Introduction of improved livestock management	Decrease the effects of the livestock in GHG emissions and improve the food security as the animal products are vastly used for consumption and other purposes like weaving in the targeted areas	392 community people of Jumla and Mugu were benefitted through different activities like breed improvement programme, livestock camps for vaccination, castration, treatment, etc. and training on preparation of mineral block, hay, and silage)
9	Introduction and expansion of risk transfer mechanism (Crops and Livestock insurance)	Proper management of crops and livestock through raising awareness among the farmers about the importance of insurance and reducing the risks due to climate induced threats	1000 community people made aware in Mugu about the crops and livestock insurance. Of these, 297 community people insured their crop and livestock in Jumla and Kalikot.
10	Establishment of municipal agricultural information centers linked to NARC and Agro meteorological stations	To deliver climate services and extension advice to farmers, equipped with audio-visual aides and graphic material to disseminate information from research and extension services down to the wards, and train the LG's staff to run the information management system	On-going
11	Development of LAPA	Identify most climate vulnerable settlements, prioritize adaptation plans and options, and implement them	LAPA formulation process is undergoing which includes preparation of LAPA at the 7 RMs. A total of 26 events of Local Adaption Plan of Action (LAPA) formulation at ward level including the sensitization and orientation workshops have been accomplished. In Mugu, they have completed 22 ward level consultation workshops.

(Source: CAFS/WFP, 2020)

Annex 4.14: Share of farm income to total income of households

Respondent categories	Total HHs income (NRs/HHs/year)				Farm income (NRs/HHs/year)				Ratio of farm to total income (%)			
	Average	Up to 0.5 ha	0.5 ha to 1 ha	1 to 2 ha	Average	Up to 0.5 ha	0.5 ha to 1 ha	1 to 2 ha	Average	Up to 0.5 ha	0.5 ha to 1 ha	1 to 2 ha
Total	149,450	119,282	178,471	245,096	24,510	13,717	34,445	60,294	16.4	11.5	19.3	24.6
District												
Jumla	132,817	116,958	169,619	116,117	22,180	14,269	39,691	15,792	16.7	12.2	23.4	13.6
Kalikot	125,641	115,476	147,607	285,700	12,062	8,545	14,318	145,707	9.6	7.4	9.7	51.0
Mugu	169,666	122,726	190,689	424,433	30,710	15,832	36,231	116,295	18.1	12.9	19.0	27.4
Household Head												
Male	149,460	118,192	176,857	250,014	24,661	12,883	35,195	62,003	16.5	10.9	19.9	24.8
Female	149,348	129,609	196,229	102,475	22,253	20,737	27,080	7,481	14.9	16.0	13.8	7.3
Ethnicity												
Dalit	134,304	111,830	191,115	497,000	9,401	8,611	12,996	-	7.0	7.7	6.8	0.0
BCTS	152,933	121,716	176,741	236,410	27,987	15,336	37,469	62,412	18.3	12.6	21.2	26.4

Source: CSP-OMS/CAFS- MTA Report, July 2020

Note: Farm income does not include agricultural products consumed by the households but includes income earned from the sale in the markets.

Annex 4.15: Number and Types of Enterprises in the Project Districts

SN	Name of Enterprises	Jumla			Women led	Kalikot			Women led	Mugu			Women led	Total			
		Distric total				Distric total				Distric total				0	UC	Total	Women led
		O	UC	Total		O	UC	Total		O	UC	Total					
1	Sisno Processing enterprise (Nettles pro	1	0	1	1	0	0	0	0	0	0	0	1	0	1	1	
2	Potato chips enterprise	3	1	4	3	0	0	0	0	0	0	0	3	1	4	3	
3	Dalechuk Processing Plant	1	0	1	0	0	0	0	0	0	0	0	1	0	1	0	
4	Herbal tea enterprise	1	2	3	1	0	0	0	0	1	0	1	2	2	4	1	
5	Apple processing enterprise	1	1	2	0	0	0	0	0	0	0	0	1	1	2	0	
6	Bee keeping enterprise	4	0	4	3	0	0	0	0	0	0	0	4	0	4	3	
7	Startup support for Radipakhi enterprise	0	4	4	3	0	0	0	0	0	0	0	0	4	4	3	
8	Dhatelo processing enterprise	0	1	1	0	0	0	0	0	0	0	0	0	1	1	0	
9	Nigalo Processing	1	1	2	0	0	0	0	0	0	0	0	1	1	2	0	
10	Enterprise/Commercial Vegetable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
a	Onion	0	0	0	0	2	0	2	14	2	0	2	2	4	0	4	16
b	Potato	0	0	0	0	2	0	2		2	0	2	2	4	0	4	2
c	Pea	0	0	0	0	2	0	2		0	0	0	0	2	0	2	0
d	Tomato	0	0	0	0	2	0	2		0	0	0	0	2	0	2	0
e	Garlic	0	0	0	0	2	0	2		0	0	0	0	2	0	2	0
f	Green Cool Vegetables	0	0	0	0	2	0	2		0	0	0	0	2	0	2	0
g	Mushroom	0	0	0	0	2	0	2		0	0	0	0	2	0	2	0
h	Spinach, Suis chart, broad leaf musturd, radish, carrot	0	0	0	0	0	0	0	0	2	0	2	2	2	0	2	2
i	Cabbage, cauli flower tomato	0	0	0	0	0	0	0	0	2	0	2	2	2	0	2	2
j	Chilly farming	0	0	0	0	2	0	2	2	0	0	0	2	0	2	2	
k	Ginger and Turmeric and fruit farming	0	0	0	0	2	0	2	2	0	0	0	2	0	2	2	

SN	Name of Enterprises	Jumla			Kalikot			Mugu			Total						
		Distric total		Women led	Distric total		Women led	Distric total		Women led							
		O	UC		Total	O		UC	Total		O	UC	Total	O	UC	Total	Women led
11	Poultry Support/farming	0	0	0	0	2	0	2	2	0	0	0	0	2	0	2	2
12	Rabbit keeping	0	0	0	0	2	0	2	2	0	0	0	0	2	0	2	2
13	Solar Dryer and food processing equipment support (nettle powder, apple slice and potato chips from each	0	0	0	0	3	0	3	3	0	0	0	0	3	0	3	3
14	Custom Hiring center	0	0	0	0	2	0	2	1	0	0	0	0	2	0	2	1
15	Allo Processing Technology support	0	0	0	0	1	0	1	1	0	0	0	0	1	0	1	1
16	Bakery industry	0	0	0	0	0	0	0	0	1	0	1	0	1	0	1	0
17	Fresh House industry	0	0	0	0	0	0	0	0	2	0	2	0	2	0	2	0
18	Bamboo related industry	0	0	0	0	0	0	0	0	1	0	1	0	1	0	1	0
	Total	12	10	22	11	28	0	28	27	13	0	13	8	53	10	63	46

Source: Project Data Bases/Record Provided to the MTR Team

O- Operating

UC-Under Construction

Women led includes only from among the operating enterprises.

Annex 4.16: Project's MTR Values against Target and Baseline Values

Indicator	Target for project end	Baseline value/result	MTR value/result	MTR Comment	Remark
Objective 1: Strengthened local capacity to identify climate risks and design adaptive strategies					
1. Percentage target population aware of predicted climate change impacts; and of appropriate responses	80% of all target households (respondents demonstrate greater awareness on impacts and adaptive strategies)	70.2%	96.1%	Measurement process needs to be defined (yes/no responses do not provide reality on the ground). Hence suggested to measure the indicators differently based on 5 key criteria.	Measurement process changes may result in different figures.
2. Percentage of women within target population aware of predicted impacts	More than 40% are women		27% (MTR assessment from OMS survey data)	Not achieved because 13.6% of the respondents were in OMS whereas the target required at least 40% women respondents	
Objective 2: Diversified livelihoods and Strengthened Food Security for Climate Vulnerable Poor in Target Areas					
1. Percentage of households with stable and climate resilient income	At least 60% of target HHs report greater livelihood security	30.9%	69.1%	Achieved	Suggest defining climate resilient income and

Indicator	Target for project end	Baseline value/result	MTR value/result	MTR Comment	Remark
		Average climate resilient income-NRs. 46,208	Average climate resilient income-NRs. 56,044		meaning of greater livelihood security.
2. Number of women engaged in new income generating ventures	50% of new income avenues created are women based	63	30.5%	Indicator and target do not match with each other	Project on right track, the project has provided a high priority to women.
Objective 3: Increased resilience of natural systems that support livelihoods to climate change induced stresses					
3. Proportion of households with improved access to water for agriculture	At least 50% of the target households report better and greater access to natural resources,	36.2%	85.5% of beneficiary HHs	Achieved	Project on right track. However, proportion of women respondent in the CSP-OMS/CAFS-MTA was 13.6% only
4. Proportion of households with improved access to water for drinking purpose	50% of women surveyed report better access natural resources	97.0	96.4	Achieved	Project on right track
5. Percent of households engaged in/benefitted from Multi-Use Systems (MUS) technology		3.2	11.3%	Achieved	Project on right track
6. Percent of households have access to forest products in soil quality Status of forest resources		62.8	93.8	Achieved	
7. Status of Forest Resources		Improved- 40.2 Similar- 23.0 Degraded- 36.8	Improved- 37.7 Similar- 40.9 Degraded- 21.4	Mixed result	Project on right track
Outcome 1.1: Climate vulnerable and food insecure poor actively participate in developing climate risk reduction strategies and Actions					
8. No and type of climate adaptation strategies identified and implemented at local level		Only a small proportion of the respondents (in most cases less	11 strategies have been identified and are under	Achieved	Implementation of LAPA in the years to come will show the results.

Indicator	Target for project end	Baseline value/result	MTR value/result	MTR Comment	Remark
		than 20%) were able to identify adaptation strategies for them. Moreover, only a few of such strategies (in most cases less than 10%) were implemented.	implementation at different levels All 7 target RMs have developed and approved LAPA.		
Outcome 1.2: Strengthened ownership and management of climate risk reduction activities and replication of lessons in key livelihood assets					
9. Targeted institutions and community groups have increased capacity to reduce climate change risks in development practice	Capacity for adaptive action planning, design, implementation, and monitoring developed of all types of mentioned institutions	NA	87% reported to have improved their capacity.	<ul style="list-style-type: none"> • Achieved, but all activities are funded by the project till to date, • LGs view this project as one of integrated rural development project focused on physical infrastructure development. 	There is a strong need to reorient the LGs regarding the objectives of the project, and contribute project activities through matching fund, irrespective of capacity development or infrastructure development.
	40% of the priority actions remaining by year 3 of the project are funded by regular development programme	NA	All activities are funded by the project/till to date no contribution from the LGs		
Outcome 2.1: Diversification and Strengthening Livelihoods, Livelihood Assets, and Improved Access to Food for Climate Vulnerable Households					
10. Number of HHs with increased income	Target population report food and	(a) Average annual	(a) Average annual income- 124,963 (an	• Achieved , 87.8 % HHs fall under acceptable food	Impact of COVID_19 on food security is observed, but peoples' economic

Indicator	Target for project end	Baseline value/result	MTR value/result	MTR Comment	Remark
	income availability improved by 40%;	income- NRs. 69.900 (b) Proportion of HHs in borderline FCS-9.7 (c) Acceptable FCS-90.3 (d) HHs meeting ECMRN- 62.6%	increase of. 113%. (b) Proportion of HHs in borderline FCS- 12.2 (c) Acceptable FCS-87.8	consumption category. • Nearly 90% of the households have economic capacity to meet essential needs (ECMEN).	capacity to meet essential needs has increased by 26.7%
11. No of women-led enterprises established	At least 50% enterprises are led by women	25	46 out of 63 enterprises established as of September 2021	Achieved	
12. Percentage decrease in negative coping strategies	75% of target households report reduction in number and frequency of negative coping strategies	Crisis- 4.3%	Crisis- 1.5%	Not achieved. Overall, 11.1 % of target HHs reported reduction in number and frequency of negative coping strategy.	Increased stress coping strategy is due to the COVID-19 pandemic which is slowly getting improved with the decline in COVID cases.
		Emergency- 18,9%	Emergency-1.8%		
		Stress Coping- 47.9	Stress Coping-56.9		

Annex 6: Details of Project Beneficiaries

District	Rural Municipality	Service Wards	Project Target	Beneficiaries	
				Actual after demographic changes in project areas	Achieved HHs
Jumla	1. Tila	1,2,6,7,8, 9	2660	3526	2607
	2. Tatopani	7 and 8			
	3. Hima	6 and 7			
Kalikot	4. Palata	1 to 9	4140	2922	2421
	5. Pachaljharana	3 to 9		2101	1741
Mugu	6. Soru	1-5 8-11	4050	1873	1626
	7. Khatyad	1-5, 7,8, 10 and 11		2779	1947
Total (7- RM)		43 Wards	10,850	13201	10,342